



ALPHA GEO (INDIA) LIMITED

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Ref: AGIL/CS/NSE&BSE/71/2017-18

Date: 03.10.2017

To,
The Manager
Listing Departments
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C-1, G Block,
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051

To,
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Dear Sirs,

Sub: Submission of Annual Report for the year 2016-17 under Regulation 34 of SEBI (LODR) Regulations 2015 - Reg.

Ref: Scrip Code: 526397, Scrip ID/ Name: ALPHAGEO

In compliance with Regulation 34 of SEBI (LODR) Regulations 2015 we are herewith submitting the Annual Report for the 2016-17 of the Company, for your information and record.

We request you to kindly acknowledge the same.

Thanking you,

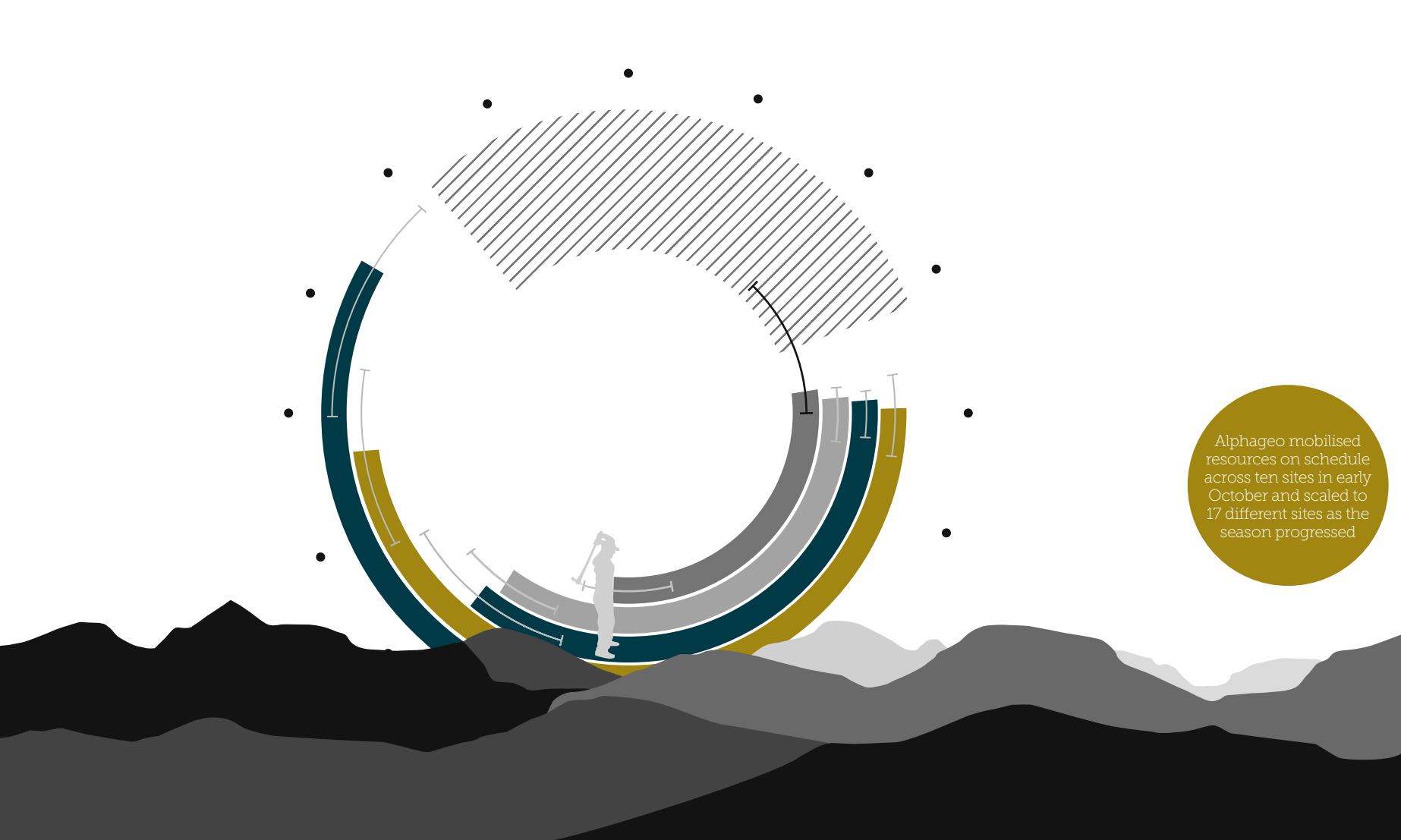
Yours' truly,

For Alphageo (India) Limited

Meenakshi Naag

Company Secretary and Compliance Officer





Corporate snapshot

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

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

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

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

And that has made all the difference.

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

Our management

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

Our business

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

Our presence

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

Our pedigree

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

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

- We strive to deliver high-quality services while maintaining a safe, enjoyable and challenging workplace for our employees
- We hold in highest regard the environment and societies in which we work

- We are committed to excellence in all that we do, and through this, create value for all our stakeholders

Our experience

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

Other information

BSE Code: 526397

NSE Code: ALPHAGEO

Face value per share: ₹10/-

Market capitalisation: ₹547 crore

Enterprise value: ₹615 crore

Our order book

24640

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

320

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

1200

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

2016-17: The inflection year

Financial

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

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

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

Profitability

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

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

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

Business

Domestic contracts

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

43.30

Promoters' holding, March 31, 2017 (%)

2.36

Institutional holding, March 31, 2017 (%)

54689

Market capitalisation, March 31, 2017 (Rs lakh)

61538

Enterprise value, March 31, 2017 (Rs lakh)



Financial risks

Unfavourable gearing risk

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

Weak Balance Sheet risk

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

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

Receivables risk

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

Margins risk

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

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

Costs risk

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

Human resources

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

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

Internal controls and their adequacy

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

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

Management Reports





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

Transfer of amounts to Investor Education and Protection Fund

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

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

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

Other Disclosures

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

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

Acknowledgment

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

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

For and on behalf of the Board

Z P Marshall
Chairman

Hyderabad
04.08.2017

ANNEXURE-1 TO DIRECTORS REPORT

Form AOC-I

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

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

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

For and on behalf of the Board

Z P Marshall
Chairman

Hyderabad
04.08.2017







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

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

- (a) We have reviewed the Audited Financial Statements of the Company and of the Group for the Year ended March 31st, 2017 and these statements:
 - i. do not contain any materially untrue statement or omit of any material fact or contain statements that might be misleading;
 - ii. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year; and
 - ii. significant changes in accounting policies if any, made during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances, if any, of significant fraud of which we become aware about the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad
29.05.2017

Dinesh Alla
Managing Director

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Financial Statements

