**ALPHA GEO (INDIA) LIMITED**

6-3-250/2, Road No.1, Banjara Hills, Hyderabad - 500034
Tel.No.91-40-23320502 / 503, Fax No.91-40-23302238
E-mail : info@alphageoindia.com, Website : www.alphageoindia.com

Ref: AGIL/CS/ 33 /NSE BSE/2015-16
Date: 01.09.2015

To,
The Manager
Listing Department
**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
Routunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

**Dear Sirs,**

**Sub:** Submission of Annual Report for the year 2014-15 under Clause 31 of the Listing Agreement - Reg.

**Ref:** Scrip Code: 526397 Scrip Id: ALPHAGEO

In Compliance with Clause 31 of the Listing Agreement, we are hereby submitting the following for your information and records:

1. Annual Reports for the year 2014-15.
2. Form No. A duly signed by respective Personnel.

We request you to kindly acknowledge the same.

Thanking you,

Yours' truly,
For **Alphageo (India) Limited**

ALPHAGEO (INDIA) LIMITED HYD

P.V. Perumallu

Venkatesa Perumallu Pasumarthy
Chief Financial Officer And Compliance Officer

Encl: As stated above

**FORM A**

**Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges**

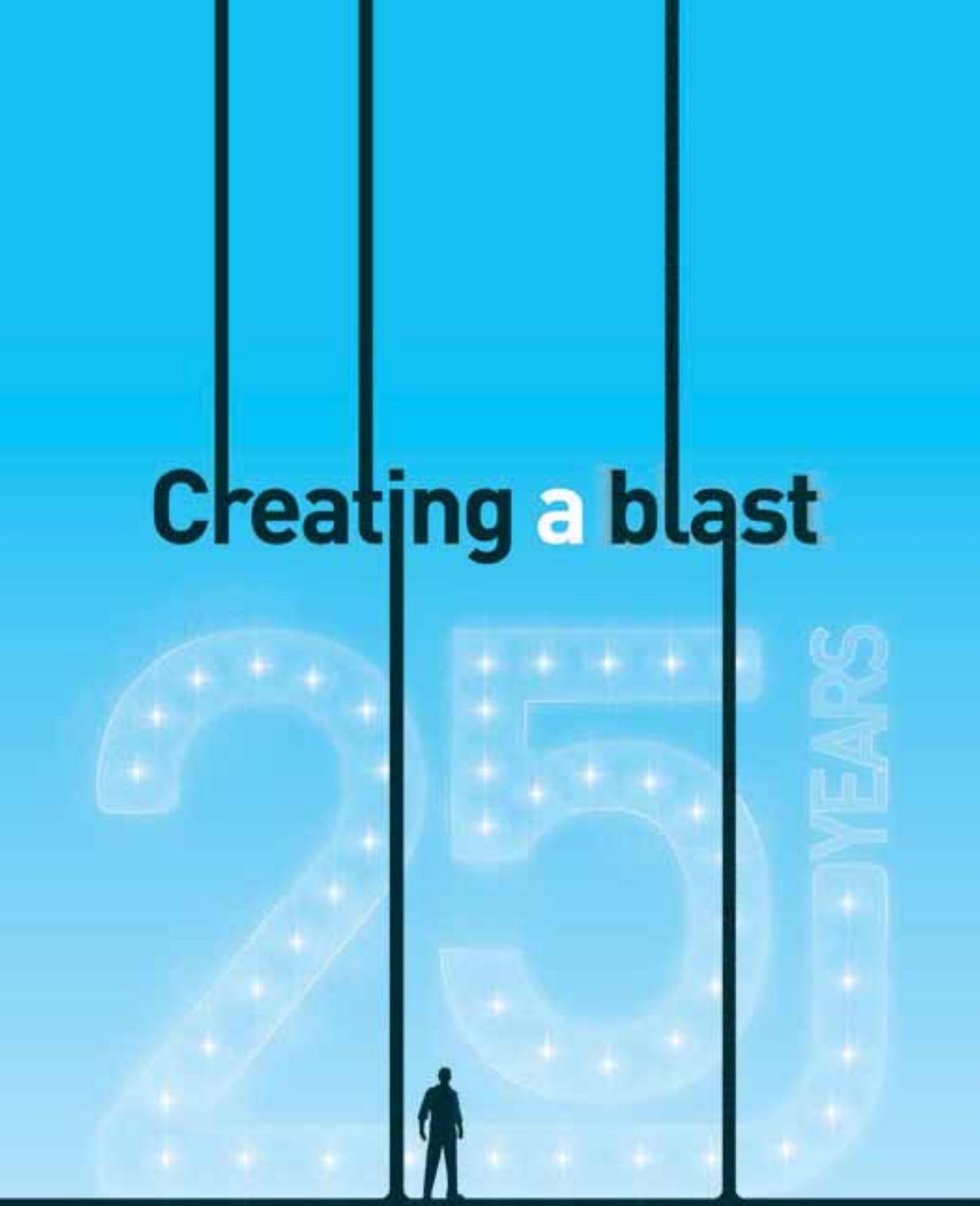
**(Refer Clause 31 of Listing Agreement)**

| | | |
|---|---|---|
| 1. | Name of the Company | ALPHAGEO (INDIA) LIMITED |
| 2. | Annual Financial Statements for the year ended | 31st March 2015 |
| 3. | Type of Audit observation Un-qualified/ Matter of Emphasis | Un-qualified |
| 4. | Frequency of observation whether appeared first time...../repetitive...../ since how long period..... | Not Applicable |
| 5. | To be signed by- | |
| | • CEO/ Managing Director<br>Mr. Dinesh Alla<br>Managing Director | |
| | • CFO<br>Mr. Venkatesa Perumallu Pasumarthy<br>Chief Financial Officer | |
| | • Auditor of the Company<br>M/s. P V R K Nageswara Rao & Co.,<br>Chartered Accountants, Hyderabad | |
| | • Audit Committee Chairman/Chairperson<br>Mr. Z. P. Marshall<br>Chairperson - Audit Committee | |

Signed at Hyderabad on 25th August, 2015

ALPHAGEO (INDIA) LIMITED HYD

# Creating a blast



**How we started**
A chance conversation with a passenger on a Delhi-Hyderabad flight in February 1987 helped start a business.

**The conversationalists**
Mr S. R. Ravula, President of Alphageo Inc., and Mr. Alla Shankar Reddy, Promoter of Alphageo India

**The result**
Creation of Alphageo (India) Ltd., India's first seismic service provider in the private sector

**The influence**
Enhanced private sector exposure in India's exciting hydrocarbons discovery programme

# ...across 25 years!

**Between the covers**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**129** NOTICE


AT Alphageo (India) Limited, India's leading seismic survey service provider, we are engaged in the business of creating subterranean sound waves with the objective to map and interpret the sub-surface.

This expertise makes it possible for our customers – large downstream oil exploration companies – to take informed decisions on where to explore for oil.

The efficiency of our customers makes it possible to strengthen India's hydrocarbons industry, reinforce national resource security, strengthen India's forex savings and create a stronger nation.

**Mapped**
customer assets precisely

**Introduced**
cutting-edge technologies

**Embraced**
projects in challenging terrains

**Helped**
customers arrive at informed exploration decisions

# Making a positive

**3**
countries

**14**
states

**32**
customers



**Made**
it possible for customers to get into exploration faster

**Made**
it possible for customers to optimise their spending

**Reinforced**
India's quest for hydrocarbons security

**Extended**
our presence from India to international geographies

# difference

**15,000**
of 2D projects (in km)

**5,000**
of 3D projects (in sq km)

**49**
completed projects

# revolutionise

HOW ALPHAGEO HELPED GRADUATE INDUSTRY **STANDARDS.**

WIDENING AND ACCELERATING INDIA'S HYDROCARBONS SECTOR

IN OUR 25 YEARS OF EXCELLENCE

SUCCESSFUL COMPLETION OF THE FIRST 3D SEISMIC SURVEY ASSIGNMENT IN INDIA

IN OUR 25 YEARS OF EXCELLENCE

SETTING THE INDUSTRY STANDARDS FOR... 25 YEARS

**Alphageo has been more than just another seismic survey player in India's hydrocarbons sector.**

The Company has been a pioneer, introducing a number of practices for the very first time in the country.

The most important national contribution by Alphageo has been in its being the first company in India's private sector to extend into the business of geo-physical mapping, widening and accelerating India's hydrocarbons sector.

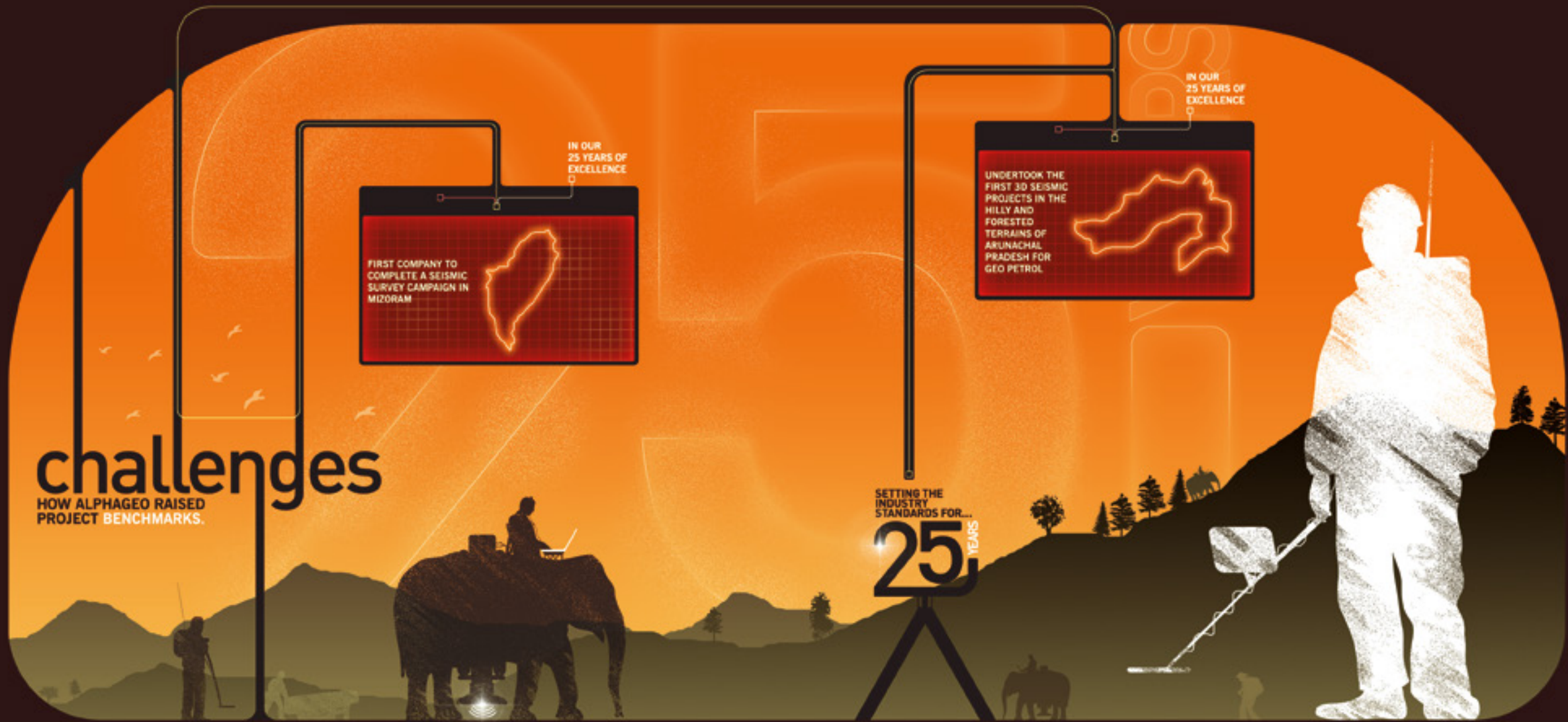
Besides, Alphageo was partly instrumental in helping time-bound contracts evolve into delivery-based contracts, strengthening deliverables and accountability. For instance, Alphageo's first operational contract comprised 2D seismic survey of 600 line km across two years with Oil India Limited in 1990. Alphageo completed 1,400 line km within the stipulated time. Even as the renewed contract stipulated 1,200 line km of 2D seismic survey across two years, Alphageo completed 2200 line km, following which time-specific contracts were altered to fixed quantum projects.

To Alphageo's credit is also the successful completion of the first 3D seismic survey assignment in India by a private sector company in 2005, helping the country graduate to a higher technology.

**The result** is that Alphageo is among the most respected Indian geophysical service companies today.

DID YOU KNOW

**Alphageo was one of India's first venture-funded companies. Technical Development & Investment Corporation of India acquired a 40% stake in the Company in 1990.**




# challenges

## HOW ALPHAGEO RAISED PROJECT BENCHMARKS.

**Alphageo is respected for being a challenge-embracing company.**

The result is that whenever clients have needed to engage in seismic surveys in hilly, remote or inhospitable regions, they have inevitably turned first to Alphageo.

Over the years, Alphageo has distinguished itself through its ability to mobilise adequate crew members possessing the requisite experience. It has leveraged its rich experience in conducting seismic surveys with minimal environment impact. It has demonstrated a capability in working collaboratively with rural citizens, accelerating project progress.

Alphageo was the first company to complete a seismic survey campaign in the hilly and inaccessible Mizoram for Oil and Natural Gas Corporation Limited in 2004-05, a project marked by thick vegetation, remote jungles, uneven roads, steep terrain and water shortage. The Company delivered the project on schedule.

Alphageo conducted two speculative surveys in Ganga and Vindhyan Basins through joint ventures with the Directorate General of Hydrocarbons in potential hydrocarbon-bearing basins with sedimentary columns – where no prior seismic data was at all available.

Alphageo Undertook the 1st 3D seismic project in hilly and forested terrains of Arunachal Pradesh for Geo Petrol. The area to be surveyed was on a hill with a river at its base and no vehicular access. Alphageo responded innovatively through the use of elephants, completing the project on schedule.

**The result** is that when clients select to work with Alphageo, they are assured of timely project completion and a consequent peace of mind.

DID YOU KNOW

**Alphageo was the first seismic service provider in India to conduct night operations in urban Thiruvarur to minimise public inconvenience.**

# sophistication

HOW ALPHAGEO INTRODUCED CUTTING-EDGE TECHNOLOGIES.

FIRST IN THE PRIVATE INDIAN GEOPHYSICAL SPACE TO INTRODUCE 3D ACQUISITION IN 2005

IN OUR 25 YEARS OF EXCELLENCE

FIRST SEISMIC SURVEY PLAYER TO PROVIDE THE NEW '3D SEIS LOOP' SERVICE

IN OUR 25 YEARS OF EXCELLENCE

24-BIT DELTA SIGMA TECHNOLOGY

SETTING THE INDUSTRY STANDARDS FOR... 25 YEARS

**Alphageo has established a reputation – 'If it is the best standard, Alphageo will use it for the client's benefit' over the last 25 years.**

This is a result of the fact that Alphageo works with cutting-edge technologies that enhance project efficiency and safety.

For instance, Alphageo undertook a seismic survey project in the Himalayan foothills in 2001 where the challenging terrain made it impossible to use normal rigs. The Company was the first to deploy small portable drilling rigs ideal for hard earth formations.

Besides, Alphageo was the first in the private Indian geophysical space to introduce 3D acquisition technology in 2005 (following extensive live on-the-job US training for six key members of the Alphageo team).

Alphageo invested in state-of-the art equipment: 24-bit Delta Sigma technology with cable telemetry ION Scorpion systems and Sercel 428 XL for 3D survey, SM 24 sensors with a full set of auxiliary equipment capable (for distortion-free 2D and 3Dseismic acquisition data), data processing centre with widely used software (for data processing and analysis) and advanced interactive workstations and software for2D/3D seismic data interpretation.

Alphageo was the first seismic survey player to provide the new '3D-seis loop' service in a project for Oil India Limited, marked by enhanced data collection at only a fraction of the usual 3D service cost.

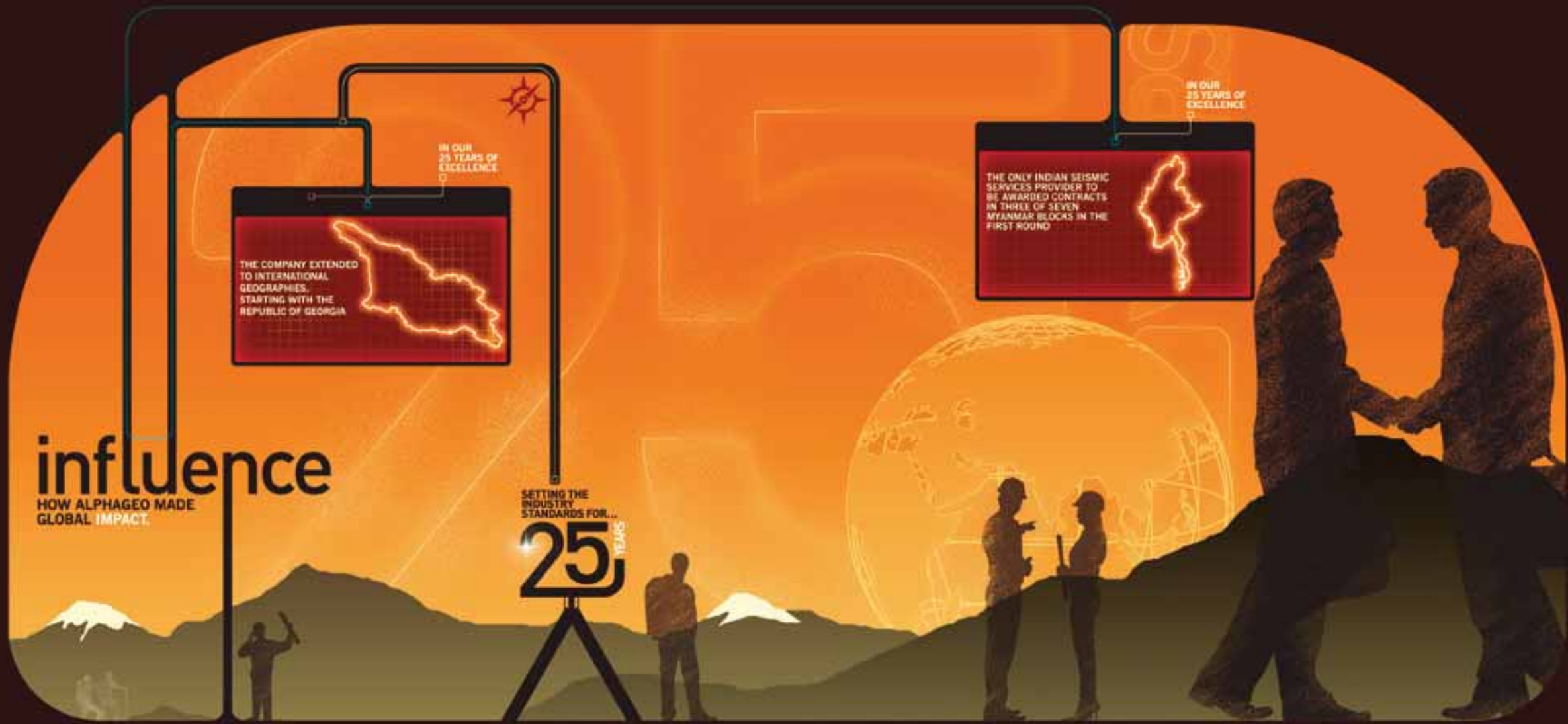
The result is that Alphageo has facilitated access and implementation of some of the best global technologies in India, taking the country's hydrocarbons exploration agenda ahead.

DID YOU KNOW

**Alphageo is the only Indian seismic survey provider present in all three service segments (data acquisition, data processing, data interpretation) of the 2D segment.**

# influence

## HOW ALPHAGEO MADE GLOBAL IMPACT




**Alphageo focused on the growth coming out of India for the major part of its 25-year journey.**

In June 2010, Alphageo made a decisive extension in its business strategy. The Company extended to international geographies, starting with the Republic of Georgia before moving on to Myanmar.

Alphageo was the only Indian seismic service provider to be awarded contracts in three of seven Myanmar blocks in the first round. These contracts were awarded by global brands, namely Petronas and Istech. The Company leveraged its rich experience of having worked in North-East India while embarking on Myanmar projects, which were delivered before schedule.

**The result** is that Alphageo now enjoys a favourable pre-qualification reputation of having worked in a challenging international geography for a large global client, validating what its reputation always stood for – timely and pre-scheduled project delivery.

DID YOU KNOW

**Alphageo's first international project in the Republic of Georgia was implemented in November 2010 under sub-zero conditions. And yet, the project was delivered on schedule.**

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

**Headquartered** in Hyderabad (India), the Company provides 2D and 3D seismic and related services (seismic data acquisition, processing and interpretation) for exploration companies in the oil and gas sector.

The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange.

**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.

# India's leading onland integrated private sector seismic services player.

# Spanning the sector from pre-liberalisation to post-liberalisation and globalisation.

# Enjoying a multi-geographic, multi-terrain and multi-customer experience.

**What we achieved in 2014-15**

Financial *(standalone financial statement)*

**44%** Revenue grew from ₹4441.35 lakh in 2013-14 to ₹6396.73 lakh in 2014-15

**24%** EBIDTA grew from ₹1643.51 crore in 2013-14 to ₹2045.65 crore in 2014-15

**32%** Net profit grew from ₹1125.78 crore in 2013-14 to ₹1489.64 crore in 2014-15

Profitability

**37%** EBIDTA margin in 2014-15 against 32% in 2013-14

**25%** Net margin in 2014-15 against 23% in 2013-14

**27%** Return on capital employed in 2014-15 against 23% in 2013-14

Business

**Complete** the pending projects worth ₹31.06 crore (as on April 1, 2014)

**Received** four orders from leading Indian oil majors, completed within schedule

"Over the last 25 years, Alphageo's unwavering focus on seismic survey and undying passion to take on any challenge has enabled it to survive through sectoral ups and downs better than most others. Besides, a few of their seismic acquisitions have resulted in very good success stories which adds an important feather in their cap. Our recent success stories in Cambay Basin is also the result of the seismic data which was acquired by Alphageo."
- Dr. Rabi Bastia, President E&P, Oilmax Energy

# Financial progression

## Global

**Total income (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 4602 |
| 2012-13 | 2381 |
| 2013-14 | 9558 |
| **2014-15** | **7342** |

**EBIDTA (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 721 |
| 2012-13 | (176) |
| 2013-14 | 3794 |
| **2014-15** | **2667** |

**Post-tax profit/(loss) (₹ in lakh)**

| | |
|---|---|
| 2011-12 | (507) |
| 2012-13 | (1070) |
| 2013-14 | 2647 |
| **2014-15** | **1449** |

**Cash profit/(loss) (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 667 |
| 2012-13 | (221) |
| 2013-14 | 3722 |
| **2014-15** | **2584** |

**Gross block (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 12792 |
| 2012-13 | 13151 |
| 2013-14 | 16926 |
| **2014-15** | **16946** |

**Capital employed (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 5,191 |
| 2012-13 | 5,839 |
| 2013-14 | 9185 |
| **2014-15** | **8513** |

**Book value per share (₹)**

| | |
|---|---|
| 2011-12 | 96 |
| 2012-13 | 76 |
| 2013-14 | 123 |
| **2014-15** | **149** |



# Financial progression

## India

**Total income (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 2723 |
| 2012-13 | 990 |
| 2013-14 | 4597 |
| **2014-15** | **6498** |

**EBIDTA (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 384 |
| 2012-13 | (430) |
| 2013-14 | 1644 |
| **2014-15** | **2046** |

**Post-tax profit/(loss) (₹ in lakh)**

| | |
|---|---|
| 2011-12 | (509) |
| 2012-13 | (995) |
| 2013-14 | 1126 |
| **2014-15** | **1490** |

**Cash profit/(loss) (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 332 |
| 2012-13 | (471) |
| 2013-14 | 1585 |
| **2014-15** | **1999** |

**Gross block (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 10450 |
| 2012-13 | 8927 |
| 2013-14 | 10006 |
| **2014-15** | **9807** |

**Capital employed (₹ in lakh)**

| | |
|---|---|
| 2011-12 | 4835 |
| 2012-13 | 5169 |
| 2013-14 | 5855 |
| **2014-15** | **6279** |

**Book value per share (₹)**

| | |
|---|---|
| 2011-12 | 88 |
| 2012-13 | 68 |
| 2013-14 | 85 |
| **2014-15** | **109** |

## "Alphageo has cemented its recall as a reliable service provider of quality data in the seismic survey space."

*Dear friends,*
It is a happy time to be addressing you following the completion of 25 years of field operations.

IF there is one thing that we are proud to have achieved in two-and-a-half decades, it is our respect as a reliable provider of quality data in the seismic survey space among large global and Indian oil exploration companies.

It is this recall that has enabled the Company to succeed in a space marked by revenue and project uncertainty.

In 2014-15, we reinforced this confidence by completing five projects, all of which were delivered on or before schedule. Our revenue and net profit grew by 44% and 32% respectively over the previous fiscal. What was relevant is that we strengthened organisational liquidity on the one hand, while reducing the debt on our Balance Sheet on the other, strengthening business sustainability.

### Promise of tomorrow

Oil is one of the most critical energy sources in a developing economy. As economies grow, energy consumption will only increase. This is more pertinent for a country like India, which is not only a net oil importer but expected to possibly emerge as the fastest growing global economy.

A 2014 McKinsey study indicates that India's energy demand could grow from 691 million tonnes of oil equivalent (mtoe) in 2010 to 1,500 mtoe in 2030 based on GDP growth estimates, economy composition and demand growth from industry, buildings and transport sectors in a business-as-usual scenario.

What is of growing relevance is that India imports close to 80% of its oil requirements, significantly linking its economic progress to global oil price movements. Consider this:

**Every** USD10 per barrel fall in oil price can enhance India's GDP growth by around 0.1 percentage points.

**Every** USD10 per barrel fall in crude oil price lowers WPI by around 0.5% and CPI by about 0.2%.

**Every** USD10 per barrel fall in crude oil price improves India's current account balance by around USD 9 billion – 0.5% of GDP.

Evidently, India's oil sector plays a pivotal role in her economic progress.

**1,500mtoe**
India's energy demand esimate in 2030.

India's new government announced its decision to strengthen the country's oil self-sufficiency with the objective to moderate the impact of oil price volatility on her economic progress. The Prime Minister set a goal of reducing India's dependence on imports from 77% of its 'energy' requirement by 10% by 2022, and by 50% by 2030. In keeping with this ambitious goal, India's hunt for oil is expected to accelerate.

There are some interesting points to consider. For two decades, no fresh assessment was conducted to gauge the hydrocarbon potential of all 26 Indian basins. Recently, the Ministry of Hydrocarbons set in motion a large exercise by ONGC and OIL to obtain fresh data of unappraised national areas, estimated at around 50% of India's identified sedimentary basins.

Initiatives have been now taken to cover all onshore areas with a preliminary 2D seismic survey. To cover offshore areas, another policy has been implemented under the 'multi-client non-exclusive' survey, through which global companies can analyse and collect seismic data at their cost, which can then be marketed to potential investors.

### Relevance for Alphageo

What does this mean for Alphageo?

It means large seismic survey business opportunities in India. It means more projects for a vertically-integrated seismic service provider like us. It means a preference for a service provider like us possessing an experience of working across most Indian terrains for more than two decades. It means a headstart for a company like ours with a proven record of delivering projects on/before schedule. It means the start of another phase in the Company's existence.

### International business

Even as Indian prospects appear attractive across the medium-term, Myanmar continues to offer attractive prospects. Myanmar Oil and Gas Enterprise and the Ministry of Energy had offered 18 onshore blocks for bidding at the beginning of 2013 and 16 oil blocks were awarded in 2014.

The Myanmar government is now opening up to international business by signing deals with foreign energy companies. With our Company having successfully completed multiple projects in Myanmar, we hope to carve out a good share of the emerging opportunity.

### Message to shareholders

At Alphageo, we are optimistic of our prospects as domestic seismic survey opportunities are expected to increase over the medium-term. Besides, Myanmar also promises attractive opportunities in 12-24 months.

These realities inspire the optimism of robust business growth over the medium-term, translating into superior value for our shareholders.

With optimism,
**Z P Marshall**
Chairperson

# "Our big achievement: we grew our topline and bottomline even as we reduced the capital employed in our business."

Mr. Dinesh Alla, Managing Director, reflects on the year under review.

### Were you pleased with the Company's performance in 2014-15?

It was a good year as our performance rebound of 2013-14 gained momentum in 2014-15. We delivered five projects on schedule. In doing so, our revenue and net profit jumped 44% and 32% respectively over the previous year even as we pruned the size of our Balance Sheet. The result is that even as the external business climate turned challenging, Alphageo strengthened its Balance Sheet.

### Every rupee invested in the business generated better returns.

Absolutely. Accelerated project execution generated stronger cash flows. We prudently utilised our cash flow in deleveraging the Balance Sheet. As a result, our debt to equity declined from 9.24% as on March 31, 2014 to 2.11% as on March 31, 2015. Our sum of Equity and Liabilities in the business declined from ₹7,192.75 lakh as on March 31, 2014 to ₹6,904.57 lakh as on March 31, 2015. The result is that our return on employed capital increased from 23% in 2013-14 to 27% in 2014-15.

### What were some of the important highlights reported by the Company during the year?

The diversity of projects was clearly a highlight during the year under review. One of the projects addressed by the Company comprised a seismic survey for a coal methane block; the other was a partnership with a service provider in a transition zone (Alphageo implemented the onland survey while the partner undertook off-land survey) with Alphageo responsible project synchronisation. A third project involved leveraging our expertise in the 3D-Seis Loop methodology.

### How did the Company take its Myanmar success ahead?

Myanmar Ministry of Energy allotted 16 of the 18 onshore blocks tendered in the second bidding round in 2013-14. Having established our credentials as a reliable service provider, we hope to secure attractive volumes from this opportunity.

### How do you expect the seismic survey space to pan out in the current year?

India's growing dependence on imported oil makes its economic progress vulnerable to global oil price volatility. In view of this, the Indian government envisioned the goal to reduce import dependence in a phased manner through an additional thrust on exploration and seismic survey activities. Through a project titled seismic data acquisition in unappraised onland areas of Indian Sedimentary Basins, the Government is expected to invite bids for seismic survey activities in 26 sedimentary basins in India, covering about 48,000 line km (2D survey) to be conducted between 2015-16 and 2018-19. This is possibly the largest opportunity expected to emerge in 25 years of our business operations.

In addition, NELP-X is expected to happen sometime in the current year wherein the Government will offer 42 oil blocks to successful bidders, creating business opportunities across 18-24 months.

### What is going to be Alphageo's strategy?

For the next two years, India is likely to be the geography to be in. We will focus on carving out a reasonable share of the emerging opportunity. In addition, we will also monitor the oil block tendering process in Myanmar to capitalise on emerging opportunities. In view of these realities, we expect an optimistic year ahead.

**Lesser-known opportunities**

The Indian Government intends to auction 69 small and marginal oil fields of state-owned ONGC and Oil India to private firms on a new revenue-sharing model. ONGC holds about 165 marginal fields (79 offshore and 86 onshore). Of this, 63 are being surrendered for auction. Of the 165 marginal fields, with total reserves of 340 mn tonnes, operations are going on in 139 fields while work is yet to commence in 26.

**48,000 kms**

the Government is expected to invite bids for seismic survey activities in 26 sedimentary basins in India, covering about 48,000 line km (2D survey) to be conducted between 2015-16 and 2018-19.

# North-East India.

## Seemingly harsh. Operationally comfortable.

### Emerging opportunities

The Indian Petroleum Ministry and Directorate General of Hydrocarbons (DGH) are working on a comprehensive package to increase exploration and production (E&P) activities in North-East India. The government is contemplating concessions to exploit more hydrocarbon resources in the region. In view of logistical and technical challenges as well as a limited weather window in these areas, it may introduce a total exploration period for 10 years (first phase of six years and second phase of four years).

### North-East India's relevance

More than 100 oil and gas fields have been discovered by Oil India and ONGC in Assam, Nagaland and Tripura. Currently, ONGC produces about 1 million tonne of hydrocarbons 2014; most of Oil India's crude oil production of 3.466 million tonne is drawn from nominated fields in North-East India.

### E&P scenario in Northeast

**31**
Blocks awarded under PSC regime

**9**
Blocks relinquished

**7**
Total gas discoveries made

**2**
PSC blocks under exploration

**43,722 sq km**
Total area covered under these blocks

**5,040 mmt**
Total hydrocarbon potential in NE

**2,224 mmt**
Established resources

### Advantage Alphageo

**49**
Number of projects delivered

**5000**
Area covered (sq km) under 3D survey

**28**
Number of 2D projects completed

**21**
Number of 3D projects completed

**Projects**

The Company has delivered 49 projects globally in its 25-year journey.

**Experience**

Alphageo is the oldest seismic survey company in India with an experience of more than 25 years on the field.

**People**

Alphageo has built a knowledgeable team comprising more than 1000 person-years of rich cumulative experience. The Company's multinational crew is drawn from diverse nations namely the US, Canada, Nigeria, Columbia, Russia and Peru.

**Client**

Client: The Company enjoys healthy business relations with large oil majors like Oil and Natural Gas Corporation Limited, Oil India Limited, Directorate General of Hydrocarbons, NTPC Limited, GAIL (India) Limited, Bharat Petro Resources Limited, Petronas Carigali Myanmar Inc., Essar Oil Limited, GeoEnpro Petroleum Limited, Geopetrol International Inc., Jindal Petroleum Operating Company LLC, Istech Energy Ep-5 Pte. Ltd., Hindustan Oil Exploration Company, Naftogaz India Private Limited, Selan Exploration Technology Limited, Canaro Resources Limited, Mercator Petroleum Limited, Omkar Natural Resources Private Limited, Kei-Rsos Petroleum and Energy Private Limited, etc.

**Expertise**

Alphageo possesses in-depth expertise in operating with globally accepted technologies for seismic survey, namely 2D, 3D and Seis-loop technologies.

**Integration**

Alphageo is a vertically-integrated seismic services provider, which enables it to provide the entire service basket to its customers.

**Exposure**

Alphageo has worked in some of the most challenging terrains in India and overseas comprising mountain slopes, rugged hills, dense forest, tribal areas and non-approachable terrains.

**Delivery**

The Company has delivered a majority of its projects as per the agreed schedule, validating its reliability.

**Financial health**

Despite oil sector volatility (with cascading seismic survey impact), the Company runs one of the most profitable operations.

# Management discussion and analysis

## Economic overview

**Global:** Global growth in 2014 was a modest 3.4% compared with 3% in 2013, primarily due to a growth revival in advanced economies.

Developing countries were once an engine of global growth but following the financial crisis, faced a difficult economic environment. As a result, growth in emerging and developing economies slowed. Despite the slowdown, emerging market and developing economies accounted for three-fourths of global growth in 2014.

Headline inflation declined in advanced economies, reflecting a decline in oil prices, softer commodity prices and weaker demand in a number of countries already experiencing below-target inflation (Euro area and Japan).

With regard to emerging markets, lower prices for oil and other commodities contributed to lower inflation through 2014, with the notable exception of countries suffering sizable exchange rate depreciation like Russia.

Overall, global growth is projected to reach 3.5% in 2015 and 3.8% in 2016.

India: The full-year GDP growth for the fiscal ending March 2015 settled at 7.3%, up from 6.9% in 2013-14 (figures calculated as per the new series of national accounts with base year of 2011-12). This growth was due to improved performance of the services and manufacturing sectors. The Gross Value Added (GVA), a new concept introduced by Central Statistical Office (CSO) to measure the economic activity, rose by 7.2% in 2014-15 compared to 6.6% in the previous fiscal. The economy remained relatively unshackled of factors generally associated with an economic slowdown.

Average Wholesale Price Index (WPI) inflation declined in 2014-15 to 3.4% (April-December) vis-à-vis 8.9% in 2013-14, as fuel witnessed a sharp decline in prices. Food price inflation also moderated to 4.8% during April-December 2014 compared to 9.4% in 2013-14. Average retail inflation, measured by Consumer Price Index (CPI), moderated to 6.3%in 2014-15 (April-December) from 9.5% in 2013-14. The country's current account deficit narrowed to 1.3% of GDP in 2014-15, primarily on account of a lower trade gap.

The Reserve Bank of India projected India's GDP growth for 2015-16 at 7.6%. The International Monetary Fund forecast India's growth to strengthen from 7.3% in 2014 to 7.5% (2015 and 2016).

## Oil and the Indian economy

**If crude** prices fall by 15% on average for FY2015 (-2.5% y-o-y for April-October 2014), net savings on oil trade account would be US$5.4 billion.

**Wholesale price** index inflation could decline 70-80 bps for every 10% fall in global crude prices accompanied by a weakening rupee.

**A decline** in crude price could reduce oil subsidy (0.7% of GDP) and moderate tax collections. The contribution of the petroleum sector to the exchequer of both Government of India (GOI) and state governments is ₹3 trillion or ~3% of GDP. The government's earning from this sector is higher than the oil subsidy. Adverse fiscal implications of loss of tax revenue and dividend payouts by public sector oil companies can outweigh a reduction in oil subsidy due to lower crude prices.

**Correlation between crude oil prices and Indian GDP**
Oil rate over the years

| Year/Period | Change in crude oil price | Change in real GDP growth |
|---|---|---|
| 1973-74 | $15 to $42 | -0.3 to 4.6 |
| 1998-99 | $20 to $12 | 8.0 to 5.5 |
| 2002-03 | $32 to $25 | 5.4 to 3.9 |
| 2004-08 | $27 to $98 | 8.0 to 9.3 |
| 2008-09 | $98 to $50 | 9.3 to 6.7 |

*Crude oil prices in $ per barrel; GDP growth in % over previous year*

*Source: Economic Survey*





## GLOBAL OIL SECTOR

### Global energy scenario

Consumption increased for all fuels, reaching record levels for every fuel type except nuclear power; production increased for all fuels except coal.

**Consumption:** Global primary energy consumption increased by just 0.9% in 2014, a marked deceleration over 2013 (+2.0%) and well below the 10-year average of 2.1%. This was the slowest rate of growth since the late 1990s, other than immediately after the financial crisis. The growth in 2014 slowed for every fuel other than nuclear power.

This slowing was driven in part by the rebalancing of the Chinese economy away from energy-intensive sectors, causing the growth of energy consumption in China to slow down to its lowest rate since 1998. Even so, China remained the world's largest growth market for energy.

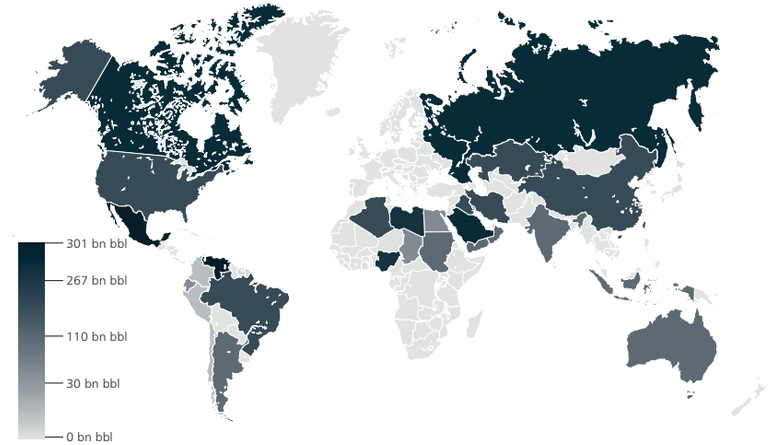
Although emerging economies continued to dominate the growth in global energy consumption, growth in these countries (+2.4%) was well below the 10-year average of 4.2%. China (+2.6%) and India (+7.1%) recorded the largest national increments to global energy consumption.

Oil remained the world's leading fuel, accounting for 32.6% of the global energy consumption. But its proportion in the global energy basket reduced for the fifteenth consecutive year.

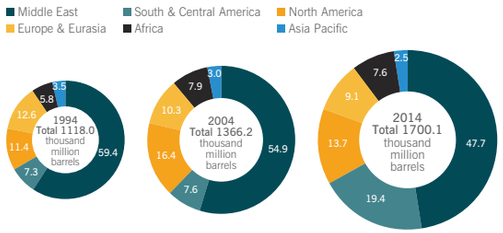
### Global oil scenario

Man's energy consumption has been trending upward, the average power use tipping over 18 terawatts. As progress continues and developing countries industrialise, this voracious energy appetite is likely to grow.

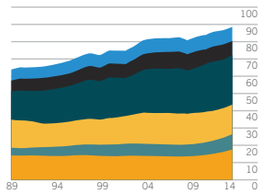
**Reserves:** Total world proved oil reserves reached 1700.1 billion barrels at the end of 2014, sufficient to meet 52.5 years of global production. The largest addition to reserves came from Saudi Arabia, adding 1.1 billion barrels. The largest decline came from Russia, where reserves fell by 1.9 billion barrels. OPEC countries continue to hold



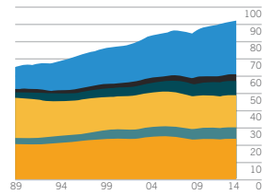

Distribution of proven reserves in 1994, 2004 and 2014
*Percentage*




Production by region
*Million barrels daily*




Consumption by region
*Million barrels daily*



the majority of the world's reserves, accounting for 71.6% of the global total. South and Central America continue to hold the highest R/P ratio, estimated at more than 100 years. Over the past decade, global proved reserves have increased by 24%, or more than 330 billion barrels.

Based on data from OPEC, the highest proved oil reserves, including non-conventional oil deposits, are in Venezuela (20% of global reserves), Saudi Arabia (18% of global reserves), Canada (13% of global reserves) and Iran (9%).

**Production:** Global oil production growth was more than double that of global consumption, rising by 2.1 million b/d or 2.3%. Production outside OPEC grew by 2.1 million b/d. The US (+1.6 million b/d) recorded the largest growth in the world, becoming the first country ever to increase production by at least 1 million b/d for three consecutive years, and taking over from Saudi Arabia as the world's largest oil producer. Non-OPEC production grew by a record amount; the OPEC output was flat, and the group's share of global production fell to 41%, its lowest since 2003.

**Consumption:** Global oil consumption grew by 0.8 million barrels per day (b/d), or 0.8% – a little below its recent historical average and significantly weaker than the increase of 1.4 million b/d seen in 2013. Countries outside the OECD once again accounted for all of the net growth in global consumption. OECD consumption declined by 1.2%, the eighth decrease in nine years. Chinese consumption growth was below average but still recorded the largest increment to global oil consumption.

**Prices:** Crude oil prices remained firm in early 2014 in the face of continued large supply disruptions, but fell sharply later in the year due to strong non-OPEC production growth combined with weaker consumption growth (relative to 2013) and OPEC's November decision to defend market share. The WTI-Brent differential narrowed to $5.66 per barrel despite continued robust US production growth.

**Outlook:** Population growth and increase in income per person are the key drivers behind growing demand for energy.

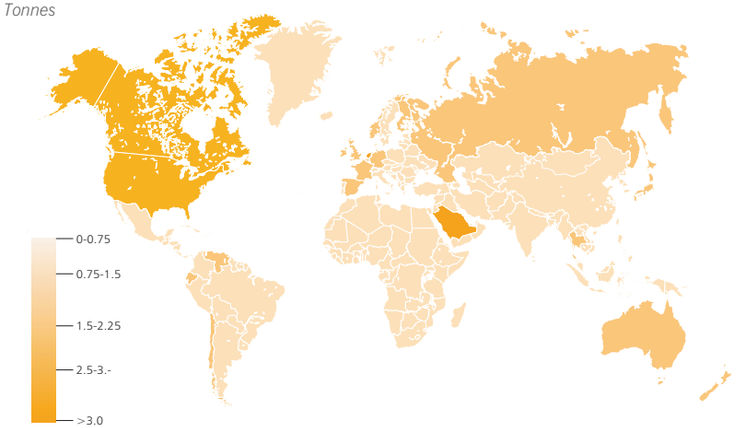
**By 2035,** the world's population is projected to reach 8.7 billion, which means an additional 1.6 billion people will need energy.

**By 2035,** global GDP is expected to more than double, with non-OECD Asia contributing nearly 60% of that growth. Globally, GDP per person in 2035 is expected to be 75% higher than today, an increase in productivity, which accounts for three-quarters of global GDP growth.

Primary energy consumption is expected to increase by 37% between 2013 and 2035, with growth averaging 1.4% p.a. The projected growth rate of global energy consumption could be significantly slower than the recent trend (2.4% p.a. for 2000-13).

**30.3**
Petroleum imports as a percentage of gross imports (2014-15)

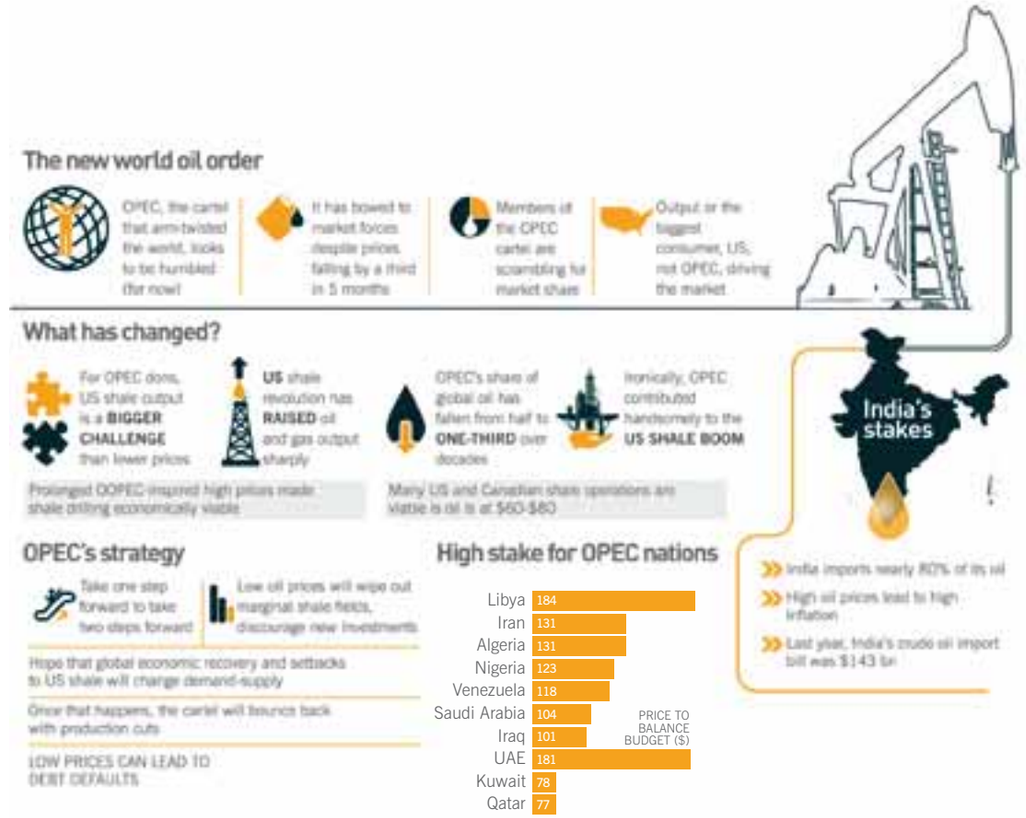
Consumption per capita 2014
*Tonnes*






## OPEC vs Big Shale

The growing output of oil in US — specifically shale oil — has rattled OPEC. The global oil equation is changing, and for countries like India that are big importers, things could not be better.




## INDIAN OIL AND GAS SECTOR

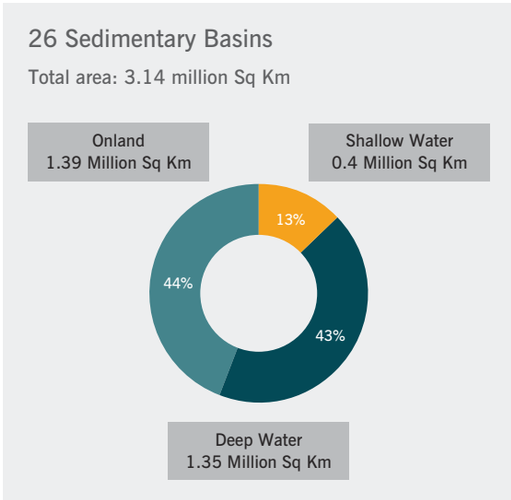
The oil and gas industry ranks among India's six core industries. India is the fourth largest petroleum consumer. According to the International Energy Agency's World Energy Outlook 2014, India's oil demand is likely to increase at a compounded annual growth rate of 3.5% between 2013 and 2040, among the highest in the world. India's domestic production of oil and gas falls far short of its burgeoning energy requirement, prompting imports.

### Reserves

India has an estimated sedimentary area of 3.14 million sq km comprising 26 sedimentary basins, out of which, 1.35 million sq km area is in deepwater and 1.79 million sq km area is onland and shallow offshore pockets. Of this, about 48% has been appraised.

### Crude oil

Oil accounts for about 30% of India's primary consumption; more than 80% of India's oil consumption is imported.



Production and imports: India produced 37.46 million tonnes of crude oil, a decline of 0.85% over the previous year's production. This stagnancy was due to ageing fields of the national oil companies. The production shortfall was compensated by imports. India imported 189.43 million tonnes of crude oil, accounting for 83.5% of the total crude oil supply. During the last five years, India's crude oil import registered an increase of over 3.7%.

**Consumption:** Demand for petroleum products has increased consistently. As of 2014-15, the demand for petroleum products stood at about 165 million tonnes – a 4.15% growth over the previous year.

**Government initiatives:** The Government reduced the regulation on the oil and gas industry through the following initiatives:

**Diesel prices** were deregulated, linking the same to market-determined levels.

**It approved** a subsidy formula that exempts upstream companies from bearing the under-recovery burden during the first quarter of 2015-16 if crude oil prices remain below US$60 per barrel.

India holds about 0.7% of the world's proven oil reserves while accounting for 3.9% of the global oil consumption.

## Natural gas

India had 47 trillion cubic feet of proven natural gas reserves at the beginning of 2014. Approximately 34% of total reserves were located onshore, while 66% were offshore.

Natural gas production in India stood at about 33.66 bn cubic metres (bcm) a decline of 4.9% over the previous year. ONGC and OIL account for more than 70% of India's natural gas production. The decline in production was due to a number of factors:

**Production in** ONGC's offshore unit was delayed

**Production in** ONGC's onshore Gujarat units declined due to an unplanned shutdown

**Production in** other blocks in Rajasthan, Tripura, Andhra Pradesh, Tamil Nadu, and Assam was affected due to lower offtake by consumers and closure of wells due to the GAIL pipeline incident

The import dependence of natural gas is lower than that of crude oil. Despite the reduction in production the imports have not risen commensurately. Liquified Natural Gas (LNG) imports stood around 13 MT during the three years from 2011-12 to 2013-14.

**Government initiative:** There were some important policy initiatives in 2014. The Government approved a new gas pricing formula with effect from November 1, 2014 in a bid to provide incentives to players to enhance upstream investments.

## Exploration potential

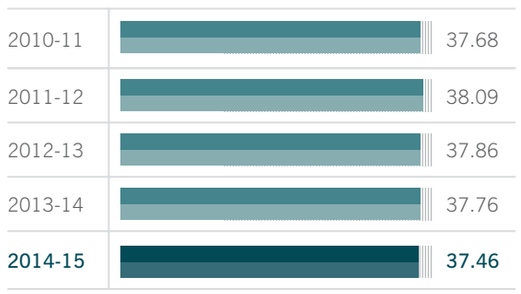
Since the introduction of NELP 16 years ago, exploration companies invested US$23.92 billion in blocks awarded to them (as of April 2014).

Overall, a total of 135 hydrocarbon discoveries (46 crude oil and 89 natural gas) were reported under the NELP as of April 2014. In addition, 22 NELP discoveries were reported to be under development.

Despite these achievements, India's dependence on imports increased for an important reality. As many as 116 exploration blocks under the NELP were reported to be affected due to delays in the grant of necessary approvals.

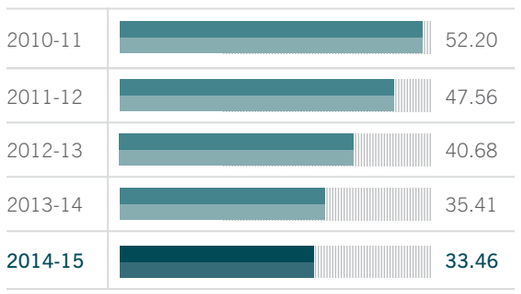
**Recent discoveries:** India made important headway in reducing its dependence on crude oil imports. In March 2015, Reliance Industries (along with its partner BP) reported eight oil discoveries in the Cambay basin block.

**Crude oil production (MT)**




(Source: Ministry of Petroleum and Natural Gas and Press Information Bureau)

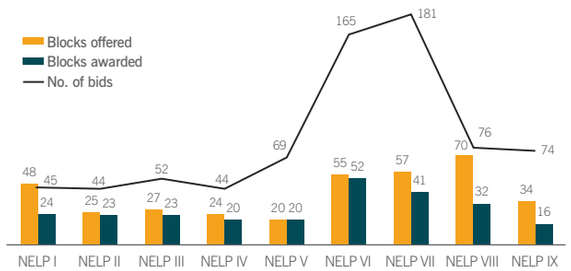
**Natural gas production (BCM)**



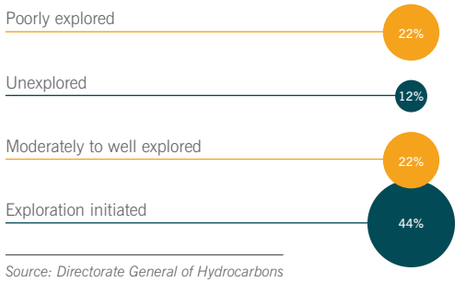

(Source: Ministry of Petroleum and Natural Gas and Press Information Bureau)



NELP rounds (I-IX) and participation of international players




Status of exploration of India's sedimentary basin




*Source: Directorate General of Hydrocarbons*

## NELP ROUNDING OFF

**Supply gaps (projections)**

| | GAS (MMSCMD) | | CRUDE OIL (million tonnes) | |
|---|---|---|---|---|
| **Activity** | **Demand** | **Domestic production** | **Demand** | **Domestic production** |
| 2014-15 | 405 | 129 | 159.8 | 38.8 |
| 2015-16 | 446 | 139 | 177.7 | 42.5 |
| 2016-17 | 473 | 175 | 186.8 | 41.1 |

**Discoveries in NELP blocks between FY12-FY15**

| | Oil | Gas |
|---|---|---|
| 2011-12 | 2 | 10 |
| 2012-13 | 5 | 4 |
| 2013-14 | 5 | 7 |
| 2014-15 | 4 | - |

**Blocks awarded**

| Auction route | Pre NELP | NELP |
|---|---|---|
| Awarded | 28 | 254 |
| Operational | 11 | 135 |
| Relinquished | 15 | 80 |

Source: Parliament replies by the Ministry of Petroleum & Natural Gas

## Government initiatives

NELP-X will offer a uniform licensing model — which means the drilling of all forms of hydrocarbons, from oil and gas to shale under a single contract — and also usher in the revenue-share model. Till now, nearly 42 blocks have been shortlisted to be offered under NELP-X.

Post NELP-X, the government intends to shift to the Open Acreage Licensing Policy (OALP). The OALP will enable upstream companies to bid for any oil and gas block throughout the year without the government having to hold an auction.

## Outlook

According to a report by BP (formerly British Petroleum), the growth in energy demand in India would be the highest among all countries by 2030-35. India's energy production would rise by 112%, while consumption would grow by 132%. Oil imports would rise by 169% and account for over 60% of the net increase in imports, followed by increasing imports of gas (+573%) and coal (+85%).

India's energy mix will evolve over the next 20 years, with fossil fuels accounting for 87% of demand in 2035 (92% currently), compared to a global average of 81%. India's energy production as a share of consumption would drop from 61% to just 56% by 2035.

According to the Department of Industrial Policy and Promotion (DIPP), the petroleum and natural gas sector attracted foreign direct investment (FDI) worth US$ 6,519.53 million between April 2000 and January 2015.

# Twelfth Plan projections (2012-17)

**Projection of crude oil production in 12th Plan**

Fig in MMT

| | 2012-13* | 2013-14* | 2014-15 | 2015-16 | 2016-17 | Total |
|---|---|---|---|---|---|---|
| ONGC | 22.561 | 22.24 | 28.002 | 26.286 | 25.456 | 124.545 |
| OIL | 3.66 | 3.46 | 4.06 | 4.16 | 4.20 | 19.54 |
| Pvt/JV | 11.64 | 12.08 | 12.70 | 12.10 | 11.50 | 60.02 |
| Total | 37.861 | 37.78 | 44.762 | 42.546 | 41.156 | 204.105 |

** As per actual*

*Source: DGH Publication for 2013-14*

**Projection of Natural Gas production in 12th Plan**

Fig in BCM

| | 2012-13* | 2013-14* | 2014-15 | 2015-16 | 2016-17 | Total |
|---|---|---|---|---|---|---|
| ONGC | 23.55 | 23.28 | 26.70 | 28.20 | 38.70 | 140.43 |
| OIL | 2.64 | 2.62 | 4.00 | 4.10 | 4.20 | 17.56 |
| Pvt/JV | 14.49 | 9.50 | 16.50 | 18.50 | 21.00 | 79.99 |
| Total | 40.68 | 35.40 | 47.20 | 50.80 | 63.90 | 237.98 |
| Total MMSCMD | 111.45 | 97.00 | 129.00 | 139.00 | 175.00 | - |

** as per actual*

*Source: DGH Publication for 2013-14*

**Summary of 12th Five Year Plan**

| Activity | Unit | ONGC | OIL | Private/JV | Total |
|---|---|---|---|---|---|
| Seismic surveys 2D | Kilometre | 28170 | 6850 | 103954 | 138974 |
| Seismic surveys 3D | Sq km | 24163 | 8364 | 49961 | 82488 |
| Exploration wells | Nos | 611 | 174 | 525 | 1310 |
| Reserve accretion IIH | MMTOE | 1080 | 78.14 | 728 | 1886.14 |
| Ultimate Hydrocarbon Reserves Accretion | MMTOE | 360 | 26 | 341 | 727 |

*Source: Extracts from 12th Five Year Plan (2012-17) Economic Sectors-Vol-II published by Planning Commission, Government of India and DGH Publication for 2013-14.*



# Analysis of financial statements

In 2014-15, the Company posted another strong performance – a healthy growth in the topline, an even stronger jump in profits and profitability and more importantly a stronger Balance Sheet – resulting in superior value creation for its shareholders.

## Statement of Profit and Loss

Revenue: Seismic survey and related service income jumped by 44% from ₹4,441.35 lakh in 2013-14 to ₹6,396.73 lakh in 2014-15. The increase was owing to an increase in field operations as the team worked relentlessly to complete the order book at the year-start and the new business received during the year under review. This year, the Company ventured into carrying out seismic survey for a client across a coal bed methane block and a transitional zone project.

**Survey and related expenses:** With the increase in orders, the survey and related expenses grew by 62% from ₹2,235.64 lakh in 2013-14 to ₹3622.46 lakh in 2014-15. The increase was partly optimised by proper deployment of resources and timely project completion.

**Employee expenses:** The 26% increase in people expense – from ₹410.88 lakh in 2013-14 to ₹520.15 lakh in 2014-15 – was owing to an increase in the field force to manage growing business operations and full year incremental payout compared to part period of previous year.

**Finance cost:** The deleveraged Balance Sheet facilitated a reduction in the interest expense from ₹58.89 lakh in 2013-14 to ₹47.12 lakh in 2014-15. Interest cover (indicating interest repaying ability) improved from 2.67% in 2013-14 to 1.22% in 2014-15.

**Depreciation and amortisation:** With the implementation of the useful life concept with downward revision of useful lives compared to the earlier Schedule–II of Companies Act, 2013, there was an additional provision of ₹56.96 lakh, representing the carrying of a depreciable amount of assets whose useful life is exhausted due to a mandatory revision of useful lives as on 01.04.2014, charged to statement of profit and loss.

**Provision for Taxation:** The Company's current tax provision represents MAT payable following set-off losses incurred in the earlier years for regular taxation. Out of MAT provision of ₹310.00 lakh, the Company is entitled to a credit of ₹222.00 lakhs available for a period of 10 years.

**Profit and profitability:** Increased business operations resulted in an increase in EBIDTA by 24% - from ₹1643.51 lakh in 2013-14 to ₹2045.65 lakh in 2014-15. But inflationary headwinds and increased costs due to dispersed operations impacted EBIDTA margins – it stood at 31.49% in 2014-15 against 35.76%% in 2013-14. The net profit increased by 32% from ₹1,125.78 lakh in 2013-14 to ₹1,489.64 lakh in 2014-15.

**Dividend:** Dividend was proposed to be at ₹2 per equity share of ₹10 each (20%) as in previous year. However, following an increase in the incidence of Corporate Dividend Distribution Tax Rate, the total payout stands at ₹135.64 lakh compared to ₹131.84 lakh in the previous year.

The Company's ROCE improved 500 bps from 22% in 2013-14 to 27% in 2014-15.

Balance Sheet

**Capital employed:** The sum of equities and liabilities in the business declined from ₹7,192.75 lakh as on March 31, 2014 to ₹6,904.57 lakh as on March 31, 2015. This decline was primarily due to the deleveraging of the Balance Sheet. Interestingly, despite a decline in the capital employed in the business, the Company reported a significant improvement in revenue and profitability – showcasing a better utilisation of every rupee invested in business.

**Shareholders' funds:** The balance under this head increased by 28% from ₹4,795.04 lakh as on March 31, 2014 to ₹6,149.04 lakh as on March 31, 2015. This increase was due to the growth in the reserves and surplus balance as the majority of the profits earned during the year were ploughed into the business to fund growth aspirations. The share capital remained unchanged at ₹564.84 lakh as on March 31, 2015.

**Debt:** The Company's debt portfolio (non-current and current) declined sharply from ₹443.26 lakh as on March 31, 2014 to ₹130.21 lakh as on March 31, 2015. This decline was primarily due to the prudent deployment of cash flows in debt reduction. As a result, the short-term debt balance declined from ₹393.26 lakh as on March 31, 2014 to ₹130.21 lakh as on March 31, 2015. The Company's debt to equity declined from 9.24% as on March 31, 2014 to 2.11% as on March 31, 2015.

**Fixed Assets:** Having ₹1663.36 lakh of investment in plant and equipment during 2013-14, no major additional investment in plant and equipment was made during 2014-15. The adoption of new technologies will depend on forthcoming projects.

**Working capital:** The Company streamlined its working capital management through a disciplined management of receivables and payables with an improved current ratio from 1.14 for 2013-14 to 2.54 for 2014-15. In doing so:

**The** balance under trade receivables declined from ₹2,249.55 lakh as on March 31, 2014 to ₹930.33 lakh as on March 31, 2015.

**The** balance under trade payables declined from ₹807.26 lakh as on March 31, 2014 to ₹272.18 lakh as on March 31, 2015.

## Cash flow statement

The Company generated ₹2460.69 lakh from operations after effecting working capital changes during the year compared to ₹235.81 lakh in 2013-14. Cash flows were utilised for making payments against commitments and acquisition of equipment in the earlier years.

# Risk management

Risk Management at Alphageo is an integral part of the business model, focusing to mitigate adverse impact of risks on the business objectives. The Company leverages its two-decade rich experience to allay shareholder apprehension about growth prospects.

**Risk management framework:** Alphageo's integrated risk management approach comprises a compliance with prudential norms, structured reporting and effective controls. A combination of centrally issued policies and divisionally evolved procedures has helped enhance process robustness, ensuring that business risks are effectively addressed. The senior management periodically reviews the risk management framework to maintain contemporariness and address emerging challenges.

**INDUSTRY RISK**

Subdued oil prices may dampen prospects for oil exploration and seismic survey programmes.

**Impact on Alphageo:** Lack of orders could adversely impact business growth.

**Risk mitigation:** Currently, more than 70% of India's oil consumption is imported – a sizeable drain on the nation's exchequer. The Central Government is focused on reducing the nation's reliance on imports by 10% by 2022 – providing a thrust on better survey and exploration of the existing oil field. This is expected to increase the demand for seismic survey services in the coming years. Alphageo's efforts in venturing into seismic survey in CBM blocks and transitional zone survey helped mitigate industry risks.

**BUSINESS RISK**

Competition in the seismic survey space is increasing as India is fast inviting global players.

**Impact on Alphageo:** It could impact the Company's ability in securing orders.

**Risk mitigation:** Alphageo pioneered this service in India and is the business leader in this space. Having worked with all oil majors in India and oil-focused MNCs operating in India, in challenges and diverse terrains, for 25 years, the Company has earned preferred partner status, which enables it to secure a large share of opportunities emerging in the seismic survey space.

**EXECUTION RISK**

Timely project completion against all odds is critical for business growth.

**Impact on Alphageo:** The Company may not be able to manage the terrain-technology combine, impacting timely delivery.

**Risk mitigation:** In its 25-year journey, Alphageo worked on multiple on-land sedimentary basins (having successfully worked across varied topographies) and developed in utilising globally-benchmarked technologies (2D, 3D and Seisloop), which enabled it to deliver most projects on time, strengthening its sectoral positioning as a dependable partner.

**PEOPLE RISK**

Ironically, India, the second most populous nation is suffering from a shortage of skilled people.

**Impact on Alphageo:** Being a knowledge-driven business, attracting and retaining talent is critical for efficient business operations.

**Risk mitigation:** The Company's leadership position, its challenging business environment and its people-friendly policies have enabled it to retain the best talent in the seismic survey space. Its record of delivering more than 90% of its projects on or before time in the last five years bears testimony to the knowledge capital resident within the organisation.

**FINANCE RISK**

Continuous investment in cutting-edge technology and sophisticated equipment is essential to stay in business.

**Impact on Alphageo:** Inability to make timely investments could impact business execution.

**Risk mitigation:** During the last five years, the Company invested about ₹1750.00 lakh in upgrading technology and equipment. Besides, the Company's healthy financial statements – a debt-equity ratio of 2.11 (March 31, 2015) and a reserves and surplus balance of ₹5584.21 lakh (March 31, 2015) – provides it significant head-room to garner adequate low-cost funds for onward investments.

# DIRECTORS' REPORT

TO THE MEMBERS

You Directors are pleased to present Twenty Eighth Annual Report, Audited Financial Statements and the report on Company's business and operations for the financial year ended 31st March, 2015.

## Results of Operations

The Results of operations of the Company for the year ended 31st March, 2015 are summarised below:

₹ in lakh

| Particulars | Company | | Group | |
|---|---|---|---|---|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Operating Income | 6396.73 | 4441.35 | 7268.04 | 9428.27 |
| Other Income | 101.62 | 155.80 | 74.30 | 129.70 |
| Total Income | 6498.35 | 4597.15 | 7342.34 | 9557.97 |
| Profit Before Finance costs and Depreciation | 2045.65 | 1643.51 | 2666.75 | 3793.86 |
| Finance Costs | 47.12 | 58.89 | 83.04 | 71.44 |
| Depreciation And Amortisation | 445.70 | 436.95 | 1071.07 | 883.94 |
| Profit Before Tax | 1552.83 | 1147.67 | 1512.64 | 2838.48 |
| Tax Expense | 63.19 | 21.89 | 63.19 | 191.21 |
| Profit After Tax | 1489.64 | 1125.78 | 1449.45 | 2647.27 |
| Earnings Per Share of ₹10/- each | 26.44 | 20.67 | 25.72 | 48.61 |

## Operational and Financial Performance

During the year ended 31st March, 2015 the Company has earned an Operating Income of ₹6396.73 lakh against ₹4441.35 lakh for the year ended 31st March, 2014.

During the year the Company has successfully executed Contract for Seisloop Seismic Survey and its extension in Mizoram, three contracts for 2D and 3D Seismic Survey in Cambay Basin Gujarat, one contract for 2D Seismic Survey in Assam and One Contract for 2D Transition Zone Seismic Survey Contract in Cauvery Basin. Your Company's efforts in simultaneous execution of multiple contracts and organised resource management resulted in Profit before tax for the current year of ₹1552.83 lakh against ₹1147.67 lakh in previous year. Tax Expense for current financial year of ₹63.19 is net of MAT Credit entitlements of ₹222.00 Lakh and Deferred Tax Credit for ₹16.26 lakh. Profit after Tax for the current year is ₹1489.64 lakh against ₹1125.78 lakh in previous year. The Shareholders Funds as on 31st March 2015 are increased to 6149.05 lakh from ₹4795.05 lakh as on 31st March 2014.

Your Directors are of the view that, with the improved and committed government initiatives in Oil and Gas Exploration Sector, your Company will achieve better performance barring unforeseen circumstances, in the forthcoming year.

## Group Performance

During the year ended 31st March, 2015 the total operations of the Group achieved an Operational Income of ₹7268.04 lakh against ₹9428.27 lakh for the year ended 31st March, 2014. Your Company has excelled in domestic front in the current year. However, sharp volatility in oil prices, delayed statutory clearances to exploration companies for the blocks awarded resulted in postponing or observing cautious approach in announcing seismic survey programmes internationally. Profit after Tax of the Group for the year is ₹1449.45 lakh and the Shareholders Fund of the Group as on 31st March 2015 is ₹8382.92 lakh. The international subsidiary of the group is making its efforts in expanding its operations to new geographical locations.

## Dividend

Board of Directors are pleased to recommend a dividend at the rat e of ₹2/- per Equity share of ₹10/- each for the financial Year 2014-15, for the approval of the Members at 28th Annual General Meeting of the Company. The Dividend if approved will be paid to those shareholders whose names appear on the register of the members of the Company as on 21st September 2015.

## 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.

## 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 Commodities Center (DMCC). During the year ended 31st March, 2015 the Subsidiaries have achieved a turnover of ₹871.30 Lakh. A Statement containing salient feature of the Financial and Operational information of the Subsidiaries is provided in Form AOC-1 as Annexure-1 to this report. The Consolidated Financial Statements presented by the Company include the financial results of these Subsidiary Companies. Pursuant to Section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiaries are available on the website of the Company and also will make available upon the request by any member of the Company.

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

## Consolidated Financial Statements

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

## Number of Meetings of the Board of Directors

During the year ended 31st March 2015, the Board of Directors has met five times on 29th May 2014, 12th August 2014, 10th November 2014, 5th January 2015 and 22nd January 2015.

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

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

(i) in the preparation of the Annual Accounts for the year ended 31st March, 2015, the applicable Accounting Standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and that there are no material departures from the same;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit for the year ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Annual Accounts for the year ended 31st March, 2015 have been prepared on a going concern basis; and

(v) internal financial controls have been laid down and such controls are adequate and operating effectively;

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

## Audit committee

The primary objective of the Audit Committee is to oversee the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible. The Audit Committee of the Board currently headed by Independent Director as Chairperson and another 2 Independent Directors and one Promoter Director as Members of the Committee. The Committee meets regularly to discharge its terms of reference effectively and efficiently. During the year there were no instances where the recommendations of the Audit Committee were not accepted by the Board. The details of Composition, scope, terms reference of the Audit Committee are in detail provided in Corporate Governance Report forming part the Directors' Report.

## Statutory Auditors

The present auditors, M/s. P V R K Nageswara Rao & Co., Chartered Accountants, Hyderabad, at the 27th Annual General Meeting held on 26th September, 2014 were appointed as Auditors of the Company from the conclusion of 27th Annual General Meeting to the conclusion of 30th Annual General Meeting, subject to ratification of their appointment as such by the Members at the Annual General Meeting of the respective year in compliance with provisions of Section 139, 142 and applicable provisions of the Companies Act, 2013. The Auditors have confirmed that they are not disqualified from the re-appointment and their re-appointment if made is within limits under section 141(3)(g) of the Companies Act, 2013. Accordingly the appointment of present auditors as Auditors of the Company is placed for ratification by Shareholders

## Statutory Auditors' report on Financial Statements

The Auditors' report on financial statements for the year ended 31st March 2015 does not contain any qualifications, reservations or adverse remarks.

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

During the year the Company has given an interest bearing loan of US$ 1,300,000 equivalent to ₹8,13,68,040/- to its 100% owned Subsidiary Alphageo International Limited for meeting its commitments in their ordinary course of business.

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

The Particulars of the transactions with related parties as required in Accounting Standard-18 are given at Note. 27.II.12 of Notes on Financial Statements annexed to this Report.

All contracts and transactions entered by the Company during the financial year with related parties were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Agreement. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company during the year.

The Company has adopted a policy on related party transactions and the same is available at URL: http://www.alphageoindia.com/pdf/RELATED%20PARTY%20 TRANSACTIONS %20 POLICY.PDF

All the related party transactions are with the prior approval of the Audit Committee. The details of the transactions on quarterly basis are being provided to Committee for their review and consideration.

During the year there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price and there were no material and significant transaction at arm's length price with the related parties. Accordingly there were no transactions during the year ended 31st March, 2015 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014.

## Transfer to Reserves

During the year no amount has been proposed to transfer/ appropriated to any of the reserves and the entire surplus for the year ended 31st March 2015 is continued to be retained as Balance in Profit and Loss Account.

## Corporate Social Responsibility Committee

The Company is committed to fulfil its Corporate Social Responsibility obligations and formed a Corporate Social Responsibility Committee currently consisting Two Independent Directors and One Promoter Director of the Committee. The Company has formulated and adopted a policy for this purpose and the same is available at URL http://www.alphageoindia.com/pdf/CORPORATE%20SOCIAL%20RESPONSIBILITY%20 POLICY.PDF for the information of the Members.

However, due to incurring of losses for the years from 2010-11 to 2012-13, the Company is not obligated with mandatory spending on CSR Activities for the year 2014-15 as per the applicable provisions of the Companies Act, 2013. Even then the Company is in the process of identifying the beneficiaries for its non-mandatory CSR Activities. Accordingly the Company is of the view that the disclosure of information is not required to be furnished as an Annual Report on CSR Activities for the year 2014-15.

## Directors and Key Managerial Personnel

### Appointments

During the year pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Mohan Krishna Reddy Aryabumi, Mr. Z.P. Marshal and Mr. Ashwinder Bhel were appointed as Independent Directors on Board of the Company and Mrs. Savita Alla was appointed as Director of the Company.

### Re-appointments

Mr. Rajesh Alla and Mr. Srinivas Reddy Ravula retired by rotation were re-appointed as Directors of the Company at 27th Annual General Meeting held on 26th September, 2014.

### Resignations

Mr. P.K. Reddy, Independent Director in terms of Clause 49 of the Listing Agreement has resigned from the Board with effect from 12th August 2014. He is associated with the Board since 2007. The Board sincerely appreciates his contributions as a Director and Member of Board Committees during his tenure.

Mrs. G. Sandhya Rani, Company Secretary has resigned from service during the year.

### Whole Time Directors:

Mrs. Savita Alla, Director of the Company has been appointed as Joint Managing Director of the Company for a period of 3 years with effect from 25th May, 2015. The Board recommended her appointment for the approval of Members at 28th Annual General Meeting of the Company.

## Disclosure by Independent Directors

Pursuant to and in compliance with the provisions of Section 149(7) of the Companies Act 2013, every independent director is providing the declaration conforming meeting the criteria of independence as provided 149(6) of the Act and Listing Agreement with the Stock Exchanges.

## Remuneration Policy

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

## Particulars of Remuneration to Directors and Key Managerial Personnel

Particulars of Employees as required under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-2 and forms part of this Report.

## Particulars of Employees

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

## Board Evaluation

Pursuant to the provisions of the Act and the Listing Agreement with the Stock Exchanges, the Board of Directors (Board) has carried out an annual evaluation of its own performance, and that of its committees and individual directors.

The performance of the Board was evaluated based on criteria that includes aspects like Composition and structure of the Board, effectiveness of the Board processes, information and functioning of the Board etc., Evaluation of the Committee's performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings etc., Individual Directors' performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors/

committee members wherever applicable. The Nomination and Remuneration Committee reviewed the performance of the individual directors. A separate meeting of the individual directors was also held to review the performance of Non-independent directors; performance of the Board as a whole and performance of the Chairperson of the Company taking into account the views of all the Directors. This was followed by the discussions on the performance of the Board, its Committees and individual directors at a Board Meeting.

## 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.

## Risk Management

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

## Vigil Mechanism

The Company has established, to strengthen its policy of corporate transparency, 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. The Policy formulated for this mechanism can be accessed at URL: http://www.alphageoindia.com/pdf/WHISTLE%20BLOWER%20POLICY%20 VIGIL%20 MECHANISM.PDF

## Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 the Company has appointed M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries as Secretarial Auditors for the year 2014-15. The Audit Report for the year 2014-15 issued by them is provided as Annexure -4 to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

## Extract of Annual Return

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, an Extract of Annual Return as on the financial year ended on 31st March 2015 is provided as Annexure-5 to this Report.

## Deposits

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

## Internal Financial Controls

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

## Employees Stock Option Scheme

The Company has issued Stock Options to the Employees under the Scheme "Alphageo ESOS 2008". Out of total Stock Options Authorised, as on 31st March, 2015, 235067 Stock Options are available for granting to the Employees. The Stock options issued earlier, in terms of the issue, were lapsed and there are no enforceable stock options outstanding as on 31st March, 2015.

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

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

a. **Conversation 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 27.II.16, 27.II.17 and 26.II.18 of the Notes forming part of Financial Statements for the year 2014-15.

## Transfer of amounts to Investor Education and Protection Fund

Pursuant to provisions of Section 124 of Companies Act 2013, 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, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government of India pursuant to Section 125 of the Companies Act, 2013.

Pursuant to the provisions of Section 124(2), the Company has uploaded the details of unclaimed amount of dividend as on 31st March 2014 on the Ministry of Corporate Affairs website.

## 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.

During the year no complaints of sexual harassment received under "The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013".

## Acknowledgment

The Directors take this opportunity to thank the Shareholders, Company's employees, Customers, Vendors, Service Providers and Bankers for their continuous support. The Directors appreciate and value the contributions made by every member of the Alphageo family.

For and on behalf of the Board

Hyderabad
10.08.2015

**Z. P. Marshall**
*Chairperson*

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, 2015

(Amount in ₹)

| S. No. | Particulars | Alphageo International Limited, Dubai | Alphageo DMCC, Dubai |
|---|---|---|---|
| 1. | Reporting Currency | USD | USD |
| 2. | Exchange rate as on 31.03.2015 | 62.5908 | 62.5908 |
| 3. | Share Capital | 17,82,61,540 | 33,94,299 |
| 4. | Reserves & Surplus | (1,06,154) | 17,49,80,718 |
| 5. | Total Assets | 26,21,40,848 | 43,75,79,606 |
| 6. | Total Liabilities | 8,39,85,462 | 8,58,98,925 |
| 7. | Investments (Excluding Investment in Subsidiary) | NIL | NIL |
| 8. | Turnover | 6,85,557 | 8,84,97,257 |
| 9. | Profit before taxation | (5,71,642) | (1,85,22,370) |
| 10. | Provision for taxation | NIL | NIL |
| 11. | Profit after taxation | (5,71,642) | (1,85,22,370) |
| 12. | Proposed dividend | NIL | NIL |
| 13. | % 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.



ANNEXURE-2 TO DIRECTORS' REPORT

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

1. Details of ratio of remuneration of each Whole Time Director to the median remuneration of the employees for the financial year 2014-15 and the percentage increase in remuneration of each whole time director and Key Managerial Personnel for the year 2014-15

| S. No. | Name and Designation | Remuneration ₹ in Lakh | Ratio of Directors Remuneration to Median remuneration | % of increase in the remuneration | Comparison of the remuneration of the KMP against the performance of the Company |
|---|---|---|---|---|---|
| **A.** | **Executive Directors** | | | | |
| 1 | Dinesh Alla, Managing Director | 68.47 | 1:0.05 | 72.16% | Company achieved a growth in Revenue by 44% and Profit Before Tax by 35% |
| **B.** | **Non-Executive Directors** | | | | |
| 1 | Z.P. Marshall, Chairperson- Independent Director | Non-Executive Directors and Independent Directors were paid only Sitting Fees for attending meetings of the Board and Committees of the Board | Not Applicable | Not Applicable | Not Applicable |
| 2 | Rajesh Alla, Director | | | | |
| 3 | P.K. Reddy, Independent Director | | | | |
| 4 | Srinivas Reddy Ravula, Director | | | | |
| 5 | Ashwinder Bhel, Independent Director | | | | |
| 6 | Mohan Krishna Reddy, Independent Director | | | | |
| 7 | Savita Alla, Director | | | | |
| **C.** | **Key Managerial Personnel** | | | | |
| 1 | Venkatesa Perumallu Pasumarthy, Chief Financial Officer | 35.64 | Not Applicable | 34.49% | Remuneration is based on the individual performance of the employees in terms of the remuneration policy of the Company |
| 2 | G. Sandhya Rani, Company Secretary | 1.27 | Not Applicable | Employed in the current year for a part of the year | |

2. The percentage increase in median remuneration of employees in the financial year 2014-15 was 18.56%.

3. No. of Permanent Employees on the rolls of the Company during 2014-15 was 88 Nos.

4. Explanation on the relationship between average increase in remuneration and company performance:
Company achieved 44% growth in operational income and 35% growth in Profit before Tax for the year 2014-15 compared to the year 2013-14. Whereas, the average growth of the increase in remuneration for 2014-15 over remuneration for 2013-14 is 18.56%, which is based on the individual performance of the employees in terms of remuneration policy of the Company

5. Variations in the market capitalisation of the Company, price earnings ratio as at 31st March 2015 to as at 31st March 2014 and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

| Particulars | At time of IPO 31.03.1993 | 2013-14 | 2014-15 | % increase / decrease over last year |
|---|---|---|---|---|
| Market Capitalisation (₹ in Lakhs) | 1486.90 | 8449.33 | 21564.41 | 255% |
| Price-Earnings Ratio | 5.74 | 7.25 | 14.53 | 200% |

6. Average percentile increase already made in the Salaries of employees other than the managerial personnel in the last financial year was 27.17% where the increase in managerial remuneration was 72.16%.

7. The only variable component of remuneration availed by the Managing Director is the Commission on Profits which is being calculated as per the applicable provisions and Schedule V of the Companies Act 2013. As there was inadequacy of profits in terms of Section 197 read with 198 of the Companies Act, 2013, no Commission was paid to the Managing Director for the year 2014-15

8. There were no employees who are not directors but received remuneration in excess of highest paid director during 2014-15

9. It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2014-15 was as per terms of the appointment and the Remuneration Policy of the Company.



ANNEXURE-3 TO DIRECTORS' REPORT

## Statement of Particulars of Employees Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S. No. | Name | Designation | Remuneration ₹ | Nature of Employment | Qualification and experience of employee | Date of commence-ment | Age (Years) | The last employment held before joining the Company | Whether is a relative of any director or manager of the Company |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Mr. Dinesh Alla | Managing Director | 68,46,489 | Contractual | M. M. S & M. Sc., (Maths) (Hons) | 21.08.1991 | 50 | Director, Transducers and Controls Private Limited | Related to Mr. Rajesh Alla and Mrs. Savita Alla, Directors of the Company. |

**Note:** Gross Remuneration includes salary, value of perquisites as per the Income Tax Rules, 1962 and Company's contribution to provident fund / superannuations fund

ANNEXURE-4 TO DIRECTORS' REPORT

# Form No. MR-3

## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
**Alphageo (India) Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(vi) Other Laws applicable to the Company as per the representation made by the management.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(Not notified by the Central Government hence not applicable to the Company for the period of audit)

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that

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

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

Majority decision is carried through while the dissenting Board members' views, if any, are captured and recorded as part of the minutes.

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

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

**For D. Hanumanta Raju & Co**
*Company Secretaries*

**CS Shaik Razia**
*Partner*
FCS:7122, CP NO: 7824

Place: Hyderabad
Date: 10.08.2015

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

'ANNEXURE A TO FORM MR-3'

To,
The Members,
**Alphageo (India) Limited**

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

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

**For D. Hanumanta Raju & Co**
*Company Secretaries*

**CS Shaik Razia**
*Partner*
FCS:7122, CP NO: 7824

Place: Hyderabad
Date: 10.08.2015

ANNEXURE-5 TO DIRECTORS' REPORT

# FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

## I. Registration & Other Details:

| | | |
|---|---|---|
| i. | CIN | L74210TG1987PLC007580 |
| i. | Registration Date | July 01, 1987 |
| iii. | Name of the Company | ALPHAGEO (INDIA) LIMITED |
| iv. | Category/Sub-category of the Company | Company Limited by Shares |
| v. | Address of the Registered office & contact details | **Registered Office**<br>802, Babukhan Estate, Basheerbagh, Hyderabad-500 001, Telangana<br>**Corporate Office**<br>6-3-250/2 Road No. 1, Banjara Hills, Hyderabad- 500 034, Telangana<br>Phone:040-23320502, 23320503 \| Fax: 040-23302238<br>Email: cs@alphageoindia.com \| Website: www.alphageoindia.com |
| vi. | Whether listed company | Yes |
| vii. | Name , Address & contact details of the Registrar & Transfer Agent, if any. | **Karvy Computershare Pvt Ltd**<br>Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana<br>Phone: 040-67161606, 67161602<br>Email: einward.ris@karvy.com<br>Website:- www.karvycomputershare.com |

## II. Principal Business Activities of the Company

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

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

## III. Particulars of Holding, Subsidiary & Associate Companies

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

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

### (i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year - 01.04.2014 | | | | No. of Shares held at the end of the year - 31.3.2015 | | | | % change during the year 2014-15 |
|---|---|---|---|---|---|---|---|---|---|
| | DEMAT | Physical | Total | % of Total Shares | DEMAT | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1759247 | - | 1759247 | 31.22 | 1900097 | - | 1900097 | 33.72 | 2.50 |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | 212906 | - | 212906 | 3.78 | 289106 | - | 289106 | 5.13 | 1.35 |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total:(A) (1) | 1972153 | - | 1972153 | 35.00 | 2189203 | - | 2189203 | 38.85 | 3.85 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 270600 | - | 270600 | 4.80 | 126300 | - | 126300 | 2.24 | -2.56 |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | 35716 | - | 35716 | 0.64 | 35716 | - | 35716 | 0.64 | 0 |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other… | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | 306316 | - | 306316 | 5.44 | 162016 | - | 162016 | 2.88 | -2.56 |
| Total Shareholding of Promoter | | | | | | | | | |
| (A)=(A)(1)+(A)(2) | 2278469 | - | 2278469 | 40.44 | 2351219 | - | 2351219 | 41.73 | 1.29 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | 8600 | 8600 | 0.15 | - | 8600 | 8600 | 0.15 | - |
| b) Banks/FI | - | - | - | - | 5785 | - | 5785 | 0.10 | 0.10 |
| c) Central govt | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIS | - | 2900 | 2900 | 0.05 | 0 | 2900 | 2900 | 0.05 | 0 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub Total (B)(1): | - | 11500 | 11500 | 0.20 | 5785 | 11500 | 17285 | 0.30 | 0.10 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies Corporate | 602965 | 13675 | 616640 | 10.94 | 780130 | 13575 | 793705 | 14.09 | 3.14 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹1 lakh | 1536204 | 197400 | 1733604 | 30.77 | 1244605 | 191200 | 1435805 | 25.48 | -5.28 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh | 871140 | 0 | 871140 | 15.46 | 946102 | - | 946102 | 16.79 | 1.33 |
| c) Others (specify) | | | | | | | | | |
| i) Clearing Members | 22297 | 0 | 22297 | 0.39 | 6569 | - | 6569 | 0.12 | -0.28 |
| ii) Non Resident Indians | 85617 | 15500 | 101117 | 1.80 | 69682 | 14400 | 84082 | 1.49 | -0.30 |
| Sub Total (B)(2): | 3118223 | 226575 | 3344798 | 59.36 | 3047088 | 219175 | 3266263 | 57.97 | -1.39 |
| Total Public Shareholding | | | | | | | | | |
| (B)= (B)(1)+(B)(2) | 3118223 | 238075 | 3356298 | 59.56 | 3052873 | 230675 | 3283548 | 58.27 | -1.29 |
| C. Shares Held by Custodian For | | | | | | | | | |
| GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 5396692 | 238075 | 5634767 | 100.00 | 5404092 | 230675 | 5634767 | 100.00 | - |

### (ii) Share Holding of Promoters

| S. No. | Category of Shareholders | Shareholding at the beginning of the year -01.04.2014 | | | Shareholding at the end of the year – 31.03.2015 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the Company | % of shares pledged encumbered to total shares | |
| 1 | Dinesh Alla | 375022 | 6.65 | 0 | 516872 | 9.17 | 0 | 2.52 |
| 2 | Kamala Rajupet | 374466 | 6.64 | 0 | 229166 | 4.07 | 0 | -2.57 |
| 3 | Savita Alla | 241458 | 4.29 | 0 | 241458 | 4.29 | 0 | 0 |
| 4 | Alla Hemavathi | 220167 | 3.91 | 0 | 220167 | 3.91 | 0 | 0 |
| 5 | Dinesh Alla | 188900 | 3.35 | 0 | 188900 | 3.35 | 0 | 0 |
| 6 | Aquila Drilling Pvt. Ltd. | 212906 | 3.78 | 0 | 279906 | 4.96 | 0 | 1.18 |
| 7 | Sashank Alla | 174000 | 3.09 | 0 | 174000 | 3.09 | 0 | 0 |
| 8 | Anisha Alla | 174000 | 3.09 | 0 | 174000 | 3.09 | 0 | 0 |
| 9 | Alla Rajesh | 126567 | 2.25 | 2.25 | 126567 | 2.25 | 2.25 | 0 |
| 10 | Alla Rajesh | 86333 | 1.53 | 1.53 | 86333 | 1.53 | 1.53 | 0 |
| 11 | Alla Mrudula | 67634 | 1.20 | 1.20 | 67634 | 1.20 | 1.20 | 0 |
| 12 | Alpha Geo Inc | 35716 | 0.64 | 0 | 35716 | 0.64 | 0 | 0 |
| 13 | Gopinath Reddy Rajupet | 1300 | 0.02 | 0 | 1300 | 0.02 | 0 | 0 |
| 14 | Athena Infracon (India) Pvt. Ltd.* | - | - | - | 9200 | 0.16 | 0 | 0.16 |
| Total | | 2278469 | 40.44 | 4.98 | 2351219 | 41.73 | 4.98 | 1.29 |

*Athena Infracon (India) Pvt. Ltd becomes a part of Promoter Group w.e.f. 18th December 2014.

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

| S. No. | | Shareholding at the beginning of the Year -01.04.2014 | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| | At the beginning of the year | 2278469 | 40.44 | - | - |
| 1. | Buy 08.05.2014 | 67000 | 1.19 | 2345469 | 41.63 |
| 2. | Sold 19.09.2014 | (2000) | (0.03) | 2343469 | 41.60 |
| 3. | Sold 17.10.2014 | (1450) | (0.03) | 2342019 | 41.57 |
| 4. | Buy 18.12.2014 | 9200 | 0.16 | 2351219 | 41.73 |
| 5. | Interse Transfer 08.01.2015 | -145300 | -2.58 | 2205919 | 39.15 |
| 6. | Interse Transfer 08.01.2015 | 145300 | 2.58 | 2351219 | 41.73 |
| | At the end of the year | - | - | 2351219 | 41.73 |

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

| S. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No.of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 1 | Bharat Jayantilal Patel | | | | |
| | At the beginning of the year | 198377 | 3.52 | - | - |
| | 09.05.2014-Sold | (25000) | -0.44 | 173377 | 3.08 |
| | 13.06.2014-Sold | (44000) | -0.78 | 129377 | 2.30 |
| | 15.08.2014-Sold | (129377) | -2.30 | - | - |
| | At the end of the year | - | - | - | - |
| 2 | Ruchit Bharat Patel | | | | |
| | At the beginning of the year | 129065 | 2.29 | - | - |
| | 13.06.2014 | (20000) | -0.35 | 109065 | 1.94 |
| | 12.09.2014 | 20000 | 0.35 | 129065 | 2.29 |
| | At the end of the year | - | - | 129065 | 2.29 |
| 3 | Shivani T. Trivedi | | | | |
| | At the beginning of the year | 55496 | 0.98 | | |
| | 06.06.2014 Buy | 9998 | 0.18 | 65494 | 1.16 |
| | 18.07.2014 Buy | 6131 | 0.11 | 71625 | 1.27 |
| | 25.07.2014 Buy | 6651 | 0.12 | 78276 | 1.39 |
| | 22.08.2014 Buy | 20000 | 0.35 | 98276 | 1.74 |
| | 12.09.2014 Buy | 32900 | 0.59 | 131176 | 2.33 |
| | 19.12.2014-Buy | 19352 | 0.34 | 150528 | 2.67 |
| | 30.01.2015-Buy | 1000 | 0.02 | 151528 | 2.69 |
| | At the end of the year | | | 151528 | 2.69 |

| S. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No.of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 4 | Acira Consultancy Pvt. Ltd | | | | |
| | At the beginning of the year | 74247 | 1.32 | | |
| | 14.11.2014-Buy | 20000 | 0.35 | 94247 | 1.67 |
| | 21.11.2014-Buy | 3000 | 0.06 | 97247 | 1.73 |
| | 28.11.2014-Buy | 3593 | 0.06 | 100840 | 1.79 |
| | 30.01.2015-Buy | 8000 | 0.14 | 108840 | 1.93 |
| | 20.02.2015-Buy | 5000 | 0.09 | 113840 | 2.02 |
| | 27.02.2015-Buy | 22304 | 0.4 | 136144 | 2.42 |
| | 31.03.2015-Sold | (136000) | -2.42 | 144 | 0.002 |
| | At the end of the year | | | 144 | 0.002 |
| 5 | Trigeo Technologies Pvt. Ltd | | | | |
| | At the beginning of the year | 72203 | 1.28 | | |
| | 30.06.2014 Sold | (72203) | -1.28 | - | - |
| | At the end of the year | | | - | - |
| 6 | VASR Consultants and Financial Advisers | | | | |
| | At the beginning of the year (Buy on 30.06.2014) | - | - | | |
| | Buy 30.06.2014 | 72203 | 1.28 | | |
| | At the end of the year | | | 72203 | 1.28 |
| 7 | Bang Securities Pvt Ltd | | | | |
| | At the beginning of the year | 53620 | 0.95 | | |
| | 25.07.2014 Buy | 913 | 0.02 | 54533 | 0.97 |
| | 08.08.2014 Buy | 14188 | 0.25 | 68721 | 1.22 |
| | At the end of the year | | | 68721 | 1.22 |
| 8 | Minal B Patel | | | | |
| | At the beginning of the year (08.08.2014) | 2500 | 0.04 | | |
| | 15.08.2014 Buy | 89455 | 1.59 | 91955 | 1.63 |
| | 22.08.2014 Sold | (8000) | -0.14 | 83955 | 1.49 |
| | 12.09.2014 Buy | 25000 | 0.44 | 108955 | 1.93 |
| | 19.09.2014 Sold | (10000) | -0.17 | 98955 | 1.76 |
| | 07.11.2014-Sold | (5000) | -0.09 | 93955 | 1.67 |
| | 09.01.2015-Sold | (11305) | -0.2 | 82650 | 1.47 |
| | At the end of the year | | | 82650 | 1.47 |

| S. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No.of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 9 | PAT Financial Consultant Pvt Ltd | | | | |
| | At the beginning of the year (12.09.2014) | 59270 | 1.05 | | |
| | 12.09.2014 Sold | (1832) | -0.03 | 57438 | 1.02 |
| | 19.09.2014 Sold | (20000) | -0.36 | 37438 | 0.66 |
| | 21.11.2014-Buy | 3000 | 0.06 | 40438 | 0.72 |
| | 28.11.2014-Buy | 4000 | 0.07 | 44438 | 0.79 |
| | 19.12.2014-Buy | 19130 | 0.34 | 63568 | 1.13 |
| | 31.12.2014-Sold | (28414) | -0.51 | 35154 | 0.62 |
| | 09.01.2015-Sold | (18570) | -0.33 | 16584 | 0.29 |
| | 13.03.2015-Buy | 379 | 0.01 | 16963 | 0.3 |
| | 27.03.2015-Buy | 1136 | 0.02 | 18099 | 0.32 |
| | At the end of the year | | | 18099 | 0.32 |
| 10 | Surendra Kumar Jain | | | | |
| | At the beginning of the year (31.10.2014) | 30989 | 0.55 | | |
| | 07.11.2014-Buy | 30250 | 0.54 | 61239 | 1.09 |
| | 14.11.2014-Buy | 30541 | 0.54 | 91780 | 1.63 |
| | 19.12.2014-Buy | 9181 | 0.16 | 100961 | 1.79 |
| | At the end of the year | | | 100961 | 1.79 |
| 11 | Anugrah Stock & Broking Pvt Ltd | | | | |
| | At the beginning of the year (09.01.2015) | 44693 | 0.79 | | |
| | 16.01.2015-Buy | 11830 | 0.21 | 56523 | 1.00 |
| | 23.01.2015-Buy | 1888 | 0.03 | 58411 | 1.03 |
| | 30.01.2015-Sold | (7253) | -0.13 | 51158 | 0.90 |
| | 06.02.2015-Sold | (14125) | -0.24 | 37033 | 0.66 |
| | 13.02.2015-Sold | (2736) | -0.05 | 34297 | 0.61 |
| | 20.02.2015-Sold | (21886) | -0.39 | 12411 | 0.22 |
| | 27.02.2015-Sold | (9919) | -0.18 | 2492 | 0.04 |
| | 06.03.2015-Sold | (2475) | -0.03 | 17 | 0.01 |
| | At the end of the year | | | 17 | 0.01 |
| 12 | Finquest Securities Pvt. Ltd | | | | |
| | At the beginning of the year(31.03.2015) | - | | | |
| | 31.03.2015-Buy | 136000 | 2.41 | 136000 | 2.41 |
| | At the end of the year | | | 136000 | 2.41 |



(v) Shareholding of Directors & Key Managerial Personnel

| S. No. | For Each of the Directors & KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No.of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| | **At the beginning of the year** | - | - | - | - |
| 1 | Mr. Dinesh Alla | | | | |
| | At the beginning of the year | 365022 | 6.65 | | |
| | 19.09.2014 Sold | (2000) | -0.03 | | |
| | 17.10.2014 Sold | (1450) | -0.03 | | |
| | 08.01.2015 Interse Transfer | 145300 | 2.58 | | |
| | **At the end of the year** | | | **516872** | **9.17** |
| 2 | Mr. Savita Alla | 241458 | 4.29 | 241458 | 4.29 |
| 3 | Mr. Rajesh Alla | 126567 | 2.25 | 126567 | 2.25 |
| 4 | Mr. Z. P. Marshall | 500 | 0.01 | 500 | 0.01 |
| 5 | Mr. Ashwinder Bhel | - | - | - | - |
| 6 | Mr. Mohan Krishna Reddy Aryabumi | - | - | - | - |
| 7 | Mr. Srinivas Reddy Ravula | - | - | - | - |
| 8 | Mr. P. K. Reddy (Up to 12/08/2014) | - | - | - | - |
| | **Key Managerial Personnel** | | | | |
| 1 | Mr. Venkatesa Perumallu Pasumarthy | - | - | - | - |
| 2 | Mrs. G. Sandhya Rani | - | - | - | - |

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2,43,26,152 | 2,00,00,000 | -- | 4,43,26,152 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | -- | 19,02,525 | -- | 19,02,525 |
| **Total (i+ii+iii)** | **2,43,26,152** | **2,19,02,525** | | **4,62,28,677** |
| **Change in Indebtedness during the financial year** | | | | |
| Additions | -- | 22,20,549 | | 22,20,549 |
| Reduction | 1,63,05,427 | 1,80,49,485 | | 3,43,54,912 |
| **Net Change** | **(1,63,05,427)** | **(1,58,28,936)** | | **(3,21,34,363)** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 80,20,725 | 50,00,000 | | 1,30,20,725 |
| ii) Interest due but not paid | -- | -- | | -- |
| iii) Interest accrued but not due | -- | 10,73,589 | | 10,73,589 |
| **Total (i+ii+iii)** | **80,20,725** | **60,73,589** | | **1,40,94,314** |

## VI. Remuneration of Directors and Key Managerial Personnel

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

| S. No. | Particulars of Remuneration | Name of the Director | Total (₹) |
|---|---|---|---|
| | Whole –Time Directors | Mr. Dinesh Alla Managing Director | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 49,74,193 | 49,74,193 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 12,75,393 | 12,75,393 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | - as % of profit | - | - |
| | - Others (specify) - | - | - |
| 5 | Others,- Contribution to PF | 5,96,903 | 5,96,903 |
| | **Total (A)** | **68,46,489** | **68,46,489** |
| | Ceiling as per the Act | 68,46,489 | 68,46,489 |

### B. Remuneration to other Directors:

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total (₹) |
|---|---|---|---|---|---|---|
| | | Z. P. Marshall | Ashwinder Bhel | Mohan Krishna Reddy Aryabumi | P. K. Reddy* | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board / committee meetings | 44,445 | 26,667 | 26,667 | 17,778 | 1,15,557 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | **Total (1)** | **44,445** | **26,667** | **26,667** | **17,778** | **1,15,557** |
| 2 | Other Non-Executive Directors | Savita Alla | Rajesh Alla | Srinivas Ravula Reddy | | |
| | Fee for attending board/ committee meetings | 33,332 | 44,445 | 8,333 | | 86,110 |
| | Commission | - | - | - | | |
| | Others, please specify | - | - | - | | |
| | **Total (2) as per the Act** | **33,332** | **44,445** | **8,333** | | **86,110** |
| | **Total (B)=(1+2)** | | | | | **2,01,667** |
| | Total Managerial Remuneration (A+B) | | | | | 70,48,156 |
| | Overall Ceiling as per the Act | | | | | 70,48,156 |

*Note: Mr. P.K. Reddy resigned with effect from 12th August 2014

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

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Venkatesa Perumallu Pasumarthy, CFO | Mrs. G. Sandhya Rani* Company Secretary | Total (₹) |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 29,63,926 | 1,27,004 | 30,90,930 |
| | b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others, specify | - | - | - |
| 5 | Others, please specify- Variable Incentive | 6,00,000 | - | 6,00,000 |
| | **Total** | **35,63,926** | **1,27,004** | **36,90,930** |

*Note:- Mrs. G. Sandhya Rani resigned with effect from 13th September 2014.

## VII. Penalties/Punishment/Compounding of Offences

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority (RD/ NCLT/ Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |
| **B. Directors** | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |
| **C. Other Officers in Default** | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |

For and on behalf of the Board

Hyderabad
10.08.2015

**Z. P. Marshall**
*Chairperson*

# REPORT ON CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. Corporate Governance is a set policies, process and practices by which a Company conducts its affairs in pursuit of its business goal.

Responsible corporate conduct is integral to the way we do our business. In order to ensure sustainable returns to all stakeholders of the business, it is imperative, to adopt and follow certain policies, procedures and processes, which together constitute a 'Code of Corporate Governance'. It is important that such code is institutionalised, to ensure transparency, consistency and uniformity of decision making processes and actions.

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

Alphageo (India) Limited (the Company) is fully committed to practising sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

## The Board of Directors

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

The Board comprises currently 7 Directors out of which 3 are Independent Directors, 1 Woman Promoter Director and 3 Promoter Directors. The Company has Independent Director as its Non-Executive Chairperson. The Composition of the Board and the criteria of independence of Independent Directors are in compliance with Clause 49 of the Listing Agreement and Section 149 of the Companies Act 2013.

The Composition and category of the Board of Directors is as given below:

| S. No. | Name of the Director | Designation | Category |
|---|---|---|---|
| 1. | Mr. Z. P. Marshall | Chairperson | Non-Executive, Independent |
| 2. | Mr. Dinesh Alla | Managing Director | Executive, Promoter |
| 3. | Mrs. Savita Alla [1] | Director | Non-Executive,Promoter |
| 4. | Mr. Rajesh Alla | Director | Non-Executive, Promoter |
| 5. | Mr. S. Ravula Reddy | Director | Non-Executive, Promoter |
| 6. | Mr. P. K. Reddy [2] | Director | Non-Executive, Independent |
| 7. | Mr. Ashwinder Bhel | Director | Non-Executive, Independent |
| 8. | Mr Mohan Krishna Reddy Aryabumi [3] | Director | Non-Executive, Independent |

[1] Mrs. Savita Alla is appointed as Director with effect from 29th May 2014.

[2] Mr. P. K. Reddy resigned from the Board with effect from 12th August 2014.

[3] Mr. Mohan Krishna Reddy Aryabumi is appointed as Independent Director with effect from 29th May 2014.

## Directorships and Committee Memberships

The details of Directorships and Committee Memberships of the Directors as on 31st March 2015 are given below. None of the Directors is a member of committee of more than ten committees of the Board of the Company and other companies and are acting as a Chairperson of more than five committees across of all the companies including the Company, in which they are directors.

| Name of the Director | Number of Other Directorships | Committee Positions | |
|---|---|---|---|
| | | As Member of the Committee | As Chairperson of the Committee |
| Mr. Z. P. Marshall | - | 1 | 3 |
| Mr. Dinesh Alla | 1 | - | - |
| Mrs. Savita Alla | 2 | 3 | - |
| Mr. Rajesh Alla | 5 | 3 | - |
| Mr. S. Ravula Reddy | - | - | - |
| Mr. P. K. Reddy [1] | 1 | 4 | - |
| Mr. Ashwinder Bhel | 2 | 3 | - |
| Mr. Mohan Krishna Reddy Aryabumi | 7 | 4 | 1 |

[1] Mr. P. K. Reddy resigned from the Board with effect from 12th August 2014.

## Board Meetings and Attendance of Directors

The Board meets at regular interval to discuss and decide business policies/strategies and review the Financial Performance of the Company and its Subsidiaries. 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 Hyderabad. Agenda for each meeting along with the explanatory notes are drafted and distributed well in advance to the Directors. The gap between two consecutive meetings did not exceed four months.

The required information, including information as enumerated in Annexure X of Clause 49 of the Listing Agreement, whichever applicable, is made available to the Board of Directors for discussions and consideration at the Board Meetings. The Board takes cognizance regarding compliance with all applicable laws at its meetings and also steps taken to remediate instances of non-compliance if any. The Managing Director and Chief Financial Officer have certified to the Board upon, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Clause 49(IX) of the Listing Agreement, pertaining to CEO and CFO certification for the Financial year ended March 31, 2015.

During the year ended 31st March 2015, the Board met five times viz. 29th May 2014, 12th August 2014, 10th November 2014, 5th January 2015 and 22nd January, 2015. The details of attendance of the Directors at the Board Meetings and at the 27th Annual General Meeting held on 26th September 2014 is as given here under:

| Name of the Director | No. of Board Meetings | | Whether attended last AGM |
|---|---|---|---|
| | Held | Attended | |
| Mr. Z. P. Marshall | 5 | 5 | Yes |
| Mr. Dinesh Alla | 5 | 5 | Yes |
| Mrs. Savita Alla [1] | 4 | 4 | Yes |
| Mr. Rajesh Alla | 5 | 5 | Yes |
| Mr. S. Ravula Reddy | 5 | 1 | No |
| Mr. Ashwinder Bhel | 5 | 3 | No |
| Mr. P. K. Reddy [2] | 2 | 2 | No |
| Mr. Mohan Krishna Reddy Aryabumi [3] | 4 | 3 | Yes |

[1] Mrs. Savita Alla is appointed as Board Member with effect from 29th May 2014.

[2] Mr. P. K. Reddy resigned from the Board with effect from 12th August 2014.

[3] Mr. Mohan Krishna Reddy Aryabumi is appointed as Independent Director with effect from 29th May 2014.

Meeting of Independent Directors : During the year under review, the Independent Directors met on January 5th 2015, inter alia, to get familiarise with statutory provisions of Companies Act, 2013 and Listing agreement with Stock Exchanges and its expectations and (i) to review the Performance of Non-Independent Directors and the Board as a whole, (ii) to review the Performance of the Chairperson of the Company and (iii) to assess quality, quantity and timeliness of Flow of Information between the Management and the Board. All Independent Directors were present at the meeting.

Board Effectiveness Evaluation: Pursuant to the provisions of Clause 49 of the Listing Agreement and the Companies Act, Board evaluation involving evaluation of the Board of Directors, its committees and individual directors, including the role of the Board Chairperson was conducted during the year. The same has been elaborated in the Directors' Report.

Familiarisation programmes: The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: http://www.alphageoindia.com/pdf/FAMILIARIZATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS.pdf

## Code of Conduct

The Company has adopted Code of Conduct for members of the Board and Senior Management personnel. The code has been circulated to all the members of the Board and Senior Management and the same has been put on the Company's web-site www.alphageoindia.com. (URL: http://www.alphageoindia.com/pdf/CODE%20OF%20CONDUCT%20&%20ETHICS%20FOR%20DIRECTORS%20&%20SENIOR%20MANAGEMENT.PDF). The Board Members and Senior Management have affirmed their compliance with the code and a declaration signed by the Mr. Dinesh Alla, Managing Director of the Company is included in the later part of the 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 in compliance with the Companies Act, 2013 and Listing Agreement, or, which or otherwise required to be performed by the Board from time to time. The Board supervises the execution of the roles and responsibilities under the delegated authorities of the Committee. The Minutes of the meeting of the committees will be placed before the Board for its review. The following committees of the Board are in existence during the year 2014-15:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Corporate Social Responsibility Committee;

(d) Stakeholders' Relationship Committee;

(e) Compensation Committee.

## Audit Committee

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 Constitution, terms of reference, role and scope of the Committee are in line with the requirements of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act 2013.

The Committee comprises 3 Independent Directors and One Non-Executive Promoter Director as members of the Committee. The Chairperson of the 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 has the powers to investigate any activity within its terms of reference, to seek information from any employee, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review (i) Management discussion and analysis of financial condition and results of operations (ii) Statement of significant related party transactions submitted by the management (iii) Letters of internal control weakness issued by the Statutory auditors and (iv) internal audit reports pertaining to internal control weakness.

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. Approval or any modification of transaction of the Company with the related parties;
6. Scrutiny of inter corporate loans and investments;
7. Valuation of undertaking or assets of the Company, if necessary;
8. Evaluation of inter financial controls and risk management policies;
9. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
14. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
15. Review the functioning of the Whistle Blower mechanism;
16. To approve appointment of CFO after assessing the qualifications, experience and background etc., of the Candidate;

## Meetings and Attendance

The Audit Committee met five times on 29th May 2014, 12th August 2014, 10th November 2014, 5th January 2015 and 22nd January 2015 during the financial year 2014-15. The details of the attendance of the Members at the meetings are as under:

| Name of the Director | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Z. P. Marshall | Independent Director | Chairperson | 5 | 5 |
| Mr. Rajesh Alla | Promoter Director | Member | 5 | 5 |
| Mr. P. K. Reddy [1] | Independent Director | Member | 2 | 2 |
| Mr. Ashwinder Bhel | Independent Director | Member | 5 | 3 |
| Mr. Mohan Krishna Reddy Aryabumi [2] | Independent Director | Member | 4 | 3 |

[1] Mr. P. K. Reddy resigned from the Board / Committee with effect from 12th August 2014.

[2] Mr. Mohan Krishna Reddy Aryabumi is appointed as Independent Director with effect from 29th May 2014.

## Nomination and Remuneration Committee

(Formerly: Remuneration Committee)

The Nomination and Remuneration Committee has been constituted with merger of existing Remuneration Committee and Compensation Committee of the Board of Directors in compliance with the provisions of Section 178 of the Companies Act, 2013 and amended Listing Agreement with the Stock Exchanges.

The terms of reference of the Committee inter alia, includes to administer the issue of shares and share warrants as per SEBI (ICDR) Regulations, 2009, along with the following:

a. Formulation of the criteria for determining qualifications, position attributes and independence of a director and recommend to the Board a Policy, relating to remuneration of directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of independent directors and the Board

c. Devising a Policy on Board diversity

d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

e. To formulate remuneration policy ensuring that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmark; and (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

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

## Composition, Meetings and Attendance

The Committee headed by an Independent Director as a Chairperson comprises initially 4 Members reconstituted subsequently with 3 Directors as Members of the Committee. The Committee has met on 12th August 2014, 10th November 2014 and 22nd January, 2015 during the year 2014-15 and the details of attendance of each member of the Committee is as given below:

| Name of the Director | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Mohan Krishna Reddy Aryabumi | Independent Director | Chairperson | 3 | 3 |
| Mr. Z. P. Marshall | Independent Director | Member | 3 | 3 |
| Mr. Rajesh Alla | Promoter Director | Member | 3 | 3 |
| Mr. P. K. Reddy [1] | Independent Director | Member | 1 | 1 |

[1] Mr. P. K. Reddy resigned from the Board with effect from 12th August 2014.

During the year the Committee formulated and recommended the Nomination and Remuneration Policy and Familiarisation Programme for Independent Directors pursuant to the provisions of Companies Act and the Listing Agreement, which were adopted and implemented by the Board.

## 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, ordinary or special whichever is applicable, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Executive Directors is as recommended by the 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 2014- 2015 are:

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

| Name | Sitting Fees (₹) | No. of options outstanding as on 31.03.2015 out of options allotted under ESOS 2008 | No. of Shares held as on 31.03.2015 |
|---|---|---|---|
| Mr. Z. P. Marshall | 44,445 | Nil | 500 |
| Mr. Rajesh Alla | 44,445 | Nil | 126567 |
| Mrs. Savita Alla [1] | 33,332 | Nil | 239431 |
| Mr. P. K. Reddy [2] | 17,778 | Nil | Nil |
| Mr. S. Ravula Reddy | 8,333 | Nil | Nil |
| Mr. Ashwinder Bhel | 26,667 | Nil | Nil |
| Mr. Mohan Krishna Reddy Aryabumi [3] | 26,667 | Nil | Nil |

[1] Mrs. Savita Alla is appointed as Director with effect from 29th May 2014.

[2] Mr. P. K. Reddy resigned as Director with effect from 12th August 2014.

[3] Mr. Mohan Krishna Reddy Aryabumi is appointed as Independent Director with effect from 29th May 2014.

ii) Executive Director:

| Name | Salary (₹) | Perquisites (₹) | Contribution to P.F. (₹) | Total (₹) |
|---|---|---|---|---|
| Mr. Dinesh Alla | 49,74,193 | 12,75,393 | 5,96,903 | 68,46,489 |

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee's responsibility is to assist the Board in undertaking CSR Activities by way of formulating and monitoring spending on CSR Activities by the Company.

The Committee has come into existence on 29th May 2014 and the terms of the reference, inter alia includes the following:

1. To formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as per applicable provisions and rules of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on CSR activities to be undertaken by the Company;
3. To monitor the implementation of the CSR Policy from time to time by the Company.

## Composition, Meetings and Attendance

The Committee comprises initially Four Non- Executive Directors as members, 3 of them are Independent Directors, subsequently reconstituted with Three Non-Executive Directors as Members of the Committee comprising two Independent Directors and one Promoter Director. The Committee has met on 12th August 2014, 10th November 2014 and 22nd January, 2015 during the year 2014-15 and the attendance of the each member of the Committee is as given below:

| Name of the Director | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Z. P. Marshall | Independent Director | Chairperson | 3 | 3 |
| Mr. P. K. Reddy [1] | Independent Director | Member | 1 | 1 |
| Mrs. Savita Alla | Promoter Director | Member | 3 | 3 |
| Mr. Ashwinder Bhel | Independent Director | Member | 3 | 0 |

[1] Mr. P. K. Reddy resigned from the Board / Committee with effect from 12th August 2014.

## Stakeholders' Relationship Committee

(Formerly: Shareholders / Investors Grievance Committee)

The Shareholders / Investors Grievance Committee of the Board of Directors 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 the investors and to redress the grievances of the Investors. The Committee also oversees the performances of the Registrar and Share Transfer Agents and recommends measures for overall quality improvement of investor services.

The Committee has been renamed as " Stakeholders Relationship Committee" to be in compliance with Provisions of Section 178 of the Companies Act, 2013 and Clause 49.VIII.E of the Listing Agreement applicable from 01st October, 2014 with the existing terms of the reference of the earlier committee.

## Composition, Meetings and Attendance

The Chairperson of the Committee is an independent Non-Executive Director. The Committee has met on 15th, April 2014, 12th August 2014, 10th November 2014 and 22nd January 2015 during the year 2014-15.

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

| Name of the Director | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Z. P. Marshall | Independent Director | Chairperson | 4 | 4 |
| Mr. P. K. Reddy [1] | Independent Director | Member | 2 | 2 |
| Mrs. Savita Alla [2] | Promoter Director | Member | 2 | 2 |
| Mr. Rajesh Alla | Promoter Director | Member | 4 | 4 |

[1] Mr. P. K. Reddy resigned from the Board/ committee with effect from 12th August 2014.

[2] Mrs. Savita Alla is appointed as Member of the Committee with effect from 12th August 2014.

The Chief Financial Officer of the Company is also designated as Compliance Officer as per requirements of the Listing Agreement.

## Investors' Grievance Redressal

During the year ended 31st March, 2015, 34 Complaints were received from the Shareholders. All Complaints were redressed and none of them were pending as on 31st March, 2015.

## 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 under the Employee stock option scheme " Alphageo ESOS 2008".

### Composition, Meetings and Attendance

The Compensation Committee of the Company during the year 2014-15 consists of three Non-Executive Directors as members of the Committee. The Committee has met on 12th August 2014, during the year 2014-15.

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

| Name of the Director | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Z. P. Marshall | Independent Director | Chairperson | 1 | 1 |
| Mr. P. K. Reddy | Independent Director | Member | 1 | 1 |
| Mr. Alla Rajesh | Promoter Director | Member | 1 | 1 |

With the formation of Nomination and Remuneration Committee in terms Section 178 of the Companies Act, 2013 and in line with the decision of the Board of Directors, the terms of reference of this Committee have been assigned to the Nomination and Remuneration Committee of the Board of the Directors and this Committee has been stands dissolved with effect from 12th August 2014.

## Unclaimed Dividend

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.3.2015 are as given below:

| Financial Year | Date of Declaration of Dividend | Last Date of Claiming the Dividend | Unclaimed amount as on 31.03.2015 | Due date for transfer to Investor Education and Protection Fund (IEPF) |
|---|---|---|---|---|
| 2007-08 | 24.09.2008 | 23.09.2015 | 2,10,231.00 | 22.10.2015 |
| 2008-09 | 25.09.2009 | 24.09.2016 | 2,63,570.50 | 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 | 1,65,980.00 | 21.10.2018 |
| 2013-14 | 26.09.2014 | 25.09.2021 | 3,07,616.00 | 24.10.2021 |

Pursuant to provisions of 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 125 of the Companies Act, 2013.

Members who have not so far en-cashed the dividend warrants of the above mentioned 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.

## General Body Meetings

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

| Financial Year ended | Date | Time | Venue |
|---|---|---|---|
| 25th AGM-31.3.2012 | 28-09-2012 | 11.00 A. M. | Sundarayya Vignana Kendram, Baghlingampally, Hyderabad |
| 26th AGM-31.3.2013 | 30-09-2013 | 11.00 A. M. | |
| 27th AGM-31.3.2014 | 26-09-2014 | 11.00 A. M. | |

### Special Resolutions passed at last three Annual General Meeting:

a) 25th Annual General Meeting- September 28, 2012- No special resolutions were passed.

b) 26th Annual General Meeting- September 30, 2013- No special resolutions were passed.

c) 27th Annual General Meeting- September 26, 2014:

i. Special Resolution was passed for the approval of remuneration of Mr. Dinesh Alla, Managing Director of the Company for a period of two years from 21st August 2014 to 20th August 2016.

ii. Special Resolution was passed for adoption of new Articles of Association in compliance with regulatory changes applicable due to enactment of new Companies Act 2013.

### 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

### a) Related Party transactions:

The Company does not have any materially significant related party transactions, which have potential conflict with the interest of the Company. The details of transactions with the related parties as required under Accounting Standard 18 notified under the Companies Act, 2013 are given at Note.27.II.12 of Other Explanatory Information of Financial Statements for the year ended 31st March, 2015. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board Regularly. The Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Policy is also available on the website of the Company (Web link: http://www.alphageoindia.com/pdf / RELATED%20PARTY%20TRANSACTIONS%20POLICY.PDF)

### b) Compliances by the Company:

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

### c) Disclosure of Accounting Treatment:

The Company follows accounting standards notified under the Companies Act, 2013 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.

### d) 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.

### e) 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.

### f) Compliance with the Mandatory requirements and Implementation of the Non-Mandatory requirements:

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. In respect of non-mandatory requirements of the Code of Corporate Governance, the Company has already moved to a regime of unqualified audited financial statements of the Company.

### g) Subsidiary Companies

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

The Company has devised a policy for determining material subsidiaries to the Company and the same is available on the website of the Company at http://www.alphageoindia.com/pdf/POLICY%20ON%20DETERMINING%20MATERIAL%20SUBSIDIARIES.PDF

There are no material non-listed Indian subsidiaries to the Company. Even though the foreign subsidiary is a non-material subsidiary, the Board nominated a Director on the Board of the Subsidiary and monitor the performance of the Subsidiary. As per the applicable regulations prevailing in the country of Subsidiary, there are no mandatory stipulations in conducting the proceedings of the Board and the Board is free to regulate its proceedings. The financial statements and details of significant transactions periodically provided by the foreign subsidiary are being reviewed by the Audit Committee and the Board of the Directors at their Meetings.

### h) Management Discussion and Analysis Report:

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

### i) Code of Ethics and Business Conduct :

The Company has adopted the Code of Ethics and Business Conduct for Executive Directors and Senior Management of the Company. The code is comprehensive and applicable to Executive Directors, Key Managerial Personnel and Senior Management of the Company. The Code is available on Company's website, www. alphageoindia.com. Executive Directors, Key Managerial Personal and Senior Management affirmed the compliance of the Code. The Company has obtained declaration from the Managing Director confirming compliance of Code of Conduct.

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

I hereby confirm that Executive Director, Key Management Personal and Senior Management of the Company have affirmed compliance with Code of Ethics and Business Conduct for the financial year ended on 31st March 2015.

Hyderabad
10.08.2015

**Dinesh Alla**
*Managing Director*

### j) CEO and CFO Certification:

As required under Clause 49 of the Listing Agreement, the certification from Managing Director and Chief Financial Officer of the Company was being placed at a duly convened meeting of the Board while reviewing and approving the financial statements of the Company and is given as an annexure to this report.

### k) Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31, 2015, there were no proceeds from public issues, rights issues, preferential issues, etc to the Company.

### l) Disclosure on legal proceedings pertaining to shares

There are no pending cases pertaining to shares on 31.03.2015.

### m) Reconciliation of share capital audit:

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

## 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 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 in the Investor Relations section. A separate investor information section is provided under Investor Relations section providing the details of the Company Secretary, 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. P V R K 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.

## General Shareholder Information:

a) **Annual General Meeting**

DATE : 28th September, 2015

TIME : 11.00 A.M.

VENUE : Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500044.

b) **Book Closure Dates:** From 22nd September 2015 to 26th September 2015

c) **Dividend Payment date:** On or before 29th October 2015

d) **Financial Calendar for the year 2015-16 (Tentative)**

| | |
|---|---|
| Results for Quarter ending June, 2015 | - Within 45 days of end of quarter |
| Results for Quarter ending September, 2015 | - Within 45 days of end of quarter |
| Results for Quarter ending December, 2015 | - Within 45 days of end of quarter |
| Results for Quarter ending March, 2016 | - Last Week of May, 2016 |

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 the year 2015-16 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 the year 2015-16 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

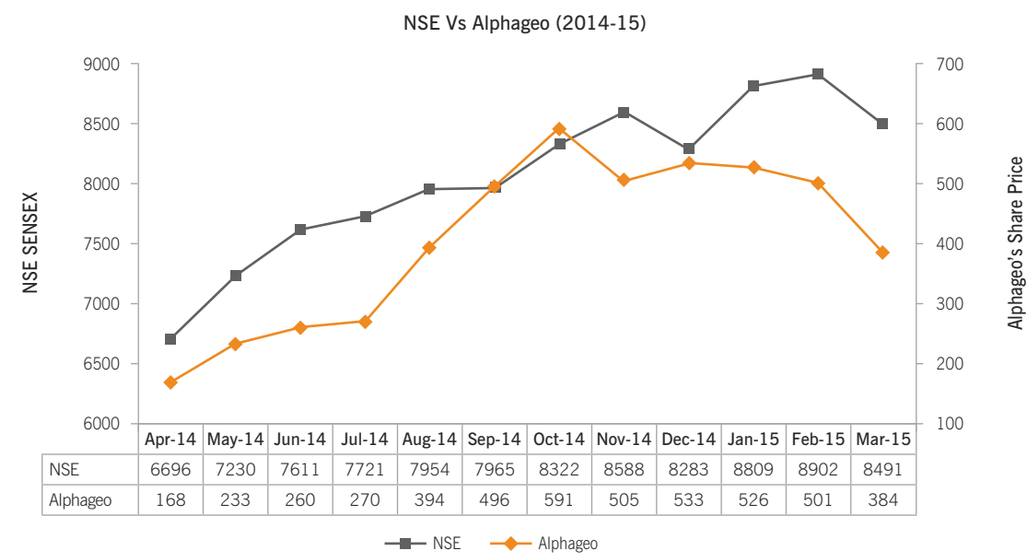
h) **Stock Market Data**

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2014-15 at BSE and NSE are as given below:

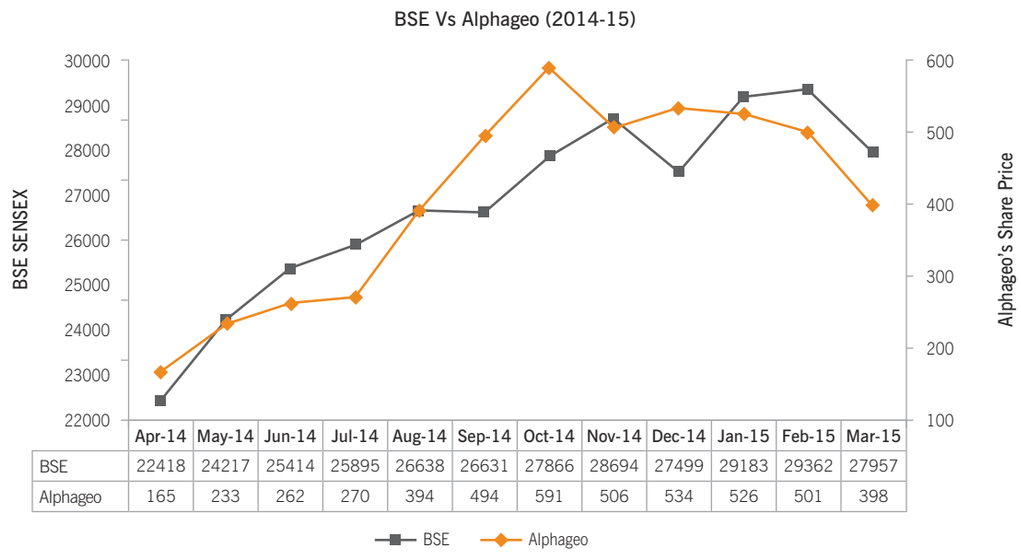
| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Volume of Shares Traded | High (₹) | Low (₹) | Volume of Shares Traded |
| April-2014 | 187.00 | 145.30 | 49,902 | 187.20 | 142.50 | 1,04,952 |
| May-2014 | 232.90 | 160.00 | 96,069 | 232.80 | 161.00 | 2,21,395 |
| June-2014 | 305.50 | 240.30 | 1,77,518 | 309.00 | 230.00 | 1,67,790 |
| July-2014 | 277.40 | 229.75 | 61,933 | 281.80 | 228.00 | 1,16,872 |
| August-2014 | 431.80 | 266.10 | 3,92,789 | 431.20 | 260.00 | 6,96,631 |
| September-2014 | 552.00 | 358.00 | 3,84,387 | 551.80 | 340.00 | 5,99,207 |
| October-2014 | 605.00 | 476.00 | 2,36,052 | 605.00 | 477.00 | 3,97,151 |
| November-2014 | 647.05 | 476.05 | 2,40,348 | 656.25 | 480.00 | 6,50,810 |
| December-2014 | 569.05 | 363.00 | 2,85,994 | 568.75 | 360.00 | 8,49,972 |
| January-2015 | 635.55 | 499.00 | 2,08,710 | 634.35 | 496.30 | 4,97,151 |
| February-2015 | 545.00 | 446.50 | 79,389 | 545.05 | 445.15 | 1,99,022 |
| March-2015 | 515.00 | 385.00 | 56,422 | 515.00 | 350.00 | 1,77,310 |

i) **Performance of the Company's Share Price in comparison with the broad-based indices**

Comparison of Company's share price with NSE NIFTY



Comparison of Company's share price with BSE SENSEX




j) **Share Transfer System**

The Company's Registrar and Share Transfer Agent, if the documents are valid and complete in all respects, transfers the shares within 15 days of receipt of request. De-materialisation of Shares of the Company is also being completed in 15 days if the request through Depository Participants with the necessary documents received. Stakeholders Relationship 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 2015.**

| Nominal Value (₹) | Shareholders | | No. of Shares | |
|---|---|---|---|---|
| | Numbers | % | Numbers | % |
| 1-5000 | 7453 | 92.61 | 733630 | 13.02 |
| 5001-10000 | 272 | 3.38 | 217971 | 3.87 |
| 10001-20000 | 133 | 1.65 | 200254 | 3.55 |
| 20001-30000 | 55 | 0.68 | 142268 | 2.52 |
| 30001-40000 | 22 | 0.27 | 78726 | 1.40 |
| 40001-50000 | 21 | 0.26 | 100033 | 1.78 |
| 50001-100000 | 36 | 0.45 | 256518 | 4.55 |
| 100001 & Above | 56 | 0.70 | 3905367 | 69.31 |
| Total | 8048 | 100.00 | 5634767 | 100.00 |

l) **Shareholding Pattern as on 31st March 2015:**

| S. No. | Category | No. of Shareholders | No. of Shares held | % |
|---|---|---|---|---|
| 1 | Promoter and Promoter Group- Indian | 14 | 2189203 | 38.85 |
| 2 | Promoter and Promoter Group- Foreign | 3 | 162016 | 2.88 |
| 3 | Mutual Funds & UTI | 11 | 8600 | 0.15 |
| 4 | Financial Institutions/ Banks | 2 | 5785 | 0.10 |
| 5 | Foreign Institutional Investors | 2 | 2900 | 0.05 |
| 6 | Non-Resident Indians | 204 | 84082 | 1.49 |
| 7 | Bodies Corporate | 269 | 793705 | 14.09 |
| 8 | Other- Individuals Up to ₹1 Lakh | 7473 | 1435805 | 25.48 |
| 9 | Other- Individuals exceeding ₹1 Lakh | 26 | 946102 | 16.79 |
| 10 | Clearing Members | 44 | 6569 | 0.12 |
| **Total** | | **8048** | **5634767** | **100.00** |

m) **Shareholding Profile as on 31st March 2015:**

| Mode of Holding | No. of Holders | No. of Shares | % of Holding |
|---|---|---|---|
| Demat | 6673 | 5404092 | 95.91 |
| Physical | 1375 | 230675 | 4.09 |
| Total | 8048 | 5634767 | 100.00 |

n) **De-materialisation of Shares and Liquidity**

The equity shares of the Company are mandated for compulsory trading in de-materialised 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, 2015, 95.91% of Equity Shares of the Company are in de-materialised form.

Valid Demat requests received by the Company's Registrar and Share Transfer Agent 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 Registrar promptly intimates the Depository Participant 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) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:**

There were no outstanding GDRs / ADRs/ Warrants or any Convertible instruments as on 31st March 2015.

p) **Address for Correspondence:**

i. **Registrar and Share Transfer Agents**
M/s Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad-500032
Phone: 040-67161606, 67161602
Fax: 040-23420814
Toll Free No. 1800-3454-001
E-mail: einward.ris@karvy.com,
Website:- www.karvycomputershare.com

ii. **Contact Personnel of the Company**
Ms. Meenakshi Naag -
Company Secretary

Mr. Venkatesa Perumallu Pasumarthy -
Chief Financial Officer & Compliance Officer

iii. **Corporate Office of the Company:**
**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
10.08.2015

**Dinesh Alla**
*Managing Director*

# Certificate on Compliance of Conditions of 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, 2015, 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. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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: 002283S

Hyderabad
10.08.2015

**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 Annual Financial Statements of the Company and Annual Consolidated Financial Statements of the Group for the year ended March 31st , 2015 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 period 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 period;

ii. significant changes in accounting policies if any, made during the period 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
25.05.2015

**Dinesh Alla**
*Managing Director*

**Venkatesa Perumallu Pasumarthy**
*Chief Financial Officer*

# Financial Statements

# Independent Auditor's Report

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

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of ALPHAGEO (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations as at 31st March, 2015 which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2015;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2015.

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

**N. ANKA RAO**
*Partner*
Membership Number: 23939

Hyderabad
25.05.2015

# 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) 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.

2 (a) The inventories, representing stock of stores and spares 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 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.

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 and fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system with regard to purchase of inventory and fixed assets and for the sale of services.

5 The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

6 In respect of this company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act.

7 (a) According to the records of the Company and as per the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, duty of customs, cess and any other statutory dues with the appropriate authorities. In respect of these statutory dues, there are no outstanding dues as on 31.3.2015 which are outstanding for a period of more than six months from the date they became payable. As confirmed by the company, the provisions of the sales tax, wealth tax, duty of excise and value added tax are not applicable to the Company.

(b) According to the records of the Company and as per the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, which have not been deposited on account of any dispute as on 31.3.2015.

(c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

8 The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

9 According to the records of the Company, during the year the Company has not defaulted in repayment of dues to financial institutions or bank. There was no amount raised by the Company through the issue of Debentures.

10 In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

11 According to the records of the Company, as the Company has not raised any term loans during the year, the provisions of Clause 3(xi) of the Order are not applicable to the company for this year.

12 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.

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

**N. ANKA RAO**
*Partner*
Membership Number: 23939

Hyderabad
25.05.2015

## Balance Sheet as at 31st march, 2015

(Amount in ₹)

| Particulars | Note No. | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|---|
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| Share capital | 1 | 5,64,83,670 | | 5,64,83,670 | |
| Reserves and surplus | 2 | 55,84,21,112 | 61,49,04,782 | 42,30,21,168 | 47,95,04,838 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 3 | - | | 50,00,000 | |
| Other long term liabilities | 4 | - | | 4,43,589 | |
| Long-term provisions | 5 | 43,75,356 | 43,75,356 | 44,21,194 | 98,64,783 |
| Current liabilities | | | | | |
| Short-term borrowings | 6 | 80,20,725 | | 3,93,26,152 | |
| Trade payables | 7 | 2,72,17,858 | | 8,07,25,824 | |
| Other current liabilities | 8 | 1,66,22,537 | | 8,86,33,011 | |
| Short-term provisions | 9 | 1,93,16,174 | 7,11,77,294 | 2,12,20,323 | 22,99,05,310 |
| TOTAL | | | 69,04,57,432 | | 71,92,74,931 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Fixed assets | 10 | | | | |
| Tangible assets | | 18,11,69,794 | | 23,42,31,606 | |
| Intangible assets | | - | | - | |
| | | 18,11,69,794 | | 23,42,31,606 | |
| Capital work-in-progress | | 1,04,23,714 | | 1,04,23,714 | |
| | | 19,15,93,508 | | 24,46,55,320 | |
| Non-current investments | 11 | 13,22,13,750 | | 13,22,13,750 | |
| Deferred tax assets (net) | 12 | 6,67,09,296 | | 6,50,82,631 | |
| Long-term loans and advances | 13 | 11,93,27,985 | 50,98,44,539 | 1,63,08,666 | 45,82,60,367 |
| Current assets | | | | | |
| Current Investments | 14 | 3,68,75,954 | | - | |
| Inventories | 15 | 21,85,171 | | 24,69,479 | |
| Trade receivables | 16 | 9,30,32,900 | | 22,49,55,427 | |
| Cash and bank balances | 17 | 3,75,36,214 | | 1,40,39,731 | |
| Short-term loans and advances | 18 | 1,02,30,397 | | 1,75,02,950 | |
| Other current assets | 19 | 7,52,257 | 18,06,12,893 | 20,46,977 | 26,10,14,564 |
| TOTAL | | | 69,04,57,432 | | 71,92,74,931 |
| Summary of significant accounting policies and other explanatory information | 27 | | | | |

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: 002283S

N. Anka Rao
*Partner*
Membership Number: 23939

A. Dinesh
*Managing Director*

Z.P. Marshall
*Chairman*

Hyderabad
25.05.2015

Venkatesa Perumallu Pasumarthy
*Chief Financial Officer*

Meenakshi Naag
*Company Secretary*



## Statement of Profit and Loss for the year ended 31st March, 2015

(Amount in ₹)

| Particulars | Note No. | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|---|
| REVENUE | | | | | |
| Seismic Survey and related service income | | | 63,96,73,448 | | 42,88,26,272 |
| Other Operating Income | 20 | | - | | 1,53,09,001 |
| Other income | 21 | | 1,01,61,998 | | 1,55,80,080 |
| Total Revenue | | | 64,98,35,446 | | 45,97,15,353 |
| EXPENSES | | | | | |
| Survey and survey related expenses | 22 | | 36,22,46,099 | | 22,35,64,059 |
| Employee benefits expense | 23 | | 5,20,15,475 | | 4,10,87,755 |
| Finance costs | 24 | | 47,11,947 | | 58,89,006 |
| Depreciation and amortisation expense | 25 | | 4,45,70,422 | | 4,36,94,636 |
| Other expenses | 26 | | 3,10,08,902 | | 3,07,12,386 |
| Total Expenses | | | 49,45,52,845 | | 34,49,47,842 |
| Profit before tax | | | 15,52,82,601 | | 11,47,67,511 |
| Tax expense | | | | | |
| Current Tax | | 3,10,00,000 | | 1,38,00,000 | |
| MAT credit entitlement | | (2,22,00,000) | | (1,34,00,000) | |
| Income tax adjustments of earlier years | | (8,54,424) | | - | |
| | | 79,45,576 | | 4,00,000 | |
| Deferred Tax | | (16,26,665) | 63,18,911 | 17,88,904 | 21,88,904 |
| Profit after tax | | | 14,89,63,690 | | 11,25,78,607 |
| Earnings per equity share | | | | | |
| (Nominal value: ₹10/- per share) | | | | | |
| Basic | | | 26.44 | | 20.67 |
| Diluted | | | 26.44 | | 20.67 |
| Summary of significant accounting policies and other explanatory information | 27 | | | | |

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: 002283S

N. Anka Rao
*Partner*
Membership Number: 23939

A. Dinesh
*Managing Director*

Z.P. Marshall
*Chairman*

Hyderabad
25.05.2015

Venkatesa Perumallu Pasumarthy
*Chief Financial Officer*

Meenakshi Naag
*Company Secretary*

# Cash Flow Statement for the year ended 31st March, 2015

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| I CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| Profit before tax for the year | | 15,52,82,601 | | 11,47,67,511 |
| Add/ (Less) : Adjustments for: | | | | |
| Depreciation and Amortisation Expense | 4,45,70,422 | | 4,36,94,636 | |
| Exchange difference on translation of foreign currency cash and cash equivalents | (4,24,042) | | (33,012) | |
| Interest Expense | 25,05,269 | | 44,59,676 | |
| Interest Income | (35,73,984) | | (1,20,21,354) | |
| Dividend on current investments | (32,82,155) | | | |
| Provision for doubtful debts no longer required written back | (86,74,704) | | (1,77,035) | |
| Bad debts written off | 86,74,704 | | | |
| Provision for liabilities no longer required written back | - | | (6,57,243) | |
| Employee Compensation costs written back | - | | (19,73,827) | |
| Loss/(Profit) on Sale of Tangible Assets (Net) | 1,33,249 | | (22,51,402) | |
| Book Deficit on assets discarded | - | | 62,06,201 | |
| Loss on assets | 89,38,651 | | - | |
| | | 4,88,67,410 | | 3,72,46,640 |
| | | 20,41,50,011 | | 15,20,14,151 |
| Add / (Less) : Adjustments for Working Capital Changes: | | | | |
| Decrease in Inventories | 2,84,308 | | 68,71,580 | |
| Decrease/(Increase) in Trade receivables | 13,19,22,527 | | (20,16,31,709) | |
| Decrease in Other current assets | 6,37,309 | | 47,53,144 | |
| Decrease in Long-term loans and advances | 6,52,326 | | 5,41,191 | |
| Decrease/(Increase) in Short-term loans and advances | (48,33,150) | | 7,03,878 | |
| Increase/(Decrease) in Trade payables | (5,35,07,966) | | 6,09,35,812 | |
| Increase/(Decrease) in Other current liabilities | (1,50,41,277) | | 97,03,092 | |
| Increase/(Decrease) in Short-term provisions | (39,49,340) | | 1,91,785 | |
| Increase/(Decrease) in Long-term provisions | (45,838) | | 2,02,542 | |
| | | 5,61,18,899 | | (11,77,28,685) |
| Cash generated from operations | | 26,02,68,910 | | 3,42,85,466 |
| Less : Direct taxes paid | | 1,41,99,280 | | 1,07,04,200 |
| **Net Cash flow from operating activities** | | **24,60,69,630** | | **2,35,81,266** |
| II CASH FLOW USED IN INVESTING ACTIVITIES: | | | | |
| Purchase of fixed assets | | (6,22,90,023) | | (9,43,73,746) |
| Proceeds from sale of fixed assets | | 63,525 | | 39,72,545 |
| Investment in bank deposits (original maturity of more than three months)(net) | | (19,65,614) | | 15,56,822 |
| Investment in Current Investments | | (3,68,75,954) | | - |
| Dividend received on current investments | | 32,82,155 | | - |
| Dividend and Corporate Dividend Tax thereon paid | | (1,31,84,791) | | |
| Recovery/(Advance) to subsidiaries | | (8,36,46,002) | | 2,36,59,346 |
| Interest received | | 42,31,395 | | 1,15,11,303 |
| **Net Cash used in Investing Activities** | | **(19,03,85,309)** | | **(5,36,73,730)** |



# Cash Flow Statement for the year ended 31st March, 2015 *(contd.)*

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| III CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Proceeds from issue of share capital including securities premium | | - | | 1,50,00,000 |
| Proceeds from issue of share warrants | | - | | (37,50,000) |
| Proceeds/ (Repayment) from long-term borrowings | | - | | 50,00,000 |
| Proceeds/(Repayment) from short-term borrowings | | (3,13,05,427) | | 2,04,97,000 |
| Interest Paid | | (33,34,205) | | (28,54,767) |
| **Net Cash Flow From Financing Activities** | | **(3,46,39,632)** | | **3,38,92,233** |
| IV Exchange difference on translation of foreign currency cash and cash equivalents | | 4,24,042 | | 33,012 |
| V Net increase in cash and cash equivalents | | 2,14,68,731 | | 38,32,781 |
| VI Cash and cash equivalents as at the beginning of the year | | 43,49,265 | | 5,16,484 |
| VII Cash and cash equivalents as at the end of the year | | 2,58,17,996 | | 43,49,265 |

**Notes:**

1 Figures in brackets indicate cash outgo.

2 The above cash flow statement has been prepared under the indirect method set out in Accounting Standard -3 "Cash flow statements".

3 Summary of significant accounting policies and other explanatory information (Note No.27) form an Integral part of the Cash Flow Statement .

4 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: 002283S

**N. Anka Rao**
*Partner*
Membership Number: 23939

Hyderabad
25.05.2015

**For and on behalf of the Board**

**A. Dinesh**
*Managing Director*

**Z.P. Marshall**
*Chairman*

**Venkatesa Perumallu Pasumarthy**
*Chief Financial Officer*

**Meenakshi Naag**
*Company Secretary*

# Notes to Balance Sheet

Note No. 1 SHARE CAPITAL

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| **Authorised:** | | | | |
| 1,00,00,000 (Previous year: 1,00,00,000) Equity Shares of ₹10/- each | | 10,00,00,000 | | 10,00,00,000 |
| **Issued :** | | | | |
| 56,46,167 (Previous year: 56,46,167) Equity Shares of ₹10/- each | | 5,64,61,670 | | 5,64,61,670 |
| **Subscribed and fully paid up:** | | | | |
| 56,34,767 (Previous year: 56,34,767) Equity Shares of ₹10/- each | | 5,63,47,670 | | 5,63,47,670 |
| Add: Forfeited shares | | 1,36,000 | | 1,36,000 |
| | | **5,64,83,670** | | **5,64,83,670** |

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

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| | Number | Number |
| Shares outstanding at the beginning of the year | 56,34,767 | 53,84,767 |
| Shares issued during the year | - | 2,50,000 |
| **Shares outstanding at the end of the year** | **56,34,767** | **56,34,767** |

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

| Name of Shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| **Promoters Group** | | | | |
| Alla Dinesh | 5,16,872 | 9.17 | 3,75,022 | 6.65 |
| Kamala Rajupet | 2,29,166 | 4.07 | 3,74,466 | 6.64 |

**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 ₹.

The amount of dividend recognised as distributions to equity shareholders for the year 2014-15 is ₹2/- per equity share (2013-14: ₹2/- per equity 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.



# Notes to Balance Sheet

Note No. 2 RESERVES AND SURPLUS

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| **Capital reserve:** | | | | |
| Share warrants forfeiture account | | 1,61,18,047 | | 1,61,18,047 |
| **Securities premium account:** | | | | |
| As per last Balance Sheet | 18,15,04,831 | | 16,90,04,831 | |
| Add: Premium received on allotment of equity shares issued during the year | - | 18,15,04,831 | 1,25,00,000 | 18,15,04,831 |
| **Share options outstanding account:** | | | | |
| As per last Balance Sheet | - | | 19,73,827 | |
| Less: Deletions during the year | - | - | 19,73,827 | - |
| **General reserve:** | | | | |
| As per last Balance Sheet | 4,00,00,000 | | 3,00,00,000 | |
| Add: Amount transferred from statement of profit and loss | - | 4,00,00,000 | 1,00,00,000 | 4,00,00,000 |
| **Balance in statement of profit and loss (surplus):** | | | | |
| As per last Balance Sheet | 18,53,98,290 | | 9,60,04,474 | |
| Add: Profit as per statement of profit and loss | 14,89,63,690 | | 11,25,78,607 | |
| Total available for allocations and appropriations | 33,43,61,980 | | 20,85,83,081 | |
| **Less: Allocations and appropriations:** | | | | |
| Proposed Dividend | 1,12,69,534 | | 1,12,69,534 | |
| Provision for Corporate dividend tax | 22,94,212 | | 19,15,257 | |
| Amount transferred to General reserve | - | 32,07,98,234 | 1,00,00,000 | 18,53,98,290 |
| | | **55,84,21,112** | | **42,30,21,168** |

Note No. 3 LONG-TERM BORROWINGS

| | | | | |
|---|---|---|---|---|
| Loan from a Director, related party (Unsecured) | 50,00,000 | | 50,00,000 | |
| Less: Current maturities of long-term debt | 50,00,000 | - | - | 50,00,000 |
| (Refer Note No.27.II.12) | | | | |
| Rate of Interest : 14% p.a. | | | | |
| | | - | | **50,00,000** |

Note No. 4 OTHER LONG-TERM LIABILITIES

| | | | | |
|---|---|---|---|---|
| Interest accrued but not due on borrowings | 10,73,589 | | 4,43,589 | |
| Less: Interest accrued on current maturities of long term debt | 10,73,589 | - | - | 4,43,589 |
| | | - | | **4,43,589** |

Note No. 5 LONG-TERM PROVISIONS

| | | | | |
|---|---|---|---|---|
| Provision for employee benefits | | 43,75,356 | | 44,21,194 |
| | | **43,75,356** | | **44,21,194** |

# Notes to Balance Sheet

Note No. 6 SHORT- TERM BORROWINGS

(Amount in ₹)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| **Loans repayable on demand: (Secured)** | | |
| Working capital loan from State Bank of India | 80,20,725 | 2,43,26,152 |
| **1. Nature of Security:** | | |
| **Primary Security:** | | |
| Secured by hypothecation of entire chargeable current assets of the company. | | |
| **Collateral Security:** | | |
| First charge on entire fixed assets of the company. | | |
| The above loan is further secured by equitable mortgage of certain immovable properties belonging to three Directors of the Company and Personal Guarantees of three Directors of the Company. | | |
| **2. Rate of Interest : 3% (Previous year 7%) above Base Rate** | | |
| The above loan and interest due thereon have been paid upto date and there is no default in repayment of the same during the year. | | |
| From a body corporate (Unsecured) | - | 50,00,000 |
| Rate of Interest: 18% p.a | | |
| Loan from a Director, related party (Unsecured) | - | 1,00,00,000 |
| (Refer Note No.27.II.12) | | |
| Rate of Interest: 14% p.a | | |
| | **80,20,725** | **3,93,26,152** |

Note No. 7 TRADE PAYABLES

| | | |
|---|---|---|
| Dues of micro and small enterprises | 1,79,130 | - |
| (Refer Note No.27.II.6) | | |
| Dues of creditors other than micro and small enterprises | 2,70,38,728 | 8,07,25,824 |
| | **2,72,17,858** | **8,07,25,824** |

# Notes to Balance Sheet

Note No. 8 OTHER CURRENT LIABILITIES

(Amount in ₹)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| Current maturities of long-term debt | 50,00,000 | - |
| Interest accrued but not due on borrowings | 10,73,589 | 14,58,936 |
| Unclaimed dividend accounts | 11,75,138 | 11,13,000 |
| (There is no amount due and outstanding to be credited to investor education and protection fund) | | |
| **Other Payables:** | | |
| Creditors for capital works | - | 6,16,45,988 |
| Statutory liabilities | 16,06,055 | 89,91,097 |
| Employee benefits payable | 46,54,814 | 1,04,45,203 |
| Others | 31,12,941 | 49,78,787 |
| | **1,66,22,537** | **8,86,33,011** |

Note No. 9 SHORT-TERM PROVISIONS

| | | |
|---|---|---|
| Provision for employee benefits | 9,90,392 | 49,39,732 |
| Provision for taxation (Net of prepaid taxes of ₹2,62,37,964/- (Previous year ₹1,07,04,200/-)) | 47,62,036 | 30,95,800 |
| Proposed dividend | 1,12,69,534 | 1,12,69,534 |
| Provision for corporate dividend tax | 22,94,212 | 19,15,257 |
| | **1,93,16,174** | **2,12,20,323** |

# Notes to Balance Sheet

Note No. 10 FIXED ASSETS

(Amount in ₹)

| Sl. No. | Description | Gross Block | | | | Depreciation/Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost As At 01.04.2014 | Additions During The Year | Deductions During The Year | Total Cost As At 31.03.2015 | Upto 31.03.2014 | For The Year | Adjustments Pursuant To Change In Accounting Estimate (Refer Note No.27.II.3) | On Deductions | Upto 31.03.2015 | As At 31.03.2015 | As At 31.03.2014 |
| A | TANGIBLE ASSETS: | | | | | | | | | | | |
| 1 | Land | 2,19,08,666 | - | - | 2,19,08,666 | - | - | - | - | - | 2,19,08,666 | 2,19,08,666 |
| 2 | Buildings | 14,46,800 | - | - | 14,46,800 | 1,53,289 | 52,066 | - | - | 2,05,355 | 12,41,445 | 12,93,511 |
| 3 | Plant and Equipment | 94,54,51,461 | 2,07,309 | 1,89,37,913 | 92,67,20,857 | 74,38,02,187 | 3,66,10,084 | 37,82,793 | 1,00,99,928 | 77,40,95,136 | 15,26,25,721 | 20,16,49,274 |
| 4 | Electrical Fittings | 1,33,612 | 10,500 | - | 1,44,112 | 1,21,127 | 3,455 | - | - | 1,24,582 | 19,530 | 12,485 |
| 5 | Furniture and Fittings | 19,98,170 | - | 3,50,539 | 16,47,631 | 11,35,808 | 2,58,995 | - | 2,56,307 | 11,38,496 | 5,09,135 | 8,62,362 |
| 6 | Motor Vehicles | 1,28,82,281 | - | - | 1,28,82,281 | 92,55,727 | 12,48,419 | 17,018 | - | 1,05,21,164 | 23,61,117 | 36,26,554 |
| 7 | Office Equipment | 87,59,294 | 1,64,349 | 1,55,465 | 87,68,178 | 54,02,263 | 3,83,686 | 15,48,613 | 54,799 | 72,79,763 | 14,88,415 | 33,57,031 |
| 8 | Computers and Data Processing units | 77,77,520 | 2,61,877 | 10,34,379 | 70,05,018 | 62,55,797 | 3,17,410 | 3,47,883 | 9,31,837 | 59,89,253 | 10,15,765 | 15,21,723 |
| | Total | 100,03,57,804 | 6,44,035 | 2,04,78,296 | 98,05,23,543 | 76,61,26,198 | 3,88,74,115 | 56,96,307 | 1,13,42,871 | 79,93,53,749 | 18,11,69,794 | 23,42,31,606 |
| B | INTANGIBLE ASSETS: | | | | | | | | | | | |
| 1 | Computer Software | 2,21,782 | - | - | 2,21,782 | 2,21,782 | - | - | - | 2,21,782 | - | - |
| | Total | 2,21,782 | - | - | 2,21,782 | 2,21,782 | - | - | - | 2,21,782 | - | - |
| | Grand Total | 100,05,79,586 | 6,44,035 | 2,04,78,296 | 98,07,45,325 | 76,63,47,980 | 3,88,74,115 | 56,96,307 | 1,13,42,871 | 79,95,75,531 | 18,11,69,794 | 23,42,31,606 |
| | Previous Year Total | 89,26,86,238 | 16,63,35,830 | 5,84,42,482 | 100,05,79,586 | 77,31,68,482 | 4,36,94,636 | - | 5,05,15,138 | 76,63,47,980 | 23,42,31,606 | 11,95,17,756 |
| C | CAPITAL WORK-IN-PROGRESS | 1,04,23,714 | - | - | 1,04,23,714 | - | - | - | - | - | 1,04,23,714 | 1,04,23,714 |



# Notes to Balance Sheet

Note No. 11 NON-CURRENT INVESTMENTS

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| (Long-term investment) | | | | |
| **Investment in Equity Instruments** | | | | |
| **(Non Trade-Unquoted, fully paid up)** | | | | |
| (At Cost less provision for other than temporary diminution in value, if any) | | | | |
| **Investment in subsidiary:** | | | | |
| 1,05,036 (Previous year: 1,05,036) Shares of AED 100 each in Alphageo International Limited | | 13,22,13,750 | | 13,22,13,750 |
| Aggregate amount of Unquoted Investments | | 13,22,13,750 | | 13,22,13,750 |
| Aggregate Provision for diminution other than temporary in value of investments | | - | | - |

Note No. 12 DEFERRED TAX ASSET (NET)

| | | | | |
|---|---|---|---|---|
| As per last Balance Sheet | | 6,50,82,631 | | 6,68,71,535 |
| Add/(Less): Adjustments for the year | | 16,26,665 | | (17,88,904) |
| (Refer Note No.27.II.15) | | | | |
| | | 6,67,09,296 | | 6,50,82,631 |

Note No. 13 LONG-TERM LOANS AND ADVANCES

| | | | | |
|---|---|---|---|---|
| (Unsecured, Considered good) | | | | |
| Security Deposits | | 81,179 | | 7,30,707 |
| Prepaid expenses | | 804 | | 3,602 |
| Loan to Subsidiary (Including Interest accrued) | | 8,36,46,002 | | - |
| Prepaid Taxes | | - | | 21,74,357 |
| MAT credit entitlement | | 3,56,00,000 | | 1,34,00,000 |
| | | 11,93,27,985 | | 1,63,08,666 |

Note No. 14 CURRENT INVESTMENTS

| | | | | |
|---|---|---|---|---|
| **Investment in Mutual Fund:** | | | | |
| **Non Trade-Unquoted (at lower of cost and fair value)** | | | | |
| 36,856 Units of ₹1,000/- each in IDFC | | | | |
| Cash Fund Daily Dividend-(Direct Plan) | | 3,68,75,954 | | - |
| | | 3,68,75,954 | | - |
| Aggregate amount of Unquoted Investments | | 3,68,75,954 | | - |
| Aggregate Provision for diminution in value of investments | | - | | - |

# Notes to Balance Sheet

Note No. 15 INVENTORIES

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| (Valued at lower of cost and net realisable value) | | | | |
| Stock of stores and spares | | 21,85,171 | | 24,69,479 |
| | | 21,85,171 | | 24,69,479 |

Note No. 16 TRADE RECEIVABLES

| | | | | |
|---|---|---|---|---|
| **Outstanding for a period exceeding six months from the date they became due for payment:** | | | | |
| Unsecured, considered doubtful | - | | 86,74,704 | |
| Less: Provision for doubtful debts | - | - | 86,74,704 | - |
| | | - | | - |
| **Others:** | | | | |
| Unsecured, considered good | | 9,30,32,900 | | 22,49,55,427 |
| | | 9,30,32,900 | | 22,49,55,427 |

Note No. 17 CASH AND BANK BALANCES

| | | | | |
|---|---|---|---|---|
| **Cash and cash equivalents:** | | | | |
| Cash on hand | 3,16,864 | | 2,79,853 | |
| **Balances with banks:** | | | | |
| In Local Currency accounts | 4,42,507 | | 4,67,655 | |
| In Other Currency accounts | 2,50,58,625 | 2,58,17,996 | 36,01,757 | 43,49,265 |
| **Other bank balances:** | | | | |
| In Term deposits | | 1,05,33,080 | | 85,67,466 |
| (Held as margin money security against guarantees issued by banks, with maturity period not more than twelve months) | | | | |
| **Earmarked balances:** | | | | |
| In Unclaimed dividend accounts | | 11,85,138 | | 11,23,000 |
| | | 3,75,36,214 | | 1,40,39,731 |

Note No. 18 SHORT-TERM LOANS AND ADVANCES

| | | | | |
|---|---|---|---|---|
| (Unsecured, considered good) | | | | |
| Security Deposits | | 62,59,080 | | - |
| Prepaid expenses | | 10,12,753 | | 17,01,846 |
| Prepaid taxes | | 18,56,191 | | 1,39,61,894 |
| Loans and advances to employees | | 4,09,735 | | 8,20,857 |
| Other loans and advances | | 6,92,638 | | 10,18,353 |
| | | 1,02,30,397 | | 1,75,02,950 |

Note No. 19 OTHER CURRENT ASSETS

| | | | | |
|---|---|---|---|---|
| Interest accrued on Term deposits with Banks and others | | 7,52,257 | | 14,09,668 |
| Other receivables from Subsidiary (Refer Note No.27.II.12) | | - | | 6,37,309 |
| | | 7,52,257 | | 20,46,977 |



# Notes to Statement of Profit and Loss

Note No. 20 OTHER OPERATING INCOME

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| Income from Provision of Services | | - | | 1,53,09,001 |
| | | - | | 1,53,09,001 |

Note No. 21 OTHER INCOME

| | | | | |
|---|---|---|---|---|
| Interest Income (Gross) | | 35,73,984 | | 1,20,21,354 |
| Dividend from Current Investments | | 32,82,155 | | - |
| Profit on sale of assets | | - | | 22,51,402 |
| Provision for doubtful debts no longer required written back | | - | | 1,77,035 |
| Provision for liabilities no longer required written back | | - | | 6,57,243 |
| Other Non-operating Income | | - | | 4,73,046 |
| Net gain on foreign currency translation and transaction | | 33,05,859 | | - |
| | | 1,01,61,998 | | 1,55,80,080 |

Note No. 22 SURVEY AND SURVEY RELATED EXPENSES

| | | | | |
|---|---|---|---|---|
| Consumption of stores and spare parts | | 35,02,690 | | 57,55,044 |
| Labour charges | | 70,90,883 | | 57,55,198 |
| Survey and drilling charges | | 30,99,72,471 | | 17,91,71,058 |
| Fuel | | 79,26,199 | | 37,07,790 |
| Vehicle hire charges | | 63,32,685 | | 49,68,207 |
| Repairs to machinery | | 9,39,303 | | 27,71,641 |
| Camp rental charges | | 33,35,363 | | 26,17,675 |
| Technical consultancy charges | | 47,00,565 | | 48,08,034 |
| Camp expenses | | 1,26,59,340 | | 93,62,694 |
| Transport and handling charges | | 44,38,158 | | 35,46,858 |
| Other survey expenses | | 13,48,442 | | 10,99,860 |
| | | 36,22,46,099 | | 22,35,64,059 |

Note No. 23 EMPLOYEE BENEFITS EXPENSE

| | | | | |
|---|---|---|---|---|
| Salaries, wages and other allowances | | 4,89,36,003 | | 4,12,74,458 |
| Contribution to provident and other funds | | 26,88,163 | | 10,94,781 |
| Contribution to ESI | | 17,381 | | 34,669 |
| Expense on employee stock option scheme | | - | | (19,73,827) |
| Staff welfare expenses | | 3,73,928 | | 6,57,674 |
| | | 5,20,15,475 | | 4,10,87,755 |

# Notes to Statement of Profit and Loss

Note No. 24 FINANCE COSTS

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|---|---|---|
| Interest expense | 25,05,269 | 44,59,676 |
| Other Borrowing costs | 22,06,678 | 14,29,330 |
| | **47,11,947** | **58,89,006** |

Note No. 25 DEPRECIATION AND AMORTISATION EXPENSE

| | | |
|---|---|---|
| Depreciation for the year | 3,88,74,115 | 4,36,53,934 |
| Depreciation adjustments pursuant to change in accounting estimate (Refer Note No.27.II.3) | 56,96,307 | - |
| Amortisation expense | - | 40,702 |
| | **4,45,70,422** | **4,36,94,636** |

Note No. 26 OTHER EXPENSES

| | | | | |
|---|---|---|---|---|
| Rent | | 15,24,000 | | 9,03,000 |
| Repairs and maintenance to other assets | | 4,12,638 | | 3,67,921 |
| Directors sitting fees | | 2,01,667 | | 1,06,112 |
| Printing and stationery | | 12,05,613 | | 8,48,058 |
| Communication expenses | | 11,69,183 | | 10,02,758 |
| Travelling and conveyance | | 72,06,195 | | 30,85,533 |
| Insurance | | 15,98,028 | | 13,75,732 |
| Rates and taxes, excluding taxes on income | | 10,88,284 | | 4,38,090 |
| Payment to auditors (Refer Note No.27.II.20) | | 11,70,210 | | 9,05,300 |
| Professional and consultancy charges | | 29,56,041 | | 9,55,479 |
| Advertisement and publication expenses | | 2,05,884 | | 3,76,090 |
| Vehicle maintenance | | 4,18,365 | | 2,06,322 |
| Donations | | - | | 41,000 |
| Loss on Sale of Assets (net of profit on sale of assets of ₹5,250/-) | | 1,33,249 | | - |
| Loss of Assets | | 89,38,651 | | - |
| Book deficit on Assets discarded | | - | | 62,06,201 |
| Bad debts written off | 86,74,704 | | - | |
| Less: Provision for doubtful debts no longer required written back | 86,74,704 | - | - | - |
| Miscellaneous expenses | | 27,80,894 | | 21,24,088 |
| Net loss on foreign currency translation and transaction | | - | | 1,17,70,702 |
| | | **3,10,08,902** | | **3,07,12,386** |



# Notes to Financial Statements

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Act and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

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

B. Use of estimates

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

C. Tangible assets and depreciation

i) Tangible fixed assets are stated at historical cost less accumulated depreciation thereon and impairment losses, if any. Historical cost is inclusive of freight, duties and taxes and incidental expenses related to acquisition.

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

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

D. Intangible assets and amortisation

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

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

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

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.

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 diminution, other than temporary, in the value of investments.

iv. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

H. Inventories

Stock of Stores 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 being amortised over the vesting period of the stock options.

J. Taxes on income

i. Tax expenses is the aggregate of current income tax, MAT credit entitlement/utilisation 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 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 period, in the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same 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.





Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

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

Defined benefit plans:

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

ii) Leave encashment: The company records its unavailed leave liability based on actuarial valuation using projected unit credit method.

Short term employee benefits

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

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

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.

Dividend on investment is recognised as and when the right to receive the same is established.

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.

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

II. OTHER EXPLANATORY INFORMATION

1. **Corporate Information:**

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

The Company is a 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. **Change in accounting estimate:**

As per the requirements of the Companies Act, 2013 ("the Act"), the Company has computed depreciation on the basis of the useful lives of tangible fixed assets in the manner prescribed in Schedule II of the Act. Consequently, depreciation for the year is lower by ₹11,39,583/- and depreciation of ₹56,96,307/- on account of assets whose useful life is already exhausted as on 1st April, 2014 has been charged off to Statement of Profit and Loss.

4. **Contingent Liabilities and Commitments:**

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| **Contingent Liabilities:** | | |
| Income tax demands disputed by the company | - | 94,55,450 |

5. 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.

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

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) 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:

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Principal Amount remaining unpaid as on 31st March. | 1,79,130 | 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 |





Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

7. Information pursuant to Clause 32 of Listing Agreement with Stock Exchanges and Section 186 of the Act w.r.t. Loans and Advances in the nature of interest bearing loans to wholly owned Subsidiary to meet its commitments as given below:

(Amount in ₹)

| Particulars | Balance as on | | Maximum Balance Outstanding during the year | |
|---|---|---|---|---|
| | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| Alphageo International Limited | 8,13,68,040 | - | 8,13,68,040 | 2,46,55,368 |

8. **Derivative Instruments:**

i. There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2015 (As on 31.03.2014: ₹ 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 31.03.2015 | | As on 31.03.2014 | |
|---|---|---|---|---|
| | 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 |
| Loans and advances | 14,36,395 | 8,99,05,082 | 8,116 | 4,87,770 |

9. **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.

There are no Outstanding Options granted to employees as on 31.03.2015. However, during the previous year, consequent to expiry/forfeiture of 20,234 such options, an amount of ₹19,73,827/- has been written back.

10. **Employee Benefits:**

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

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| i. **Defined Contribution Schemes** | | |
| Employer's Contribution to Provident Fund | 18,62,839 | 10,94,781 |
| ii. **State Plans** | | |
| Employer's Contribution to State Insurance Scheme | 17,381 | 34,669 |
| 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 detailed below: | | |

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

10. Employee Benefits:*(contd.)*

(Amount in ₹)

| | | 2014-15 | 2013-14 |
|---|---|---|---|
| A. | Gratuity | | |
| i) | Components of Employer Expense | | |
| | Current Service Cost | 4,81,834 | 3,19,112 |
| | Interest Cost on benefit obligation | 4,36,110 | 4,39,775 |
| | Return on Plan Assets | (4,44,904) | (3,34,422) |
| | Actuarial (gain)/loss | 3,50,171 | (6,92,204) |
| | Premium Expenses | 2,113 | - |
| | Net benefit expense | 8,25,324 | (2,67,739) |
| ii) | Actual Return on Plan Assets | (4,44,904) | (3,34,422) |
| iii) | Net Asset / Liability recognised in Balance Sheet | | |
| | Defined Benefit Obligation | 65,77,217 | 54,51,371 |
| | Fair Value Of Plan Assets | (63,24,838) | (41,49,486) |
| | Status (Surplus)/Deficit | 2,52,379 | 13,01,885 |
| | Unrecognised Past Service Cost | - | - |
| | Net (Asset)/Liability recognised in Balance Sheet | 2,52,379 | 13,01,885 |
| iv) | Changes in the PV of DBO | | |
| | At the beginning of the year | 54,51,371 | 54,97,188 |
| | Current Service Cost | 4,81,834 | 3,19,112 |
| | Interest Cost | 4,36,110 | 4,39,775 |
| | Actuarial (gain)/loss | 3,50,171 | (6,92,204) |
| | Benefits paid | (1,42,269) | (1,12,500) |
| | At the end of the year | 65,77,217 | 54,51,371 |
| v) | Changes in Fair Value of Plan Assets | | |
| | Opening Fair Value of Plan Assets | 41,49,486 | 37,14,224 |
| | Expected Return | 4,44,904 | 3,34,422 |
| | Contributions | 18,74,830 | 2,13,340 |
| | Premium Expenses | (2,113) | - |
| | Benefits Paid | (1,42,269) | (1,12,500) |
| | Actuarial Gain/ Loss | - | - |
| | Closing Fair value of Plan Assets | 63,24,838 | 41,49,486 |
| vi) | Movement in Balance Sheet | | |
| | Opening Liability | 13,01,885 | 17,82,964 |
| | Expenses as above | 8,25,324 | (2,67,739) |
| | Contribution Paid | (18,74,830) | (2,13,340) |
| | Closing Liability | 2,52,379 | 13,01,885 |
| vii) | Actuarial assumptions: | | |
| | Mortality Table (L.I.C) | 2006-08 | 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% |





Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

10. Employee Benefits:*(contd.)*

(Amount in ₹)

| | | 2014-15 | 2013-14 |
|---|---|---|---|
| B. | Leave Encashment (Unfunded) | | |
| i) | Statement of Profit and Loss | | |
| | Current Service Cost | 1,73,534 | 27,317 |
| | Interest Cost on benefit obligation | 19,763 | 12,430 |
| | Actuarial (gain)/loss | 3,99,526 | 51,920 |
| | Past Services cost | - | - |
| | Net benefit expense | 5,92,823 | 91,667 |
| ii) | Balance Sheet | | |
| | At the beginning of the year | 2,47,041 | 1,55,374 |
| | Current Service Cost | 1,73,534 | 27,317 |
| | Interest Cost | 19,763 | 12,430 |
| | Actuarial (gain)/loss | 3,99,526 | 51,920 |
| | Benefits paid | (10,495) | - |
| | At the end of the year | 8,29,369 | 2,47,041 |
| iii) | Actuarial assumptions: | | |
| | Mortality Table (L.I.C) | 2006-08 | 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.

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

12. Related Party Transactions:

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

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

ii. Details of Transactions:

(Amount in ₹)

| SL. No. | Nature of Relation/Nature of Transactions | 2014-15 | | 2013-14 | |
|---|---|---|---|---|---|
| | | Amount of Transaction | Amount outstanding as on 31.03.2015 | Amount of Transaction | Amount outstanding as on 31.03.2014 |
| 1 | Key Management Personnel: | | | | |
| | Remuneration | 68,46,489 | 4,03,710 (Credit) | 39,76,797 | 3,97,783 (Credit) |
| | Dividend Paid | 7,43,144 | - | - | - |
| | Interest on Loan | 20,92,329 | 10,73,589 (Credit) | 17,61,507 | 13,98,772 (Credit) |
| | Acceptance of Loan | - | 50,00,000 (Credit) | 2,05,00,000 | 1,50,00,000 (Credit) |
| | Repayment of Loan | 1,00,00,000 | | 1,00,00,000 | |





Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

12. Related Party Transactions: *(contd.)*

(Amount in ₹)

| SL. No. | Nature of Relation/Nature of Transactions | 2014-15 | | 2013-14 | |
|---|---|---|---|---|---|
| | | Amount of Transaction | Amount outstanding as on 31.03.2015 | Amount of Transaction | Amount outstanding as on 31.03.2014 |
| 2 | Relatives of the Key Management Personnel: | | | | |
| | Sitting Fees | 77,777 | - | 17,778 | - |
| | Rent | 1,20,000 | 6,910 (Credit) | 1,20,000 | 1,03,650 (Credit) |
| | Dividend Paid | 27,56,584 | | | - |
| | Allotment of Equity Shares including Premium | - | - | 1,20,00,000 | - |
| | Amount received on Share Warrants | - | - | 90,00,000 | - |
| 3 | Concerns in which Key Management Personnel has Substantial Interest: | | | | |
| | Rent | 9,00,000 | 67,500 (Credit) | 3,00,000 | 3,23,787 (Credit) |
| | Dividend Paid | 3,77,800 | - | - | - |
| 4 | Concerns in which Relative of the Key Management Personnel has Substantial Interest: | | | | |
| | Survey/Drilling Charges | 7,27,24,400 | 2,02,66,952 (Credit) | 8,56,32,000 | 2,49,96,841 (Credit) |
| | Dividend Paid | 7,32,478 | - | - | - |
| | Acceptance of Loan | - | - | 20,00,000 | - |
| | Repayment of Loan | - | | 45,00,000 | |
| | Interest on Loan | - | - | 91,266 | - |
| | Allotment of Equity Shares including Premium | - | - | 30,00,000 | - |
| | Amount received on Share Warrants | - | - | 22,50,000 | - |
| | Rent | 3,00,000 | 22,500 (Credit) | 3,00,000 | 3,23,787 (Credit) |
| 5 | Subsidiary | | | | |
| | Loan given | 8,13,68,040 | 8,13,68,040 | - | - |
| | Loan given received back | - | | 2,36,59,346 | |
| | Recovery of payments of expenses | - | - | 75,15,309 | 6,37,309 (Debit) |
| | Recovery of payments of expenses received back | - | | 34,97,161 | |
| | Interest Income | 22,77,962 | 22,77,962 | 3,58,251 | - |
| | Income from provision of services | - | - | 1,53,09,001 | 4,87,770 (Debit) |
| 6 | Step-down subsidiary | | | | |
| | Sale of used Fixed Assets | - | - | 39,72,546 | - |
| | Counter Guarantee provided to Bank for issuing Performance Guarantee | - | - | 55,21,730 | - |

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

12. Related Party Transactions: *(contd.)*

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

(Amount in ₹)

| Nature of Transaction | Name of the Related Party | 2014-15 | 2013-14 |
|---|---|---|---|
| Remuneration | A. Dinesh | 68,46,489 | 39,76,797 |
| Interest on Loan Taken | A. Dinesh | 20,92,329 | 17,61,507 |
| | Aquila Drilling Private Limited | - | 91,266 |
| Repayment of Loan | A. Dinesh | 1,00,00,000 | 1,00,00,000 |
| | Aquila Drilling Private Limited | - | 45,00,000 |
| Acceptance of Loan | A. Dinesh | - | 2,05,00,000 |
| | Aquila Drilling Private Limited | - | 20,00,000 |
| Sitting Fees | A. Rajesh | 44,445 | 17,778 |
| | A. Savita | 33,332 | - |
| Drilling Charges | Aquila Drilling Private Limited | 7,27,24,400 | 8,56,32,000 |
| Allotment of Equity shares including premium | Aquila Drilling Private Limited | - | 30,00,000 |
| | A. Sashank | - | 30,00,000 |
| | A. Savita | - | 60,00,000 |
| | A. Anisha | - | 30,00,000 |
| Amount received on Share Warrants | Aquila Drilling Private Limited | - | 22,50,000 |
| | A. Sashank | - | 22,50,000 |
| | A. Savita | - | 45,00,000 |
| | A. Anisha | - | 22,50,000 |
| Rent | A. Dinesh (HUF) | 9,00,000 | 3,00,000 |
| | A. Rajesh (HUF) | 3,00,000 | 3,00,000 |
| Sale of used Fixed Assets | Alphageo DMCC | - | 39,72,546 |
| Dividend Paid | A.Dinesh | 7,43,144 | - |
| | Kamala Rajupet | 7,48,932 | - |
| | A.Savita | 4,82,916 | - |
| | Aquila Drilling Private Limited | 5,59,812 | - |
| Loan Given | Alphageo International Limited | 8,13,68,040 | - |
| Loan Given Received Back | Alphageo International Limited | - | 2,36,59,346 |
| Interest Income | Alphageo International Limited | 22,77,962 | 3,58,251 |
| Recovery of payments of expenses | Alphageo International Limited | - | 75,15,309 |
| Recovery of payments of expenses received back | Alphageo International Limited | - | 34,97,161 |
| Income from provision of Services | Alphageo International Limited | - | 1,53,09,001 |
| 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 ₹23,96,004/- (Previous Year ₹26,01,818/-)





Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

14. Earnings Per Share:

(Amount in ₹)

| Particulars | | 2014-15 | 2013-14 |
|---|---|---|---|
| The Numerator and Denominator used to calculate Earnings Per Share: | | | |
| A | Earnings attributable to Equity shareholders | 14,89,63,690 | 11,25,78,607 |
| B | Number of Shares: | | |
| | Weighted average number of Equity shares outstanding during the year (Nos.) | 56,34,767 | 54,45,726 |
| | Nominal Value of Equity Share | 10 | 10 |
| C | Earnings Per Share – Basic/Diluted | 26.44 | 20.67 |

15. Deferred Income Tax:

The movement of provision for deferred tax for the year ended 31.03.2015 is as given below:

(Amount in ₹)

| Particulars | As at 01.04.2014 | (Charge)/Credit For the year | As at 31.03.2015 |
|---|---|---|---|
| Deferred Tax Asset: | | | |
| Depreciation on Assets | 6,14,64,844 | 33,87,474 | 6,48,52,318 |
| Expenses allowable on the basis of Payment | 36,17,787 | (17,60,809) | 18,56,978 |
| **Total** | **6,50,82,631** | **16,26,665** | **6,67,09,296** |

16. Details of Gross Income derived from services rendered:

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Seismic Survey and Related services | 63,96,73,448 | 42,88,26,272 |

17. Value of Imports Calculated on C.I.F Basis:

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Capital Goods | - | 18,98,711 |
| Components and Spare parts | 8,31,086 | - |

18. Expenditure in foreign currency (on accrual basis):

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Salaries and allowances (Net of Tax) | 11,72,386 | 11,11,370 |
| Travelling Expenses | 22,04,641 | 3,48,465 |
| Technical Consultancy Charges (Net of Tax) | 7,79,771 | - |

# Notes to Financial Statements

Note No. 27 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

19. Remittance of Dividend in Foreign Currency:

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Number of Non-resident share holders | 7 | - |
| Number of shares | 1800 | - |
| Amount | 3600 | - |
| Year to which it relates | 2013-14 | - |

20. Earnings in foreign exchange (on accrual basis):

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Seismic Survey and Related services income | 29,43,71,066 | 8,88,83,062 |
| Income from provision of services | - | 1,53,09,001 |
| Interest income | 22,77,962 | 3,58,251 |

21. Details of payment to auditors:

(Amount in ₹)

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| As Auditor | 5,00,000 | 4,00,000 |
| For Tax Audit | 2,00,000 | 1,90,000 |
| For Quarterly reviews | 1,95,000 | 1,35,000 |
| For Taxation matters | 60,000 | 60,000 |
| For Other services | 2,05,000 | 1,10,000 |
| For Reimbursement of expenses | 10,210 | 10,300 |
| Total | 11,70,210 | 9,05,300 |

22. Corporate social responsibility (CSR):

(a) Gross amount required to be spent by the company during the year ₹ Nil.

(b) Amount spent during the year ₹ Nil.

Per our Report of even date

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

N. Anka Rao
*Partner*
Membership Number: 23939

Hyderabad
25.05.2015

For and on behalf of the Board

A. Dinesh
*Managing Director*

Z.P. Marshall
*Chairman*

Venkatesa Perumallu Pasumarthy
*Chief Financial Officer*

Meenakshi Naag
*Company Secretary*



# Independent Auditor's Report

To
The Members of
ALPHAGEO (INDIA) LIMITED

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, 2015, 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 and presentation 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, specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

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

a. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

b. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

c. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matter**

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹43,91,86,686/- as at March 31, 2015, total revenues of ₹8,71,29,883/- and net cash outflows amounting to ₹1,77,63,252/- 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: 002283S

N. ANKA RAO
*Partner*
Membership Number: 23939

Hyderabad
25.05.2015

# Consolidated Balance Sheet as at 31st march, 2015

(Amount in ₹)

| Particulars | Note No. | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|---|
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| Share capital | 1 | 5,64,83,670 | | 5,64,83,670 | |
| Reserves and surplus | 2 | 78,18,07,906 | 83,82,91,576 | 63,42,21,759 | 69,07,05,429 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 3 | - | | 50,00,000 | |
| Other long term liabilities | 4 | - | | 4,43,589 | |
| Long-term provisions | 5 | 43,75,356 | 43,75,356 | 44,21,194 | 98,64,783 |
| Current liabilities | | | | | |
| Short-term borrowings | 6 | 80,20,725 | | 3,93,26,152 | |
| Trade payables | 7 | 2,96,22,409 | | 9,60,87,994 | |
| Other current liabilities | 8 | 1,66,22,537 | | 21,50,16,820 | |
| Short-term provisions | 9 | 1,93,16,174 | 7,35,81,845 | 2,12,20,323 | 37,16,51,289 |
| TOTAL | | | 91,62,48,777 | | 107,22,21,501 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Fixed assets | 10 | | | | |
| Tangible assets | | 54,10,79,310 | | 63,88,16,617 | |
| Intangible assets | | 5,76,272 | | 10,85,343 | |
| | | 54,16,55,582 | | 63,99,01,960 | |
| Capital work-in-progress | | 1,04,23,714 | | 1,04,23,714 | |
| | | 55,20,79,296 | | 65,03,25,674 | |
| Non-current investments | | - | | - | |
| Deferred tax assets (net) | 11 | 6,67,09,296 | | 6,50,82,631 | |
| Long-term loans and advances | 12 | 3,56,81,983 | 65,44,70,575 | 1,63,08,666 | 73,17,16,971 |
| Current assets | | | | | |
| Current Investments | 13 | 3,68,75,954 | | - | |
| Inventories | 14 | 21,85,171 | | 24,69,479 | |
| Trade receivables | 15 | 16,55,59,802 | | 27,59,75,529 | |
| Cash and bank balances | 16 | 4,40,38,459 | | 3,94,53,111 | |
| Short-term loans and advances | 17 | 1,23,66,559 | | 2,11,96,743 | |
| Other current assets | 18 | 7,52,257 | 26,17,78,202 | 14,09,668 | 34,05,04,530 |
| TOTAL | | | 91,62,48,777 | | 107,22,21,501 |
| Summary of significant accounting policies and other explanatory information | 25 | | | | |

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: 002283S

N. Anka Rao
*Partner*
Membership Number: 23939

A. Dinesh
*Managing Director*

Z.P. Marshall
*Chairman*

Hyderabad
25.05.2015

Venkatesa Perumallu Pasumarthy
*Chief Financial Officer*

Meenakshi Naag
*Company Secretary*



# Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(Amount in ₹)

| Particulars | Note No. | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|---|
| REVENUE | | | | | |
| Seismic Survey and related service income | | | 72,61,33,555 | | 94,28,27,052 |
| Sale of traded goods | | | 6,69,776 | | - |
| Other income | 19 | | 74,30,242 | | 1,29,70,427 |
| Total Revenue | | | 73,42,33,573 | | 95,57,97,479 |
| EXPENSES | | | | | |
| Purchase of traded goods | | | 5,69,918 | | - |
| Survey and survey related expenses | 20 | | 37,45,54,372 | | 47,03,56,219 |
| Employee benefits expense | 21 | | 5,30,79,485 | | 4,26,63,911 |
| Finance costs | 22 | | 83,04,204 | | 71,43,556 |
| Depreciation and amortisation expense | 23 | | 10,71,07,416 | | 8,83,93,522 |
| Other expenses | 24 | | 3,93,53,919 | | 6,33,91,865 |
| Total Expenses | | | 58,29,69,314 | | 67,19,49,073 |
| Profit before tax | | | 15,12,64,259 | | 28,38,48,406 |
| Tax expense | | | | | |
| Current tax | | 3,10,00,000 | | 3,07,32,182 | |
| Tax credit entitlements | | (2,22,00,000) | | (1,34,00,000) | |
| Income tax adjustments of earlier years | | (8,54,424) | | - | |
| | | 7,945,576 | | 1,73,32,182 | |
| Deferred Tax | | (16,26,665) | 63,18,911 | 17,88,904 | 1,91,21,086 |
| Profit after tax | | | 14,49,45,348 | | 26,47,27,320 |
| Earnings per equity share | | | | | |
| (Nominal value: ₹10/- per share) | | | | | |
| Basic | | | 25.72 | | 48.61 |
| Diluted | | | 25.72 | | 48.61 |
| Summary of significant accounting policies and other explanatory information | 25 | | | | |

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: 002283S

N. Anka Rao
*Partner*
Membership Number: 23939

A. Dinesh
*Managing Director*

Z.P. Marshall
*Chairman*

Hyderabad
25.05.2015

Venkatesa Perumallu Pasumarthy
*Chief Financial Officer*

Meenakshi Naag
*Company Secretary*

# Consolidated Cash Flow Statement for the year ended 31st March, 2015

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| **I CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| Profit/(Loss) before tax for the year | | 15,12,64,259 | | 28,38,48,406 |
| Add/ (Less) : Adjustments for: | | | | |
| Depreciation and Amortisation | 10,71,07,416 | | 8,83,93,522 | |
| Interest Expense | 60,97,526 | | 57,14,226 | |
| Interest Income | (12,96,022) | | (1,16,63,103) | |
| Dividend on Current Investments | (32,82,155) | | - | |
| Bad debts written off | 86,74,704 | | - | |
| Provision for liabilities no longer required written back | - | | (6,57,243) | |
| Employee Compensation costs written back | - | | (19,73,827) | |
| Provision for doubtful debts no longer required written back | (86,74,704) | | (1,77,035) | |
| Loss on Sale of Tangible Assets(net) | 1,33,249 | | - | |
| Book Deficit on assets discarded | - | | 1,32,48,203 | |
| Loss of assets | 89,38,651 | | - | |
| | | 11,76,98,665 | | 9,28,84,743 |
| | | 26,89,62,924 | | 376,733,149 |
| Add / (Less) : Adjustments for Working Capital Changes: | | | | |
| Decrease/(Increase) in Long Term Loans and Advances | 6,52,326 | | 5,41,191 | |
| Decrease/(Increase) in Inventories | 2,84,308 | | 92,50,459 | |
| (Increase)/Decrease in Trade Receivables | 11,04,15,727 | | (17,29,25,138) | |
| (Increase)/Decrease in Short Term Loans and Advances | (32,75,519) | | 54,43,363 | |
| (Increase) / Decrease in Long Term Provisions | (45,838) | | 2,02,542 | |
| (Increase) in Trade Payables | (6,64,65,585) | | (2,68,60,354) | |
| (Increase) / Decrease in Other Current Liabilites | (1,96,39,032) | | 89,94,246 | |
| Decrease/(Increase) in Short Term Provisions | (39,49,340) | | 1,91,785 | |
| | | 1,79,77,047 | | (17,51,61,906) |
| Cash generated from operations | | 28,69,39,971 | | 20,15,71,243 |
| Less : Direct taxes paid | | 1,41,99,280 | | 2,76,36,382 |
| **Net Cash flow from operating activities** | | **27,27,40,691** | | **17,39,34,861** |
| **II CASH FLOW USED IN INVESTING ACTIVITIES:** | | | | |
| Purchase of Fixed assets | | (18,40,76,077) | | (16,83,55,583) |
| Proceeds from sale of fixed assets | | 63,525 | | - |
| Investment in bank deposits (Original maturity of more than three months) (net) | | (19,65,614) | | 15,56,822 |
| Investement in Current Investments | | (3,68,75,954) | | - |
| Dividend received on Current Investments | | 32,82,155 | | - |
| Interest Received | | 19,53,433 | | 1,03,48,567 |
| **Net Cash used in Investing activities** | | **(21,76,18,532)** | | **(15,64,50,194)** |



# Consolidated Cash Flow Statement for the year ended 31st March, 2015 *(contd.)*

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| **III CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| Proceeds from issue of Share Capital including Securities Premium | | - | | 1,50,00,000 |
| Money received against issue of share warrants | | - | | (37,50,000) |
| Dividend and Corporate Dividend Tax thereon paid | | (1,31,84,791) | | - |
| Proceeds from Long Term Borrowings | | - | | 50,00,000 |
| Proceeds/ (Repayment) from Short Term Borrowings | | (3,13,05,427) | | (66,97,650) |
| Interest Paid | | (69,26,462) | | (45,76,032) |
| **Net Cash (used in)/flow from Financing Activities** | | **(5,14,16,680)** | | **49,76,318** |
| **IV** Net Increase/(Decrease) in cash and cash equivalents | | 37,05,479 | | 2,24,60,985 |
| **V** Adjustment due to change in exchange rates | | (11,47,883) | | (47,12,450) |
| **VI** Cash and Cash Equivalents as at the beginning of the year | | 2,97,62,645 | | 1,20,14,110 |
| **VII** Cash and Cash Equivalents as at the end of the year | | 3,23,20,241 | | 2,97,62,645 |

**Notes:**

1 Figures in brackets indicate cash outgo.

2 The above consolidated cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash flow statement"

3 Summary of significant accounting policies and other explanatory information (Note No.25) form an Integral part of the Cash Flow Statement.

4 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: 002283S

**N. Anka Rao**
*Partner*
Membership Number: 23939

Hyderabad
25.05.2015

**For and on behalf of the Board**

**A. Dinesh**
*Managing Director*

**Z.P. Marshall**
*Chairman*

**Venkatesa Perumallu Pasumarthy**
*Chief Financial Officer*

**Meenakshi Naag**
*Company Secretary*

# Consolidated Notes to Balance Sheet

Note No. 1 SHARE CAPITAL

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| **Authorised:** | | | | |
| 1,00,00,000 (Previous year: 1,00,00,000) Equity Shares of ₹10/- each | | 10,00,00,000 | | 10,00,00,000 |
| **Issued :** | | | | |
| 56,46,167 (Previous year: 56,46,167) Equity Shares of ₹10/- each | | 5,64,61,670 | | 5,64,61,670 |
| **Subscribed and fully paid up:** | | | | |
| 56,34,767 (Previous year: 56,34,767) Equity Shares of ₹10/- each | | 5,63,47,670 | | 5,63,47,670 |
| Add: Forfeited shares | | 1,36,000 | | 1,36,000 |
| | | **5,64,83,670** | | **5,64,83,670** |

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

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| | Number | Number |
| Shares outstanding at the beginning of the year | 56,34,767 | 53,84,767 |
| Shares issued during the year | - | 2,50,000 |
| **Shares outstanding at the end of the year** | **56,34,767** | **56,34,767** |

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

| Name of Shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| **Promoters Group** | | | | |
| Alla Dinesh | 5,16,872 | 9.17 | 3,75,022 | 6.65 |
| Kamala Rajupet | 2,29,166 | 4.07 | 3,74,466 | 6.64 |

**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.

The amount of dividend recognised as distributions to equity shareholders for the year 2014-15 is ₹2/- per equity share (2013-14: ₹2/- per equity 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.



# Consolidated Notes to Balance Sheet

Note No. 2 RESERVES AND SURPLUS

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| **Capital reserve:** | | | | |
| Share warrants forfeiture account | | 1,61,18,047 | | 1,61,18,047 |
| **Securities premium account:** | | | | |
| As per last Balance Sheet | 18,15,04,831 | | 16,90,04,831 | |
| Add: Premium received on allotment of equity shares issued during the year | - | 18,15,04,831 | 1,25,00,000 | 18,15,04,831 |
| **Share options outstanding account:** | | | | |
| As per last Balance Sheet | - | | 19,73,827 | |
| Less: Deletions during the year | - | - | 19,73,827 | - |
| **Foreign currency translation reserve:** | | | | |
| As per last Balance Sheet | 5,19,29,398 | | 3,27,55,051 | |
| Add: Movement during the year | 1,62,04,545 | 6,81,33,943 | 1,91,74,347 | 5,19,29,398 |
| **General reserve:** | | | | |
| As per last Balance Sheet | 4,00,00,000 | | 3,00,00,000 | |
| Add: Amount transferred from statement of profit and loss | - | 4,00,00,000 | 1,00,00,000 | 4,00,00,000 |
| **Balance in statement of profit and loss (surplus):** | | | | |
| As per last Balance Sheet | 34,46,69,483 | | 10,31,26,954 | |
| Add: Profit as per statement of profit and loss | 14,49,45,348 | | 26,47,27,320 | |
| Total available for allocations and appropriations | 48,96,14,831 | | 36,78,54,274 | |
| **Less: Allocations and appropriations:** | | | | |
| Proposed Dividend | 1,12,69,534 | | 1,12,69,534 | |
| Provision for Corporate dividend tax | 22,94,212 | | 19,15,257 | |
| Amount transferred to General reserve | - | 47,60,51,085 | 1,00,00,000 | 34,46,69,483 |
| | | **78,18,07,906** | | **63,42,21,759** |

Note No. 3 LONG-TERM BORROWINGS

| | | | | |
|---|---|---|---|---|
| Loan from a Director, related party (Unsecured) | 50,00,000 | | 50,00,000 | |
| Less: Current maturities of long term debt | 50,00,000 | - | - | 50,00,000 |
| Rate of interest: 14% p.a. | | | | |
| (Refer Note No.25.II.12) | | | | |
| | | - | | **50,00,000** |

Note No. 4 OTHER LONG-TERM LIABILITIES

| | | | | |
|---|---|---|---|---|
| Interest accrued but not due on borrowings | 10,73,589 | | 4,43,589 | |
| Less: Interest accrued on current maturities of long term debt | 10,73,589 | - | - | 4,43,589 |
| | | - | | **4,43,589** |

Note No. 5 LONG-TERM PROVISIONS

| | | | | |
|---|---|---|---|---|
| Provision for employee benefits | | 43,75,356 | | 44,21,194 |
| | | **43,75,356** | | **44,21,194** |

# Consolidated Notes to Balance Sheet

Note No. 6 SHORT- TERM BORROWINGS

(Amount in ₹)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| **Loans repayable on demand: (Secured)** | | |
| Working capital loan from State Bank of India | 80,20,725 | 2,43,26,152 |
| **1. Nature of Security:** | | |
| **Primary Security:** | | |
| Secured by hypothecation of entire chargeable current assets of the company. | | |
| **Collateral Security:** | | |
| First charge on entire fixed assets of the company. | | |
| The above loan is further secured by equitable mortgage of certain immovable properties belonging to Three Directors of the Comapny and Personal Guarantee of Three Directors of the Company. | | |
| **2. Rate of Interest : 3% (Previous year 7%) above Base Rate** | | |
| The above loan and interest due thereon have been paid upto date and there is no default in repayment of the same during the year. | | |
| From body corporate (Unsecured) | - | 50,00,000 |
| Rate of Interest: 18% p. a | | |
| Loans from related parties (Unsecured) | - | 1,00,00,000 |
| Rate of Interest: 14% p. a | | |
| (Refer Note No.25.II.12) | | |
| | **80,20,725** | **3,93,26,152** |

Note No. 7 TRADE PAYABLES

| | | |
|---|---|---|
| Dues of micro and small enterprises | 1,79,130 | - |
| Dues of creditors other than micro and small enterprises | 2,94,43,279 | 9,60,87,994 |
| | **2,96,22,409** | **9,60,87,994** |



# Consolidated Notes to Balance Sheet

Note No. 8 OTHER CURRENT LIABILITIES

(Amount in ₹)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| Current maturities of long term debt | 50,00,000 | - |
| Interest accrued but not due on borrowings | 10,73,589 | 14,58,936 |
| Unclaimed dividend accounts | 11,75,138 | 11,13,000 |
| (There is no amount due and outstanding to be credited to investor education and protection fund) | | |
| **Other Payables:** | | |
| Creditors for capital works | - | 18,34,32,042 |
| Statutory liabilities | 16,06,055 | 89,91,097 |
| Employee benefits payable | 46,54,814 | 1,04,45,203 |
| Others | 31,12,941 | 95,76,542 |
| | **1,66,22,537** | **21,50,16,820** |

Note No. 9 SHORT-TERM PROVISIONS

| | | |
|---|---|---|
| Provision for employee benefits | 9,90,392 | 49,39,732 |
| Provision for taxation (Net of prepaid taxes of ₹2,62,37,964/- (Previous year ₹1,07,04,200/-)) | 47,62,036 | 30,95,800 |
| Proposed dividend | 1,12,69,534 | 1,12,69,534 |
| Provision for corporate dividend tax | 22,94,212 | 19,15,257 |
| | **1,93,16,174** | **2,12,20,323** |

# Consolidated Notes to Balance Sheet

## Note No. 10 FIXED ASSETS

(Amount in ₹)

| Sl. No. | Description | Gross Block | | | | | Depreciation/Amortisation | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost As At 01.04.2014 | Adjustment | Additions During The Year | Deductions During The Year | Total Cost As At 31.03.2015 | Upto 31.03.2014 | Adjustment | For The Year | Adjustments Pursuant To Change In Accounting Estimate (Refer Note No.25.II.3) | On Deductions | Upto 31.03.2015 | As At 31.03.2015 | As At 31.03.2014 |
| A | TANGIBLE ASSETS: | | | | | | | | | | | | | |
| 1 | Freehold Land | 2,19,08,666 | - | - | - | 2,19,08,666 | - | - | - | | - | - | 2,19,08,666 | 2,19,08,666 |
| 2 | Buildings | 14,46,800 | - | - | - | 14,46,800 | 1,53,289 | - | 52,066 | | - | 2,05,355 | 12,41,445 | 12,93,511 |
| 3 | Plant and Equipment | 163,36,34,315 | 2,16,36,163 | 2,07,309 | 1,89,37,913 | 163,65,39,874 | 102,87,48,334 | 43,85,994 | 9,81,73,916 | 37,82,793 | 1,00,99,928 | 112,49,91,109 | 51,15,48,765 | 60,48,85,981 |
| 4 | Electrical Fittings | 1,33,612 | - | 10,500 | - | 1,44,112 | 1,21,127 | - | 3,455 | - | - | 1,24,582 | 19,530 | 12,485 |
| 5 | Furniture and Fittings | 19,98,170 | - | - | 3,50,539 | 16,47,631 | 11,35,809 | - | 2,58,995 | - | 2,56,307 | 11,38,497 | 5,09,134 | 8,62,361 |
| 6 | Motor Vehicles | 1,28,82,281 | - | - | - | 1,28,82,281 | 92,55,729 | - | 12,48,419 | 17,018 | - | 1,05,21,166 | 23,61,115 | 36,26,552 |
| 7 | Office Equipment | 1,07,15,833 | 81,831 | 1,64,349 | 1,55,465 | 1,08,06,548 | 61,09,962 | 29,190 | 7,74,378 | 15,48,613 | 54,799 | 84,07,344 | 23,99,204 | 46,05,871 |
| 8 | Data Processing units | 80,10,585 | 6,977 | 2,61,877 | 10,34,379 | 72,45,060 | 63,89,395 | 2,342 | 3,45,826 | 3,47,883 | 9,31,837 | 61,53,609 | 10,91,451 | 16,21,190 |
| | Total | 169,07,30,262 | 2,17,24,971 | 6,44,035 | 2,04,78,296 | 169,26,20,972 | 105,19,13,645 | 44,17,526 | 10,08,57,055 | 56,96,307 | 1,13,42,871 | 115,15,41,662 | 54,10,79,310 | 63,88,16,617 |
| B | INTANGIBLE ASSETS: | | | | | | | | | | | | | |
| 1 | Computer Software | 19,01,692 | 69,627 | - | - | 19,71,319 | 8,16,349 | 24,644 | 5,54,054 | | - | 13,95,047 | 5,76,272 | 10,85,343 |
| | Grand Total | 169,26,31,954 | 2,17,94,598 | 6,44,035 | 2,04,78,296 | 169,45,92,291 | 105,27,29,994 | 44,42,170 | 10,14,11,109 | 56,96,307 | 1,13,42,871 | 115,29,36,709 | 54,16,55,582 | 63,99,01,960 |
| | Previous Year Total | 131,51,16,032 | 3,04,72,678 | 38,56,03,760 | 3,85,60,516 | 169,26,31,954 | 98,30,62,904 | 66,03,239 | 8,83,93,522 | - | 2,53,29,671 | 105,27,29,994 | 63,99,01,960 | 33,20,53,128 |
| C | CAPITAL WORK-IN-PROGRESS | 1,04,23,714 | - | - | - | 1,04,23,714 | - | - | - | - | - | - | 1,04,23,714 | 1,04,23,714 |



# Consolidated Notes to Balance Sheet

## Note No. 11 DEFERRED TAX ASSET (NET)

(Amount in ₹)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|
| As per last Balance Sheet | 6,50,82,631 | 6,68,71,535 |
| Add/(Less): Adjustments for the year | 16,26,665 | (17,88,904) |
| (Refer Note No.25.II.15) | | |
| | **6,67,09,296** | **6,50,82,631** |

## Note No. 12 LONG-TERM LOANS AND ADVANCES

| | | |
|---|---|---|
| (Unsecured, Considered good) | | |
| Security Deposits | 81,179 | 7,30,707 |
| Prepaid expenses | 804 | 3,602 |
| Prepaid taxes | - | 21,74,357 |
| Tax credit entitlements | 3,56,00,000 | 1,34,00,000 |
| | **3,56,81,983** | **1,63,08,666** |

## Note No. 13 CURRENT INVESTMENTS

| | | |
|---|---|---|
| **Current-Non-Trade-At Cost:** | | |
| **In Mutual Funds:** | | |
| 38,856 Units of ₹1000/- each in IDFC Mutual Fund | 3,68,75,954 | - |
| Cash Fund Daily Dividend-(Direct Plan) | | |
| | 3,68,75,954 | - |
| Aggregate amount of Unquoted Investments | 3,68,75,954 | - |
| Aggregate Provision for diminution in value of investments | - | - |

## Note No. 14 INVENTORIES

| | | |
|---|---|---|
| (Valued at lower of cost and net realisable value) | | |
| Stock of stores and spares | 21,85,171 | 24,69,479 |
| | **21,85,171** | **24,69,479** |

# Consolidated Notes to Balance Sheet

Note No. 15 TRADE RECEIVABLES

(Amount in ₹)

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|---|---|---|---|
| **Outstanding for a period exceeding six months from the date they became due for payment:** | | | | |
| Unsecured, considered good | | | | |
| Unsecured, considered doubtful | - | | 8,674,704 | |
| Less: Provision for doubtful debts | - | - | 8,674,704 | - |
| **Others:** | | | | |
| Unsecured, considered good | | 16,55,59,802 | | 27,59,75,529 |
| | | **16,55,59,802** | | **27,59,75,529** |

Note No. 16 CASH AND BANK BALANCES

| | | | | |
|---|---|---|---|---|
| **Cash and cash equivalents:** | | | | |
| Cash on hand | 3,16,864 | | 6,46,281 | |
| **Balances with banks:** | | | | |
| In Current accounts | 3,20,03,377 | 3,23,20,241 | 2,91,16,364 | 2,97,62,645 |
| **Other bank balances:** | | | | |
| In Term deposits | | 1,05,33,080 | | 85,67,466 |
| (Held as margin money security against guarantees issued by banks, with maturity period not more than twelve months) | | | | |
| **Earmarked balances:** | | | | |
| In Unclaimed dividend accounts | | 11,85,138 | | 11,23,000 |
| | | **4,40,38,459** | | **3,94,53,111** |

Note No. 17 SHORT-TERM LOANS AND ADVANCES

| | | | | |
|---|---|---|---|---|
| (Unsecured, considered good) | | | | |
| Security Deposits | | 62,59,080 | | - |
| Prepaid expenses | | 31,47,037 | | 40,30,232 |
| Prepaid taxes | | 18,56,191 | | 1,39,61,894 |
| Loans and advances to employees | | 4,09,735 | | 8,20,857 |
| Other loans and advances | | 6,94,516 | | 23,83,760 |
| | | **1,23,66,559** | | **2,11,96,743** |

Note No. 18 OTHER CURRENT ASSETS

| | | | | |
|---|---|---|---|---|
| Interest accrued on Term deposits with Banks and others | | 7,52,257 | | 14,09,668 |
| | | **7,52,257** | | **14,09,668** |

# Consolidated Notes to Statement of Profit and Loss

Note No. 19 OTHER INCOME

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| Interest Income (Gross) | | 12,96,022 | | 1,16,63,103 |
| Income from Current Investments | | 32,82,155 | | - |
| Provision for liabilities no longer required written back | | - | | 6,57,243 |
| Provision for doubtful debts no longer required written back | | | | 1,77,035 |
| Other Non-operating income | | - | | 4,73,046 |
| Net Gain on foreign currency translation and transaction | | 28,52,065 | | - |
| | | **74,30,242** | | **1,29,70,427** |

Note No. 20 SURVEY AND SURVEY RELATED EXPENSES

| | | | | |
|---|---|---|---|---|
| Consumption of stores and spare parts | | 35,02,690 | | 2,87,62,544 |
| Labour charges | | 71,69,889 | | 3,74,96,232 |
| Survey and drilling charges | | 30,99,72,471 | | 23,07,16,069 |
| Fuel | | 79,77,137 | | 3,58,60,500 |
| Vehicle hire charges | | 66,44,978 | | 4,20,08,199 |
| Equipment hire charges | | - | | 68,95,599 |
| Repairs to machinery | | 9,39,303 | | 1,68,92,397 |
| Camp rental charges | | 74,47,884 | | 51,40,814 |
| Technical consultancy charges | | 82,87,869 | | 48,08,034 |
| Camp expenses | | 1,29,53,227 | | 3,90,34,078 |
| Transport and handling charges | | 77,43,988 | | 2,02,15,695 |
| Other survey expenses | | 19,14,936 | | 25,26,058 |
| | | **37,45,54,372** | | **47,03,56,219** |

Note No. 21 EMPLOYEE BENEFITS EXPENSE

| | | | | |
|---|---|---|---|---|
| Salaries, wages and other allowances | | 5,00,00,013 | | 4,28,50,614 |
| Contribution to provident and other funds | | 26,88,163 | | 10,94,781 |
| Contribution to ESI | | 17,381 | | 34,669 |
| Expense on employee stock option scheme | | - | | (19,73,827) |
| Staff welfare expenses | | 3,73,928 | | 6,57,674 |
| | | **5,30,79,485** | | **4,26,63,911** |

# Consolidated Notes to Statement of Profit and Loss

Note No. 22 FINANCE COSTS

(Amount in ₹)

| Particulars | For the year ended 31st March, 2015 | | For the year ended 31st March, 2014 | |
|---|---|---|---|---|
| Interest expense | | 60,97,526 | | 57,14,226 |
| Other Borrowing costs | | 22,06,678 | | 14,29,330 |
| | | **83,04,204** | | **71,43,556** |

Note No. 23 DEPRECIATION AND AMORTISATION EXPENSE

| | | | | |
|---|---|---|---|---|
| Depreciation for the year | | 10,08,57,055 | | 8,78,20,817 |
| Depreciation adjustments pursuant to change in accounting estimate (Refer Note No.25.II.3) | | 56,96,307 | | - |
| Amortisation expense | | 5,54,054 | | 5,72,705 |
| | | **10,71,07,416** | | **8,83,93,522** |

Note No. 24 OTHER EXPENSES

| | | | | |
|---|---|---|---|---|
| Rent | | 15,82,031 | | 10,76,455 |
| Repairs and maintenance to other assets | | 4,70,364 | | 4,84,200 |
| Directors sitting fees | | 4,00,649 | | 4,32,839 |
| Printing and stationery | | 12,23,530 | | 11,56,770 |
| Communication expenses | | 14,04,733 | | 20,65,357 |
| Travelling and conveyance | | 1,24,85,947 | | 1,57,26,169 |
| Insurance | | 16,23,711 | | 17,59,453 |
| Rates and taxes, excluding taxes on income | | 22,40,472 | | 4,83,397 |
| Payment to auditors (Refer Note No. 25.II.17) | | 19,16,362 | | 16,40,450 |
| Professional and consultancy charges | | 33,49,358 | | 94,42,115 |
| Advertisement and publication | | 2,05,884 | | 3,76,090 |
| Vehicle maintenance | | 4,18,365 | | 2,06,322 |
| Donations | | - | | 41,000 |
| Loss on sale of assets (net of profit on sale of assets of ₹5,250/-) | | 1,33,249 | | - |
| Loss of assets | | 89,38,651 | | - |
| Book deficit on assets discarded | | - | | 1,32,48,203 |
| Bad Debts Written Off | 86,74,704 | | - | |
| Less:Provision for doubtful debts no longer required written back | 86,74,704 | - | - | - |
| Miscellaneous expenses | | 29,60,613 | | 34,36,176 |
| Net Loss on foreign currency transaction and translation | | - | | 1,18,16,869 |
| | | **3,93,53,919** | | **6,33,91,865** |



# Notes to Consolidated Financial Statements

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Act and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The consolidated financial statements are presented in Indian rupees rounded off to the nearest rupee.

All assets and liabilities have been classified as current or non-current based on the Group normal operating cycle and other criteria. Being service provider, the Group has assumed its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

B. Principles of consolidation

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

b. The Consolidated financial statements have been prepared combining the financial statements of the parent company and the subsidiary companies on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised profits in full. Unrealised losses resulting from intra group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost.

c. The consolidated financial statements have been presented to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

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

C. Use of estimates

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

D. Tangible assets and depreciation

i) Tangible fixed assets are stated at historical cost less accumulated depreciation thereon and impairment losses, if any. Historical cost is inclusive of freight, duties and taxes and incidental expenses related to acquisition.

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

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

| Nature of Asset | Useful Life |
|---|---|
| Machinery in the nature of Geophone strings and cables | 5 Years |
| Machinery in the nature of equipment used for Seismic Survey | 5 Years |
| Machinery in the nature of Vibrators used for Seismic Survey | 20 Years |

E. Intangible assets and amortisation

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

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 prevailing during the year and all resulting exchange differences are being accumulated in a foreign currency translation reserve until the disposal of the net investment.

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

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

G. Investments

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 diminution, other than temporary, in the value of investments.

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

H. Inventories

Stock of Stores 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 respect of Stock Options granted under Employees Stock Option Scheme, the excess of the market price of the shares, at the date of grant of option over the exercise price is treated as employee compensation and the same is amortised over the vesting period of the stock options.





Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

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. Tax Credit Entitlement:

Tax credit entitlements are recognised, as an Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, in the year in which Tax Credit becomes eligible to be recognised as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as Tax Credit Entitlements. The Company reviews the same at each balance sheet date and writes down the carrying amount of Tax Credit Entitlements to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

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

Defined benefit plans:

i) Gratuity: The Group funds major part of its gratuity liability to its employees by contribution to a scheme to planned assets maintained by insurance companies. Annual contribution to the fund to planned assets is expensed in the year of

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

contribution. The shortfall between the accumulated funds available with fund and liability as determined on the basis of an actuarial valuation is provided for at the year end. The Actuarial gains/losses are immediately taken to Statement of Profit and Loss.

ii) Leave encashment: The company records its unavailed leave liability based on actuarial valuation using projected unit credit method.

**Short term employee benefits**

Short term employee benefits are recognised as an expense as per the Group's scheme based on expected obligation on undiscounted basis in the statement of profit and loss.

**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.

Dividend on investment is recognised as and when the right to receive the same is established.

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

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

**3. Change in accounting estimate:**

As per the requirements of the Companies Act, 2013 ("the Act"), the Group has computed depreciation on the basis of the useful lives of tangible fixed assets in the manner prescribed in Schedule II of the Act. Consequently, depreciation for the year is lower by ₹11,39,583/- and depreciation of ₹56,96,307/- on account of assets whose useful life is already exhausted as on 1st April, 2014 has been charged off to Statement of Profit and Loss.

**4. 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





Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

locations with different customers and totally non-integral in nature. Accordingly the financial statements for the current year are prepared considering the foreign operations as non-integral operations and the exchange differences on account of translation of financial statements at the current year end of foreign operations are recognised as "Foreign Exchange Translation Reserve" under Reserves and Surplus and the same will be continued to be recognised as such till the disposal of the parent company's investment.

**5. List of foreign subsidiaries considered for consolidation:**

| S. No. | Name of the Entity | Country of Incorporation | Extent of holding | |
|---|---|---|---|---|
| | | | As on 31.3.2015 | As on 31.3.2014 |
| 1. | Alphageo International Limited | DUBAI | 100% | 100% |
| 2 | Alphageo DMCC (Subsidiary of Alphageo International Limited) | DUBAI | 100% | 100% |

**6. Contingent Liabilities and Commitments:**

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| **Contingent Liabilities:** | | |
| Income tax demands disputed by the company | - | 94,55,450 |

7. 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.

**8. Derivative Instruments:**

i. There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2015 (As on 31.03.2014 : ₹ 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 31.03.2015 | | As on 31.03.2014 | |
|---|---|---|---|---|
| | 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 |
| Loans and advances | 1,00,000 | 62,59,080 | - | - |

**9. 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.

There are no outstanding options granted to employees as on 31.03.2015. However, during the previous year, consequent to expiry/forfeiture of 20,234 such options, an amount of ₹19,73,827/- has been written back.

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

10. Employee Benefits:

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

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| i. Defined Contribution Schemes | | |
| Employer's Contribution to Provident Fund | 18,62,839 | 10,94,781 |
| ii. State Plans | | |
| Employer's Contribution to State Insurance Scheme | 17,381 | 34,669 |
| 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 detailed below: | | |

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| A. Gratuity | | |
| i) Components of Employer Expense | | |
| Current Service Cost | 4,81,834 | 3,19,112 |
| Interest Cost on benefit obligation | 4,36,110 | 4,39,775 |
| Return on Plan Assets | (4,44,904) | (3,34,422) |
| Actuarial (gain)/loss | 3,50,171 | (6,92,204) |
| Premium Expenses | 2,113 | - |
| Net benefit expense | 8,25,324 | (2,67,739) |
| ii) Actual Return on Plan Assets | (4,44,904) | (3,34,422) |
| iii) Net Asset / Liability recognised in Balance Sheet | | |
| Defined Benefit Obligation | 65,77,217 | 54,51,371 |
| Fair Value Of Plan Assets | (63,24,838) | (41,49,486) |
| Status (Surplus)/Deficit | 2,52,379 | 13,01,885 |
| Unrecognised Past Service Cost | - | - |
| Net (Asset)/Liability recognised in Balance Sheet | 2,52,379 | 13,01,885 |
| iv) Changes in the PV of DBO | | |
| At the beginning of the year | 54,51,371 | 54,97,188 |
| Current Service Cost | 4,81,834 | 3,19,112 |
| Interest Cost | 4,36,110 | 4,39,775 |
| Actuarial (gain)/loss | 3,50,171 | (6,92,204) |
| Benefits paid | (1,42,269) | (1,12,500) |
| At the end of the year | 65,77,217 | 54,51,371 |
| v) Changes in Fair Value of Plan Assets | | |
| Opening Fair Value of Plan Assets | 41,49,486 | 37,14,224 |
| Expected Return | 4,44,904 | 3,34,422 |
| Contributions | 18,74,830 | 2,13,340 |





Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

10. Employee Benefits: *(contd.)*

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| Premium expenses | (2,113) | - |
| Benefits Paid | (1,42,269) | (1,12,500) |
| Actuarial Gain/ Loss | - | - |
| Closing Fair value of Plan Assets | 63,24,838 | 41,49,486 |
| vi) Movement in Balance Sheet | | |
| Opening Liability | 13,01,885 | 17,82,964 |
| Expenses as above | 8,25,324 | (2,67,739) |
| Contribution Paid | (18,74,830) | (2,13,340) |
| Closing Liability | 2,52,379 | 13,01,885 |
| vii) Actuarial assumptions: | | |
| Mortality Table (L.I.C) | 2006-08 | 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% |

(Amount in ₹)

| | 2014-15 | 2013-14 |
|---|---|---|
| B. Leave Encashment (Unfunded) | | |
| i) Statement of Profit and Loss | | |
| Current Service Cost | 1,73,534 | 27,317 |
| Interest Cost on benefit obligation | 19,763 | 12,430 |
| Actuarial (gain)/loss | 3,99,526 | 51,920 |
| Past Services cost | - | - |
| Net benefit expense | 5,92,823 | 91,667 |
| ii) Balance Sheet | | |
| At the beginning of the year | 2,47,041 | 1,55,374 |
| Current Service Cost | 1,73,534 | 27,317 |
| Interest Cost | 19,763 | 12,430 |
| Actuarial (gain)/loss | 3,99,526 | 51,920 |
| Benefits paid | (10,495) | - |
| At the end of the year | 8,29,369 | 2,47,041 |
| iii) Actuarial assumptions: | | |
| Mortality Table (L.I.C) | 2006-08 | 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.

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

11. **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 | |
|---|---|---|---|---|---|---|
| | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| Revenue (From external Customers) | 63,96,73,448 | 42,88,26,272 | 8,71,29,883 | 51,40,00,780 | 72,68,03,331 | 94,28,27,052 |
| Carrying amount of Segment Assets | 47,45,97,680 | 58,59,36,102 | 44,16,51,097 | 48,62,85,399 | 91,62,48,777 | 107,22,21,501 |
| Additions to Fixed Assets | 6,44,035 | 16,63,35,830 | - | 21,92,67,930 | 6,44,035 | 38,56,03,760 |

12. **Related Party Transactions:**

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

| i. | List of Related Parties with whom transactions have taken place and nature of relationships: | Transactions during the year (Yes/No) |
|---|---|---|
| a. | **Key Management Personnel** | |
| | A. Dinesh | Yes |
| b. | **Relatives of Key Management Personnel** | |
| | A. Rajesh | Yes |
| | A.Hemavathi | Yes |
| | A. Savita | Yes |
| | Kamala Rajupet | Yes |
| | A. Mrudula | Yes |
| | A. Sashank | Yes |
| | A. Anisha | Yes |
| c. | **Concern in which Key Management Personnel have substantial interest (Significant interest):** | |
| | A. Dinesh(HUF) | Yes |
| d. | **Concerns in which the Relatives of Key Management Personnel have substantial interest (Significant interest):** | |
| | Aquila Drilling Private Limited | 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 |





Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

12. **Related Party Transactions:** *(contd.)*

ii. **Details of Transactions:**

(Amount in ₹)

| SL. No. | Nature of Relation/Nature of Transactions | 2014-15 | | 2013-14 | |
|---|---|---|---|---|---|
| | | Amount of Transaction | Amount outstanding as on 31.03.2015 | Amount of Transaction | Amount outstanding as on 31.03.2014 |
| 1 | **Key Management Personnel:** | | | | |
| | Remuneration | 68,46,489 | 4,03,710 (Credit) | 39,76,797 | 3,97,783 (Credit) |
| | Dividend Paid | 7,43,144 | - | - | - |
| | Interest on Loan | 20,92,329 | 10,73,589 (Credit) | 17,61,507 | 13,98,772 (Credit) |
| | Acceptance of Loan | - | 50,00,000 (Credit) | 2,05,00,000 | 1,50,00,000 (Credit) |
| | Repayment of Loan | 1,00,00,000 | | 1,00,00,000 | |
| 2 | **Relatives of the Key Management Personnel:** | | | | |
| | Sitting Fees | 77,777 | - | 17,778 | - |
| | Rent | 1,20,000 | 6,910 (Credit) | 1,20,000 | 1,03,650 (Credit) |
| | Dividend Paid | 27,56,584 | - | - | - |
| | Allotment of Equity Shares including Premium | - | - | 1,20,00,000 | - |
| | Amount received on Share Warrants | - | - | 90,00,000 | - |
| 3 | **Concerns in which Key Management Personnel has Substantial Interest:** | | | | |
| | Rent | 9,00,000 | 67,500 (Credit) | 3,00,000 | 3,23,787 (Credit) |
| | Dividend Paid | 3,77,800 | - | - | - |
| 4 | **Concerns in which Relative of the Key Management Personnel has Substantial Interest:** | | | | |
| | Survey/Drilling Charges | 7,27,24,400 | 2,02,66,952 (Credit) | 8,56,32,000 | 2,49,96,841 (Credit) |
| | Dividend Paid | 7,32,478 | - | - | - |
| | Acceptance of Loan | - | - | 20,00,000 | - |
| | Repayment of Loan | - | | 45,00,000 | |
| | Interest on Loan | - | - | 91,266 | - |
| | Allotment of Equity Shares including Premium | - | - | 30,00,000 | - |
| | Amount received on Share Warrants | - | - | 22,50,000 | - |
| | Rent | 3,00,000 | 22,500 (Credit) | 3,00,000 | 3,23,787 (Credit) |

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

12. Related Party Transactions: *(contd.)*

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

(Amount in ₹)

| Nature of Transaction | Name of the Related Party | 2014-15 | 2013-14 |
|---|---|---|---|
| Remuneration | A. Dinesh | 68,46,489 | 39,76,797 |
| Interest on Loan Taken | A. Dinesh | 20,92,329 | 17,61,507 |
| | Aquila Drilling Private Limited | - | 91,266 |
| Repayment of Loan | A. Dinesh | 1,00,00,000 | 1,00,00,000 |
| | Aquila Drilling Private Limited | - | 45,00,000 |
| Acceptance of Loan | A. Dinesh | - | 2,05,00,000 |
| | Aquila Drilling Private Limited | - | 20,00,000 |
| Sitting Fees | A. Rajesh | 44,445 | 17,778 |
| | A. Savita | 33,332 | - |
| Survey/Drilling Charges | Aquila Drilling Private Limited | 7,27,24,400 | 8,56,32,000 |
| Allotment of Equity shares including premium | Aquila Drilling Private Limited | - | 30,00,000 |
| | A. Sashank | - | 30,00,000 |
| | A. Savita | - | 60,00,000 |
| | A. Anisha | - | 30,00,000 |
| Amount received on Share Warrants | Aquila Drilling Private Limited | - | 22,50,000 |
| | A. Sashank | - | 22,50,000 |
| | A. Savita | - | 45,00,000 |
| | A. Anisha | - | 22,50,000 |
| Rent | A. Dinesh (HUF) | 9,00,000 | 3,00,000 |
| | A. Rajesh (HUF) | 3,00,000 | 3,00,000 |
| Dividend Paid | A.Dinesh | 7,43,144 | - |
| | Kamala Rajupet | 7,48,932 | - |
| | A.Savita | 4,82,916 | - |
| | Aquila Drilling Private Limited | 5,59,812 | - |

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 ₹44,17,674/- (Previous Year ₹42,74,974/-)





Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

14. Earnings Per Share:

(Amount in ₹)

| Particulars | | 2014-15 | 2013-14 |
|---|---|---|---|
| The Numerator and Denominator used to calculate Earnings Per Share: | | | |
| A | Earnings attributable to Equity shareholders | 14,49,45,348 | 26,47,27,320 |
| B | Number of Shares: | | |
| | Weighted average number of Equity shares outstanding during the year (Nos.) | 56,34,767 | 54,45,726 |
| | Nominal Value of Equity Share | 10 | 10 |
| C | Earnings Per Share – Basic/Diluted | 25.72 | 48.61 |

15. Deferred Income Tax:

The movement of provision for deferred tax for the year ended 31.03.2015 is as given below:

(Amount in ₹)

| Particulars | As at 01.04.2014 | (Charge)/Credit For the year | As at 31.03.2015 |
|---|---|---|---|
| Deferred Tax Asset: | | | |
| Depreciation on Assets | 6,14,64,844 | 33,87,474 | 6,48,52,318 |
| Expenses allowable on the basis of Payment | 36,17,787 | (17,60,809) | 18,56,978 |
| **Total** | **6,50,82,631** | **16,26,665** | **6,67,09,296** |

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 | | 2014-15 | 2013-14 |
|---|---|---|---|
| A. | Parent Company Auditors | | |
| | As Auditor | 5,00,000 | 4,00,000 |
| | For Tax Audit | 2,00,000 | 1,90,000 |
| | For Quarterly reviews | 1,95,000 | 1,35,000 |
| | For Taxation matters | 60,000 | 60,000 |
| | For Other services | 2,05,000 | 1,10,000 |
| | For Reimbursement of expenses | 10,210 | 10,300 |
| | **Total** | **11,70,210** | **9,05,300** |
| B. | Subsidiary Auditors | | |
| | As Auditors | 7,46,152 | 7,35,150 |
| | **Total** | **19,16,362** | **16,40,450** |

# Notes to Consolidated Financial Statements

Note No. 25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION *(contd.)*

18. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary:

(Amount in ₹)

| SL. No. | Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss (Profit after tax) | |
|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| | **Parent** | | | | |
| | Alphageo (India) Limited | 73.35 | 61,49,04,782 | 102.77 | 14,89,63,690 |
| | **Subsidiary – Foreign** | | | | |
| 1 | Alphageo International Limited and its Subsidiary | 44.10 | 36,96,96,655 | (2.74) | (39,65,934) |
| | Total | 117.45 | 98,46,01,437 | 100.03 | 14,49,97,756 |
| | Less: Effect of Inter Company adjustments / eliminations | (17.45) | (14,63,09,861) | (0.03) | (52,408) |
| | Consolidated Net Assets / Profit after Tax | 100.00 | 83,82,91,576 | 100.00 | 14,49,45,348 |

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: 002283S

**N. Anka Rao**
*Partner*
Membership Number: 23939

**A. Dinesh**
*Managing Director*

**Z.P. Marshall**
*Chairman*

Hyderabad
25.05.2015

**Venkatesa Perumallu Pasumarthy**
*Chief Financial Officer*

**Meenakshi Naag**
*Company Secretary*

# NOTICE

Notice is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Members of ALPHAGEO (INDIA) LIMITED will be held on Monday, 28th September 2015 at 11:00 A.M. at Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500 044, to transact the following business:

## Ordinary Business

1. To receive, consider and adopt;
   a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015 together with the Report of the Directors' and Auditors' thereon.
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2015 together with Report of Auditors' thereon.
2. To declare dividend on the Equity Shares for the Financial Year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Rajesh Alla (DIN: 01657395), who retires by rotation and being eligible, offers himself for reappointment.
4. Ratification of Auditors' Appointment

   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 Section 139 and such other applicable provisions if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, as amended from time to time and pursuant to the Resolution passed by the Members at the Twenty Seventh Annual General Meeting (AGM) held on 26th September, 2014 in respect of appointment of the auditors, M/s. P. V. R. K. Nageswara Rao & Co. Chartered Accountants (Firm Registration No. 002283S) Hyderabad, till the conclusion of the 30th Annual General Meeting of the Company, the Company hereby ratifies the appointment of M/s. P. V. R. K. Nageswara Rao & Co., as Auditors' of the Company to hold office from the conclusion of this 28th Annual General Meeting till conclusion of the 29th Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors of the Company.

## Special Business

5. To appoint Mrs. Savita Alla (DIN: 00887071), Director of the Company, as Joint Managing 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 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the terms and conditions of such appointment and remuneration payable to Mrs. Savita Alla (DIN: 00887071) as Joint Managing Director of the Company for the period of THREE years w.e.f 25th May, 2015 to 24th May, 2018 upon the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of inadequacy of profits in any Financial Year with liberty to the Directors of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mrs. Savita Alla".

   "RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution".

By Order of the Board

Hyderabad
10.08.2015

**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 aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and bring their copies of the Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and 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 Notice and Explanatory Statement are open for inspection at the Corporate Office of the Company between 11.00 Am to 1.00 Pm on all working days expect 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 35 B 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
   1. The Company has notified that Register of Member shall remain closed from 22nd September, 2015 to 26th September, 2015 both days inclusive for determining the names of the Members eligible for dividend, if approved, on equity shares.
   2. The dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders whose name appears in Register of Members as on 21st September, 2015. 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.

8. M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032 acts as the Company's Registrar and Share Transfer Agent for both manual and electronic form of shareholding. All correspondence relating to shares, including Change in Address and Bank Particulars should be addressed directly to them. In respect of shares held in Electronic form, shareholders may send requests or correspond through their respective Depository Participants.

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 account details with their depository participants. Members holding securities in physical form may send their request for updating bank account details to the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited.

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 authorized representatives are requested to send to the Company a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

12. Members holding shares in single names and physical form are advised to make nomination in respect of their shareholding in the company. Shareholders desirous of making nominations are requested to send their request (which will be made available on request) to the Registrar & Share Transfer Agent M/s. Karvy Computershare Private Limited.

13. Members desiring to seek any information on the financial statements are requested to write to the Company at an early date to enable compilation of information.

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 DMAT 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 up to 2006-07, on the due date, to the Investor Education and Protection Fund ( the IEPF) established by the Government of India. Unclaimed dividend for the Years 2007-08, 2008-09, 2009-10, 2010-11 and 2013-14 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 addresses, in respect of electronic shareholding - through their respective Depository participant and in respect of physical shareholding - by sending a request to the company's Registrar & Share Transfer Agent, mentioning therein their folio number and email address.

17. **Pursuant to Clause 49 of the Listing Agreement, the information pertaining to Directors seeking reappointment at the Annual General Meeting is furnished below:**

    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, Joint Managing Director of the Company.

## Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013

The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ("the Act") given here under set outs all material facts relating to Special Business mentioned in Item No. 5 of the accompanying Notice dated 10th August, 2015.

### Item No. 5

Mrs. Savita Alla was appointed as additional Director of the Company at the Board Meeting held on 29th May, 2014 and as Director by the Members at the 27th Annual General Meeting held on 26th September, 2014. The Board at their meeting held on 25th May, 2015, appointed Mrs. Savita Alla as Joint Managing Director of the Company for the period of THREE years from 25th May, 2015 to 24th May, 2018, subject to the approval of the Members at the 28th Annual General Meeting of the Company.

Mrs. Savita Alla is a Post Graduate in Management Studies from BITS, Pilani. She served in various Managerial Positions in corporate sector and has multifaceted experience in quality management systems, customer relationship management and entrepreneur skills.

Mrs. Savita Alla is also Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee of the Board of the Directors of the Company.

The Board of Directors with the recommendation of Nomination and Remuneration Committee of the Board at their meeting held on 25th May, 2015, subject to the approval of the Members by way of a Ordinary Resolution, accorded its approval for payment of the following remuneration to the Joint 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 the period of THREE years from 25th May, 2015 to 24th May, 2018.

Remuneration:

a) **Salary:** Salary of Rs. 100,000/- per month.

b) **Perquisites:** Perquisites referred to in category 'A', 'B' and 'C' below:

I. Category A:
**Accommodation:** House Rent Allowance of Rs. 50,000/-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 salary.

**Medical Benefits:** Reimbursement of 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 Rs. 12000/- p.a.

II. 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 service 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.

III. 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 Joint Managing Director.

c) **Commission:** In addition to Salary and Perquisites, 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.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Joint Managing Director, the Company has no profits or its profits are inadequate, the company will pay remuneration by way of Salary and Perquisites specified above 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 Salary, Perquisites and Commission payable to the Joint 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 respectively.

In the opinion of the Board, Mrs. Savita Alla fulfilled the conditions for appointment as Joint Managing Director and entitle for proposed remuneration.

In compliance with provisions of Sections 196,197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the terms of appointment and remuneration specified above are now being placed before the Members for their approval. Mrs. Savita Alla (DIN: 00887071) is interested in this resolution, as the same relates to her appointment as Joint Managing Director and remuneration payable to her as such.

Mr. Dinesh Alla (DIN: 01843423) and Mr. Rajesh Alla (DIN: 01657395) being related to Mrs. Savita Alla (DIN: 00887071) are deemed to be interested in the resolution.

The relatives of Mrs. Savita Alla (DIN: 00887071) 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 Ordinary Resolution set out in Item No. 5 of the Notice for approval of the Members.

By Order of the Board

Hyderabad
10.08.2015

**Dinesh Alla**
*Managing Director*

ALPHAGEO (INDIA) LIMITED
(CIN : L74210TG1987PLC007580)
Regd Office: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001
Corporate Office: 6-3-250/2, Road No.1,Banjara Hills, Hyderabad – 500034
Tel: 040-23320502/503, Fax: 040-23302238, Email: info@alphageoindia.com
Website: www.alphageoindia.com

## Notice of 28th Annual General Meeting

### Instructions for Remote E-Voting Forming Part of Notice Convening 28th 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 shareholders remote e-voting facility to cast their votes electronically on all resolutions set forth in the Notice convening the 28th Annual General Meeting to be held on 28th September, 2015 at 11.00 A.M. The remote e-voting facility is being provided by Karvy Computershare Private Limited (KCPL).

**E-voting Event Number and Timelines for voting:**

The E-voting Event Number and the timelines of E-voting are detailed below:

| E-voting Event Number (EVEN) | Commencement of Remote E-Voting | End of Remote E-Voting |
|---|---|---|
| 2005 | 23rd September, 2015 at 11.00 A.M. | 27th September 2015 at 5.00 PM |

**General Information:**

1. Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cutoff date, may cast their vote electronically. The voting rights of the shareholders shall be ONE VOTE PER EQUITY SHARE registered in the name of the shareholder / beneficial owner as on the cut-off date i.e, 21st September, 2015.
2. Every shareholder requires User ID and Password for casting their votes electronically. In case of physical folio, User ID will be EVEN number ( ) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.
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. Any person who becomes a member of the Company after the dispatch of the Notice of the AGM and holds shares as on the cutoff date may obtain User ID and Password by contacting Karvy Computershare Private Ltd.
5. The Remote E- voting period commences on 23rd September 2015 (11.00 AM) and end on 27th September 2015 (5.00 PM). During this period, Shareholder of the Company holding their shares either in physical form or in dematerialised form, as on the cutoff date 21st September, 2015, may cast their votes electronically. The E-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is casted by the shareholders, the shareholders shall not be allowed to change it subsequently.
6. Shareholders who have not casted their votes electronically, may only cast their vote at the Annual General Meeting.
7. M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad will act as Scrutinizer for scrutinizing the E-voting process in a fair manner.
8. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first counts the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses, not in employment of the company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any of each of the resolutions set forth in the Notice of the Annual General Meeting, not later than 48 hours of conclusion of the meeting, to the Chairman of the Meeting or a person authorised by him in writing who shall countersign the same.

9. Resolutions shall be deemed to the passed on the date of AGM subject to receipt of requisite number of votes in favour of Resolutions.

10. The results of voting along with the scrutinizers' report shall be placed on the website of the Company www.alphageoindia.com and on Karvy's website https://evoting.karvy.com and shall be intimated to the stock exchanges immediately after declaration of results by the Chairman or by a person authorised by him.

### 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). 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 these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the E- Voting "EVENT" i.e., Alphageo (India) Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios / Demat accounts shall choose the voting process separately for each folio / Demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).

xi. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: dhr300@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Alphageo (India) Limited 28th Annual General Meeting".

xii. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.

xiii. In case of any queries, you may refer Help & Frequently Asked Question (FAQs) section of https://evoting.karvy.com (Karvy Website) or call KCPL on 44655000 & Toll Free No.1800 3454 001.

By Order of the Board

Hyderabad
10.08.2015

**Dinesh Alla**
*Managing Director*



## ALPHAGEO (INDIA) LIMITED

(CIN : L74210TG1987PLC007580)
Regd Office: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001
Corporate Office: 6-3-250/2, Road No.1,Banjara Hills, Hyderabad – 500034
Tel: 040-23320502/503, Fax: 040-23302238, Email: info@alphageoindia.com
Website: www.alphageoindia.com

**Share Transfer Agent: Karvy Computershare Private Limited,**
**Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District,**
**Nanakramguda, Serilingampally, Hyderabad-500032**

## ATTENDANCE SLIP

| | | | | |
|---|---|---|---|---|
| Regd. Folio. No. | | | *DP ID: | |
| No. of Equity Shares held | | | *Client ID: | |

| | |
|---|---|
| Name of Shareholder | |
| Name of Proxy | |

I/We hereby record my/our presence at the 28th Annual General Meeting of the Alphageo (India) Limited, held on Monday, 28th September 2015 at 11.00 AM at "Sundarayya Vignana Kendram, 1-8-1/B/25 A, Baghlingampally, Hyderabad – 500 044.

**SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING**

If Member, Please sign here

If Proxy, Please sign here

**Notes:** This form should be signed and handed over at the Meeting Venue.
*Applicable for investors holding shares in electronic form.

ALPHAGEO (INDIA) LIMITED

(CIN : L74210TG1987PLC007580)

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Website: www.alphageoindia.com

**28th Annual General Meeting- 28th September, 2015**

## PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s): .....

Registered address: .....

E-mail id:.....

Folio No/Client ID: ..... DP ID: .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1. Name: .....

   Address: .....

   E-mail Id: ..... Signature ..... or failing him

2. Name: .....

   Address: .....

   E-mail Id: ..... Signature ..... or failing him

3. Name: .....

   Address: .....

   E-mail Id: ..... Signature ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Monday of 28th September 2015 at 11.00 A.M. at "Sundarayya Vignana Kendram, 1-8-1/B/25 A, Baghlingampally, Hyderabad-500 044 and at any adjournment thereof in respect of such resolutions as are indicated below:

** 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. a. | Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015 together with the Reports of the Directors' and Auditors' thereon. | | | |
| 1.b. | Adoption of Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March 2015 together with Report of Auditors thereon. | | | |
| 2. | Declaration of Dividend on Equity Shares for the year ended 31st March 2015 | | | |
| 3. | Re-appointment of Mr. Rajesh Alla (DIN: 01657395) as Director of the Company, who retires by rotation, and being eligible offers himself for re-appointment. | | | |
| 4. | Ratification of Appointment of Auditors' till the conclusion of 29th Annual General meeting and fix their remuneration. | | | |
| 5. | Appointment of Mrs. Savita Alla (DIN: 00887071) as a Joint Managing Director of the Company and approve her remuneration. | | | |

Signed this ..... day of ..... 2015

.....
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 one 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 the member 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** | *Chairman-Independent Director* |
| **Mr. Dinesh Alla** | *Managing Director* |
| **Mr. Rajesh Alla** | *Director* |
| **Mrs. Savita Alla** | *Joint Managing Director* |
| **Mr. S. Ravula Reddy** | *Director* |
| **Mr. Ashwinder Bhel** | *Independent Director* |
| **Mr. Mohan Krishna Reddy Aryabumi** | *Independent Director* |

## Chief Financial Officer

Venkatesa Perumallu Pasumarthy, B.Com, FCA

## Company Secretary

Ms. Meenakshi Naag, M.Com., ACS

## Auditors

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

## Banker

**State Bank of India**
SME Branch, Saifabad, Hyderabad – 500004

## 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
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana
Ph: +91 40 67161500
Toll Free : 1800 345 4001, Fax: 040-23420814
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

A TRISYS PRODUCT
info@trisyscom.com

**Alphageo (India) Limited**
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