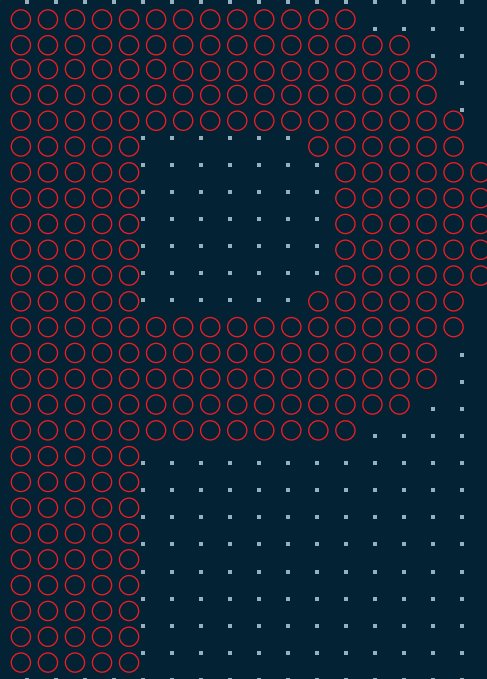


# P: PASSION PAYS

ALPHAGEO (INDIA) LIMITED  
ANNUAL REPORT 2013/14



AS YOU DIG **D E E P** . . .

<b>14</b>	Corporate identity	<b>16</b>	Highlights, 2013-14	<b>18</b>	Financial progression	<b>20</b>	Chairman's statement
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## PASSION

WHAT IS THE REAL ALPHAGEO?

WHAT DRIVES US? WHAT IS THE COMPANY THAT WE WANT TO BE?

HOW DO WE EXPECT TO KEEP EXCITING OUR STAKEHOLDERS?

RATHER THAN PRODUCE A REPORT THAT MIGHT CAUSE OUR SHAREHOLDERS TO DOZE OFF, WE DECIDED TO TELL YOU A SIMPLE, YET INTERESTING STORY, OF WHERE WE COME FROM, WHERE WE STAND AND WHERE WE EXPECT TO GO.

THE STORY OF THE PASSION THAT WE BRING TO OUR BUSINESS.



## ALPHAGEO.

*SMALL COMPANY BUT ONE OF THE MOST ENTHUSIASTIC.*

*TECHNICAL BUSINESS BUT RUN WITH A SERVICE MINDSET.*

*INVESTED WITH PROFESSIONALISM, BUT DRIVEN BY PASSION.*

THIS IS EVIDENT IN OUR 2013-14 PERFORMANCE. EVEN AS THE SECTORAL SENTIMENT REVIVED, WE POSTED A 438% REVENUE IMPROVEMENT FROM WITHIN INDIA AND 300% INCREASE IN REVENUES GLOBALLY, COUPLED WITH A BOTTOMLINE TURNAROUND FROM ₹(9.95) CRORE TO ₹11.26 CRORE FOR OUR INDIAN OPERATIONS AND FROM ₹(10.70) CRORE TO ₹26.47 CRORE FOR OUR GLOBAL OPERATIONS.

PASSION. MAKES ALL THE DIFFERENCE.



WHAT MATTERS IS HOW MUCH KNOWLEDGE WE POSSESS.

CUSTOMER VALUE  
ASSET UTILISATION

MARKET

COERCE

AT ALPHAGEO, WE ARE DRIVEN BY THE PASSION TO BE THE BEST.

# AT THE VERY OUTSET, IT IS IMPORTANT TO EXPLAIN THAT WE ARE NOT DRIVEN BY THE PASSION TO BE THE BIGGEST IN OUR SPACE.

Convinced that if we get there, then 'biggest' will be relatively easy.

Which is why if you have been following us over the years, we have desisted from making fancy revenue projections. Resisted the temptation to say how big we are. Or how many people we have on our books.

It doesn't matter.

What matters is how much knowledge we possess.

How much of that knowledge translates into customer value.

How much of that value resulted in increasing business from the geographies of our presence. How much of that business enhances our asset utilisation. How much of that asset utilisation trickles to our margins. And how much of those margins influence our market capitalisation.

Simpler.

AT ALPHAGEO, WE ARE MOTIVATED BY THE DESIRE TO TREAD CHALLENGES.

## WORKING ON PROJECTS THAT CAN BE EASILY TURNED AROUND WITH SPEED IS NOT EXACTLY BUSINESS-STRENGTHENING.

There are two ways of conducting business.

One, working only on projects that can be easily turned around with speed. Two, take on a healthy proportion of demanding projects that challenge our thinking.

At Alphageo, it would have been easy selecting to work on easy projects. Because all you then need to do is work on more of such projects, report good revenues and enhance organisational liquidity.

At Alphageo, we selected to be different. We enjoy working in challenging terrains. We desire to work with demanding customers. Because our focus is not on piling the numbers; it is pushing our knowledge frontier.

The word has got around. Our customers know that the more difficult it gets, the more they can depend on Alphageo. So after more than two decades of being in business, when it comes to challenging terrains, customers generally know who to trust. Our brand, as described by our various customers, comprises interesting words and phrases: 'Gamechangers', 'Dependable', 'Driven', 'Solution providers', 'They know their job' and 'They take the customer's business ahead'.

Which explains why when our customers decide to engage in new projects or increase their capital expenditure, they re-engage with Alphageo, strengthening our revenue predictability.











AT ALPHAGEO, WE ARE FOCUSED ON EXPANDING OUR FOOTPRINT.

## AFTER BEING A COMFORTABLE FISH IN A MEDIUM-SIZED LAKE ENJOYING ATTRACTIVE VISIBILITY, WE FINALLY SAID 'ENOUGH!'

India has been good to us.

This is a market where we grew our knowledge, business and revenues.

After more than two decades of honing our competence in this country, we finally recognised that the time had come to widen our footprint.

So during 2010-11, we made the bid leap. We extended our operations from India to Georgia and then in 2012-13 to Myanmar; from one country we were now in multiple countries.

This is how the year turned out for us: we received approvals for undertaking seismic surveys in three blocks (of seven offered) in Myanmar; securing 100% of the business we bid for in this country.

We completed three Myanmar projects in 2013-14, projects from this country accounted for 55% of our Group revenues during the year under review; our customers were pleased with our delivery.

Our wide exposure to diverse operating terrains in India prepared us for Myanmar in a manner that we hit the ground running – completed projects, attractive revenues and repeat projects in the very first year. Providing us with the confidence to grow our global footprint and emerge as a global service provider.

	2012-13	2013-14
Myanmar revenue as a proportion of consolidated revenue	66%	55%

AT ALPHAGEO, WE ARE COMMITTED TO DELIVER AGAINST ALL ODDS.

## ANY GOOD COMPANY WILL FOCUS ON DELIVERING PROJECTS ON SCHEDULE. AT ALPHAGEO, WE HAVE NO INTEREST IN DOING SO. WE WOULD RATHER FINISH *AHEAD*.

In our business, we analyse the subterranean realities of where hydrocarbon deposits may be present so that our customers can make informed drilling decisions.

In a business where the customer's large capital expenditure is dependant on how fast we can complete our survey and analysis, the focus is clearly on managing all our variables so that we may eliminate every single possibility of a time over-run.

With one difference.

Most service providers in our place would have been absolutely delighted delivering on schedule. We are different; we would rather surprise the customer by delivering before our deadline.

During 2013-14, the Group completed the project in Mizoram and projects in Myanmar ahead of scheduled completion dates.

Making it possible for us to prepone revenues, reduce costs, deploy our assets elsewhere and reinforce our recall among customers as a dependable service provider.







AT ALPHAGEO, WE ARE RESOLVED ON MAKING OUR OPERATIONS SAFE.

# AT ALPHAGEO, WE NEED TO TAKE BUSINESS RISKS AND YET KEEP OUR BUSINESS SAFE. THE AMAZING THING IS WE HAVE ACTUALLY DONE BOTH.

In the business of seismic services where one needs to make a controlled use of explosives, a big development is the rising standard of environment compliance and safety.

Service providers need to minimise terrain displacement and any impact arising out of the use of dynamite as a source. The better we become at this, the quicker we can complete projects and more effectively deliver a customer solution.

Over the last two years, we have reinforced this capability through a ₹38.45 crore investment in cutting-edge technologies. The results: the Company's efforts – quality data compilation and analysis -- was validated by global clients Petronas, Istech and Myanmar regulatory agencies; the Company reported more than 900,000 person-hours without a major mishap or accident generating respect from global oil and gas players.

So even as we were for long an India-focused service provider,

our standards were clearly global. Even as our focus was on delivering a precise analysis of subterranean realities, our objective was to provide a solution that was safest for all stakeholders.

AT ALPHAGEO, WE ARE UNLIKE ANY CONVENTIONAL BUSINESS.

## AT ALPHAGEO, WE ARE DRIVEN BY THE IDEAL OF A SMALL BALANCE SHEET, RICH P&L ACCOUNT AND GROWING MARKET CAP – EVERYTHING MOST ANALYSTS THINK IS VIRTUALLY IMPOSSIBLE.

We are unlike a conventional manufacturing business with a principal part of its capital employed in immovable fixed asset. On the contrary, we are a prudent combination of mobile assets (crews) on the one hand and analytic capabilities on the other, making us relatively asset-light.

Over the good years, we have demonstrated that it is possible to report a high business return, attractive margins and low gearing. Besides, we have proved that during difficult business periods marked by low order inflows, we can protect our Balance Sheet; we can report a large and immediate swing back in margins (PBT 25% in 2013-14 – standalone) and profits (cash profit of ₹15.85 crore, 2013-14 – standalone) during sectoral rebounds.

One of attractive features of our Balance Sheet is the relatively low debt. We invested ₹13.73 crore in new crews funded through supplier credit in 2012-13; we liquidated a relatively significant part during 2013-14 and expect to liquidate a remaining part in 2014-15 through accruals, reverting us to a near-net zero debt position all over again.

At Alphageo, we believe that the combination of growing revenues, high margins and low gearing should translate into enhanced value for our shareholders over the foreseeable future.





**A NUMBER OF THINGS MAKE ALPHAGEO (INDIA) LIMITED DIFFERENT.**

***A COMBINATION OF ASSET CUM SERVICE.***

***A COMBINATION OF EQUIPMENT AND KNOWLEDGE.***

**THE RESULT IS THAT ALPHAGEO IS INDIA'S LARGEST ONLAND INTEGRATED SEISMIC SERVICES PLAYER IN THE PRIVATE SECTOR.**

**WITH A RICH EXPERIENCE ACROSS 90 COMPLETED PROJECTS OVER MORE THAN TWO DECADES, TRANSLATING INTO A GROWING PRESENCE IN MULTIPLE COUNTRIES.**

#### 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 leader to provide high quality and 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 provide excellence in all that we do, and through this, create value for all our stakeholders

#### Services

Experience of 24 years in seismic services

Provides 2D and 3D seismic and related services (seismic data acquisition, processing and interpretation) for the oil and gas sector.

**24**

Experience in seismic services

**15,000**

Channel count  
(March 31, 2014)

**75+**

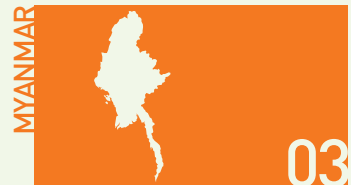
Team size  
(March 31, 2014)



### Presence

Headquartered in Hyderabad, India  
Shares listed on the Bombay and National Stock Exchanges in India

International operations through a wholly-owned subsidiary Alphageo International Limited in Dubai (UAE) and a wholly-owned step down subsidiary Alphageo DMCC in Dubai (UAE)



24

Clients  
(March 31, 2014)

90

Completed  
projects

10,429

Enterprise value (₹ Lakh)  
(March 31, 2014)



# WHAT WE ACHIEVED IN MYANMAR, 2013-14

➤ The US\$10 million Petronas project addressed by Alphageo was among the three largest (by value) in its history.



**3**

The number of blocks across which the Company is working in Myanmar (out of seven offered)

**1**

The number of Indian seismic survey companies to be engaged in Myanmar

**2**

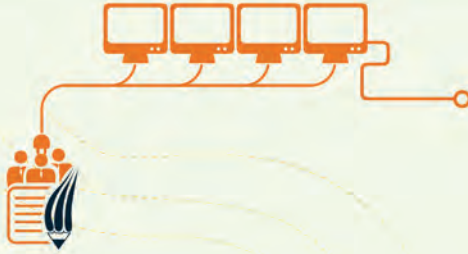
The number of global brands (Petronas and Istech) addressed by Alphageo

**11.58**

The cumulative value of projects addressed by Alphageo (US\$, million)

**1600+**

GLK covered under by the various Myanmar projects



## 2013-14 IN RETROSPECT *GLOBAL*

- Completed two projects in Myanmar – for Petronas and Istech
- Added one crew

**300**

Growth in  
revenues over  
2012-13 (%)

**1212**

Growth in net cash  
from operations  
over 2012-13 (%)

## 2013-14 IN RETROSPECT *INDIAN OPERATIONS*

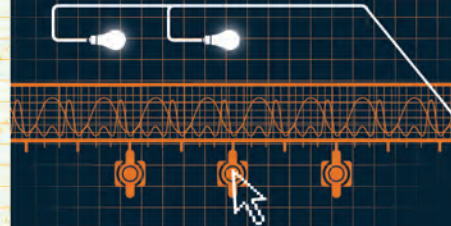
- Received two projects in India
- Received an extension for the existing 3D SEIS Loop Seismic Data Acquisition project from Oil India
- Warrants issued to promoters were converted into equity; the promoter's stake in the Company increased to 40.44% as on March 31, 2014.

**438**

Growth in  
revenues over  
2012-13 (%)

**54**

Growth in net cash  
from operations  
over 2012-13 (%)

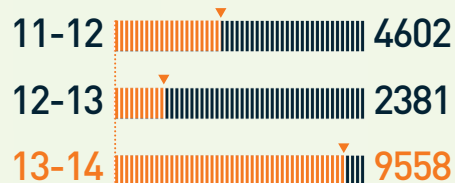




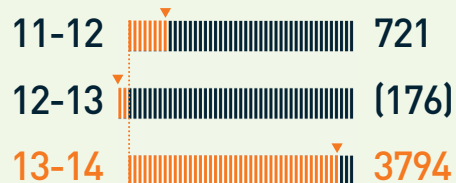
# FINANCIAL PROGRESSION

## GLOBAL

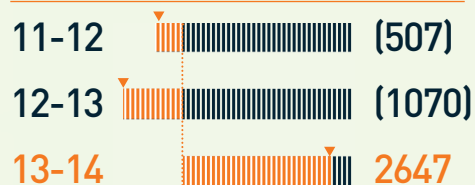
Total income (₹ in lakh)



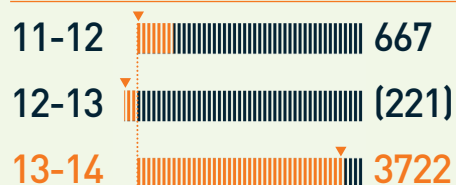
EBIDTA (₹ in lakh)



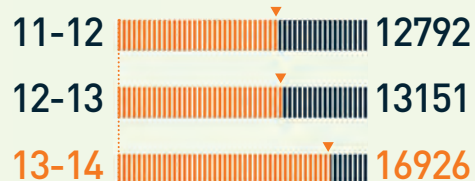
Post-tax profit/(loss) (₹ in lakh)



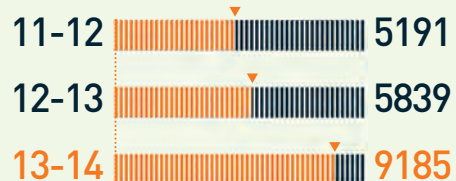
Cash profit (₹ in lakh)



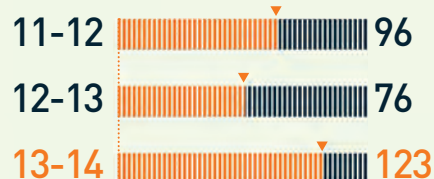
Gross block (₹ in lakh)



Capital employed (₹ in lakh)



Book value per share (₹)

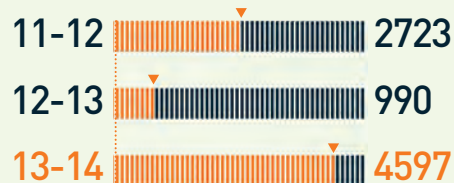




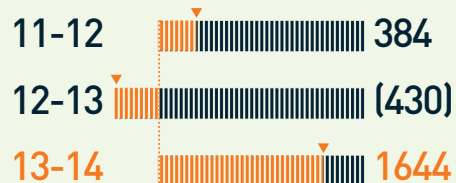
# FINANCIAL PROGRESSION

## INDIAN OPERATIONS

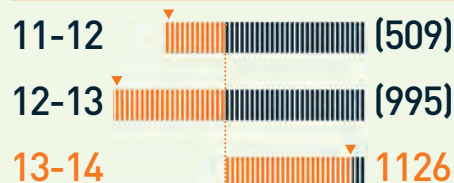
Total income (₹ in lakh)



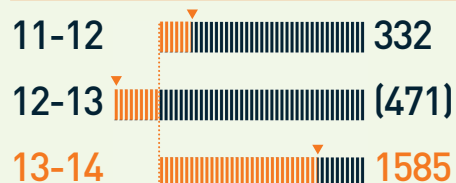
EBIDTA (₹ in lakh)



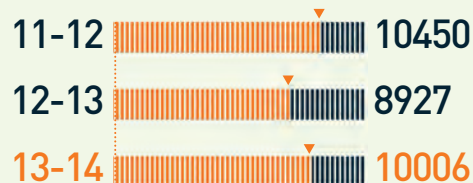
Post-tax profit/(loss) (₹ in lakh)



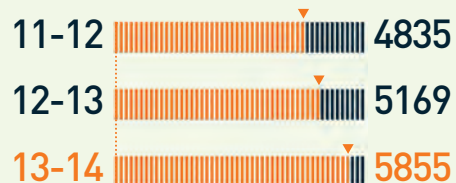
Cash profit (₹ in lakh)



Gross block (₹ in lakh)



Capital employed (₹ in lakh)



Book value per share (₹)



## 10 MINUTES WITH THE CHAIRMAN

# “EVEN AS OUR TASK IS UPHILL, WE ARE EXCITED ABOUT OUR PROSPECTS THE CURRENT YEAR.”

### Dear shareholders,

I am happy to state that Alphageo returned to the black in 2013-14 with a consolidated net profit of ₹26.47 crore compared with a net loss in each of the previous three years.

There is but one reason – passion – for this dramatic turnaround. We achieved something that we had not seriously focused on in earlier years. The Company extended from working in Indian terrains to the global, taking its first steps towards evolving its personality from the national to the international.

### Going global

At Alphageo, it was imperative to extend from India to the global for some good reasons.

Even as India is a large potential market for our business of seismic surveys, the market virtually ground to a halt over the last few years on account of procedural government delays.

This was ironical; even as the global oil prices, one of the biggest trickle-down drivers of our business, remained buoyant, the kind of orders that this inspired within India was poor. So even as some of the largest oil industry giants within India reported handsome cash flows, which should have promoted considerably larger drilling spends, generating in turn seismic survey spending, the reverse was true. The result was that an established player like us suffered from a decline in order inflow leading to losses for three successive years.

At Alphageo, this scenario prompted that we de-risk our business by extending outside India. Our priority was to leverage our rich understanding of diverse Indian terrains and extend to contiguous geographies with growing investments in hydrocarbon discoveries. The result was that we bid for contracts within Myanmar and during the year

under review, we completed key projects in that country.

I am pleased to state that our global operations proved rewarding. We achieved what we had set out to do: work for prominent customers, engage in challenging projects and deliver ahead of schedule. The combination of all three was strategically deliberate; we recognised that prominent customers have a pipeline of projects needing seismic analysis; in a country like Myanmar a number of these projects could be logistically challenging; by delivering ahead of schedule we not only helped our customers embark on their project segments faster but created a distinctive recall.

Myanmar offers attractive prospects within the oil and gas sector. Myanmar Oil and Gas Enterprise and the Ministry of Energy offered 30 offshore blocks for bidding in April 2013, for which it received 30 formal

proposals; 18 were awarded, indicating not only the size of that market over the coming months but the government's seriousness in enhancing oil security.

Even as there was intense competition at the bidding stage, I am happy to state that Alphageo emerged as the only Indian seismic services provider to be awarded seismic survey contracts in three of seven blocks in the first round. These contracts were awarded by large global brands like Petronas and Istech. What is creditable is that we completed one project on schedule and the other before time; besides, our clients appreciated the quality of our quality, which raises the prospect of being attractively positioned to carve out more projects from that growing geography.

I am also pleased that by the virtue of extending to the global arena, we added an important business driver even as the contribution from the domestic market to the overall revenues increased from 34% to 45%. We expect that by growing our international revenues even further, we will be able to progressively de-risk our company from a geographic concentration in revenues even

further, strengthening our year-to-year sustainability.

#### **The domestic landscape**

I am also optimistic that following the end of 2013-14, the Indian scenario turned significantly for the better. During the 2014 elections, India provided a clear non-coalition mandate to the new government to embark on bold decisions, removing policy bottlenecks, accelerating investments and kick starting the country's economic resurgence.

I am optimistic that the stated objective to catalyse investments and containing the twin deficits (current and fiscal) will catalyse initiatives to draw investments into the country's oil and gas sector, translating into downstream opportunities for companies like ours. The reality is that a sizeable proportion of the oil blocks offered under NELP VIII and IX are yet to be explored. Further, there are 46 blocks offered under NELP X (January 2014) where work is expected to begin in 12-18 months. A number of blocks of these blocks are in Gujarat where we possess a rich terrain understanding.

#### **Going ahead**

At Alphageo, I am excited about our prospects due to an

improving business environment in the geographies of our presence and the fact that we strengthened our brand among existing customers.

Having gone global, the objective will now be to grow our presence in Africa. This is a relevant geography; recent discoveries of oil and gas reserves in Kenya, Uganda, Tanzania and Mozambique have attracted exploration giants to that continent. For instance, Kenya offered seven blocks for exploration from 46 newly discovered oil blocks; besides, the country enjoys enormous natural gas potential as well, which will be increasingly addressed through its Ministry of Energy and Petroleum.

#### **Message to shareholders**

At Alphageo, we are optimistic of our prospects due to our widening geographic presence, growing exploration investments being made by our existing customers and an order book (as on 31 March 2014) of about ₹3,200 lakh. These realities inspire the optimism of a better performance in the coming years, translating into superior value in the hands of those who hold shares in our Company.

**Z P Marshall**  
*Chairman*



# “WE HAVE ENTERED A PRICING UP-CYCLE THAT SHOULD TRANSLATE INTO HIGHER EARNINGS AND SHAREHOLDER VALUE OVER THE FORESEEABLE FUTURE.”

- DINESH ALLA, **MANAGING DIRECTOR**

## **Were you pleased with the Company’s working during the year under review?**

Absolutely. We were pleased to have reported a sharp rebound in our performance – losses for three consecutive years followed by peak revenues in 2013-14, which translated into a significant rebound in our profits. This improvement was the result of some strategic initiatives: the timely entry into international geographies; the successful completion of overseas contracts which resulted in 55% of our revenues being sourced from outside

India; the fact that we worked on four locations simultaneously (which we had done just once before) and that even our India operations rebounded with attractive revenues and profits. The irony is that even as everything went wrong within our sector (and hence company) for three consecutive years, everything went right starting 2013-14.

## **What was the big take-home during the year under review?**

The biggest take-home was a realisation of our capabilities.

We successfully managed international logistics to be able to position ourselves at the right time to deliver outside India; we successfully benchmarked our HSE deliverables in line with demanding international standards; we demonstrated our competence to work with large international clients like Petronas and Istech; we didn’t just complete projects for these clients but delivered ahead or on schedule, which is an index of our organisational maturity.

### **How did the Company perform on the margins front?**

What was satisfying is that we could deliver in line with our erstwhile profitability levels. For instance, the reported EBIDTA indicates that the sector has gone back to earlier pricing levels. During the year under review the fact that we protected our brand to be able to get remunerative contracts. Most importantly, customers recognised the criticality of timely deliveries so were remunerate for merit and capability as opposed to selecting the vendor with the lowest bid. We were increasingly selective about what orders we bid for and what we skipped, requiring all projects to generate a specific return in line with the terrain complexity and deliverables. Besides, we bid selectively, procured additional equipment (crew) which was put on stream without much gestation, procured this equipment against a suppliers credit and we expect to repay credit from our 2013-14 and 2014-15 earnings to keep us zero-debt as we go along. From a customer's perspective, this strategy was vindicated; we completed two projects ahead of schedule and one of these enjoyed an extension from Oil India (since completed).

### **What makes you optimistic from a sectoral perspective?**

There are a number of reasons for the optimism, starting with the new Central government in India, which is sending out the right signals to the industrial sector in terms of clearing the orders backlog and reviving delayed projects. ONGC, the largest E&P spender in India, is increasing its spending though committed work programmes and I see that following years of a sustained level in oil realisations, a number of oil majors are stepping up their spending. By the virtue of having widened our geographic presence from India, we are attractively placed to capture the sectoral rebound across regions and countries.

### **What provides you with optimism from a corporate perspective?**

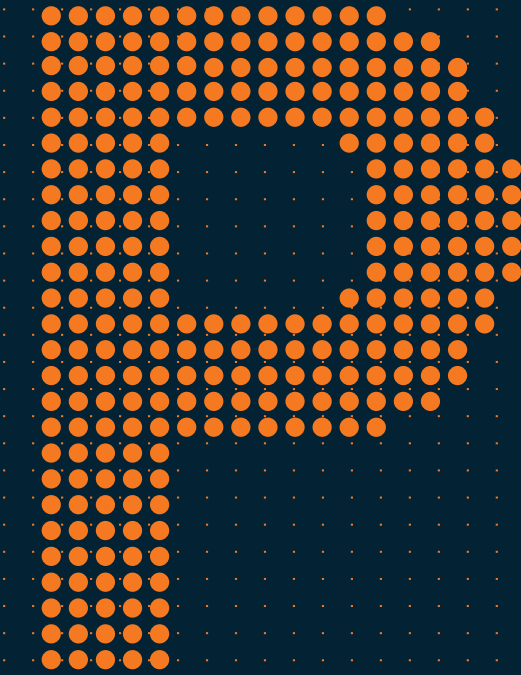
There are a number of corporate strengths that we expect to leverage: we have protected the integrity of our Balance Sheet despite going through an extended trough; of the five crews that we own, two are less than 18 months old; we possess a low cost structure capable of delivering challenging assignments; we possess a multi-terrain experience that makes it possible to deliver challenging projects on

schedule; we have an employee base comprising professionals from diverse nationalities and competencies; we have become almost zero-debt again even after increased capital expenditure.

### **What is the principal message that you wish to convey to shareholders?**

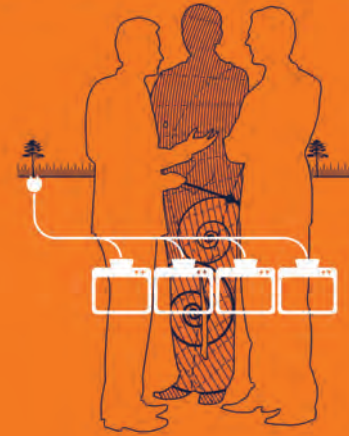
I would like to communicate that we are not like a conventional manufacturing business with predictable quarter-on-quarter increments; we are a service-driven organisation with lumpy revenues in specific quarters; we have entered a pricing up-cycle within our business that we expect should translate into higher earnings and shareholder value over the foreseeable future.





➤ In the backdrop of a subdued economic and business environment, it has become important for a corporate to provide a narrative, which showcases its passion to sustain its growth in good times and bad, which provides complete, fair and balanced information of business and its prospects, which empowers shareholders to make an informed decision to remain invested – a review titled **Management Discussion and Analysis**.





## Economic overview

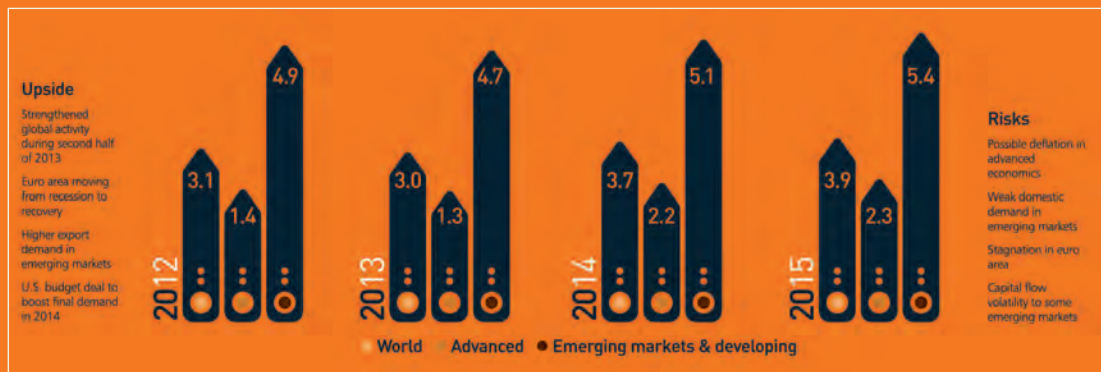
**Global:** The world economy reported subdued growth of 3% in 2013 against 3.1% in 2012 primarily due to the continuing economic volatility in the first half of the year. While most of the developed economies continued to address the challenge of taking appropriate fiscal policy actions in the aftermath of the financial crisis, a number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new domestic and international headwinds during the period. Global trade

has broadly strengthened and is expected to improve further in 2014–15, with much of the impetus coming from advanced economies. Inflation in these economies, however, has undershot projections, reflecting still-large output gaps and recent commodity price declines. Growth in many emerging market economies declined on the back of a less than favourable external financial environment. However, they continue to contribute more than two-thirds of global growth and are expected to be lifted by stronger exports to advanced economies. Looking

ahead, global growth is projected to strengthen to 3.6% in 2014 and 3.9% in 2015.

**India:** India's economic growth rate in 2013-14 of 4.7% was only marginally higher than the previous year mainly on the back of an improved performance in the agriculture and allied sectors. India took substantive measures to narrow external and fiscal imbalances, tighten monetary policy, move forward on structural reforms and address market volatility. This reduced its vulnerability to shocks, ensured that the current account deficit contracted and the fiscal deficit target was

## World economic outlook – GDP Growth (%)



met. India possessed significant foreign exchange reserves to deploy in the event of external financing pressures. The per capita income at current prices during 2013-14 was estimated at ₹74,920 compared with ₹67,839 during 2012-13. A stable government at the centre strengthens optimism of robust economic growth which is now pegged at around 5.6% in 2014, rising to 6.0% in 2015 (Source: RBI).

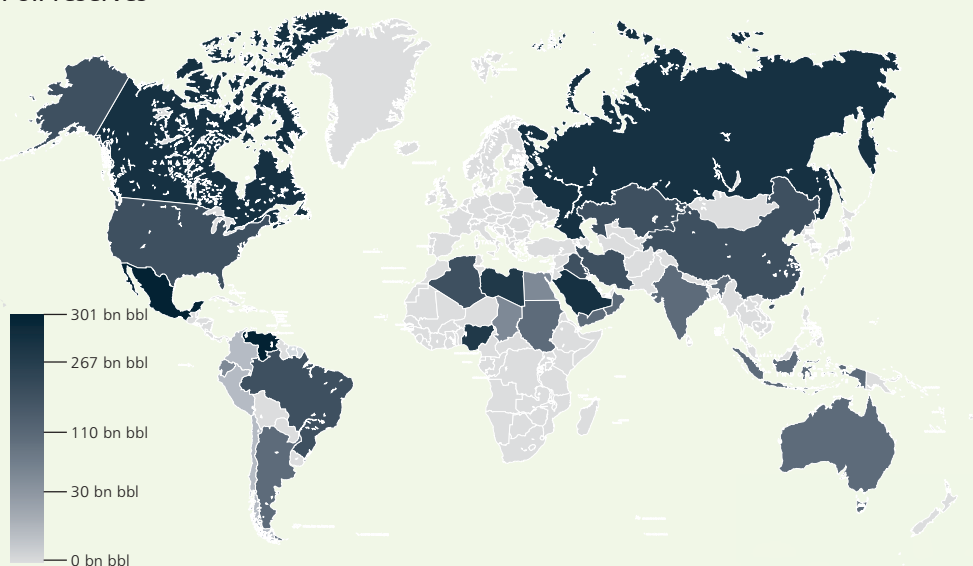
### Global oil sector

Crude oil is a naturally occurring substance found in certain

rock formations in the earth’s crust; it is a mixture of mud and organic material rich in hydrogen and carbon. Buried thousands of feet below the surface, high temperature and pressure combine to transform this organic material to crude oil. Based on the data from OPEC at the beginning of 2013, the highest-proven oil reserves including non-conventional oil deposits, lie in Venezuela (20% of global reserves), Saudi Arabia (18% of global reserves), Canada (13% of global reserves), and Iran (9%).

Long-term trends suggest that oil demand growth typically follows economic development. A steady increase in world oil demand was driven by the combined effects of a growing world population and rising per capita income levels in developing countries. Given oil’s strong characteristics as a vital commodity, a price rise in crude oil adversely impacts economic growth - worsening current account balance, deteriorating treasury budgets and skewing the balance between savings and investments.

### Global oil reserves



➤ **Global energy consumption** has been trending upwards – with average power use now tipping over 18 terawatts.

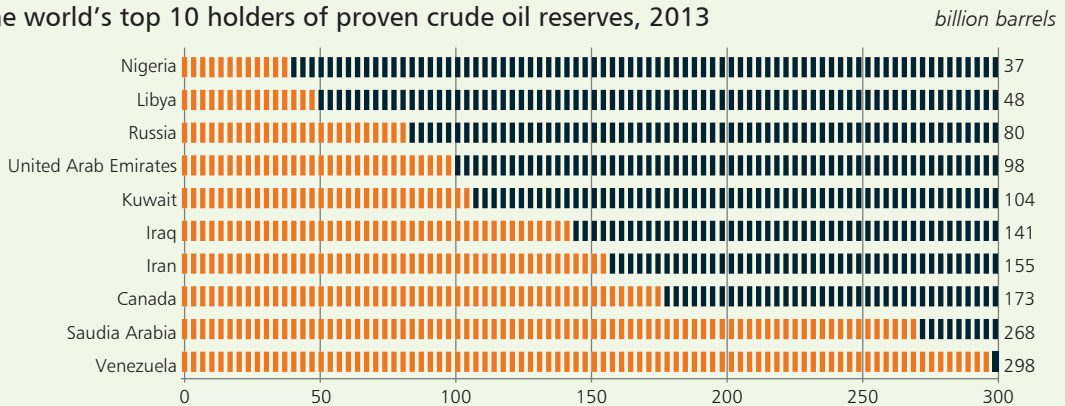
**Demand:** Global energy consumption has been trending upwards – with average power use now tipping over 18 terawatts. Oil accounts for over a third of the global energy consumption. Consequently, global oil demand has consistently grown over the past

25 years (with the exception of 2008 and 2009). In 2013, global oil demand was revised upwards by 30 thousand barrels per day to an average 89.89 million barrels per day, an increase of 0.97 million barrels per day over the previous year, indicating the latest increase

in OECD consumption in the Americas. For 2014, growth is expected to be around 1.09 million barrels per day, up by 45 thousand barrels per day to 90.98 million barrels per day.

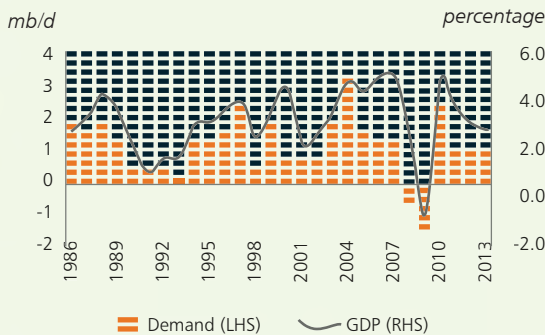
**Supply:** Total OECD oil supply in 2013 was estimated to grow by 0.98 million barrels per day

### The world's top 10 holders of proven crude oil reserves, 2013

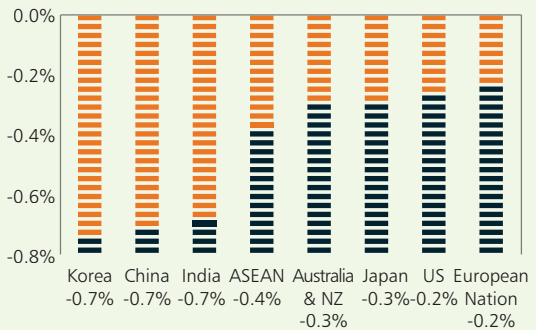


Source: Oil & Gas Journal

### World oil demand growth vs. GDP growth



### Impact of a US\$ 10/bbl rise in oil prices on Real GDP





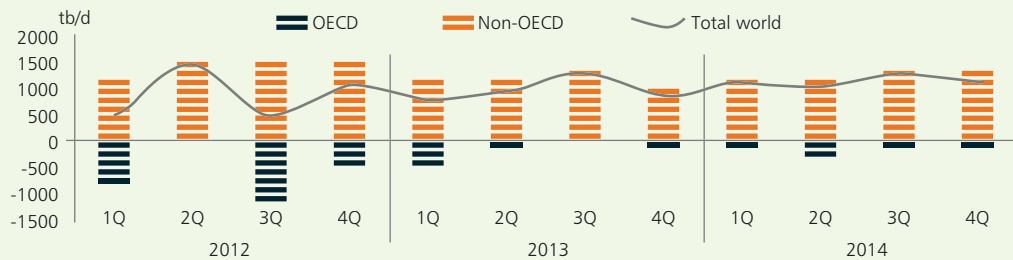
to reach an average 22.05 million barrels per day. Non-OPEC oil supply was estimated to have averaged 54.14 million barrels per day in 2013, an increase of 1.28 million barrels per day over the previous year, driven by strong growth from

the Americas. Total OECD output in 2014 is expected to average 22.85 million barrels per day, the highest since 2003, indicating an increase of 0.80 million barrels per day over 2013. In 2014, non-OPEC oil supply is projected to grow by

1.29 million barrels per day.

**Key findings:** 2013 was a lacklustre year for oil exploration, there being no discoveries as large as 1 billion barrels. However, there were 10 important discoveries across the world, namely:

### Quarterly world oil demand growth



### Summarised supplies/demand balance for 2013

	2012	1Q13	2Q13	3Q13	4Q13	2013
a) World oil demand	88.92	88.93	89.05	90.54	91.01	89.89
Non-OPEC supply	52.87	53.83	53.68	54.15	54.90	54.14
OPEC NGLs and non-conventionals	5.57	5.76	5.78	5.81	5.85	5.80
b) Total supply excluding OPEC crude	58.44	59.59	59.47	59.97	60.75	59.95
Difference (a-b)	30.48	29.34	29.58	30.57	30.26	29.94
OPEC crude oil production	31.13	30.22	30.58	30.37	29.67	30.21
Balance	0.65	0.87	1.00	-0.20	(0.59)	0.27

Totals may not add up due to independent rounding.

➔ **India possesses** an estimated sedimentary area of 3.14 million square kilometres comprising 26 sedimentary basins.

## Indian oil and gas sector

India's crude oil and natural gas production has stagnated in recent years even as demand has grown by more than 5% annually owing to the strong economic growth and rising population, necessitating growing imports.

**Resource inventory:** India possesses an estimated sedimentary area of 3.14 million square kilometres comprising 26 sedimentary basins (1.35 million square kilometres of deepwater and 1.79 square kilometres of land and shallow offshore). At

present, a 0.78 million square kilometre area is held under petroleum exploration licenses across 19 basins by national oil companies and private/joint venture companies.

India had 5.5 billion barrels of proven oil reserves and 43.8 trillion cubic feet of proved natural gas reserves as of 2012 (*Source: The U.S. Energy Information Administration*).

### Crude oil

**Production:** Crude oil and natural gas industries performed poorly in 2013-14. Crude oil production across the industry during April to March 2013-14

stood at 37.776 million metric tonnes as against 37.861 million metric tonnes in the previous year. The industry reported a production decline of a lower magnitude (0.2%) after falling by 0.6% in 2012-13 largely due to delays in the execution of new oilfield projects, closure of oil wells, ageing oilfields, other technical and operational issues that affected the performance of ONGC and Oil India Limited. Interestingly, private/JV companies were ahead by 5.35% of their 2013-14 targets, having produced 12.076 million metric tonnes against a target of 11.463 million metric tonnes.

Area	Nation	Reserves
Agulha/Coral gas discoveries	Mozambique	700 million barrels of oil equivalent
Lontra discovery	Angola	900 million barrels of oil equivalent
B14/B17 discoveries	Malaysia	850 million barrels of oil equivalent
Ogo discovery	Nigeria	775 million barrels of oil equivalent
Nene Marine discovery	Congo	700 million barrels of oil equivalent
Tangawizi gas discovery	Tanzania	575 million barrels of oil equivalent
Coronado oil discovery	the US	550 million barrels of oil equivalent
Salamat gas discovery	Egypt	500 million barrels of oil equivalent
Maximino gas discovery	Mexico	500 million barrels of oil equivalent
Bay du Nord discovery	Canada	450 million barrels of oil equivalent

**Recent oil and gas discoveries:** ONGC made four (three on-land and one offshore) new oil & gas discoveries in 2013-14.

**Imports:** India holds about 0.7% of the world’s proven oil reserves while accounting for 3.9% of the global oil consumption, importing about 75% plus of its consumption. Similarly, the country has 0.8% of the world’s proven natural gas reserves, while accounting for 1.9% of the worldwide gas consumption, which results in India importing nearly 20% of its natural gas consumption. In 2013-14, India shipped in about 3.81 million barrels per day of crude oil in 2013-14, a growth of 2.6% over the previous year. This high dependence on imported crude oil has significant implications on India’s energy security and financial health.

### Natural gas

Natural gas has always encountered a supply-constraint market in India. The most prolific gas producing fields include Bombay High operated by ONGC and KG-D6 offshore operated by Reliance Industries. The total offshore gas production accounted for 88% of the total production in India.

Natural gas output declined by 13% in 2013-14. Some 35,390.926 MCM of natural gas was produced during 2013-14 as against the annual production of 40,679.266 MCM in 2012-13, marking the third consecutive year of a production decline. Shrinking output from Reliance’s KG D6 basin was the main reason behind the fall in aggregate production. Besides, ONGC and OIL also suffered a fall in natural gas production in 2012-13.

### Exploration potential

India’s proven oil reserves may last only for the next 20 years at current levels of production (reserve to production ratio). India held reserves of about 761 million tonnes in April 2012 at a production rate of 38 million tonnes per year. India fares poorly not only against oil-rich regions like West Asia, which possess over 80 years of reserves but also when compared with the global average of 50 years. As for natural gas, India’s reserve-to-production ratio was estimated at around 31 years versus about 150 years in West Asia and a global average of 60 years. Apart from low reserves, 26 sedimentary basins in India comprising roughly 3.14 million square kilometres, only about 22% of the basinal area has been adequately explored. Of the 1.35 million square kilometres of water

Well	Basin	Type
MBS051NAA-1	Western offshore (Saurashtra)	New prospect
Mandapeta South-1	KG onshore	New prospect
Sobhasan-300	Western onshore	New pool
Geddanapalli-3	KG onshore	New pool



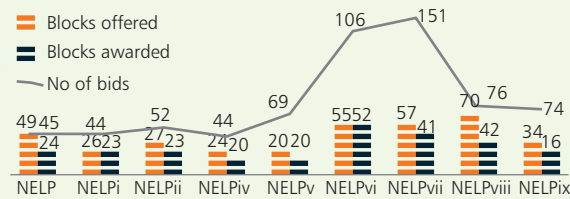
zones, where potentially a lot of reserves reside, only 50% of the area had been offered for exploration. Besides, regulations in India are largely prohibitive, reflected in the low foreign participation in the NELP rounds and only 12% of the total

acreage and about 7% of total contracts awarded to foreign players. The nine rounds of NELPs saw 247 blocks being awarded, but only 16 of those being developed so far.

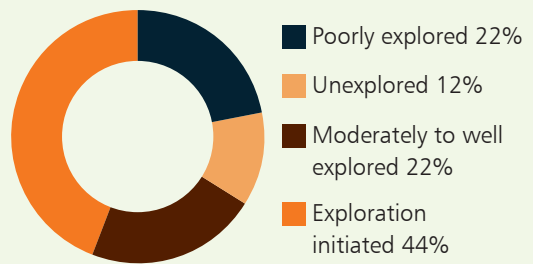
The recoverable position of

crude oil declined from 763 million tonnes in 2006-07 to about 761 million tonnes. Gas reserves in India were hit by a fall in production at Reliance Industries KG-D6 basin. India reported 1,330 billion cubic metres of gas reserves at a

### NELP rounds (i-ix) and participation of international players



### Status of exploration of India's sedimentary basin



Source: Directorate General of Hydrocarbons

NELP	NELP i	NELP ii	NELP iv	NELP v	NELP vi	NELP vii	NELP viii	NELP ix
Cairns	Hardy	GeoGlobal Resources	No new foreign entrant	ENI	BG (Non-op)	BHP	No new foreign entrant	East West Petroleum Corp.
Niko				Canaro	Santos	Bengal Energy		
Mosbacher				Geopetrol	Newbury	BP		
Gazprom				Blrckneck Inv. Ltd.	Petrogas	Noble		
					Suntera	Mittal		
					Naftogaz	Quest Petroleum		
					Hallworthy			
					Silverware			

production rate of 31 billion cubic metres per year.

### Government initiatives

**Exploration:** India launched NELP X comprising 46 blocks. All blocks permitted contractors to prospect for all types of hydrocarbons (oil and gas, shale or coal-bed methane).

**Natural gas prices:** The acceptance of higher natural gas prices will make it attractive for companies to invest. Consequently, a new market-linked formula for gas price was accepted, which will apply retroactively to production sharing contracts already signed

from April 1, 2014, incentivising companies to increase gas production. Consequently, strong gas production growth is anticipated to begin from 2016. The gas price under the new formula, to come into effect on 1 April, will be approximately double of what it is at present (\$4.2 per million British thermal units) and gradually move in tandem with international market prices.

### Plan and performance

**Performance during the Eleventh Five Year Plan period:** Both oil and gas production targets slipped during the Eleventh Five Year Plan period.

Against the crude oil production target of 206.73 million metric tonnes in the Eleventh Five Year Plan period, the actual achievement was 177 million metric tonnes – 14% below the target. The actual natural gas production was 212.54 billion cubic metres as against the production target of 255.76 billion cubic metres, a shortfall of about 17% of the Eleventh Five Year Plan targets. The balance recoverable reserve position as on 1st April 2011 of O + OEG stood at about 2015 million tonnes, increasing by 10.5% from 1,847 million tonnes as on 1st April 2007.

### Exploration and Production Program for Twelfth Five Year Plan

Activity	Unit	ONGC	Oil India Limited	Private /JV	Total
Seismic surveys (2D)	kilometre	28,170	6,850	103,954	138,974
Seismic surveys (3D)	square kilometre	24,163	8,364	49,961	82,488
Exploration wells	nos.	611	174	525	1,310
Reserves accretion (IIH)	million metric tonnes of oil equivalent	1,080	78.14	728	1,886.14
Ultimate hydrocarbon reserves accretion	million metric tonnes of oil equivalent	360	26	341	727

➤ **India holds an estimated 527 trillion cubic feet of shale gas reserves.**  
 This fuel quantum could last at least for the next 200 years, making it the fifth biggest repository in the world.

**Projection of Crude oil production in Twelfth Five Year Plan** *(million/metric tonnes)*

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
ONGC	25.045	28.27	28.002	26.286	25.456	133.059
OIL	3.92	4.00	4.06	4.16	4.20	20.34
Private/JV	13.34	13.30	12.70	12.10	11.50	62.94
TOTAL	42.305	45.57	44.762	42.546	41.156	216.339

**Projection of Natural gas production in Twelfth Five Year Plan***(million metric cubic metre per day)(BCM)*

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
ONGC	24.9	25.5	26.7	28.2	38.7	143.9
OIL	3.1	3.8	4.0	4.1	4.2	19.2
Private/JV	15.0	14.5	16.5	18.5	21.0	85.5
TOTAL	43.0	43.8	47.2	50.8	63.9	248.6
TOTAL MMSCMD	118	120	129	139	175	--

(MMSCMD=millim metric standard cubic metre per day)

### Shale gas

Scientists have identified 28 sedimentary basins of shale gas (natural gas found trapped in subterranean shale formations), including ten potential producing basins, across India. These have been classified

according to their hydrocarbon potential, and hold an estimated 527 trillion cubic feet of reserves. This fuel quantum could last at least for the next 200 years, making it the fifth biggest repository in the world.

### Outlook

It is expected that by 2035, India's energy production will rise by 112% and consumption by 132%, lending a promising outlook to the seismic services industry.

**Human resources:** Alphageo's employees represent its primary strength. The Company's HR function is aligned with its overall growth vision and a dedicated team continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/recognition programmes, learning and development policies and all-round employee development.



# ANALYSIS OF OUR FINANCIAL STATEMENTS

➤ **Alphageo reported a topline of ₹4,288 lakh and a positive bottomline of ₹1,126 lakh following a net loss of ₹995 lakh in 2012-13.**

## Snapshot

(₹ lakh)

	2013-14	2012-13	Growth (%)
Operating income	4,288	797	438
Total income	4,597	990	364
EBIDTA	1,644	(430)	--
Profit after tax	1,126	(995)	--
Cash profit	1,585	(471)	--
Earnings per share (₹)	20.67	(18.79)	--
Capital employed	5,855	5,169	13
Book value per share (₹)	85	68	25

## Statement of profit and loss

**Seismic survey income:**

The significant jump in survey income followed a significant growth in business opportunities. The Company worked on a number of projects during the year:

- Two projects of Oil India Limited in Mizoram (one continuing into 2014-15)
- One project for Gas Authority of India Limited in the Cambay basin (continuing in 2014-15)
- One project for Bharat Petro Resources in the Cambay basin (continuing in 2014-15)

**Survey expenses:** Increase in project execution increased survey expenses from ₹778 lakh in 2012-13 to ₹2,235 lakh in 2013-14. The Company optimised costs through the

following initiatives:

- Minimising idle costs of the resources
- Efficient team deployment, which resulted in a better absorption of fixed overheads and reduced non-productive gestation days between projects
- Execution or completion of projects as per or ahead of schedule during the year, reducing cost escalation

**Employee expenses:** The Company's people expenses remained at previous year's levels through the judicious utilisation of people resources across multiple sites.

**Finance cost:** The Company's deleveraged Balance Sheet resulted in an interest cost of only ₹59 lakh against ₹41 lakh in 2012-13 despite a quintupling of operations.

**Provision for taxation:** The Company's tax provision represents MAT payable following a set-off of losses incurred in the earlier years for regular taxation. Out of MAT provision of ₹138 lac, the Company is entitled to a credit of ₹134 lakh available over a period of 10 years.

**Margins:** A strong project management discipline strengthened Alphageo's EBIDTA, which increased from ₹430 lakh in 2012-13 to ₹1,644 lakh in 2013-14. Besides, EBIDTA margin improved from negative percentage in 2012-13 to 35.76% in 2013-14.

## Balance Sheet

**Net worth:** Shareholders' funds increased from ₹3,708 lakh as on March 31, 2013 to ₹4,795 lakh on March 31, 2014, a

result of two factors:

- Conversion of warrants allotted to promoters to Equity Shares, which increased the share capital from ₹539 lakh as on March 31, 2013 to ₹564 lakh as on March 31, 2014 and added ₹125 lakh to the share premium account.
- Addition of business surplus earned in 2013-14 resulted in ₹994 lakh being ploughed back into reserves as on March 31, 2014.

**Non-current liabilities:** The balance under this head increased marginally by about ₹53 lakh as on March 31, 2014 due to long-term borrowings availed in 2013-14.

**Current liabilities:** The balance under this head increased from ₹1,872 lakh as on March 31, 2013 to ₹2,249 lakh as on March 31, 2014 due to the following factors:

- Increase in short-term borrowings from ₹188 lakh as on March 31, 2013 to ₹393 lakh as on March 31, 2014 due to

increased working capital loans to manage increased volumes

- Increase in trade payables from ₹198 lakh as on March 31, 2013 to ₹807 lakh as on March 31, 2014 – an outcome of an increase in the number of projects
- Decrease in other current liabilities from ₹1,438 lakh as on March 31, 2013 to ₹849 lakh as on March 31, 2014 due to repayment to equipment suppliers and increase in operational liabilities

**Net fixed assets:** The balance under this head increased from ₹1,195 lakh as on March 31, 2013 to ₹2,342 lakh as on March 31, 2014 due to put to use of a new crew (an entire equipment set), which strengthened the Company's capabilities to simultaneously undertake multi-locational projects.

**Inventories:** The Company streamlined its inventory management system – stocking only long gestation items. For some projects, it adopted the

'pay-and-use' approach for certain major consumables as opposed to maintaining inventory at site – which optimised the inventory requirement. As a result, the inventory balance declined from ₹93 lakh as on March 31, 2013 to ₹25 lakh as on March 31, 2014.

**Receivables:** The Company's receivables increased from ₹233 lakh as on March 31, 2013 to ₹2250 lakh as on March 31, 2014 primarily due to significant billing towards the end of the fiscal in accordance with project milestones (most of the balance has already been received).

## Cash flow statement

The Company has generated ₹235 lakh from operations after effecting working changes during the year. Along with flows from financing activities of ₹339 lac, the Company has utilised the flows for making payments against its commitments for acquisition of equipment in earlier years.

**Internal control:** Alphageo's internal control systems and procedures are designed to enable the reliable reporting of financial statements, reporting timely feedback on achievements of operational/strategic goals and ensure compliance with laws and regulations. The Company's overall system of internal control is commensurate with the size and nature of operations and effective implementation of internal control via self-assessment procedures ensure compliance with policies, plans and statutory requirements.

## MAKING THE BUSINESS

# STRONG, SUCCESSFUL AND SUSTAINABLE.

➤ Business is all about taking and navigating risks. Alphageo leverages its deep domain knowledge to undertake proactive measures that strengthen viability across projects, geographies and market cycles.



## S:STRONGER\*\*\*

### HOW IS THE COMPANY MAKING ITS BUSINESS STRONGER?

#### Cutting-edge technology

The Company consistently invested in cutting-edge technologies, which ensure reliable data availability, an essential prerequisite in oil exploration activities. The Company's service quality has been endorsed by all clients, ensuring that Alphageo enjoys the status of preferred vendor.

#### Diverse clientele

The Company caters to diverse clients – PSUs and private companies, domestic and international brands – providing it with the expertise to seamlessly address varied requirements.

#### Experience

The Company possesses years of experience leading to the formation of a rich knowledge repository drawn from working in diverse terrains, sedimentary basin technologies and handling complex projects.

# 24

## YEARS

Experience in the seismic survey business

# 27

## PROJECTS

Executed in the last decade

# 2,184

## ₹ LAKH

Investment in equipment over the last five years



# S:SUCCESSFUL\*\*\*

## WHAT IS THE COMPANY DOING TO MAKE ITS BUSINESS MORE SUCCESSFUL?

### Knowledge

The Company's knowledge of multiple on-land sedimentary basins (having successfully worked across varied topographies) and the expertise derived from utilising globally-benchmarked technologies (2D, 3D and Seisloop) strengthened its competitive advantage.

### Attitude

The Company's 'never-say-no' attitude has enabled it to accomplish challenging projects in hostile terrain conditions, underpinning the Company's respect among oil exploration companies.

### Delivery

The Company's ability to strengthen its customer's business by consistently delivering projects on-time/ ahead of time has reinforced its identity in the oil & gas exploration space.

# S:SUSTAINABLE\*\*\*

## HOW IS THE COMPANY'S GROWTH EXPECTED TO BE SUSTAINABLE?

### Spread

The Company's multi-nation presence ensures geographic de-risking on the one hand and a bigger opportunity basket, on the other.

### Financial strength

The Company's deleveraged position and strong liquidity provides it with the strength to implement capital-intensive initiatives to sustain growth.

### Order book

The ongoing business (carry-forward from 2013-14) and new projects provide strong revenue visibility. The Company has bid for new projects in India and submitted EOs for projects in Myanmar and in a few African countries as well.

# 0.22:1

**DEBT-EQUITY RATIO**

(March 31, 2014)

# 2,249

**₹ LAC**

Receivables in the Balance Sheet (March 31, 2014)

# 3,200

**₹ LAC**

Business in hand as on March 31, 2014

# STATUTORY SECTION

# DIRECTORS' REPORT

To the members,

Your Directors are pleased to present Twenty Seventh Annual Report and Audited Accounts and the report on Company's business and operations for the financial year ended 31st March, 2014.

## Results of Operations

The Results of operations of the Company for the year ended 31st March, 2014 are summarised below:

Particulars	₹ in lakh	
	2013-14	2012-13
Operating Income	4441.35	865.64
Other Income	155.80	124.53
Total Income	4597.15	990.17
Profit/(Loss) Before Finance Costs and Depreciation	1643.52	(430.28)
Finance Costs	58.89	40.99
Depreciation And Amortisation	436.95	491.63
Profit / (Loss) Before Tax	1147.68	(962.90)
Tax Expense	21.89	32.07
Profit / (Loss) After Tax	1125.79	(994.97)
Earnings Per Share of ₹10/- each (₹)	20.67	(18.79)

## Operational and Financial Performance

During the year ended March 31, 2014 the Company has earned an Operating Income of ₹4441.35 lakh against ₹865.64 lakh for the year ended March 31, 2013.

During the year your Company has been awarded an extension to an ongoing contract in Mizoram and two contracts in Cambay Basin, Gujarat. Your Company's efforts in better resource management and simultaneous execution of multiple contracts resulted in improved operational performance, effective cost control and minimisation of idle costs of resources. Sincere efforts put in by the Company's personnel

in execution of the projects must be recognised for turnaround performance of the company for the financial year 2013-14.

For the financial year 2013-14 Your Company has earned a Profit Before Tax of ₹1147.68 lakh against a loss of ₹962.90 lakh in 2012-13. Tax Expenses for the current financial year of ₹21.89 lakh is net of MAT Credit Entitlement of ₹134.00 lakh and inclusive of Deferred Tax Charge of ₹17.89 lakh. Profit After Tax for the year 2013-14 is ₹1125.79 lakh against Loss of ₹994.97 lakh for the year 2012-13. The Shareholders' Funds as on 31.3.2014 are increased to ₹4795.04 lakh against ₹3708.35 lakh as on 31.3.2013.



Your Company has an executable orders on hand worth about ₹3200 lakh as on March 31, 2014. Your Company is confident that the awarded contracts will be executed at utmost satisfaction of the client which is a key factor for the success of your Company. Your Company, with the increased Government initiatives in Oil and Gas Exploration Sector, is of the view that your company will achieve better performance, barring unforeseen circumstances, in the forthcoming year.

### Group Performance

The total operational income on consolidation basis for the year 2013-14 is ₹9428.27 lakh against ₹2356.67 lakh for 2012-13 recording 300% increase in operational income over previous year.

Successful completion of the projects on and ahead of time and implementation of best HSE practices brought good recognition to the Group with Oil and Gas Exploration Companies in Myanmar. Best efforts are being made to enter into other promising countries to geographically expand the Group's operations. The Group financial performance for the year has been reported in later part of this report.

### Dividend

Board of Directors are pleased to recommend a dividend at the rate of 20% i.e., ₹2/- per Equity Share of ₹10/- each for the financial year 2013-14, for the approval of the Members at 27th 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 29th August 2014.

### Management Discussion and Analysis Report

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

### Share Capital

During the year, the Allottees of 2,50,000 Share Warrants of ₹60/- each, convertible into One Equity Share of ₹10/- each at a premium of ₹50/- per share issued and allotted as approved by the Members at the Meeting held on 30th July 2012, have honoured their commitment for contribution by remitting the balance amount of ₹112.50 lakh and exercised their option for conversion of Warrants into Equity Shares. As a result the Paid up Share Capital of the Company is increased from 539.84 lakh to ₹564.84 lakh and the Securities Premium Account is increased by ₹125.00 lakh.

### 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 in Dubai Multi Commodity Centre (DMCC) for providing Seismic Services in the international markets. The Financial and Operational information of the Subsidiaries in brief is given in Notes to Consolidated Financial Statements for the year ended 31st March, 2014 forming part of the Annual Report.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be available for inspection at the Corporate Office of the Company on any working day during business hours. The Consolidated Financial Statements presented by the

Company include the financial results of its subsidiary companies.

## Consolidated Financial Statements

In compliance with the Accounting Standard-21 on consolidated financial statements and with the listing agreement with the stock exchanges, the consolidated financial statements for year ended 31st March, 2014 have been prepared and the same together with Auditors Report thereon form part of this Annual Report.

The Financial Performance of the Group for the year ended 31st March, 2014 is summarised below:

₹ in lakh

Particulars	2013-14	2012-13
Revenue From Operations	9428.27	2356.67
Total Income	9557.97	2380.69
Profit/(Loss) Before Finance costs and Depreciation	3793.86	(175.76)
Finance Costs	71.44	45.66
Depreciation And Amortisation	883.94	767.73
Profit / (Loss) Before Tax	2838.48	(989.15)
Tax Expense	191.21	81.16
Profit / (Loss) After Tax	2647.27	(1070.31)

The group performance for the year ended 31st March, 2014 has resulted in an operational turnover of ₹9428.27 lakh compared to 2356.67 lakh for previous year ended 31st March, 2013.

## Directors

Mr. Alla Rajesh and Mr. Srinivas Reddy Ravula, Directors, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Board of Directors at their meeting held on 29th

May 2014 has appointed Mr. Mohan Krishna Reddy Aryabumi as an Independent Director in terms of Section 149 of the Companies Act 2013 and Mrs. Savita Alla as a Director of the Company. In terms of Section 161(1) of the Companies Act, 2013 these Directors shall vacate the office on the date of ensuing Annual General Meeting. The Company has received requisite notices proposing their candidature for the office of Director of the Company for approval of the Members at the ensuing Annual General Meeting. The Board of Directors are recommending the appointment of Mr.

Mohan Krishna Reddy Aryabumi as an Independent Director, not liable to retire by rotation for a period upto 28th May 2019 and Mrs. Savita Alla as a Director of the Company for the approval of the Members.

Mr. Z.P Marshall and Mr. Ashwinder Bhel, Directors of the Company are Independent Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. In view of the Provisions of Section 149 of the Companies Act, 2013 notified effective from 1st April 2014, an Independent Director complying with the provisions of section 149 can be appointed for tenure of five consecutive years not liable to retire by rotation. In view of the disclosures and declarations from the Directors, the Board is of the opinion that Mr. Z.P. Marshall and Mr. Ashwinder Bhel fulfil the conditions for their appointment as Independent Directors as specified in the Companies Act 2013 and the Listing Agreement. The Board recommends their appointment as Independent Directors for a period of five consecutive years for the approval of Members at the ensuing Annual General Meeting.

Mr P.K. Reddy has resigned from the Board with effect from 12th August 2014. The Board appreciates his contribution to the Company during his long tenure as member of the Board.

### Corporate Governance and Shareholders' Information

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

### Auditors

The auditors, M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad, hold office until conclusion of the ensuing Annual General Meeting, have confirmed their eligibility and willingness to accept office of the auditors, if re-appointed. In terms of section 139(2) and other applicable provisions of the Companies Act, 2013 the present auditors can only be re-appointed for a period of 3 consecutive years from the conclusion of the ensuing 27th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company subject to ratification by the Members at every Annual General Meeting. The Audit Committee and Board of Directors recommend the re-appointment of Auditors for approval of the Members.

### Deposits

The Company has not accepted any deposits from the Public covered by the provisions of Section 58A of the Companies Act, 1956.

### Particulars of Employees

There are no employees who are, in receipt of remuneration of ₹60 lakh or more per annum, if employed throughout the year or ₹5 lakh or more per month if employed for a part of the year, falling within the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, during the year ended 31.03.2014.

### Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable



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

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts for the year ended 31st March, 2014 have been prepared on a going concern basis.

### Employees Stock Option Scheme

The Company has issued Stock Options to the Employees under the scheme "Alphageo ESOS 2008". The Stock Options issued earlier, in terms of the issue, were lapsed and there are no enforceable stock options outstanding as on 31st March, 2014.

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

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

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

- c. Foreign Exchange Earnings and Outgo:  
The Particulars of Foreign Exchange Earnings and outgo during the year are given at Clause 26.II.(19), 26.11.(20) and 26.II.(22) of the Notes forming part of Financial Statements for the year 2013-14.

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

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the declared dividends transferred to Unpaid Dividend Accounts of the Company, which remain unclaimed for a period of seven years from the date of such transfer, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205( C) of the said Act.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed amount of dividend as on 30th September, 2013 on the Ministry of Corporate Affairs website.

### Appreciation

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

For and on behalf of the Board

Dinesh Alla  
*Managing Director*

Z.P. Marshall  
*Chairman*

Hyderabad  
12.08.2014

# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers which can be implemented through a set of processes, customs, policies and laws.

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

## Company's Philosophy on Corporate Governance

The Company believes that consistent adoption, implementation and gradual strengthening of good corporate governance practices contributes establishment of good corporate cultures which aim at true corporate governance. The Company emphasises and recognises the need for full transparency and

accountability in all its transactions, which has been strengthened gradually over the years, in order to protect the interest of its stakeholders. The Board of Directors ('the Board') is entrusted with responsibility for overseeing the implementation of corporate governance practices in the Company.

## The Board of Directors

The Board of Directors is premier governance body constituted to over see the management, general affairs, direction and performance of the Company and has been vested with the requisite powers and authorities.

## Board Composition and Category of Directors

The Company is adhered to its policy of maintaining optimum combination of Executive and Non-Executive Directors on its Board in compliance with requirements of listing agreement with stock exchanges. During the year 2013-14, the Board is headed by Non-executive Chairman and comprises six directors, three of whom are promoter directors and the other three are independent directors. The Composition of the Board and the criteria of independence of Independent Directors are in compliance with Clause 49 of the Listing Agreement. The category of directors on the Board as on March 31, 2014 is as given below:

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

## Directorships and Committee Memberships

The details of Directorships and Committee Memberships of the Directors as on 31 st March 2014 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 Chairman of more than five committees across of all the companies including the company, in which they are directors.

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

## Board Meetings and Attendance of Directors

The Board mandatorily meets at least four times in a year to discuss and decide on Company's business policy and strategy apart from other business and financial performance. Apart from the above, additional Board meetings will be convened to address specific needs if any of the Company otherwise the Board's approval will be taken by passing resolution by circulation, as permitted by law, which will be approved in the immediate next Meeting of the Board held . The Board meetings are generally held at headquarters of the Company at Hyderabad. It is being regulated that the gap between two consecutive meetings did not exceed four months.

During the year ended 31st March 2014, the Board met Four times viz. 28th May 2013, 1st August 2013, 14th November 2013, and 3rd February 2014.

The attendance record of the Directors at the Board Meetings held during the financial year 2013-14 and at the 26th Annual General Meeting held on 30th September 2013 is as given here under:

Name of the Director	No. of Board Meetings held during the year	No. of Board meetings attended	Whether attended last AGM
Mr. Z.P. Marshall	4	4	Yes
Mr. Alla Dinesh	4	4	Yes
Mr. Alla Rajesh	4	2	Yes
Mr. S. Ravula Reddy	4	1	No
Mr. P.K. Reddy	4	4	Yes
Mr. Ashwinder Bhel	4	1	No



## Code of Conduct

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

## Committees of the Board

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

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

## Audit Committee

### Scope, Objective and Terms of reference

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

The primary objective of Audit committee is to monitor and provide effective supervision of the management's

financial reporting process and to ensure accurate, timely and proper disclosures and transparency and quality of financial reporting.

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

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

### Composition of the Audit Committee as on 31st March 2014

The Audit Committee is constituted as per the requirements of clause 49 of the Listing Agreement. The composition of audit committee is in compliance with the requirements of clause 49(II)(A) of the Listing Agreement. It consists of 4 members, 3 of them including Chairman are independent directors. The Chairman of audit committee was present at the last Annual General Meeting of the Company. The Chief Financial Officer and Other Officers make periodic presentations to the Audit Committee. Representatives of Statutory Auditors also participate in the Audit Committee meetings. Company Secretary/Compliance

Officer of the Company acts as Secretary to the Audit Committee.

The Audit Committee, during the year 2013-14 comprises of the following Directors:

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

### Audit Committee Meetings and Attendance during the Financial Year 2013-14

The Audit Committee met four times during the financial year 2013-14 on 28th May 2013, 1st August 2013, 14th November, 2013 and 3rd February 2014

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

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

### Remuneration Committee

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

### Terms of reference

The broad terms of reference of the Remuneration Committee are:

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

perquisites and commission to be paid to the Company's Managing Director and Executive Directors to the Board.

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

### Composition, Meetings and Attendance

The remuneration committee of the Company during the year 2013-14 comprises four Non-Executive Directors as members. 3 of them are Independent Directors. The remuneration committee has met on 2nd January, 2014 during the year 2013-14.

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

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

### Remuneration Policy:

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

The details of remuneration paid/payable to the Directors for the year 2013- 2014 are:

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

Name	Sitting Fee ₹	No. of options outstanding as on 31.3.2014 out of options allotted under ESOS 2008	No. of Shares held as on 31.03.2014
Mr. Z.P. Marshall	35,556	Nil	500
Mr. Rajesh Alla	17,778	Nil	126567
Mr. P.K. Reddy	35,556	Nil	Nil
Mr. S. Ravula Reddy	8,333	Nil	Nil
Mr. Ashwinder Bhel	8,889	Nil	Nil

#### ii) Executive Director:

The details for remuneration to Mr. Dinesh Alla, Managing Director for the year 2013-14 are:

Name of the Director	Salary	Perquisites	Contribution to P.F	Total
Mr. Dinesh Alla	24,00,000	12,88,797	2,88,000	39,76,797

\*The remuneration to the Managing Director for the year 2013-14 was as approved by the members at their Annual General Meeting held on 23.09.2011.



## Compensation Committee

### Terms of Reference

The broad terms of reference of the Compensation Committee includes monitor and administer the plan, allotment of shares to the employees of the Company and also to the employees of the Subsidiary Companies.

### Composition, Meetings and Attendance

The Compensation Committee of the Company during the year 2013-14 consists of three Non-Executive Directors as members of the Committee. The Committee has met on 14th November, 2013 during the year 2013-14.

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

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

## Shareholders /Investors Grievance Committee

### Terms of Reference

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

### Composition, Meetings and Attendance

The Chairman of the Committee is an independent non-executive Director. The Committee has met on 14th November 2013 during the year 2013-14.

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

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

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

### Investors' Grievance Redressal

During the year ended 31st March, 2014, 14 Complaints were received from the Shareholders. All Complaints were redressed and none of them were pending as on 31st March, 2014.

### Secretarial Audit

A qualified practicing Company Secretary has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India)

Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and advised for Demat credit but pending execution and the total number of dematerialised shares held with NSDL & CDSL.

### Unclaimed Dividend

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.3.2014 are as given below:

Financial Year	Date of declaration of Dividend	Last date for claiming the Dividend	Unclaimed amount as on 31.03.2014 (₹)	Due date for transfer to Investor Education and Protection Fund(IEPF)
2006-07	28.09.2007	27.09.2014	2,43,318.00	26.10.2014
2007-08	24.09.2008	23.09.2015	2,10,231.00	22.10.2015
2008-09	25.09.2009	24.09.2016	2,63,870.50	23.10.2016
2009-10	24.09.2010	23.09.2017	2,27,740.50	22.10.2017
2010-11	23.09.2011	22.09.2018	1,67,840.00	21.10.2018

Pursuant to provisions of Section 205A of the Companies Act 1956 / Section 124 of Companies Act, 2013, the unclaimed dividend within the last date mentioned for the respective years, will be transferred to Investor Education and Protection Fund (IEPF) established by Government of India pursuant to Section 205C of the Companies Act 1956 /125 of the Companies Act 2013.

Members who have not so far en-cashed the dividend warrants of the abovementioned financial years are requested to seek for issue of duplicate dividend warrants in writing to the Company Registrars and Transfer Agents immediately. It may be noted that no claim shall lie against the company once the unclaimed dividend is transferred to Investor Education and Protection Fund.

### Subsidiary Companies

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

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

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

### General Body Meetings

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

Year	Location	Date and time
24th AGM-2011	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad	23-09-2011, 11.00 A. M.
25th AGM-2012	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad	28-09-2012, 11.00 A. M.
26th AGM-2013	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad	30-09-2013, 11.00 A.M.

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

At the 24th Annual General Meeting held on 23.09.2011, Special Resolution has been passed for Re-appointment of Mr. Dinesh Alla as Managing Director for a period of 5 years and fixing his remuneration for a period of 3 years from the date of appointment.

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

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

## DISCLOSURES

**(i) Related Party transactions:**

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large during the year under review. The details of related party transactions as required under Accounting Standard 18 notified under the Companies Act, 1956 are given at Note No. 26.II.12 of Notes to Financial Statements for the year ended on 31st March 2014.

**(ii) Compliances by the Company:**

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

**(iii) 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.

**(iv) 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. No personnel have denied access to the Audit Committee.

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

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

**(vi) Disclosure of accounting treatment:**

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

**(vii) Management Discussion and Analysis Report:**

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

**(viii) Code of Conduct:**

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

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

I hereby declare that all the Directors and senior personnel of the Company have affirmed compliance with Code of Business Conduct for the financial year ended on 31st March 2014.

Hyderabad  
12.08.2014

Alla Dinesh  
Managing Director



## Means of Communication

The Quarterly, Half-yearly, Annual financial results, notices as well as proceedings of the Annual General Meeting are communicated to the stock exchanges immediately after the conclusion of the respective meetings. The Financial results are published in all India editions of Business Standard / Financial Express and Hyderabad edition Telugu News Paper viz. Andhra Prabha.

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

## Certificate on Corporate Governance

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

## CEO/CFO Certification

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

## General Shareholder Information:

### a) Annual General Meeting

DATE : 26th September, 2014

TIME : 11.00 A.M.

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

- b) **Book Closure Dates:** 26th August 2014 to 29th August 2014 (both the days inclusive)
- c) **Dividend Payment date:** On or before 25th October, 2014
- d) **Financial Calendar for the year 2014-15 (Tentative)**
  - Results for Quarter ending June, 2014
    - Within 45 days of end of quarter
  - Results for Quarter ending September, 2014
    - Within 45 days of end of quarter
  - Results for Quarter ending December, 2014
    - Within 45 days of end of quarter
  - Results for Quarter ending March, 2015
    - Last Week of May, 2015
- e) **Listing of equity shares & stock code**

The equity shares of the company are listed at:

  - (i) BSE Limited., Mumbai, 1st Floor, New Trading Ring, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 and the listing fee for 2014-15 has been paid by the company.
  - (ii) National Stock Exchange of India Limited., Mumbai, "Exchange Plaza", Bandra-Kurla Complex, Bandra – East, Mumbai - 400 051 and the listing fee for 2014-15 has been paid by the company.
- f) **Stock Codes-**
  - (i) BSE SCRIP CODE – 526397; SCRIP ID: ALPHAGEO
  - (ii) NSE SCRIP SYMBOL: ALPHAGEO
- g) **ISIN code – INE 137C01018**

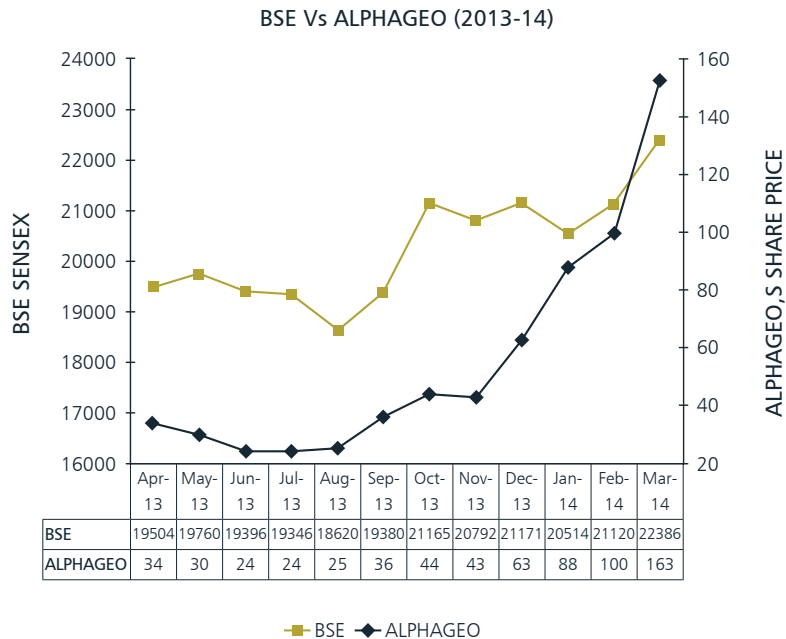
## h) Stock Market Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2013-14 at BSE and NSE are as given below:

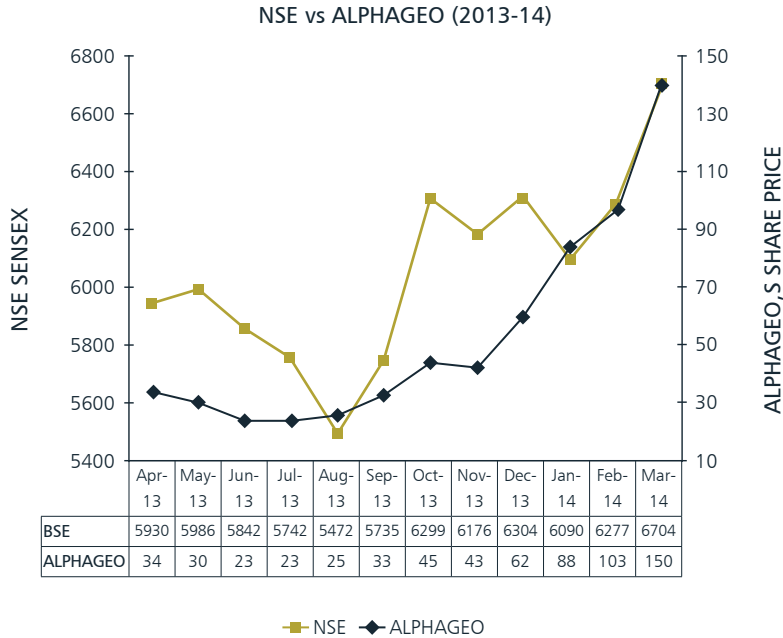
Month	BSE			NSE		
	High ₹	Low ₹	Volume of Shares Traded	High ₹	Low ₹	Volume of Shares Traded
April-2013	40.75	32.70	17,840	45.00	32.95	33,387
May-2013	39.80	29.30	21,791	39.40	29.55	16,697
June-2013	32.50	22.40	21,030	31.00	21.80	51,988
July-2013	34.50	21.05	47,912	32.50	22.00	45,910
August-2013	29.60	22.00	29,773	28.80	21.40	84,792
September-2013	41.00	22.00	1,13,531	43.40	22.00	1,37,907
October-2013	53.70	32.00	54,908	51.95	32.00	50,541
November-2013	52.00	39.75	52,481	53.60	39.65	46,467
December-2013	63.15	41.20	97,480	62.45	40.85	1,51,469
January-2014	94.50	63.15	1,29,061	94.95	62.60	1,69,765
February-2014	109.75	80.75	1,83,667	109.85	80.95	1,93,697
March-2014	177.70	100.05	1,14,603	181.60	103.50	3,21,801

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

Comparison of Company's share price with BSE SENSEX



## Comparison of Company's share price with NSE Nifty



### j) Share Transfer System

The Shareholders / Investors Grievance Committee approves transfer of shares in physical mode. The Company's RTA, if the documents are valid and complete in all respects, transfers the shares within 15 days of receipt of request. Dematerialisation of Shares of the Company is also being completed in 15 days if the request through Depository Participants with the necessary documents received. Shareholders / Investors Grievance Committee will meet as often as required to approve the shares transfers and for attending the grievances received from shareholders.

Members may please note that the Securities and Exchange Board of India (SEBI) has made it mandatory to furnish Permanent Account Numbers (PAN) allotted by Income Tax Department for registration of physical share transfer requests. Hence all members are required to furnish PAN of transferees in the Share Transfer Deed while seeking transfer of shares held in physical mode.



k) Distribution of Shareholding as on 31st March 2014.

Nominal Value ₹	Shareholders		Amount	
	Numbers	%	Numbers	%
1-5000	7928	91.72	881296	15.64
5001-10000	370	4.28	301704	5.35
10001-20000	157	1.82	239756	4.26
20001-30000	46	0.53	118741	2.11
30001-40000	25	0.29	89467	1.59
40001-50000	25	0.29	116253	2.06
50001-100000	41	0.47	298727	5.30
100001- above	52	0.60	3588823	63.69
Total	8644	100	5634767	100

l) Shareholding Pattern as On 31st March 2014:

S. No	Category	No of Share holders	No of shares	%
1.	Promoter and Promoter Group – Indian	14	1972153	35.00
2.	Promoter and Promoter Group –Foreign	3	306316	5.44
3.	Mutual Funds & UTI	11	8600	0.15
4.	Foreign Institutional Investors	2	2900	0.06
5.	Non-Resident Indians	201	101117	1.79
6.	Bodies Corporate	242	616640	10.94
7.	Others- Individuals Upto ₹1 Lakh	8083	1733604	30.76
8.	Others –Individuals exceeding ₹1 Lakh	26	871140	15.46
9.	Trusts	-	-	-
10.	Clearing Members	62	22297	0.40
	<b>TOTAL</b>	<b>8644</b>	<b>5634767</b>	<b>100</b>

m) Shareholding Profile as on 31st March 2014

Mode of Holding	No of Holders	No. of Shares	% of Holding
Demat	7225	596692	95.77
Physical	1419	238075	4.23
Total	8644	5634767	100.00

#### n) Dematerialisation of Shares and Liquidity

The equity shares of the Company are mandated for compulsory trading in dematerialisation form and Demat of Shares services are available with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2014, 95.77% of Equity Shares of the Company are in dematerialisation Form.

Valid demat requests received by the Company's Depository Registrar are confirmed within the statutory period. In case a member wishes his shares are to be dematerialised, he may send the shares along with the request through his depository participant to the Registrars and Share Transfer Agents of the Company.

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

#### o) Address for Correspondence

##### Registrar and Transfer Agents

M/s Karvy Computershare Private Limited.  
 Plot No. 17 to 24, Vittal Rao Nagar, Madhapur,  
 Hyderabad-500 081  
 Ph: 040-23420818 Fax: 040-23420814  
 Toll Free No. 1800-3454-001  
 E-mail: einward.ris@karvy.com

##### Compliance Officer

Mr. Venkatesa Perumallu Pasumarthy  
 Chief Financial Officer & Compliance Officer  
 ALPHAGEO (INDIA) LIMITED  
 6-3-250/2, Road No.1,  
 Banjara Hills, Hyderabad – 500034, Telangana  
 Ph: 040-23320502/03 Fax: 040-23302238  
 E-mail: info@alphageoindia.com  
 Website: www.alphageoindia.com

For ALPHAGEO (INDIA) LTD

HYDERABAD  
 12.08.2014

DINESH ALLA  
 MANAGING DIRECTOR

# Auditors' Certificate on Corporate Governance

To  
The Members of  
Alphageo (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Alphageo (India) Limited for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Hyderabad  
12.08.2014

N Anka Rao  
*Partner*  
Membership No. 23939



# Certification of Managing Director and Chief Financial Officer to the Board pursuant to Clause 49 of the Listing Agreement with stock exchanges

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 financial statements including Cash Flow statement (standalone and consolidated) for the year ended March 31, 2014 and these statements:
  - (i) do not contain any materially untrue statement or omission of any material fact or contain statements that might be misleading;
  - (ii) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the company during the year which are fraudulent illegal or violative of the company's code of business 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 address 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;
  - (ii) significant changes in accounting policies if any, made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances, if any, of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad  
29.05.2014

Dinesh Alla  
Managing Director

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
ALPHAGEO (INDIA) LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of ALPHAGEO (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on the date; and
- c. in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Hyderabad  
29.05.2014

N. Anka Rao  
Partner  
Membership Number: 23939

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme designed to cover all the fixed assets on rotation basis. In respect of fixed assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year did not represent substantial part of the fixed assets of the Company, which affect going concern status of the Company.
- 2 (a) As explained to us, the inventories, representing survey consumables, of the company have been physically verified at reasonable intervals during the year by the Management.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the books of account.
- 3 (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently the provisions of Clause 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable to the Company.
- (b) The Company has taken unsecured loans from two parties covered under section 301 of the Act during the year. The balance as on 31st March, 2014 and the maximum amount involved during the year were ₹1,50,00,000/- and ₹2,05,00,000/- respectively.
- (c) In our opinion the rate of interest and other terms and conditions of loans taken from the parties covered in the register maintained under section 301 of the Act are not prima facie prejudicial to the interests of the company.
- (d) The Company is regular in repayment, where applicable, of principal amount and interest on unsecured loans taken from the parties covered in the register maintained under section 301 of the Act.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory representing machinery spares and survey consumables, fixed assets and for the sale of seismic survey and other related services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5 (a) According to the information and explanations given to us and as confirmed by the Managing Director of the Company, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of ₹5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 According to the records of the Company and as per the information and explanations given to us, the Company has not accepted any deposits from public during the year covered by the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or other relevant provisions of the Act and the rules framed there under. Consequently, the provisions of Clause 4(vi) of the Order are not applicable to the Company.
- 7 As per the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- 9 (a) According to the records of the Company and as per the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax,

Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities. In respect of these statutory dues, there are no outstanding dues as on 31.3.2014 which are outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company and as per the information and explanations given to us, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute as on 31.3.2014, except Income Tax the details of which are as given below:

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

- |   |  |
|---|--|
| <p>10 As per the information and explanations given to us and on an overall examination of the financial statements of the company for the current and immediately preceding financial year, we report that the Company does not have any accumulated losses at the end of the current financial year nor incurred cash losses during the current financial year. The company has incurred cash losses of ₹3,81,96,945/- in the immediately preceding financial year.</p> <p>11 During the year the Company has not defaulted in repayment of dues to financial institutions, bank and debenture holders.</p> <p>12 As per the information and explanations given to us, as the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities to anybody during the year, the provisions of Clause 4 (xii) of the Order are not applicable to the Company.</p> <p>13 In our opinion, as the Company is not a chit fund or a nidhi or mutual benefit fund or society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.</p> <p>14 In our opinion, as the Company is not dealing in or trading in shares, securities, debentures and other investments, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.</p> <p>15 As per the information and explanations given to us, the Company has not given any guarantees for the loans taken by others from banks or financial institutions.</p> <p>16 According to the records of the Company, the company has not obtained any term loans, the provisions of Clause 4(xvi) of the Order are not applicable to the company.</p> | <p>17 As per the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, the funds raised on short term basis during the year have not been used for long term investment purposes.</p> <p>18 The Company has made preferential allotment of shares to four parties covered in the Register maintained under section 301 of the Act during the year. In our opinion and according to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interests of the company.</p> <p>19 As the Company has not issued any debentures during the year, which requires the creation of security or charge, the provisions of Clause 4(xix) are not applicable to the Company.</p> <p>20 As the Company has not raised any money by public issues during the year, the provisions of Clause 4(xx) are not applicable to the Company.</p> <p>21 During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as per the representation given by the Company and relied on by us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.</p> |
|---|--|

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

N. Anka Rao  
Partner  
Membership Number: 23939

Hyderabad  
29.05.2014



**BALANCE SHEET** as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at	
		31st March, 2014	31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	5,64,83,670	5,39,83,670
Reserves and surplus	2	42,30,21,168	31,31,01,179
Money received against share warrants		–	47,95,04,838
			37,50,000
			37,08,34,849
<b>Non-current liabilities</b>			
Long-term borrowings	3	50,00,000	–
Other long term liabilities	4	4,43,589	–
Long-term provisions	5	44,21,194	98,64,783
			44,86,391
			44,86,391
<b>Current liabilities</b>			
Short-term borrowings	6	3,93,26,152	1,88,29,152
Trade payables	7	8,07,25,824	1,97,90,012
Other current liabilities	8	8,86,33,011	14,37,88,872
Short-term provisions	9	2,12,20,323	22,99,05,310
			48,37,947
			18,72,45,983
<b>TOTAL</b>		<b>71,92,74,931</b>	<b>56,25,67,223</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	23,42,31,606	11,94,77,054
Intangible assets		–	40,702
		23,42,31,606	11,95,17,756
Capital work-in-progress		1,04,23,714	14,77,58,895
		24,46,55,320	26,72,76,651
Non-current investments	11	13,22,13,750	13,22,13,750
Deferred tax assets (net)	12	6,50,82,631	6,68,71,535
Long-term loans and advances	13	1,63,08,666	45,82,60,367
			1,74,09,904
			48,37,71,840
<b>Current assets</b>			
Inventories	14	24,69,479	93,41,059
Trade receivables	15	22,49,55,427	2,33,23,718
Cash and bank balances	16	1,40,39,731	1,19,36,256
Short-term loans and advances	17	1,75,02,950	2,79,04,280
Other current assets	18	20,46,977	26,10,14,564
			62,90,070
			7,87,95,383
<b>TOTAL</b>		<b>71,92,74,931</b>	<b>56,25,67,223</b>
<b>Summary of significant accounting policies and other explanatory information</b>			
	26		

Per our Report of even date

For and on behalf of the Board

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

A. Dinesh  
Managing Director

Z.P. Marshall  
Chairman

N. Anka Rao  
Partner  
Membership Number: 23939

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

Hyderabad  
29.05.2014

**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>REVENUE</b>			
Seismic Survey and related service income		42,88,26,272	7,96,85,719
Sale of Traded goods		–	14,93,891
Other Operating Income	19	1,53,09,001	53,83,975
Other income	20	1,55,80,080	1,24,53,329
<b>Total Revenue</b>		<b>45,97,15,353</b>	<b>9,90,16,914</b>
<b>EXPENSES</b>			
Survey and survey related expenses	21	22,35,64,059	7,77,53,335
Purchase of Stock-in-trade		–	11,94,645
Employee benefits expense	22	4,10,87,755	3,62,11,962
Finance costs	23	58,89,006	40,99,073
Depreciation and amortisation expense	24	4,36,94,636	4,91,62,559
Other expenses	25	1,89,41,684	2,54,85,892
Net loss on foreign currency translation and transaction		1,17,70,702	13,99,395
<b>Total Expenses</b>		<b>34,49,47,842</b>	<b>19,53,06,861</b>
<b>Profit/(Loss) before tax</b>		<b>11,47,67,511</b>	<b>(9,62,89,947)</b>
<b>Tax expense</b>			
Current Tax		1,38,00,000	–
MAT credit entitlement		(1,34,00,000)	–
Deferred Tax		17,88,904	32,05,739
Income tax adjustments of earlier years		–	21,88,904
			1,301
			32,07,040
<b>Profit/(Loss) after tax</b>		<b>11,25,78,607</b>	<b>(9,94,96,987)</b>
<b>Earnings/(Loss) per equity share</b>			
(Nominal value: ₹10/- per share)			
Basic		20.67	(18.79)
Diluted		20.67	(18.79)
<b>Summary of significant accounting policies and other explanatory information</b>	26		

Per our Report of even date

For and on behalf of the Board

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

A. Dinesh  
Managing Director

Z.P. Marshall  
Chairman

N. Anka Rao  
Partner  
Membership Number: 23939

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

Hyderabad  
29.05.2014

## CASH FLOW STATEMENT for the year ended 31st March, 2014

(Amount in ₹)

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax for the year		11,47,67,511		(9,62,89,947)
Add/ (Less) : Adjustments for:				
Depreciation and Amortisation	4,36,94,636		4,91,62,559	
Exchange difference on translation of foreign currency cash and cash equivalents	(33,012)		-	
Interest Expense	44,59,676		20,84,317	
Interest Income	(1,20,21,354)		(19,44,280)	
Provision for doubtful debts	-		88,51,739	
Provision for doubtful debts no longer required written back	(1,77,035)		-	
Provision for liabilities no longer required written back	(6,57,243)		(5,27,110)	
Employee Compensation costs written back	(19,73,827)		(26,26,531)	
Profit on Sale of Tangible Assets (Net)	(22,51,402)		(80,88,903)	
Book Deficit on Assets Discarded	62,06,201	3,72,46,640	78,704	4,69,90,495
		15,20,14,151		(4,92,99,452)
Add / (Less) : Adjustments for Working Capital Changes:				
Decrease/(Increase)in Inventories	68,71,580		(71,69,942)	
Decrease/(Increase) in Trade receivables	(20,16,31,709)		9,25,89,187	
Decrease/(Increase) in Other current assets	47,53,144		(44,86,442)	
Decrease/(Increase) in Long-term loans and advances	5,41,191		(8,493)	
Decrease in Short-term loans and advances	7,03,878		15,88,767	
Increase/(Decrease) in Trade payables	6,09,35,812		(1,25,35,016)	
Increase/(Decrease)/Increase in Other current liabilities	97,03,092		(44,86,072)	
Increase/(Decrease) in Short-term provisions	1,91,785		(4,10,527)	
Increase/(Decrease) in Long-term provisions	2,02,542	(11,77,28,685)	17,81,661	6,68,63,123
Cash generated from operations		3,42,85,466		1,75,63,671
Less : Direct taxes paid		1,07,04,200		22,75,666
<b>Net Cash flow from operating activities</b>		<b>2,35,81,266</b>		<b>1,52,88,005</b>
<b>II CASH FLOW USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets		(9,43,73,746)		(1,62,27,499)
Proceeds from sale of fixed assets		39,72,545		1,73,69,762
Investment in bank deposits (original maturity of more than three months)(net)		15,56,822		(44,49,288)
Recovery/(Advance) to subsidiaries		2,36,59,346		(2,36,59,346)
Interest received		1,15,11,303		11,15,730
<b>Net Cash used in Investing Activities</b>		<b>(5,36,73,730)</b>		<b>(2,58,50,641)</b>

**CASH FLOW STATEMENT** for the year ended 31st March, 2014 (Contd...)

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>III CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of share capital including securities premium	1,50,00,000	1,50,00,000
Proceeds from issue of share warrants	(37,50,000)	37,50,000
Proceeds from long-term borrowings	50,00,000	–
Proceeds/(Repayment) from short-term borrowings	2,04,97,000	(81,98,007)
Interest Paid	(28,54,767)	(21,17,169)
<b>Net Cash Flow From Financing Activities</b>	<b>3,38,92,233</b>	<b>84,34,824</b>
<b>IV</b> Exchange difference on translation of foreign currency cash and cash equivalents	33,012	–
<b>V</b> Net decrease in cash and cash equivalents	37,99,769	(21,27,812)
<b>VI</b> Cash and cash equivalents as at the beginning of the year	5,16,484	26,44,296
<b>VII</b> Cash and cash equivalents as at the end of the year	<b>43,49,265</b>	<b>5,16,484</b>

**Notes:**

- Figures in brackets indicate cash outgo.
- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard –3 “Cash flow statements” as specified in the Companies (Accounting Standards) Rules, 2006.
- Summary of significant accounting policies and other explanatory information (Note No.26) form an Integral part of the Cash Flow Statement.
- Previous year figures have been regrouped / reclassified to conform to current year classification.

Per our Report of even date

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

N. Anka Rao  
Partner  
Membership Number: 23939

Hyderabad  
29.05.2014

For and on behalf of the Board

A. Dinesh  
Managing Director

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

Z.P. Marshall  
Chairman



## NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at	
	31st March, 2014	31st March, 2013
<b>7 SHARE CAPITAL</b>		
<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>		
56,46,167 (Previous year: 53,96,167) Equity Shares of ₹10/- each	5,64,61,670	5,39,61,670
<b>Subscribed and fully paid up:</b>		
56,34,767 (Previous year: 53,84,767) Equity Shares of ₹10/- each fully paid up	5,63,47,670	5,38,47,670
Add: Forfeited shares	1,36,000	1,36,000
	<b>5,64,83,670</b>	<b>5,39,83,670</b>

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number		Number	
Shares outstanding at the beginning of the year		53,84,767		51,34,767
Shares issued during the year		2,50,000		2,50,000
Shares outstanding at the end of the year		56,34,767		53,84,767

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

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Promoters Group</b>				
Alla Dinesh	3,75,022	6.65	3,75,022	6.96
Kamala Rajupet	3,74,466	6.64	3,74,466	6.95

**Terms/rights attached to equity shares:**

The company has only one class of equity 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.

During the year ended 31st March 2014, the amount of dividend recognised as distributions to equity shareholders was ₹2/- per share (2012-13: ₹ Nil per share).

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

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

Nos.		NIL	20,234
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## NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<b>2 RESERVES AND SURPLUS</b>				
<b>Capital reserve:</b>				
Share warrants forfeiture account		1,61,18,047		1,61,18,047
<b>Securities premium account:</b>				
As per last account	16,90,04,831		15,65,04,831	
Add: Premium received on allotment of equity shares issued during the year	1,25,00,000	18,15,04,831	1,25,00,000	16,90,04,831
<b>Share options outstanding account:</b>				
As per last account	19,73,827		50,46,117	
Less: Deletions during the year	19,73,827	–	30,72,290	19,73,827
<b>General reserve:</b>				
As per last account	3,00,00,000		3,00,00,000	
Add: Amount transferred from statement of profit and loss	1,00,00,000	4,00,00,000	–	3,00,00,000
<b>Balance in statement of profit and loss (surplus):</b>				
As per last account	9,60,04,474		19,55,01,461	
Add/Less: Profit/(Loss) as per statement of profit and loss	11,25,78,607		(9,94,96,987)	
Total available for allocations and appropriations	20,85,83,081		9,60,04,474	
<b>Less: Allocations and appropriations:</b>				
Proposed Dividend	1,12,69,534		–	
Provision for Corporate dividend tax	19,15,257		–	
Amount transferred to General reserve	1,00,00,000	18,53,98,290	–	9,60,04,474
		<b>42,30,21,168</b>		<b>31,31,01,179</b>

### 3 LONG-TERM BORROWINGS

Loan from a Director, related party (Unsecured)		50,00,000		–
Rate of Interest : 14% p.a.		50,00,000		–

### 4 OTHER LONG-TERM LIABILITIES

Interest accrued but not due on borrowings		4,43,589		–
		<b>4,43,589</b>		–

### 5 LONG-TERM PROVISIONS

Provision for employee benefits		44,21,194		44,86,391
		<b>44,21,194</b>		<b>44,86,391</b>

## NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>6 SHORT- TERM BORROWINGS</b>		
<b>Loans repayable on demand: (Secured)</b>		
Working capital loan from State Bank of India	2,43,26,152	68,29,152
<b>1. Nature of Security:</b>		
<b>Primary Security:</b>		
Secured by hypothecation of entire chargeable current assets of the company.		
<b>Collateral Security:</b>		
First charge on entire fixed assets of the company.		
The above loan is further secured by equitable mortgage of certain immovable properties belonging to Mr. A.Dinesh, Managing Director of the Company, Mr. A.Rajesh, Director of the Company and Mrs. A.Savita, relative of Managing Director of the Company.		
<b>Personal Guarantees:</b>		
Sri. A.Dinesh - Managing Director of the Company		
Sri. A.Rajesh - Director of the Company		
Smt. A.Savita - Relative of Managing Director of the Company		
<b>2. Rate of Interest : 7% above Base Rate</b>		
The above loan and interest due thereon have been paid upto date and there is no default in repayment of the same during the year.		
From a body corporate (Unsecured)	50,00,000	50,00,000
Rate of Interest: 18% p.a		
Loans from related parties (Unsecured)	1,00,00,000	70,00,000
Rate of Interest: 14% p. a (Ref Note No.26.II.12)		
	<b>3,93,26,152</b>	<b>1,88,29,152</b>
<b>7 TRADE PAYABLES</b>		
Dues of micro and small enterprises (Ref Note No.26.II.6)	–	–
Dues of creditors other than micro and small enterprises	8,07,25,824	1,97,90,012
	<b>8,07,25,824</b>	<b>1,97,90,012</b>
<b>8 OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due on borrowings	14,58,936	2,97,616
Unclaimed dividend accounts	11,13,000	12,85,484
(There is no amount due and outstanding to be credited to investor education and protection fund)		
<b>Other Payables:</b>		
Creditors for capital works	6,16,45,988	12,71,94,273
Statutory liabilities	89,91,097	25,66,743
Employee benefits payable	1,04,45,203	88,96,040
Others	49,78,787	35,48,716
	<b>8,86,33,011</b>	<b>14,37,88,872</b>

## NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	49,39,732	48,37,947
Provision for taxation (Net of prepaid taxes of ₹1,07,04,200/-)	30,95,800	–
Proposed dividend	1,12,69,534	–
Provision for corporate dividend tax	19,15,257	–
	<b>2,12,20,323</b>	<b>48,37,947</b>

## 10 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2013	Additions during the year	Deductions during the year	Total cost as at 31.03.2014	Upto 31.03.2013	For the year	On Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>TANGIBLE ASSETS:</b>										
Land	2,19,08,666	–	–	2,19,08,666	–	–	–	–	2,19,08,666	2,19,08,666
Buildings	14,46,800	–	–	14,46,800	1,29,706	23,583	–	1,53,289	12,93,511	13,17,094
Plant and Equipment	83,95,36,279	16,43,57,664	5,84,42,482	94,54,51,461	75,24,16,412	4,19,00,913	5,05,15,138	74,38,02,187	20,16,49,274	8,71,19,867
Electrical Fittings	59,632	73,980	–	1,33,612	59,632	61,495	–	1,21,127	12,485	–
Furniture and Fixtures	19,32,100	66,070	–	19,98,170	9,72,373	1,63,435	–	11,35,808	8,62,362	9,59,727
Vehicles	1,28,82,281	–	–	1,28,82,281	85,16,562	7,39,165	–	92,55,727	36,26,554	43,65,719
Office Equipment	76,48,810	11,10,484	–	87,59,294	50,03,128	3,99,135	–	54,02,263	33,57,031	26,45,682
Data Processing Equipment	70,49,888	7,27,632	–	77,77,520	58,89,589	3,66,208	–	62,55,797	15,21,723	11,60,299
	<b>89,24,64,456</b>	<b>16,63,35,830</b>	<b>5,84,42,482</b>	<b>1,00,03,57,804</b>	<b>77,29,87,402</b>	<b>4,36,53,934</b>	<b>5,05,15,138</b>	<b>76,61,26,198</b>	<b>23,42,31,606</b>	<b>11,94,77,054</b>
<b>INTANGIBLE ASSETS:</b>										
Software	2,21,782	–	–	2,21,782	1,81,080	40,702	–	2,21,782	–	40,702
<b>Total</b>	<b>89,26,86,238</b>	<b>16,63,35,830</b>	<b>5,84,42,482</b>	<b>1,00,05,79,586</b>	<b>77,31,68,482</b>	<b>4,36,94,636</b>	<b>5,05,15,138</b>	<b>76,63,47,980</b>	<b>23,42,31,606</b>	<b>11,95,17,756</b>
Previous year total	104,50,54,318	59,11,403	15,82,79,483	89,26,86,238	87,29,25,843	4,91,62,559	14,89,19,920	77,31,68,482	11,95,17,756	17,21,28,475
Capital work-in- progress	14,77,58,895	33,06,383	14,06,41,564	1,04,23,714	–	–	–	–	1,04,23,714	14,77,58,895

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>11 NON-CURRENT INVESTMENTS</b>		
(Long-term investment)		
Non Trade-Unquoted, fully paidup (At Cost less provision for other than temporary diminution in value)		
<b>Investment in subsidiary:</b>		
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 in value of investments	NIL	NIL



## NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>12 DEFERRED TAX ASSET (NET)</b>		
Balance at the beginning of the year	6,68,71,535	7,00,77,274
Less: Adjustments for the year (Refer Note no.26.II.15)	17,88,904	32,05,739
	<b>6,50,82,631</b>	<b>6,68,71,535</b>

### 13 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered good)		
Capital Advance	–	1,75,188
Security Deposits	7,30,707	12,75,500
Prepaid expenses	3,602	–
Prepaid taxes	21,74,357	1,59,59,216
MAT credit entitlement	1,34,00,000	–
	<b>1,63,08,666</b>	<b>1,74,09,904</b>

### 14 INVENTORIES

(Valued at lower of cost and net realisable value)		
Stock of stores and spares	24,69,479	93,41,059
	<b>24,69,479</b>	<b>93,41,059</b>

### 15 TRADE RECEIVABLES

Outstanding for a period exceeding six months from the date they became due for payment:		
Unsecured, considered good	–	1,79,13,134
Unsecured, considered doubtful	86,74,704	–
Less: Provision for doubtful debts	86,74,704	–
<b>Others:</b>		
Unsecured, considered good	22,49,55,427	54,10,584
Unsecured, considered doubtful	–	88,51,739
Less: Provision for doubtful debts	–	88,51,739
	<b>22,49,55,427</b>	<b>2,33,23,718</b>

### 16 CASH AND BANK BALANCES

Cash and cash equivalents:		
Cash on hand	2,79,853	1,69,835
Balances with banks:		
In Current accounts	40,69,412	43,49,265
		3,46,649
<b>Other bank balances:</b>		
In Dividend accounts	11,23,000	12,95,484
In Term deposits	85,67,466	96,90,466
		1,01,24,288
(Held as margin money security against letters of credit and guarantees issued by banks)		
	<b>1,40,39,731</b>	<b>1,19,36,256</b>

## NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans and advances to a related party (Refer Note no.26.II.7)	–	2,36,59,346
Prepaid expenses	17,01,846	7,23,780
Prepaid taxes	1,39,61,894	–
Loans and advances to employees	8,20,857	11,64,200
Other loans and advances	10,18,353	23,56,954
	<b>1,75,02,950</b>	<b>2,79,04,280</b>
<b>18 OTHER CURRENT ASSETS</b>		
Interest accrued on fixed deposits and others	14,09,668	95,132
Other receivables from Subsidiary (Refer Note No.26.II.12)	6,37,309	43,01,646
Other receivables from Step Down Subsidiary (Refer Note No.26.II.12)	–	18,93,292
	<b>20,46,977</b>	<b>62,90,070</b>

## NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>19 OTHER OPERATING INCOME</b>		
Income from provision of services	1,53,09,001	53,83,975
	<b>1,53,09,001</b>	<b>53,83,975</b>
<b>20 OTHER INCOME</b>		
Interest Income	1,20,21,354	19,44,280
Profit on sale of assets	22,51,402	80,88,903
Sale of used spares and consumables	–	13,36,698
Bad debts written off recovered	–	1,06,338
Provision for doubtful debts no longer required written back	1,77,035	–
Provision for liabilities no longer required written back	6,57,243	5,27,110
Other Non-operating Income	4,73,046	4,50,000
	<b>1,55,80,080</b>	<b>1,24,53,329</b>
<b>21 SURVEY AND SURVEY RELATED EXPENSES</b>		
Consumption of stores and spare parts	57,55,044	8,50,062
Labour charges	57,55,198	48,99,476
Survey and drilling charges	17,91,71,058	5,18,38,507
Fuel	37,07,790	40,58,460
Vehicle hire charges	49,68,207	49,40,840
Repairs to machinery	27,71,641	7,97,368
Camp rental charges	26,17,675	14,95,643
Technical consultancy charges	48,08,034	5,52,500
Camp expenses	93,62,694	50,38,673
Transport and handling charges	35,46,858	11,84,329
Other survey expenses	10,99,860	20,97,477
	<b>22,35,64,059</b>	<b>7,77,53,335</b>

## NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and other allowances	4,12,74,458	3,59,72,814
Contribution to provident and other funds	10,94,781	20,31,392
Contribution to ESI	34,669	89,706
Expense on employee stock option scheme	(19,73,827)	(26,26,531)
Staff welfare expenses	6,57,674	7,44,581
	<b>4,10,87,755</b>	<b>3,62,11,962</b>

<b>23 FINANCE COSTS</b>		
Interest expense	44,59,676	20,84,317
Other Borrowing costs	14,29,330	20,14,756
	<b>58,89,006</b>	<b>40,99,073</b>

<b>24 DEPRECIATION AND AMORTISATION</b>		
Depreciation	4,36,53,934	4,90,92,321
Amortisation expense	40,702	70,238
	<b>4,36,94,636</b>	<b>4,91,62,559</b>

<b>25 OTHER EXPENSES</b>		
Rent	9,03,000	19,69,672
Repairs and maintenance to other assets	3,67,921	3,05,261
Directors sitting fees	1,06,112	1,93,156
Printing and stationery	8,48,058	9,33,720
Communication expenses	10,02,758	10,96,328
Travelling and conveyance	30,85,533	47,83,400
Insurance	13,75,732	21,54,766
Rates and taxes, excluding taxes on income	4,38,090	6,30,218
Payment to auditors (Refer Note no.26.II.23)	9,05,300	7,94,000
Legal and professional charges	9,55,479	6,19,640
Advertisement and publication expenses	3,76,090	3,76,942
Vehicle maintenance	2,06,322	1,60,986
Donations	41,000	9,000
Book deficit on assets discarded	62,06,201	78,704
Provision for doubtful debts	-	88,51,739
Miscellaneous expenses	21,24,088	25,28,360
	<b>1,89,41,684</b>	<b>2,54,85,892</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 to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules, 2006 (as amended), other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 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.

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

##### B. Use of estimates

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

##### C. Fixed assets and depreciation

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

##### D. Intangible assets and amortisation

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

##### E. 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.

##### F. Foreign exchange transactions

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

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### G. Investments

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

#### H. Inventories

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

#### I. Employee stock option scheme

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

#### J. Taxes on income

- i. Tax expenses is the aggregate of current income tax and deferred income tax charge / (credit) for the year.
- ii. Current income tax:  
The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessment pending appeals, as considered appropriate depending on the merits of each case.
- iii. Deferred income tax:  
Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable 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. 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 year. 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 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.

#### K. Proposed dividend

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

#### L. Leases

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### M. 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.

#### N. Earnings per share

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

#### O. Employee benefits

##### Defined contribution plans:

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

##### Defined benefit plans:

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

##### Short term employee benefits

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

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

#### P. Revenue recognition

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

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

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

Provision, involving substantial degree of estimation in measurement, are recognised 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 recognised but are disclosed in the explanatory information to the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

#### R. Cash and cash equivalents

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

## II. OTHER EXPLANATORY INFORMATION

### 1. Corporate Information:

Alphageo (India) Limited (the Company or AGIL) is a public limited company incorporated under the provisions of Companies Act, 1956 having its registered office at Hyderabad in the state of Andhra Pradesh, India. The Equity Shares of

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

the Company are listed with Stock Exchanges in India viz., BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

The Company is a leading service provider of 2 Dimensional and 3 Dimensional 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. **Contingent Liabilities and Commitments:** (Amount in ₹)

Particulars	2013-14	2012-13
<b>Contingent Liabilities:</b>		
Towards Guarantees issued by bank	–	5,42,90,500
Income tax demands disputed by the company	94,55,450	94,55,450

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

As a matter of prudence, company has made a provision of ₹86,74,704/- towards doubtful recovery of Trade Receivables.

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

The Company has issued and allotted to Promoters and Promoter Group on preferential basis, in compliance with the provisions of the erstwhile Companies Act, 1956 and SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009 and all other applicable Laws, Rules and Regulations, 2,50,000 Equity Shares of the Company on 10th August 2012 and 2,50,000 Equity shares, on exercising the option for conversion of warrants allotted, on 02nd January, 2014 at ₹60/- per Equity Share at a premium of ₹50/- per Equity Share of ₹10/- each and received proceeds of ₹3,00,00,000/- on issue of these securities. The entire proceeds have ultimately been, utilised for Capital expenditure by acquiring equipment for the operations of the Company.

6. **Dues of the Micro and Small Enterprises:**

Information as required to be disclosed under Schedule VI of the Companies Act, 1956 with reference to micro and small enterprises under the micro, small and medium enterprises development Act, 2006 (Act) as given below and the information mentioned at Note No.7 Trade Payables w.r.t. dues of micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the auditors:

Particulars	2013-14	2012-13
Principal Amount remaining unpaid as on 31st March.	NIL	NIL
Interest due thereon as on 31st March.	NIL	NIL
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	NIL	NIL
Interest accrued and remaining unpaid as at 31st March.	NIL	NIL
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	NIL	NIL

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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

Particulars	Balance as on		Maximum Balance Outstanding during the year	
	31.03.2014	31.03.2013	2013-14	2012-13
Alphageo International Limited	–	2,36,59,346	2,46,55,368	2,42,96,250

8. Employee Stock Option Scheme:

- a. In respect of Options granted to employees under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the accounting value of options, determined based on market price of the share on the before day of the grant of the Option, is accounted as Deferred Employee Compensation Costs and the same is being amortised on straight line basis over the vesting period of stock options. Consequently for the current year, an amount of ₹19,73,827/- has been written back (Previous Year ₹26,26,531/-).

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

Particulars	2013-14	2012-13
Options outstanding at the beginning of the year	20,234	61,969
Granted during the year	–	–
Expired/Forfeited during the year	20,234	41,735
Exercised during the year	–	–
Options exercisable at the end of the year	–	20,234

9. Derivative Instruments:

- i. There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2014 (Previous year: ₹ Nil).  
 ii. The details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

(Amount in ₹)

Particulars	As on 31.03.2014		As on 31.03.2013	
	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency
Payables for supplies	10,25,727	6,16,45,988	23,43,258	12,74,48,135
Loans and advances and receivables	8,116	4,87,770	6,48,379	3,52,64,867

10. Employee Benefits:

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

Particulars	2013-14	2012-13
<b>i. Defined Contribution Schemes</b>		
Employer's Contribution to Provident Fund	10,94,781	12,29,432
<b>ii. State Plans</b>		
Employer's Contribution to State Insurance Scheme	34,669	89,706

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### iii. Defined Benefit Plans

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

##### a. Reconciliation of opening and closing balances of Defined Benefit obligation:

	(Amount in ₹)	
Gratuity (Unfunded)	2013-14	2012-13
<b>i) Components of Employer Expense</b>		
Current Service Cost	3,19,112	3,13,662
Interest Cost on benefit obligation	4,39,775	3,72,331
Return on Plan Assets	(3,34,422)	(3,26,323)
Actuarial (gain)/loss	(6,92,204)	4,42,290
Net benefit expense	(2,67,739)	8,01,960
<b>ii) Actual Return on Plan Assets</b>	(3,34,422)	(3,26,323)
<b>iii) Net Asset / Liability recognised in Balance Sheet</b>		
Defined Benefit Obligation	54,51,371	54,97,188
Fair Value Of Plan Assets	(41,49,486)	(37,14,224)
Status (Surplus)/Deficit	13,01,885	17,82,964
Unrecognised Past Service Cost	–	–
Net (Asset)/Liability recognised in Balance Sheet	13,01,885	17,82,964
<b>iv) Changes in the PV of DBO</b>		
At the beginning of the year	54,97,188	46,54,136
Current Service Cost	3,19,112	3,13,662
Interest Cost	4,39,775	3,72,331
Actuarial (gain)/loss	(6,92,204)	4,42,290
Benefits paid	(1,12,500)	(2,85,231)
At the end of the year	54,51,371	54,97,188
<b>v) Changes in Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Assets	37,14,224	36,42,458
Expected Return	3,34,422	3,26,323
Contributions	2,13,340	30,674
Benefits Paid	(1,12,500)	(2,85,231)
Actuarial Gain/ Loss	–	–
Closing Fair value of Plan Assets	41,49,486	37,14,224
<b>vi) Movement in Balance Sheet</b>		
Opening Liability	17,82,964	10,11,678
Expenses as above	(2,67,739)	8,01,960
Contribution Paid	(2,13,340)	(30,674)
Closing Liability	13,01,885	17,82,964
<b>vii) Actuarial assumptions:</b>		
Mortality Table (L.I.C)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8%
Attrition Rate (per annum)	4%	4%
Rate of escalation in salary (per annum)	4%	4%
Expected rate of return	9%	9%

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

b. Reconciliation of opening and closing balances of Defined Benefit obligation:		(Amount in ₹)	
Leave Encashment (Unfunded)	2013-14	2012-13	
<b>i) Statement of Profit and Loss</b>			
Current Service Cost	27,317	24,987	
Interest Cost on benefit obligation	12,430	5,722	
Return on Plan Assets	–	–	
Actuarial (gain)/loss	51,920	53,139	
Past Services cost	–	–	
Net benefit expense	91,667	83,848	
<b>ii) Balance Sheet</b>			
At the beginning of the year	1,55,374	71,526	
Current Service Cost	27,317	24,987	
Interest Cost	12,430	5,722	
Actuarial (gain)/loss	51,920	53,139	
Benefits paid	–	–	
At the end of the year	2,47,041	1,55,374	
<b>iii) Actuarial assumptions:</b>			
Mortality Table (L.I.C)	1994-96 (Ultimate)	1994-96 (Ultimate)	
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.

#### 11. Segmental Reporting:

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

#### 12. Related Party Transactions:

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

i. List of Related Parties with whom transactions have taken place and nature of relationships:	Transactions during the year (Yes/No)
<b>a. Key Management Personnel</b>	
Sri A. Dinesh	Yes
<b>b. Relatives of Key Management Personnel</b>	
Sri A. Rajesh	Yes
Smt. Kamala Rajupet	Yes
Sri A. Sashank	Yes
Smt A. Savita	Yes
Ms A. Anisha	Yes
<b>c. Concern in which Key Management Personnel have substantial interest (Significant interest):</b>	
A. Dinesh (HUF)	Yes



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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>	
Aquila Drilling Private Limited	Yes
Transducers and Controls Private Limited	No
A. Rajesh(HUF)	Yes
IIC Technologies Limited	No
IIC Academy Private Limited	No
IIC Geosurveys Private Limited	No
<b>e. Subsidiary:</b>	
Alphageo International Limited	Yes
<b>f. Step-down subsidiary:</b>	
Alphageo DMCC	Yes

(Amount in ₹)

ii. Details of Transactions		2013-14		2012-13	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2014	Amount of Transaction	Amount outstanding as on 31.03.2013
<b>1</b>	<b>Key Management Personnel:</b>				
	Remuneration	39,76,797	3,97,783 (Credit)	39,86,332	8,33,201 (Credit)
	Interest on Loan	17,61,507	13,98,772 (Credit)	2,79,041	1,46,712 (Credit)
	Acceptance of Loan	2,05,00,000	1,50,00,000	45,00,000	45,00,000
	Repayment of Loan	1,00,00,000	(Credit)	25,00,000	(Credit)
	Allotment of Equity Shares including Premium	—	—	45,00,000	—
<b>2</b>	<b>Relatives of the Key Management Personnel:</b>				
	Sitting Fees	17,778	—	42,442	—
	Rent	1,20,000	1,03,650 (Credit)	30,000	20,730 (Credit)
	Allotment of Equity Shares including Premium	1,20,00,000	—	75,00,000	—
	Amount received on Share Warrants	90,00,000	—	30,00,000	—
<b>3</b>	<b>Concerns in which Key Management Personnel has Substantial Interest:</b>				
	Rent	3,00,000	3,23,787 (Credit)	1,00,000	93,000 (Credit)
<b>4</b>	<b>Concerns in which Relative of the Key Management Personnel has Substantial Interest:</b>				
	Drilling Charges	8,56,32,000	2,49,96,841 (Credit)	2,37,06,000	99,62,035 (Credit)
	Acceptance of Loan	20,00,000	—	25,00,000	25,00,000
	Repayment of Loan	45,00,000	(Credit)	—	(Credit)
	Interest on Loan	91,266	—	61,644	55,480 (Credit)
	Allotment of Equity Shares including Premium	30,00,000	—	30,00,000	—
	Amount received on Share Warrants	22,50,000	—	7,50,000	—
	Rent	3,00,000	3,23,787 (Credit)	1,00,000	93,000 (Credit)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

(Amount in ₹)

ii. Details of Transactions		2013-14		2012-13	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2014	Amount of Transaction	Amount outstanding as on 31.03.2013
5	<b>Subsidiary</b>				
	Loan given	–	–	2,36,59,346	2,36,59,346
	Loan given received back	2,36,59,346	–	–	(Debit)
	Recovery of payments of expenses	75,15,309	6,37,309	34,97,161	34,97,161
	Recovery of payments of expenses received back	34,97,161	(Debit)	9,04,011	(Debit)
	Interest Income	3,58,251	–	8,04,030	8,04,485 (Debit)
	Income from provision of services	1,53,09,001	4,87,770 (Debit)	53,83,975	54,10,584 (Debit)
6	<b>Step-down subsidiary</b>		–		
	Sale of used Fixed Assets	39,72,546	–	1,72,88,562	18,93,292
	Sale of Survey Consumables and Spares	–	–	14,93,891	(Debit)
	Sale of used spares and consumables	–	–	13,36,698	–
	Counter Guarantee provided to Bank for issuing Performance Guarantee	55,21,730	–	–	–

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

(Amount in ₹)

Nature of Transaction	Name of the Related Party	2013-14	2012-13
Remuneration	Sri. A. Dinesh	39,76,797	39,86,332
Interest on Loan Taken	Sri. A. Dinesh	17,61,507	2,79,041
	Aquila Drilling Private Limited	91,266	61,644
Repayment of Loan	Sri. A. Dinesh	1,00,00,000	25,00,000
	Aquila Drilling Private Limited	45,00,000	–
Acceptance of Loan	Sri. A. Dinesh	2,05,00,000	45,00,000
	Aquila Drilling Private Limited	20,00,000	25,00,000
Sitting Fees	Sri. A. Rajesh	17,778	42,442
Drilling Charges	Aquila Drilling Private Limited	8,56,32,000	2,37,06,000
Allotment of Equity shares including premium	Sri. A. Dinesh	–	45,00,000
	Smt. Kamala Rajupet	–	75,00,000
	Aquila Drilling Private Limited	30,00,000	30,00,000
	Sri A. Sashank	30,00,000	–
	Smt A. Savita	60,00,000	–
	Ms A. Anisha	30,00,000	–
Amount received on Share Warrants	Aquila Drilling Private Limited	22,50,000	7,50,000
	Sri A. Sashank	22,50,000	7,50,000
	Smt A. Savita	45,00,000	15,00,000
	Ms A. Anisha	22,50,000	7,50,000
Rent	Sri A. Dinesh(HUF)	3,00,000	1,00,000
	Sri A. Rajesh(HUF)	3,00,000	1,00,000
	Smt. Kamala Rajupet	1,20,000	30,000
Sale of used Fixed Assets	Alphageo DMCC	39,72,546	1,72,88,562
Sale of Consumables and Spares	Alphageo DMCC	–	14,93,891

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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

(Amount in ₹)			
Nature of Transaction	Name of the Related Party	2013-14	2012-13
Loan Given	Alphageo International Limited	–	2,36,59,346
Loan Given Received Back	Alphageo International Limited	2,36,59,346	–
Interest Income	Alphageo International Limited	3,58,251	8,04,030
Recovery of payments of expenses	Alphageo International Limited	75,15,309	34,97,161
Recovery of payments of expenses received back	Alphageo International Limited	34,97,161	9,04,011
Income from provision of Services	Alphageo International Limited	1,53,09,001	53,83,975
Sale of used spares and consumables	Alphageo DMCC	–	13,36,698
Counter Guarantee provided to Bank for issuing Performance Guarantee	Alphageo DMCC	55,21,730	–

#### 13. Leases:

The Company has various operating leases for Office and other premises that are renewable on a periodic basis by mutual consent on mutually agreeable terms and cancellable at its option. Rental/lease expenses for operating leases recognised in the Statement of Profit and Loss for the year is ₹26,01,818/- (Previous Year ₹29,47,143/-).

#### 14. Earnings/(Loss) Per Share:

(Amount in ₹)

Particulars	2013-14	2012-13
The Numerator and Denominator used to calculate Earnings/(Loss) Per Share:		
A Earnings / (Loss) attributable to Equity Shareholders	11,25,78,607	(9,94,96,987)
B Number of Shares:		
Weighted average number of Equity shares outstanding during the year (Nos.)	54,45,726	52,95,041
Nominal Value of Equity Share	10	10
C Earnings/(Loss) per share – Basic / Diluted	20.67	(18.79)

#### 15. Deferred Income Tax:

The movement of provision for deferred tax for the year ended 31.03.2014 is as given below:

(Amount in ₹)

Particulars	As at 01.04.2013	(Charge)/Credit For the year	As at 31.03.2014
Deferred Tax Asset:			
Depreciation on Assets	6,29,16,022	(14,51,178)	6,14,64,844
Expenses allowable on the basis of Payment	39,55,513	(3,37,726)	36,17,787
<b>Total</b>	<b>6,68,71,535</b>	<b>(17,88,904)</b>	<b>6,50,82,631</b>

#### 16. Details of Gross Income derived from services rendered:

(Amount in ₹)

Particulars	2013-14	2012-13
Seismic Survey and Related services	42,88,26,272	7,96,85,719

#### 17. Details of Sale of Traded Goods:

(Amount in ₹)

Particulars	2013-14	2012-13
Survey Consumables	–	14,93,891
<b>Total</b>	<b>–</b>	<b>14,93,891</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### 18. Details of Purchase of Traded Goods: (Amount in ₹)

Particulars	2013-14	2012-13
Survey Consumables	–	11,94,645
<b>Total</b>	<b>–</b>	<b>11,94,645</b>

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

Particulars	2013-14	2012-13
Capital Goods	18,98,711	14,30,17,671

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

Particulars	2013-14	2012-13
Salaries and allowances (net of tax)	11,11,370	21,31,749
Travelling Expenses	3,48,465	4,26,533

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

Particulars	2013-14	2012-13
Remittance of Dividend in Foreign Currency	NIL	NIL

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

Particulars	2013-14	2012-13
Seismic Survey and Related services income	8,88,83,062	–
Income from provision of services	1,53,09,001	53,83,975
Interest income	3,58,251	8,04,030
Sale of used spares and consumables	–	13,36,698
Sale of survey consumables and spares	–	14,93,891

#### 23. Details of payment to auditors: (Amount in ₹)

Particulars	2013-14	2012-13
As Auditor	4,00,000	3,00,000
For Tax Audit	1,90,000	1,75,000
For Quarterly reviews	1,35,000	1,05,000
For Taxation matters	60,000	55,000
For Other services	1,10,000	1,50,000
For Reimbursement of expenses	10,300	9,000
<b>Total</b>	<b>9,05,300</b>	<b>7,94,000</b>

Per our Report of even date

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

N. Anka Rao  
Partner  
Membership Number: 23939

Hyderabad  
29.05.2014

For and on behalf of the Board

A. Dinesh  
Managing Director

Z.P. Marshall  
Chairman

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

S.NO.	PARTICULARS	ALPHAGEO INTERNATIONAL LIMITED	
1	Financial Year of the subsidiary company ended on		31st March, 2014
2	Shares held by the holding company in the subsidiary and extent of holding:		
a	No. of shares	No.	1,05,036
b	Extent of Holding	%	100%
3	The net aggregate of profits or (losses) of the subsidiary for the current period so far as it concerns the members of the holding company:		
a	Dealt with or provided for in the accounts of the holding company	₹	NIL
b	Not Dealt with or provided for in the accounts of the holding company	₹	15,39,02,930
4	The net aggregate of profits or (losses) of previous financial years of subsidiary so far as it concerns the members of the holding company:		
a	Dealt with or provided for in the accounts of the holding company	₹	NIL
b	Not Dealt with or provided for in the accounts of the holding company.	₹	1,94,11,966
5	Changes in the interest of Holding Company between the end of the financial year of the subsidiary company and that of the holding company		NIL
6	Material Changes if any between the end of the financial year of the subsidiary company and that of the holding company		NIL

### Notes:

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

For and on behalf of the Board

A.Dinesh  
Managing Director

Z.P.Marshall  
Chairman

Hyderabad  
29.05.2014

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of  
ALPHAGEO (INDIA) LIMITED

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of ALPHAGEO (INDIA) LIMITED ("the Company") and its subsidiaries; hereinafter referred to as the "Group", which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as

evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (net) of ₹50,03,29,102/- as at March 31, 2014, total revenues of ₹51,40,00,780/- and net cash inflows amounting to ₹1,86,28,203/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

N. Anka Rao  
Partner

Hyderabad  
29.05.2014

Membership Number: 23939

**CONSOLIDATED BALANCE SHEET** as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2014		As at 31st March, 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	1	5,64,83,670		5,39,83,670	
Reserves and surplus	2	63,42,21,759		35,29,78,710	
Money received against share warrants		–	69,07,05,429	37,50,000	41,07,12,380
<b>Non-current liabilities</b>					
Long-term borrowings	3	50,00,000		–	
Other long-term liabilities	4	4,43,589		–	
Long-term provisions	5	44,21,194	98,64,783	44,86,391	44,86,391
<b>Current liabilities</b>					
Short-term borrowings	6	3,93,26,152		4,60,23,802	
Trade payables	7	9,60,87,994		12,29,48,348	
Other current liabilities	8	21,50,16,820		14,95,62,188	
Short-term provisions	9	2,12,20,323	37,16,51,289	48,37,947	32,33,72,285
<b>TOTAL</b>			<b>107,22,21,501</b>		<b>73,85,71,056</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	10	63,88,16,617		33,05,48,756	
Intangible assets		10,85,343		15,04,372	
		63,99,01,960		33,20,53,128	
Capital work-in-progress		1,04,23,714		14,77,58,895	
		65,03,25,674		47,98,12,023	
Deferred tax assets (net)	11	6,50,82,631		6,68,71,535	
Long-term loans and advances	12	1,63,08,666	73,17,16,971	4,09,09,943	58,75,93,501
<b>Current assets</b>					
Inventories	13	24,69,479		1,17,19,938	
Trade receivables	14	27,59,75,529		10,30,50,391	
Cash and bank balances	15	3,94,53,111		2,34,33,882	
Short-term loans and advances	16	2,11,96,743		1,26,78,212	
Other current assets	17	14,09,668	34,05,04,530	95,132	15,09,77,555
<b>TOTAL</b>			<b>107,22,21,501</b>		<b>73,85,71,056</b>
<b>Summary of significant accounting policies and other explanatory information</b>					
	24				

Per our Report of even date

For and on behalf of the Board

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

A. Dinesh  
Managing Director

Z.P. Marshall  
Chairman

N. Anka Rao  
Partner  
Membership Number: 23939

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

Hyderabad  
29.05.2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>REVENUE</b>			
Seismic Survey and related service income		94,28,27,052	23,56,67,443
Other income	18	1,29,70,427	24,01,059
<b>Total Revenue</b>		<b>95,57,97,479</b>	<b>23,80,68,502</b>
<b>EXPENSES</b>			
Survey and survey related expenses	19	47,03,56,219	16,68,59,169
Employee benefits expense	20	4,26,63,911	3,86,37,218
Finance costs	21	71,43,556	45,66,319
Depreciation and amortisation expense	22	8,83,93,522	7,67,72,580
Other expenses	23	5,15,74,996	4,84,02,605
Net loss on foreign currency transaction and translation		1,18,16,869	17,45,809
<b>Total Expenses</b>		<b>67,19,49,073</b>	<b>33,69,83,700</b>
<b>Profit/(Loss) before tax</b>		<b>28,38,48,406</b>	<b>(9,89,15,198)</b>
<b>Tax expense</b>			
Current tax		3,07,32,182	49,09,102
MAT credit entitlement		(1,34,00,000)	–
Deferred tax		17,88,904	32,05,739
Income tax adjustments of earlier years		–	1,301
<b>Profit/(Loss) after tax</b>		<b>26,47,27,320</b>	<b>(10,70,31,340)</b>
<b>Earnings/(Loss) per equity share</b>			
(Nominal value: ₹10/- per share)			
Basic		48.61	(20.21)
Diluted		48.61	(20.21)
<b>Summary of significant accounting policies and other explanatory information</b>	24		

Per our Report of even date

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

N. Anka Rao  
Partner  
Membership Number: 23939

Hyderabad  
29.05.2014

For and on behalf of the Board

A. Dinesh  
Managing Director

Z.P. Marshall  
Chairman

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014

(Amount in ₹)

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax for the year		28,38,48,406		(9,89,15,198)
Add/ (Less) : Adjustments for:				
Depreciation and Amortisation	8,83,93,522		7,67,72,580	
Interest Expense	57,14,226		25,51,563	
Interest Income	(1,16,63,103)		(11,40,250)	
Bad debts written off	–		32,20,625	
Provision for liabilities no longer required written back	(6,57,243)		(5,27,110)	
Employee Compensation costs written (back)/off	(19,73,827)		(26,26,531)	
Provision for doubtful debts	–		8,851,739	
Provision for doubtful debts no longer required written back	(1,77,035)		–	
Profit on Sale of Tangible Assets (Net)	–		(81,200)	
Book Deficit on Assets Discarded	1,32,48,203	9,28,84,743	78,704	8,71,00,120
		37,67,33,149		(1,18,15,078)
Add / (Less) : Adjustments for Working Capital Changes:				
Decrease/(Increase) in Long Term Loans and Advances	5,41,191		(8,493)	
Decrease/(Increase) in Inventories	92,50,459		(80,67,534)	
(Increase)/Decrease in Trade Receivables	(17,29,25,138)		20,521,677	
Decrease in Short Term Loans and Advances	54,43,363		47,94,236	
Decrease in Long Term Provisions	2,02,542		17,81,661	
(Increase) / Decrease in Trade Payables	(2,68,60,354)		1,34,47,539	
Decrease in Other Current Liabilities	89,94,246		1,96,275	
Decrease/(Increase) in Short Term Provisions	1,91,785	(17,51,61,906)	(4,10,527)	32,254,834
Cash generated from operations		20,15,71,243		2,04,39,756
Less : Direct taxes paid		2,76,36,382		71,84,768
<b>Net Cash flow from operating activities</b>		<b>17,39,34,861</b>		<b>1,32,54,988</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed assets		(16,83,55,583)		(5,02,69,636)
Proceeds from sale of fixed assets		–		81,200
Investment in bank deposits (Original maturity of more than three months) (net)		15,56,822		(44,49,288)
Interest Received		1,03,48,567		11,16,185
<b>Net Cash used in Investing activities</b>		<b>(15,64,50,194)</b>		<b>(5,35,21,539)</b>

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2014

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>III CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of Share Capital including Securities Premium	1,50,00,000	1,50,00,000
Money received against issue of share warrants	(37,50,000)	37,50,000
Proceeds from Long Term Borrowings	50,00,000	–
Proceeds from Short Term Borrowings	(66,97,650)	1,89,96,643
Interest Paid	(45,76,032)	(21,17,700)
<b>Net Cash flow from Financing Activities</b>	<b>49,76,318</b>	<b>3,56,28,943</b>
<b>IV Net Increase/(Decrease) in cash and cash equivalents</b>	<b>2,24,60,985</b>	<b>(46,37,608)</b>
<b>V Adjustment due to change in exchange rates</b>	<b>(47,12,450)</b>	<b>(22,93,279)</b>
<b>VI Cash and Cash Equivalents as at the beginning of the year</b>	<b>1,20,14,110</b>	<b>1,89,44,997</b>
<b>VII Cash and Cash Equivalents as at the end of the year</b>	<b>2,97,62,645</b>	<b>1,20,14,110</b>

**Notes:**

- Figures in brackets indicate cash outgo.
- The above consolidated cash flow statement has been prepared under the indirect method set out in Accounting Standard–3 notified under the Companies Act, 1956.
- Summary of significant accounting policies and other explanatory information (Note No.24) form an Integral part of the Cash Flow Statement.
- Previous year figures have been regrouped / reclassified to conform to current year classification.

Per our Report of even date

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

N. Anka Rao  
Partner  
Membership Number: 23939

Hyderabad  
29.05.2014

For and on behalf of the Board

A. Dinesh  
Managing Director

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer

Z.P. Marshall  
Chairman



## CONSOLIDATED NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at	
	31st March, 2014	31st March, 2013
<b>7 SHARE CAPITAL</b>		
<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>		
56,46,167 (Previous year: 53,96,167) Equity Shares of ₹10/- each	5,64,61,670	5,39,61,670
<b>Subscribed and fully paid up:</b>		
56,34,767 (Previous year: 53,84,767) Equity Shares of ₹10/- each fully paid up	5,63,47,670	5,38,47,670
Add: Forfeited shares	1,36,000	1,36,000
	<b>5,64,83,670</b>	<b>5,39,83,670</b>

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number		Number	
Shares outstanding at the beginning of the year		53,84,767		51,34,767
Shares issued during the year		2,50,000		2,50,000
Shares outstanding at the end of the year		<b>56,34,767</b>		<b>53,84,767</b>

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

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Promoters Group</b>				
Alla Dinesh	3,75,022	6.65	3,75,022	6.96
Kamala Rajupet	3,74,466	6.64	3,74,466	6.95

**Terms/rights attached to equity shares:**

The company has only one class of equity 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.

During the year ended 31st March 2014, the amount of dividend recognised as distributions to equity shareholders was ₹2/- per share (2012-13: ₹ Nil per share).

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

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

Nos.		NIL	20,234
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## CONSOLIDATED NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<b>2 RESERVES AND SURPLUS</b>				
<b>Capital reserve:</b>				
Share warrants forfeiture account		1,61,18,047		1,61,18,047
<b>Securities premium account</b>				
As per last account	16,90,04,831		15,65,04,831	
Add: Premium received on allotment of equity shares issued during the year	1,25,00,000	18,15,04,831	1,25,00,000	16,90,04,831
<b>Share options outstanding account:</b>				
As per last account	19,73,827		50,46,117	
Less: Deletions during the year	19,73,827	–	30,72,290	19,73,827
<b>Foreign currency translation reserve:</b>				
As per last account	3,27,55,051		2,20,90,882	–
Add: Movement during the year	1,91,74,347	5,19,29,398	1,06,64,169	3,27,55,051
<b>General reserve</b>				
As per last account	3,00,00,000		3,00,00,000	
Add: Amount transferred from statement of profit and loss	1,00,00,000	4,00,00,000	–	3,00,00,000
<b>Balance in statement of profit and loss (surplus):</b>				
As per last account	10,31,26,954		21,01,58,294	
Add/(Less): Profit/(Loss) as per statement of profit and loss	26,47,27,320		(10,70,31,340)	
Total available for allocations and appropriations	36,78,54,274		10,31,26,954	
<b>Less: Allocations and appropriations</b>				
Proposed dividend	1,12,69,534		–	
Provision for corporate dividend tax	19,15,257		–	
Amount transferred to General reserve	1,00,00,000	34,46,69,483	–	10,31,26,954
		<b>63,42,21,759</b>		<b>35,29,78,710</b>

### 3 LONG-TERM BORROWINGS

<b>Term Loans (Secured):</b>				
Loan from a Director, related party (Unsecured)		50,00,000		–
Rate of interest: 14% p.a.				
		<b>50,00,000</b>		<b>–</b>

### 4 OTHER LONG-TERM LIABILITIES

Interest accrued but not due on borrowings		4,43,589		–
		<b>4,43,589</b>		<b>–</b>

### 5 LONG-TERM PROVISIONS

Provision for employee benefits		44,21,194		44,86,391
		<b>44,21,194</b>		<b>44,86,391</b>

## CONSOLIDATED NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>6 SHORT- TERM BORROWINGS</b>		
<b>Loans repayable on demand: (Secured)</b>		
Working capital loan from State Bank of India	2,43,26,152	68,29,152
<b>1. Nature of Security:</b>		
<b>Primary Security:</b>		
Secured by hypothecation of entire chargeable current assets of the company.		
<b>Collateral Security:</b>		
First charge on entire fixed assets of the company.		
The above loan is further secured by equitable mortgage of certain immovable properties belonging to Mr. A.Dinesh, Managing Director of the Company, Mr. A.Rajesh, Director of the Company and Mrs. A.Savita, relative of Managing Director of the Company.		
<b>Personal Guarantees:</b>		
Sri. A.Dinesh - Managing Director of the Company		
Sri. A.Rajesh - Director of the Company		
Smt. A.Savita - Relative of Managing Director of the Company		
<b>2. Rate of Interest : 7% above Base Rate</b>		
The above loan and interest due thereon have been paid upto date and there is no default in repayment of the same during the year.		
From body corporate (Unsecured)	50,00,000	3,21,94,650
Rate of Interest: 18% p. a		
Loans from related parties (Unsecured)	1,00,00,000	70,00,000
Rate of Interest: 14% p. a		
(Ref. Note No.24.II.11)		
	<b>3,93,26,152</b>	<b>4,60,23,802</b>
<b>7 TRADE PAYABLES</b>		
Dues of micro and small enterprises	-	-
Dues of creditors other than micro and small enterprises	9,60,87,994	12,29,48,348
	<b>9,60,87,994</b>	<b>12,29,48,348</b>
<b>8 OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due on borrowings	14,58,936	7,64,331
Unclaimed dividend accounts	11,13,000	12,85,484
(There is no amount due and outstanding to be credited to investor education and protection fund)		
<b>Other Payables:</b>		
Creditors for capital works	18,34,32,042	12,71,94,273
Statutory liabilities	89,91,097	25,93,938
Employee benefits payable	1,04,45,203	88,96,040
Others	95,76,542	88,28,122
	<b>21,50,16,820</b>	<b>14,95,62,188</b>

## CONSOLIDATED NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at	
	31st March, 2014	31st March, 2013
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	49,39,732	48,37,947
Provision for taxation (Net of prepaid taxes of ₹1,07,04,200/-)	30,95,800	–
Proposed dividend	1,12,69,534	–
Provision for corporate dividend tax	19,15,257	–
	<b>2,12,20,323</b>	<b>48,37,947</b>

### 10 FIXED ASSETS

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as at 01.04.2013	Adjustment	Additions during the year	Deductions during the year	Total cost as at 31.03.2014	Upto 31.03.2013	Adjustment	For the year	On Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets:</b>												
Freehold Land	2,19,08,666	–	–	–	2,19,08,666	–	–	–	–	–	2,19,08,666	2,19,08,666
Buildings	14,46,800	–	–	–	14,46,800	1,29,706	–	23,583	–	1,53,289	12,93,511	13,17,094
Plant and Equipment	125,84,52,558	3,01,06,041	38,36,25,594	3,85,49,878	163,36,34,315	96,18,45,037	65,62,792	8,56,64,406	2,53,23,901	102,87,48,334	60,48,85,981	29,66,07,521
Electrical Fittings	59,632	–	73,980	–	1,33,612	59,632	–	61,495	–	1,21,127	12,485	–
Furniture and Fixtures	19,32,100	–	66,070	–	19,98,170	9,72,374	–	1,63,435	–	11,35,809	8,62,361	9,59,726
Vehicles	1,28,82,281	–	–	–	1,28,82,281	85,16,564	–	7,39,165	–	92,55,729	36,26,552	43,65,717
Office Equipment	94,25,868	1,90,119	11,10,484	10,638	1,07,15,833	53,08,765	31,727	7,75,240	5,770	61,09,962	46,05,871	41,17,103
Data Processing Equipment	72,66,110	16,843	7,27,632	–	80,10,585	59,93,181	2,721	3,93,493	–	63,89,395	16,21,190	12,72,929
	<b>131,33,74,015</b>	<b>3,03,13,003</b>	<b>38,56,03,760</b>	<b>3,85,60,516</b>	<b>169,07,30,262</b>	<b>98,28,25,259</b>	<b>65,97,240</b>	<b>8,78,20,817</b>	<b>2,53,29,671</b>	<b>105,19,13,645</b>	<b>63,88,16,617</b>	<b>33,05,48,756</b>
<b>Intangible Assets:</b>												
Software	17,42,017	1,59,675	–	–	19,01,692	2,37,645	5,999	5,72,705	–	8,16,349	10,85,343	15,04,372
<b>Total</b>	<b>131,51,16,032</b>	<b>3,04,72,678</b>	<b>38,56,03,760</b>	<b>3,85,60,516</b>	<b>169,26,31,954</b>	<b>98,30,62,904</b>	<b>66,03,239</b>	<b>8,83,93,522</b>	<b>2,53,29,671</b>	<b>105,27,29,994</b>	<b>63,99,01,960</b>	<b>33,20,53,128</b>
Previous Year Total	127,92,37,480	1,50,52,284	2,28,22,614	19,96,346	131,51,16,032	90,61,13,130	20,94,835	7,67,72,580	19,17,641	98,30,62,904	33,20,53,128	37,31,24,350

(Amount in ₹)

Particulars	As at	
	31st March, 2014	31st March, 2013
<b>11 DEFERRED TAX ASSET (NET)</b>		
Balance at the beginning of the year	6,68,71,535	7,00,77,274
Less: Adjustments for the year (Refer Note No.24.II.14)	17,88,904	32,05,739
	<b>6,50,82,631</b>	<b>6,68,71,535</b>

### 12 LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered good)		
Capital advance	–	2,36,75,227
Security Deposits	7,30,707	12,75,500
Prepaid expenses	3,602	–
Prepaid taxes	21,74,357	1,59,59,216
MAT credit entitlement	1,34,00,000	–
	<b>1,63,08,666</b>	<b>4,09,09,943</b>

## CONSOLIDATED NOTES TO BALANCE SHEET

(Amount in ₹)

Particulars	As at		As at	
	31st March, 2014		31st March, 2013	
<b>13 INVENTORIES</b>				
(Valued at lower of cost and net realisable value)				
Stock of stores and spares		24,69,479		1,17,19,938
		<b>24,69,479</b>		<b>1,17,19,938</b>

<b>14 TRADE RECEIVABLES</b>				
Outstanding for a period exceeding six months from the date they became due for payment:				
Unsecured, considered good		–		1,79,13,134
Unsecured, considered doubtful	86,74,704		–	
Less: Provision for doubtful debts	86,74,704	–	–	–
<b>Others:</b>				
Unsecured, considered good		27,59,75,529		8,51,37,257
Unsecured, considered doubtful	–		88,51,739	
Less: Provision for doubtful debts	–	–	88,51,739	–
		<b>27,59,75,529</b>		<b>10,30,50,391</b>

<b>15 CASH AND BANK BALANCES</b>				
Cash and cash equivalents:				
Cash on hand	6,46,281		7,33,852	
Balances with banks:				
In Current accounts	2,91,16,364	2,97,62,645	1,12,80,258	1,20,14,110
<b>Other bank balances:</b>				
In Dividend accounts	11,23,000		12,95,484	
In Term deposits	85,67,466	96,90,466	1,01,24,288	1,14,19,772
(Held as margin money security against letters of credit and guarantees issued by banks)				
		<b>3,94,53,111</b>		<b>2,34,33,882</b>

<b>16 SHORT-TERM LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
Security deposit		–		2,89,623
Prepaid expenses		40,30,232		17,68,816
Prepaid taxes		1,39,61,894		–
Loans and advances to employees		8,20,857		15,21,211
Other loans and advances		23,83,760		90,98,562
		<b>2,11,96,743</b>		<b>1,26,78,212</b>

<b>17 OTHER CURRENT ASSETS</b>				
Interest accrued on fixed deposits		14,09,668		95,132
		<b>14,09,668</b>		<b>95,132</b>



## CONSOLIDATED NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>18 OTHER INCOME</b>		
Interest income	1,16,63,103	11,40,250
Profit on sale of assets	–	81,200
Provision for doubtful debts no longer required written back	1,77,035	–
Bad debts written off recovered	–	1,06,338
Provision for liabilities no longer required written back	6,57,243	5,27,110
Other non-operating income	4,73,046	5,46,161
	<b>1,29,70,427</b>	<b>24,01,059</b>

<b>19 SURVEY AND SURVEY RELATED EXPENSES</b>		
Consumption of stores and spare parts	2,87,62,544	76,30,474
Labour charges	3,74,96,232	1,77,31,337
Survey and drilling charges	23,07,16,069	5,18,38,507
Fuel	3,58,60,500	1,70,24,924
Vehicle hire charges	4,20,08,199	1,38,24,989
Equipment hire charges	68,95,599	38,11,312
Repairs to machinery	1,68,92,397	25,08,435
Camp rental charges	51,40,814	28,84,590
Technical consultancy charges	48,08,034	7,97,368
Camp expenses	3,90,34,078	1,48,03,733
Transport and handling charges	2,02,15,695	3,12,85,279
Other survey expenses	25,26,058	27,18,221
	<b>47,03,56,219</b>	<b>16,68,59,169</b>

<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and other allowances	4,28,50,614	3,83,98,070
Contribution to provident and other funds	10,94,781	20,31,392
Contribution to ESI	34,669	89,706
Expense on employee stock option scheme	(19,73,827)	(26,26,531)
Staff welfare expenses	6,57,674	7,44,581
	<b>4,26,63,911</b>	<b>3,86,37,218</b>

<b>21 FINANCE COSTS</b>		
Interest expense	57,14,226	25,51,563
Other borrowing costs	14,29,330	20,14,756
	<b>71,43,556</b>	<b>45,66,319</b>

<b>22 DEPRECIATION AND AMORTISATION</b>		
Depreciation	8,78,20,817	7,66,45,777
Amortisation expense	5,72,705	1,26,803
	<b>8,83,93,522</b>	<b>7,67,72,580</b>

## CONSOLIDATED NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>23 OTHER EXPENSES</b>		
Rent	10,76,455	20,21,346
Repairs and maintenance to other assets	4,84,200	3,39,402
Directors sitting fees	4,32,839	4,88,445
Printing and stationery	11,56,770	11,54,574
Communication expenses	20,65,357	19,44,623
Travelling and conveyance	1,57,26,169	1,44,97,657
Insurance	17,59,453	23,34,237
Rates and taxes, excluding taxes on income	4,83,397	12,29,236
Payment to auditors		
As auditor (Refer Note No.24.II.17)	9,05,300	7,94,000
As subsidiary auditor	7,35,150	6,64,414
Legal and professional charges	94,42,115	71,31,622
Advertisement and Publication Expenses	3,76,090	3,76,942
Vehicle maintenance	2,06,322	1,60,986
Donations	41,000	49,348
Bad debts written off	–	32,20,625
Book deficit on assets discarded	1,32,48,203	78,704
Provision for doubtful debts	–	88,51,739
Miscellaneous expenses	34,36,176	30,64,705
	<b>5,15,74,996</b>	<b>4,84,02,605</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 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 to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules, 2006 (as amended), other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 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 consolidated financial statements are presented in Indian rupees rounded off to the nearest rupee.

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

##### B. Principles of consolidation

- The consolidated financial statements include the financial statements of Alphageo (India) Limited, the parent company and its subsidiary companies in which Alphageo (India) Limited, directly or indirectly, has an interest of more than one half voting power or otherwise has the power to control the composition of Board of Directors.
- 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

by the parent company for its separate financial statements.

- d. The consolidated statements have been prepared using uniform accounting principles for like transactions and other events in similar circumstances.

#### C. Use of estimates

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

#### D. Fixed assets and depreciation

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

#### E. Intangible assets and amortisation

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

#### F. Foreign exchange transactions

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

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

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

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

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

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

#### G. Investments

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### H. Inventories

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

#### I. Employee stock option scheme

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

#### J. Taxes on income

i. Tax expense 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. 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 year. 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 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.

#### K. Proposed dividend

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

#### L. Leases

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

#### M. Borrowing costs

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

#### N. Earnings per share

i) The basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### O. Employee benefits

##### Defined contribution plans

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### Defined benefit plans

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

#### Short term employee benefits

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

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

#### P. Revenue recognition

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

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

#### Q. Contingent liabilities

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

#### R. Provisions

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

#### S. Cash and cash equivalents

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

## II. OTHER EXPLANATORY INFORMATION

### 1. Corporate Information:

Alphageo (India) Limited ('AGIL or Company') and its consolidated subsidiaries (The Group) mainly engaged in providing 2Dimensional and 3Dimensional Seismic 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.

### 3. Nature and classification of foreign operations:

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### 4. List of foreign subsidiaries considered for consolidation:

S. No.	Name of the Entity	Country of Incorporation	Extent of holding	
			As on 31.3.2014	As on 31.3.2013
1	Alphageo International Limited	DUBAI	100%	100%
2	Alphageo DMCC (Subsidiary of Alphageo International Limited)	DUBAI	100%	100%

#### 5. Contingent Liabilities and Commitments: (Amount in ₹)

Particulars	2013-14	2012-13
<b>Contingent Liabilities:</b>		
Towards Guarantees issued by bank	--	5,42,90,500
Income tax demands disputed by the company	94,55,450	94,55,450

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

As a matter of prudence, company has made a provision of ₹86,74,704/- towards doubtful recovery of Trade Receivables.

#### 7. Derivative Instruments:

- There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2014 (Previous year: ₹ Nil).
- The details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

(Amount in ₹)

Particulars	As on 31.03.2014		As on 31.03.2013	
	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency
Payables for supplies	10,25,727	6,16,45,988	23,43,258	12,74,48,135

#### 8. Employee Stock Option Scheme:

- In respect of Options granted to employees under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the accounting value of options, determined based on market price of the share on the before day of the grant of the Option, is accounted as Deferred Employee Compensation Costs and the same is being amortised on straight line basis over the vesting period of stock options. Consequently for the current year, an amount of ₹19,73,827/- has been written back (Previous Year ₹26,26,531/-).

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

Particulars	2013-14	2012-13
Options outstanding at the beginning of the year	20,234	61,969
Granted during the year	--	--
Expired/Forfeited during the year	20,234	41,735
Exercised during the year	--	--
Options exercisable at the end of the year	--	20,234

#### 9. Employee Benefits:

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

Particulars	2013-14	2012-13
<b>i. Defined Contribution Schemes</b>		
Employer's Contribution to Provident Fund	10,94,781	12,29,432
<b>ii. State Plans</b>		
Employer's Contribution to State Insurance Scheme	34,669	89,706

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### iii. Defined Benefit Plans

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

a. Reconciliation of opening and closing balances of Defined Benefit obligation:

(Amount in ₹)

Gratuity (Unfunded)	2013-14	2012-13
<b>i) Components of Employer Expense</b>		
Current Service Cost	3,19,112	3,13,662
Interest Cost on benefit obligation	4,39,775	3,72,331
Return on Plan Assets	(3,34,422)	(3,26,323)
Actuarial (gain)/loss	(6,92,204)	4,42,290
Net benefit expense	(2,67,739)	8,01,960
<b>ii) Actual Return on Plan Assets</b>	(3,34,422)	(3,26,323)
<b>iii) Net Asset / Liability recognised in Balance Sheet</b>		
Defined Benefit Obligation	54,51,371	54,97,188
Fair Value Of Plan Assets	(41,49,486)	(37,14,224)
Status (Surplus)/Deficit	13,01,885	17,82,964
Unrecognised Past Service Cost	--	--
Net (Asset)/Liability recognised in Balance Sheet	13,01,885	17,82,964
<b>iv) Changes in the PV of DBO</b>		
At the beginning of the year	54,97,188	46,54,136
Current Service Cost	3,19,112	3,13,662
Interest Cost	4,39,775	3,72,331
Actuarial (gain)/loss	(6,92,204)	4,42,290
Benefits paid	(1,12,500)	(2,85,231)
At the end of the year	54,51,371	54,97,188
<b>v) Changes in Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Assets	37,14,224	36,42,458
Expected Return	3,34,422	3,26,323
Contributions	2,13,340	30,674
Benefits Paid	(1,12,500)	(2,85,231)
Actuarial Gain/ Loss	--	--
Closing Fair value of Plan Assets	41,49,486	37,14,224
<b>vi) Movement in Balance Sheet</b>		
Opening Liability	17,82,964	10,11,678
Expenses as above	(2,67,739)	8,01,960
Contribution Paid	(2,13,340)	(30,674)
Closing Liability	13,01,885	17,82,964
<b>vii) Actuarial assumptions:</b>		
Mortality Table (L.I.C)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8%
Attrition Rate (per annum)	4%	4%
Rate of escalation in salary (per annum)	4%	4%
Expected rate of return	9%	9%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

b. Reconciliation of opening and closing balances of Defined Benefit obligation:		(Amount in ₹)	
Leave Encashment (Unfunded)	2013-14	2012-13	
<b>i) Statement of Profit and Loss</b>			
Current Service Cost	27,317	24,987	
Interest Cost on benefit obligation	12,430	5,722	
Return on Plan Assets	--	--	
Actuarial (gain)/loss	51,920	53,139	
Past Services cost	--	--	
Net benefit expense	91,667	83,848	
<b>ii) Balance Sheet</b>			
At the beginning of the year	1,55,374	71,526	
Current Service Cost	27,317	24,987	
Interest Cost	12,430	5,722	
Actuarial (gain)/loss	51,920	53,139	
Benefits paid	--	--	
At the end of the year	2,47,041	1,55,374	
<b>vii) Actuarial assumptions:</b>			
Mortality Table (L.I.C)	1994-96 (Ultimate)	1994-96 (Ultimate)	
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.

#### 10. Segmental Reporting:

Segments are identified in line with AS 17 "Segment Reporting", taking into consideration the internal organisation 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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Revenue (From external Customers)	42,88,26,272	7,96,85,719	51,40,00,780	15,59,81,724	94,28,27,052	23,56,67,443
Carrying amount of Segment Assets	58,59,36,102	39,50,88,605	48,62,85,399	34,34,82,451	107,22,21,501	73,85,71,056
Additions to Fixed Assets	16,63,35,830	59,11,403	21,92,67,930	1,69,11,211	38,56,03,760	2,28,22,614

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### 11. Related Party Transactions:

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

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

(Amount in ₹)

ii. Details of Transactions		2013-14		2012-13	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2014	Amount of Transaction	Amount outstanding as on 31.03.2013
1	<b>Key Management Personnel:</b>				
	Remuneration	39,76,797	3,97,783 (Credit)	39,86,332	8,33,201 (Credit)
	Interest on Loan	17,61,507	13,98,772 (Credit)	2,79,041	1,46,712 (Credit)
	Acceptance of Loan	2,05,00,000	1,50,00,000	45,00,000	45,00,000
	Repayment of Loan	1,00,00,000	(Credit)	25,00,000	(Credit)
	Allotment of Equity Shares including Premium	—	—	45,00,000	—
2	<b>Relatives of the Key Management Personnel:</b>				
	Sitting Fees	17,778	—	42,442	—
	Rent	1,20,000	1,03,650 (Credit)	30,000	20,730 (Credit)
	Allotment of Equity Shares including Premium	1,20,00,000	—	75,00,000	—
	Allotment of Share Warrants	90,00,000	—	30,00,000	—
3	<b>Concerns in which Key Management Personnel has Substantial Interest:</b>				
	Rent	3,00,000	3,23,787 (Credit)	1,00,000	93,000 (Credit)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

(Amount in ₹)

ii. Details of Transactions		2013-14		2012-13	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2014	Amount of Transaction	Amount outstanding as on 31.03.2013
4	Concerns in which Relative of the Key Management Personnel has Substantial Interest:				
	Survey/Drilling Charges	8,56,32,000	2,49,96,841 (Credit)	2,37,06,000	99,62,035 (Credit)
	Acceptance of Loan	20,00,000	—	25,00,000	25,00,000 (Credit)
	Repayment of Loan	45,00,000	—	—	—
	Interest on Loan	91,266	—	61,644	55,480 (Credit)
	Allotment of Equity Shares including Premium	30,00,000	—	30,00,000	—
	Amount received on Share Warrants	22,50,000	—	7,50,000	—
	Rent	3,00,000	3,23,787 (Credit)	1,00,000	93,000 (Credit)

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

(Amount in ₹)

Nature of Transaction	Name of the Related Party	2013-14	2012-13
Remuneration	Sri. A. Dinesh	39,76,797	39,86,332
Interest on Loan Taken	Sri. A. Dinesh	17,61,507	2,79,041
	Aquila Drilling Private Limited	91,266	61,644
Repayment of Loan	Sri. A. Dinesh	1,00,00,000	25,00,000
	Aquila Drilling Private Limited	45,00,000	--
Acceptance of Loan	Sri. A. Dinesh	2,05,00,000	45,00,000
	Aquila Drilling Private Limited	20,00,000	25,00,000
Sitting Fees	Sri. A. Rajesh	17,778	42,442
Drilling Charges	Aquila Drilling Private Limited	8,56,32,000	2,37,06,000
Allotment of Equity shares including premium	Sri. A. Dinesh	--	45,00,000
	Smt. Kamala Rajupet	--	75,00,000
	Aquila Drilling Private Limited	30,00,000	30,00,000
	Sri A. Sashank	30,00,000	--
	Smt A. Savita	60,00,000	--
	Ms A. Anisha	30,00,000	--
Amount received on Share Warrants	Aquila Drilling Private Limited	22,50,000	7,50,000
	Sri A. Sashank	22,50,000	7,50,000
	Smt A. Savita	45,00,000	15,00,000
	Ms A. Anisha	22,50,000	7,50,000
Rent	Sri A. Dinesh(HUF)	3,00,000	1,00,000
	Sri A. Rajesh(HUF)	3,00,000	1,00,000
	Smt. Kamala Rajupet	1,20,000	30,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### 12. 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 ₹42,74,974/- (Previous Year ₹49,68,654/-).

#### 13. Earnings/(Loss) Per Share:

(Amount in ₹)

Particulars	2013-14	2012-13
The Numerator and Denominator used to calculate Earnings/(Loss) Per Share:		
A Earnings / (Loss) attributable to Equity Shareholders	26,47,27,320	(10,70,31,340)
<b>B Number of Shares:</b>		
Weighted average number of Equity shares outstanding during the year (Nos.)	54,45,726	52,95,041
Nominal Value of Equity Share	10	10
C Earnings/(Loss) per share – Basic / Diluted	48.61	(20.21)

#### 14. Deferred Income Tax:

The movement of provision for deferred tax for the year ended 31.03.2014 is as given below:

(Amount in ₹)

Particulars	As at 01.04.2013	(Charge)/Credit For the year	As at 31.03.2014
<b>Deferred Tax Asset:</b>			
Depreciation on Assets	6,29,16,022	(14,51,178)	6,14,64,844
Expenses allowable on the basis of Payment	39,55,513	(3,37,726)	36,17,787
<b>Total</b>	<b>6,68,71,535</b>	<b>(17,88,904)</b>	<b>6,50,82,631</b>

15. As at 31st March, 2014, the current liabilities exceed its current assets by ₹3,11,46,759/-. In the opinion of the management, this does not impair the financial position of the Group.

16. The audited financial statements of foreign subsidiaries have been prepared in accordance with the generally accepted accounting principle of its country of incorporation. The difference in accounting policies of the company and its subsidiaries are not material.

#### 17. Details of payment to auditors:

(Amount in ₹)

Particulars	2013-14	2012-13
As Auditor	4,00,000	3,00,000
For Tax Audit	1,90,000	1,75,000
For Quarterly reviews	1,35,000	1,05,000
For Taxation matters	60,000	55,000
For Other services	1,10,000	1,50,000
For Reimbursement of expenses	10,300	9,000
<b>Total</b>	<b>9,05,300</b>	<b>7,94,000</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### 18. Financial Information of Subsidiary Companies

(Amount in ₹)

S. NO	Particulars	Alphageo International Limited	Alphageo DMCC
1	Reporting currency	USD	USD
2	Capital	17,11,67,055	32,59,212
3	Reserves	4,46,962	18,58,02,017
4	Total assets	17,30,65,007	49,92,70,975
5	Total liabilities	17,30,65,007	49,92,70,975
6	Investments (except incase of investment in subsidiaries)	NIL	NIL
7	Turnover	1,88,02,583	51,27,33,871
8	Profit before taxation	23,79,111	16,79,23,649
9	Provision for taxation	NIL	1,68,90,448
10	Profit after taxation	23,79,111	15,10,33,201
11	Proposed dividend	NIL	NIL
12	Country	DUBAI	DUBAI

on 31.03.2014: 1 USD = 60.0998

Per our Report of even date

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

N. Anka Rao  
Partner  
Membership Number: 23939

Hyderabad  
29.05.2014

For and on behalf of the Board

A. Dinesh  
Managing Director

Z.P. Marshall  
Chairman

Venkatesa Perumallu Pasumarthy  
Chief Financial Officer



## **ALPHAGEO (INDIA) LIMITED**

(CIN: L74210TG1987PLC007580)

Regd Off: 802, Babukhan State, Basheerbagh, Hyderabad-500 001

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

Tel: 040-23320502/503, Fax: 040-23302238, Email: info@alphageoindia.com

Website: www.alphageoindia.com

### **NOTICE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of ALPHAGEO (INDIA) LIMITED will be held on Friday, 26th September 2014, at 11.00 AM at "Sundarayya Vignana Kendram", 1-8-1/B/25A, Baghlingampally, Hyderabad - 500 044, to transact the following business:

#### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date along with the Report of Directors' and Auditors' thereon.
2. To declare dividend on the equity shares for the financial year ended 31st March, 2014
3. To appoint a Director in the place of Mr. Rajesh Alla (DIN: 01657395), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr. Srinivas Reddy Ravula (DIN: 02038149), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad (Firm Regn. No. 002283S) are eligible for re-appointment. In this connection to consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made there under M/s. P. V. R. K. Nageswara Rao & Co., Chartered Accountants (Firm Registration No. 002283S) Hyderabad, who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies ( Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of the 27th Annual General Meeting ,for a period of three consecutive years until conclusion of the 30th Annual General Meeting of the Company, subject to ratification of appointment by the members at every subsequent Annual General Meeting held hereafter, at a remuneration as may be decided by the Board of Directors of the Company."

#### **SPECIAL BUSINESS**

6. To appoint Mr. MOHAN KRISHNA REDDY ARYABUMI (DIN : 00093185) as an Independent Director in terms of section 149 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Clause 49 of the Equity Listing Agreement with Stock

Exchanges, Mr. MOHAN KRISHNA REDDY ARYABUMI (DIN : 00093185), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29th May 2014, who holds office up to the date of 27th Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years up to 28th May 2019 .”

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. MOHAN KRISHNA REDDY ARYABUMI (DIN : 00093185), be paid such fees and remuneration and profit related commission as the Board and Nomination and Remuneration Committee of the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

7. To Appoint of Mrs. SAVITA ALLA (DIN : 00887071) as a Director of the Company

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

“RESOLVED that pursuant to the Provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. SAVITA ALLA (DIN : 00887071), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29th May, 2014 , who holds office up to the date of 27th Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To Approve Remuneration to the Mr. DINESH ALLA (DIN: 01843423) Managing Director of the Company.

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

“RESOLVED that, in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded for the payment of remuneration, including remuneration in case of inadequacy of profits, absence of profits or no profits, to Mr. DINESH ALLA (DIN: 01843423) Managing Director of the Company for a period of two years effective from 21st August, 2014 as set out in the Explanatory Statement annexed to the Notice convening this Meeting, subject to that such remuneration shall not exceed the limits specified under section 197 read with Schedule V of the Act or any statutory modifications or re-enactment thereof.”

9. To appoint Mr. Z.P. MARSHALL (DIN: 01844363), Director of the Company, liable to retire by rotation at present as an Independent Director of the Company, not liable to retire by rotation, in terms of Section 149 of the Companies Act, 2013

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Equity Listing Agreement with Stock Exchanges, Mr. Z. P. MARSHALL (DIN 01844363) who was appointed as a Director liable to retire by rotation under the provision of the erstwhile Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office

of the Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years till 25th September, 2019.

“RESOLVED FURTHER that pursuant to the provisions of Sections 149, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Z.P. Marshall (DIN : 01844363) be paid such fees and remuneration and profit related commission as the Board and Nomination and Remuneration Committee of the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

10. To appoint Mr. ASHWINDER BHEL (DIN:00962469) , Director of the Company, liable to retire by rotation at present as an Independent Director of the Company, not liable to retire by rotation, in terms of Section 149 of the Companies Act, 2013.

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Equity Listing Agreement with Stock Exchanges, Mr. ASHWINDER BHEL (DIN : 00962469) who was appointed as a Director liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years till 25th September, 2019.

“RESOLVED FURTHER that pursuant to the provisions of Sections 149, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. ASHWINDER BHEL (DIN : 00962469) be paid such fees and remuneration and profit related commission as the Board and Nomination and Remuneration Committee of the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

11. Adoption of new Articles of Association in compliance with regulatory changes applicable due to enactment of new Companies Act, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies ( Incorporation ) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

By Order of the Board

Hyderabad  
12.08.2014

Dinesh Alla  
Managing Director

## Notes:

1. The statement pursuant to Section 102(1) and Schedule V 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 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 share holder.
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 dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
4. All documents referred to in the accompanying Notices and Explanatory Statement are open for inspection at the Corporate Office of the Company between 11.00 A.M to 1.00 P.M on all working days except on Saturdays till the date of AGM.
5. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, 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.
6. 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.
7. Closure of Register of Members and Dividend
  - A. The Company has notified that Register of Member shall remain closed from 26th August, 2014 to 29th August, 2014 both days inclusive for determining the names of the Members eligible for dividend, if approved, on equity shares. 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.
  - 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 29th August, 2014.
8. M/s. Karvy Computershare Private Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081 acts as the Company's Registrar and Share Transfer Agent for both manual and electronic form of shareholding. All 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.
9. 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 details with their depository participants. Members holding securities in physical form may send their request for updating bank details to the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited.
10. 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.
11. Corporate Members intending to depute their authorised representatives are requested to send to the Company a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
  12. Members holding shares in single names and physical form are advised to make nomination in respect of their share holding in the company. Shareholders desirous of making nominations are requested to send their request (which will be made available on request) to the Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited.
  13. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
  14. 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 demat accounts. Members holding shares in physical form can submit their PAN to the Registrar & Share Transfer Agent.
  15. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend for the Financial years upto 2005-06, on the due date, to the Investor Education and Protection Fund ( the IEPF) established by the Government of India. Unclaimed dividend for the Years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 are held in separate Bank accounts and shareholders who have not received / en-cashed 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.
  16. 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 address's, 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.
  17. Pursuant to Clause 49 of the Listing Agreement, the information pertaining to directors seeking re-appointment at the annual general meeting is furnished below:
    - A. **Mr. Rajesh Alla** is a post graduate Engineer from Carnegie Mellon University, Pittsburgh, USA – a premier institute for Artificial Intelligence Research. After his graduation, he worked in The Robotics Institute, Carnegie -Mellon University. He specialised in Image Processing, Computer Vision and Robotics. 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 Director of the Company.
    - B. **Mr. S Ravula Reddy**, (DIN: 02038149) Director is a post graduate in Geophysics and is the Chief Geophysicist and president of Alphageo Inc. Mr. Ravula has wide global experience in data acquisition, data processing and data interpretation in several countries including those in Africa and Middle East. He has published several papers and is a veteran in the field of geophysical exploration. He is a Promoter Director of the company since inception. His experience is guiding force to the Company in execution of the projects. He is not holding any directorship in any other Companies. He is not holding any shares of the Company in his individual capacity.



## EXPLANATORY STATEMENT Pursuant to Section 102 (1) of the Companies Act, 2013

### Item No.6

Mohan Krishna Reddy Aryabumi (DIN: 00093185) has a Masters Degree in Financial Management from Jamnalal Bajaj Institute of Management, University of Bombay and a First Class Degree in Economics from the University of Madras. He was Chief Financial Officer of Applabs, a leading Software Testing Services Company and Infotech Enterprise (renamed CYIENT), a leading Engineering Design Services and Geospatial services Company. Earlier to this, he was the Senior Vice President of JM Morgan Stanley, a leading investment bank in India. He was also held various positions with ANZ Grindlays Bank, Unit Trust of India and Indian Bank. At present he is the founder CEO of Banyan Advisory, an advisory services company focusing on M&A and Pvt Equity and also an angel investor. He has been active in TiE, CII, FAPCCI and Madras Chamber of Commerce. He is a Director on the several Boards of closely held companies and also Director of Palred Technologies Ltd, a Listed Company.

Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185), being complied with the provisions of Section 149 of the Companies Act, 2013 (Act) has been appointed as an Additional Director-cum- Independent Director of the Company, not liable to retire by rotation for a term of 5 consecutive years, by the Board of Directors at their meeting held on 29th May 2014. In terms of Section 161(1) of the Act and the Articles of Association of the Company he will vacate the office of Director at this ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) for the office of Director of the Company.

The Company has received from Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) (i) Consent to act as a Director in Form DIR-2, (ii) Intimation that he is not disqualified in accordance with Section 164(2) of the Companies Act, 2013 in Form DIR-8; and (iii) Declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) fulfils the conditions for his appointment as Independent Director not liable to retire by rotation for the period upto 28th May, 2019 as specified in the Companies Act, 2013 and the Equity Listing Agreement entered with Stock Exchanges.

It is also proposed for the approval of the Company to authorise the Board and Nomination and Remuneration Committee of the Board to determine from time to time the fees and other permissible remuneration in accordance with the Section 149, 197 and 198 of the Companies Act, 2013 or any amendment or enactment in future.

Copy of the draft letter for appointment of Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) as an independent director setting out the terms and conditions is available for inspection by members at the Corporate Office of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) is in any way, concerned or interested in these resolutions.

The relatives of Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) may deemed to be interested in the resolutions set out respectively at Item No. 6 of the Notice to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Ordinary Resolution set forth in the Item No. 6 of the Notice for approval of the Members.

### Item No. 7

Mrs. Savita Alla (DIN: 00887071) is a Post Graduate in Management Studies from BITS Pilani. Mrs Savita Alla started her career in ICIM and then joined IIC Technologies Ltd. She served in various managerial positions before taking on the pivotal role of Vice President - Quality and Customer relations. Under her leadership as Vice President (Quality), IIC became an ISO certified organisation. She donned the mantle of an entrepreneur as the promoter director of Aquila Drilling Pvt limited. She brings with her multifaceted experience in quality management systems, customer relationship management and entrepreneur skills.

Mrs. Savita Alla (DIN: 00887071) has been appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 29th May 2014. In terms of Section 161(1) of the Act and the Articles of Association of the Company she will vacate the office of Director at the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing her candidature for the office of Director of the Company.

The Company has received from Mrs. Savita Alla (DIN: 00887071) (i) Consent to act as a Director in Form DIR-2, (ii) Intimation that she is not disqualified in accordance with Section 164(2) of the Companies Act, 2013 in Form DIR-8.

In the opinion of the Board, Mrs. Savita Alla (DIN: 00887071) fulfil the conditions for her appointment as a Non- executive Director, of the Company liable to retire by rotation.

Mrs. Savita Alla is interested in this resolution as the same related to her appointment as director of the Company. Mr. Dinesh Alla and Mr. Rajesh Alla being related to Mrs. Savita Alla are deemed to be interested in this resolution.

The relatives of Mrs. Savita Alla may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and / or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution

The Board recommends the Ordinary Resolution set forth in Item No. 7 for approval of the Members.

#### **Item No. 8**

**Mr. Dinesh Alla** (DIN: 01843423), Managing Director of the Company has been appointed as such for a period of Five Years with effect from 21 st August 2011 with the approval of the Members by way of a Special Resolution passed at 24th Annual General Meeting of the Company held on 23rd September, 2011. However, the Remuneration to Managing Director including remuneration in case of inadequacy of profits, absence of profits or no profits in compliance with the provisions of Section 198, 269,309, 301, 311 and Schedule XIII and other applicable provisions of the erstwhile Companies Act, 1956 has been approved for a period of 3 years upto 20th August 2014.

The Board of Directors with the recommendation of the Nomination and Remuneration Committee of the Board at their meeting held on 12th August 2014, subject to the approval of the members by way of a Special Resolution, accorded its approval for payment of the following remuneration to the Managing Director including the remuneration in case of inadequacy of the profits, absence of profits or no profits in compliance with the provisions of Section 196, 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 for a period of TWO years from 21st August 2014 to 20th August 2016.

#### **Remuneration:**

- a) Period of Remuneration : Two Years from 21st August 2014 to 20th August 2016
- b) Salary: Salary of ₹5,50,000/- per month
- c) Commission: In addition to Salary, Commission not exceeding 5% of the net profits of the Company in a financial year computed in the manner laid down in Section 197(8) of the Companies Act, 2013.
- d) Perquisites: perquisites referred to in category 'A', 'B' and 'C' below.

#### **A) Category A:**

Accommodation: House Rent Allowance of ₹1,00,000/-Per month. The expenditure incurred by the company on gas, electricity, water and furnishings to be evaluated as per the Income Tax Rules 1962, subject to a ceiling of 5 % of his salary.

Medical Benefits: Medical expenses incurred for self and Family, subject to a ceiling of one month's salary in a year or three month's salary in a block period of three years

Leave Travel Concession: Once in a year, for self and family as per the rules of the company

Club Fees: Reimbursement of club fees, subject to a maximum of two clubs excluding life membership and admission fee.

Personal Accidental Insurance: Restricted to a premium not exceeding ₹12000/- p.a.

#### B) CATEGORY B:

Contribution to provident fund and Superannuation Fund : Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent those either singly or put together are not taxable under the Income tax Act, 1961.

Gratuity: Gratuity at the rate of half months' salary for each Completed year of services as per rules of the Company.

Leave Encashment: Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on perquisites as per rules of the Company.

#### C) CATEGORY C:

Provision of car for use of Company's business and telephone at residence will not be considered as a perquisite. Personal long distance calls and use of car for personal purpose shall be billed by the company to the Managing Director.

#### Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the current tenure of Managing Director, the Company do not have profits or its profits are inadequate, the company shall pay him remuneration by way of salary and perquisites not exceeding the limits as prescribed under Schedule V of the Companies Act, 2013 or any modifications or re-enactment thereof from time to time.

#### Aggregate Remuneration:

The aggregate of remuneration, commission and perquisites payable to the Managing Director individually or to all whole time directors if any of the Company taken together during any financial year shall not exceed 5%/10% of profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013

Additional information as required to be furnished under Schedule V of the Companies Act, 2013 is given below:

	Information Sought	Information		
<b>1. General information :</b>				
1.	Nature of Industry	The Company is engaged in providing seismic data acquisition and related services for Oil and Gas Exploration Companies		
2.	Date or expected date of Commencement of commercial production	The Company has commenced its commercial operations in the year 1990 and is in the business more than two decades		
3.	Financial Performance based on given indicators	(₹ in Lakhs)		
		<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
		Total Revenue	4597.15	990.17
		Total Expense	3449.48	1953.07
		Profit Before Tax	1147.68	(962.90)
		Profit After Tax	1125.79	(994.97)
		Dividend	20%	-
		Shareholders' Funds	4795.05	3708.35
4.	Foreign Investment or collaborations ,if any	Foreign Investment as on 31.3.2014 is 7.29%. There is no foreign collaborations in existence as on 31.3.2014		

	Information Sought	Information
<b>II Information about the appointee:</b>		
1.	Background details	Mr. Dinesh Alla is a post graduate from BITS, Pilani and has a wide experience in the field of Seismic Survey. He is Managing Director of the Company since 1991 and under his able guidance the Company has successfully executed many seismic survey contracts in different terrains both in India and outside India.
2.	Past Remuneration	Members at 24th Annual General Meeting of the Company has approved the Remuneration consisting of Salary and Allowances, commission and perquisites with a ceiling of 5% of the profit under section 198 of the Companies Act, 1956. However, due to decline in turnovers, he has been paid a remuneration for the year 2013-14 of ₹39.77 lakhs (For 2012-13 ₹39.86 Lakhs)
3.	Recognition or awards	Mr. Dinesh Alla is chief articulator in making the Company as one of the preferred vendor by major Indian Oil Companies and also International renowned Oil and Gas Companies.
4.	Job profile and his suitability	Mr. Dinesh Alla has rich experience and deep knowledge about seismic survey industry and has immensely contributed to the growth of the company by his incisive and broad based knowledge.
5.	Remuneration proposed	Remuneration proposed is inline with Schedule V of the Companies Act, 2013 with a minimum remuneration of not exceeding ₹84.00 Lakhs per annum and a maximum of 5% of profits calculated in the prescribed manner.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Mr. A Dinesh (DIN: 01843423) has served on the Board of the Company since inception. He has led the Company from its Company, profile of the nascent stage and has propelled its growth. He has streamlined the business process operations of the company and has been a strategic management personal. His skill set and his experience places him at par with similar positions on other companies of comparable sizes and nature. Considering the general industry and the specific Company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
7.	Pecuniary relationship directly or indirectly with Company, or relationship with the managerial personnel, if any	Mr. A Dinesh Alla is a Promoter Director and Managing Director of the Company. Details of pecuniary relationship with company are disclosed in Notes to Financial Statements for the year 2013-14. Mr. Rajesh Alla, Director and Mrs. Savita Alla, Director are related to the appointee.

	Information Sought	Information
<b>III Other Information:</b>		
1.	Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.	The company has turn around and recorded total income of ₹4597.15 Lakhs for 2013-14 against ₹990.17 Lakhs for 2012-13. Owing to subdued environment prevailed in seismic industry during the years from 2010 to 2013 and operational decline than anticipated during that period, the company incurred losses during this period and the appointee has been paid minimum remuneration eventhough the company has earned appreciable profits for financial year 2013-14. Having stable government at the Centre and considering projections of 12th Five year plan the operations in forthcoming years will increase and the company is in commendable position to utilise each and every opportunity it will come across.

In the opinion of the Board, Mr. Dinesh Alla fulfilled the conditions and entitle for the proposed remuneration.

Mr. Dinesh Alla (DIN: 01843423) is interested in the resolution set out at Item No. 8 of the Notice, as the same relates to his remuneration payable to him. Mr. Rajesh Alla (DIN:01657395) and Mrs. Savita Alla (DIN: 00887071) being related to Mr. Dinesh Alla (DIN: 01843423) are deemed to be interested in the resolution.

The relatives of Mr. Dinesh Alla (DIN: 01843423) may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set forth in Item No. 8 for approval of the Members.

**Item No. 9 and 10**

The Company had appointed each of Mr. Z.P. Marshall(DIN:01844363) and Mr. Ashwinder Bhel(DIN:00962469)as independent directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 that have come into effect from 1st April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General Circular No. 14/2014 dated 9th June, 2014, the Company is required to appoint its Independent Directors, including the existing Independent Directors on the Board, in accordance with the provisions of the Companies Act, 2013 within a year from the date the provisions come into effect. Further the term of such independent directors is not subject to retire by rotation.

Accordingly, it is proposed vide Item No. 9 and 10 of Notice of the Annual General Meeting to appoint the existing independent directors viz., Mr. Z.P. Marshall and Mr. Ashwinder Bhel as independent directors in accordance with Section 149 of the Companies Act, 2013 not liable to retire by rotation and to hold office for a term of Five consecutive years from the date of appointment as such i.e., 26th September, 2014 to 25th September, 2019.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing their candidature for the offices of Independent Director of the Company.

The information pertaining to the Directors is:

**Mr Z.P. Marshall** is a Graduate in Engineering from Madras Institute of Technology. He held senior positions during his long career at DRDO and BDL, spanning 30 years. He retired as Managing Director of M/s. Bharath Dynamics Limited, a public sector undertaking, in 1988. He has been on the Board of the Company since 4th September 1992 and is currently Non-Executive Chairman of the Company and Chairman of the Committees of Board of Directors of the Company. Mr. Z.P. Marshall is holding 500 Equity Shares of the Company.

**Mr. Ashwinder Bhel** is a Master in Business Administration from Case Western Reserve University, Cleveland, Ohio with over two decades of rich and varied experience in the Oil Industry. He is also Director of Delta Automation Pvt Ltd and Dem Technologies Pvt Ltd. Mr. Ashwinder Bhel is an Independent Director on the Board of the Company since 24th October 2006. He is member of Nomination and Remuneration Committee of Board of Directors of the Company. Mr. Ashwinder Bhel does not hold any Equity Shares of the Company.

The Company has received from each of these directors (i) Consent to act as a Director in Form DIR-2, (ii) Intimation that he is not disqualified in accordance with Section 164(2) of the Companies Act, 2013 in Form DIR-8; and (iii) Declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Z.P. Marshall and Mr. Ashwinder Bhel fulfil the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Equity Listing Agreement entered with Stock Exchanges.

It is also proposed for the approval of the Company to authorise the Board and Nomination and Remuneration Committee of the Board to determine from time to time the fees and other permissible remuneration in accordance with the Section 149, 197 and 198 of the Companies Act, 2013 or any amendment or enactment in future.

Copy of the draft letters for appointment of these independent directors setting out the terms and conditions are available for inspection by members at the Corporate Office of the Company.

Mr. Z.P. Marshall and Mr. Ashwinder Bhel are interested in these resolutions set out respective at Item No.9 and 10 of the Notice with regard to their respective appointments.

None of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in these resolutions.

The relatives of Mr. Z.P. Marshall and Mr. Ashwinder Bhel may deemed to be interested in the resolutions set out respectively at Item No. 9 and 10 of the Notice to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Ordinary Resolutions set forth in the Item Nos. 9 and 10 of the Notice for approval of the Members.

#### **Item No. 11**

The existing Articles of Association ("AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the recently enacted Companies Act, 2013 (the "Act"). Ministry of Corporate Affairs (MCA) had notified most of the Sections of the Act which deal with general working of Companies except for few sections which require sanction



/ confirmation of designated authorities. As the Act is now largely in force several regulations of the existing AOA of the Company require alteration or deletion. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA is based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. The proposed new draft AOA is available on the Company's website [www.alphageoindia.com](http://www.alphageoindia.com) for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 11 for approval of the Members.

By Order of the Board

Hyderabad  
12.08.2014

Dinesh Alla  
*Managing Director*

**ALPHAGEO (INDIA) LIMITED**

(CIN: L74210TG1987PLC007580)

Regd Off: 802, Babukhan State, Basheerbagh, Hyderabad-500 001  
Corporate Office: 6-3-250/2, Road No.1, Banjara Hills, Hyderabad-500 034  
Tel: 040-23320502/503, Fax: 040-23302238, Email: info@alphageoindia.com  
Website: www.alphageoindia.com

**NOTICE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING****INSTRUCTIONS FOR E-VOTING FORMING PART OF NOTICE CALLING 27TH ANNUAL GENERAL MEETING:****E-voting**

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement ALPHAGEO (INDIA) LIMITED (the Company) is pleased to provide its members' e-voting facility to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting to be held on 26th September, 2014 at 11.00 A.M. The 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 are detailed below:

E—voting Event Number (EVEN)	Commencement of E-Voting	End of E-Voting
1350	20th September,2014 at 10.00 AM	22nd September 2014 at 6.00 PM

**General Information:**

1. Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the record date, may cast their vote electronically.
2. Every shareholder requires User ID and Password for casting their votes electronically. Folio No / DP ID- Client ID will be the User ID.
3. 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.
4. The E- voting period commences on 20th September 2014 (10.00 AM) and end on 22nd September 2014 (6.00 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 29th August, 2014, 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 shareholder, the shareholder shall not be allowed to change it subsequently.
5. 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, 29th August, 2014.
6. Shareholders who have not casted their votes electronically, may only cast their vote at the Annual General Meeting.
7. Mr. Datla Hanumanta Raju (FCS 4044) Company Secretary or in his absence Ms. Sk Razia, (Membership No. FCS 7122) Company Secretary Partners of M/s. D. Hanumanta Raju & Co., Company Secretaries, Hyderabad will act as Scrutinizer for scrutinizing the E-voting process in a fair manner.
8. The scrutinizer within a period not exceeding three working days from the conclusion of the E-voting period, shall unlock the votes in the presence of at least two witnesses, not in employment of the company and make a 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, to the Chairman of the Company.
9. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.alphageoindia.com and on Karvy's website <https://evoting.karvy.com> within two days of passing of resolutions at the 27th Annual General

Meeting of the Company on 26th September, 2014 and will be communicated to the Stock Exchanges where the shares of the company are listed.

10. The result of voting will be announced by the Chairman of the Meeting at or after the AGM to be held on 26th September, 2014 and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution.

#### Instructions and Steps 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 mentioned overleaf). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering the 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 minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (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 Event Number for 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 in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / 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".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, 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 the Resolution(s).
- xii. 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 e-mail ID: [dhr300@gmail.com](mailto:dhr300@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVEN NO."
- xiii. 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.
- xiv. In case of any query, you may refer the Frequently Asked Questions (FAQs) and e-voting User Manual available at the download section of <https://evoting.karvy.com> or contact Karvy at telephone No. 1800 345 4001.

By Order of the Board

Hyderabad  
12.08.2014

Dinesh Alla  
Managing Director

**ALPHAGEO (INDIA) LIMITED**

(CIN: L74210TG1987PLC007580)

Regd Off: 802, Babukhan State, Basheerbagh, Hyderabad-500 001

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

Tel: 040-23320502/503, Fax: 040-23302238, Email: info@alphageoindia.com

Website: www.alphageoindia.com

**Share Transfer Agent: Karvy Computershare Private Limited,  
Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.**

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 27th Annual General Meeting of the Alphageo (India) Limited to be held on Friday, 26th September 2014 at 11.00 AM at "Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad – 500 044.

Name and Address of the Shareholder(s)		
If Shareholder(s), please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

**Notes:**

1. Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly at the entrance of the Meeting venue.
2. Members are requested to advise the change of their address, if any, to Karvy Computershare Private Ltd at the above address.







**ALPHAGEO (INDIA) LIMITED**

(CIN: L74210TG1987PLC007580)

Regd Off: 802, Babukhan State, Basheerbagh, Hyderabad-500 001

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

Tel: 040-23320502/503, Fax: 040-23302238, Email: info@alphageoindia.com

Website: www.alphageoindia.com

**27<sup>th</sup> Annual General Meeting– 26th September, 2014**

**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: .....

FolioNo/ClientID:.....DPID:.....

I/We, 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 27th Annual General Meeting of the Company, to be held on **Friday of 26th September 2014 at 11.00 a.m.** at "Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500 044 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

S. No.	Resolutions	For	Against	Abstain
1	Adoption of Audited Financial Statements for the year 2013-14 and Reports of Directors' and Auditors' thereon			
2	Declaration of Dividend on Equity Shares for the year ended 31st March 2014			
3	Re-appointment of Mr. Rajesh Alla (DIN: 01657395) as Director of the Company, who retires by rotation			
4	Re-appointment of Mr. Srinivas Reddy Ravula (DIN: 02038149) as Director of the Company, who retires by rotation			
5	Appointment of Auditors to hold office from the conclusion of 27th AGM to 30th AGM of the Company and to fix their remuneration			
6	Appointment of Mr. Mohan Krishna Reddy Aryabumi (DIN: 00093185) as an Independent Director of the Company for a term of five years upto 28th May 2019			
7	Appointment of Mrs. Savita Alla (DIN: 00887071) as a Director of the Company			
8	Approval of Remuneration to Mr. Dinesh Alla (DIN: 01843423) for a period of two years from 21st August 2014 to 20th August 2016			
9	Appointment of Mr. Z.P. Marshall (DIN: 01844363) as an Independent Director of the Company for a term of five years upto 25th September 2019			
10	Appointment of Mr. Ashwinder Bhel (DIN: 00962469) as an Independent Director of the Company for a term of five years upto 25th September 2019			
11	Adoption of New Articles of Association of the Company			

Signed this ..... day of ..... 2014

.....

Signature of shareholder

Affix  
Revenue  
Stamp here

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

\*\* This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. Alternatively, the number of shares may be mentioned in the appropriate column in respect of which the shareholder(s) would like his /their proxy to vote. If all the columns are left blank against any or all the resolutions, the Proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The proxy need not be a member of the Company. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
3. In the case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# CORPORATE INFORMATION

## Board of Directors

Mr. Z.P. Marshall	<i>Chairman- Independent Director</i>
Mr. Dinesh Alla	<i>Managing Director</i>
Mr. Rajesh Alla	<i>Director</i>
Mrs. Savita Alla	<i>Director</i>
Mr. S. Ravula Reddy	<i>Director</i>
Mr. Ashwinder Bhel	<i>Independent Director</i>
Mr. P.K. Reddy	<i>Independent Director</i>
<i>(Upto 12.08.2014)</i>	
Mr. Mohan Krishna Reddy Aryabumi	<i>Independent Director</i>

## Chief Financial Officer

Venkatesa Perumallu Pasumarthy, B.Com, FCA

## Auditors

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

## Banker

### State Bank of India

Commercial Branch, Koti,  
Hyderabad 500 095, Telangana

## Registered office

802, Babukhan Estate, Basheerbagh  
Hyderabad - 500 001, Telangana

## Corporate office

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

## Share transfer agents

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

**CAUTIONARY STATEMENT:** IN THIS ANNUAL REPORT WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS – WRITTEN AND ORAL – THAT WE PERIODICALLY MAKE CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS. WE HAVE TRIED WHEREVER POSSIBLE TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATE', 'ESTIMATE', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES', AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALIZED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. READERS SHOULD BEAR THIS IN MIND.

WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.



**ALPHAGEO (INDIA) LIMITED**  
6-3-250/2, ROAD NO.1, BANJARA HILLS  
HYDERABAD – 500 034, TELANGANA  
[www.alphageoindia.com](http://www.alphageoindia.com)