



**Fifteenth
Annual Report
2001 - 2002**

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Spearheading India's Search for Oil

BOARD OF DIRECTORS

Sri U.V.Warlu	Chairman
Sri A.Rajesh	Director
Sri S.Ravula Reddy	Director
Sri Z.P.Marshall	Director
Sri A.Dinesh	Managing Director

AUDITORS :

M/s.P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants
109, Metro Residency, Rajbhavan Road
Somajiguda, Hyderabad – 500 482

BANKERS :

State Bank of India
Commercial Branch, Koti
Hyderabad – 500 095

Vijaya Bank
Babukhan Estate
Basheerbagh
Hyderabad – 500 001

REGD. OFFICE :

802, Babukhan Estate
Basheerbagh
Hyderabad – 500 001

SHARES DEPARTMENT:

802, Babukhan Estate
Basheerbagh
Hyderabad – 500 001

DEMAT REGISTRARS:

M/s. SATHGURU MANAGEMENT PVT. LTD.
Plot No. 15, Hindi Nagar Colony,
Behind Sai Baba Temple, Punjagutta,
Hyderabad – 500 034.

Names of Stock Exchanges
where the Shares of the
Company are listed :

Hyderabad, Chennai, Delhi and Mumbai.
The Annual listing fees has been paid at all the above
Stock Exchanges.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given to all members of the Company that the Fifteenth Annual General Meeting of ALPHAGEO (INDIA) LIMITED will be held at **Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044** on Thursday the 12th September, 2002 at 11.00 A.M to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. A.RAJESH, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri. S. RAVULA REDDY, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors for the current year and fix their remuneration and for that purpose to pass the following resolution with or without any modifications as ORDINARY RESOLUTION.

"RESOLVED that M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad be and are hereby reappointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION: "Resolved

that the vacancy caused by the resignation of Sri V.L. Herman as Director of the Company with effect from 12th June, 2002 be not filled for the present".

By order of the Board

PLACE : HYDERABAD
Date : 31.07.2002

A.DINESH
Managing Director

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote at the meeting instead of himself and a proxy need not be a member of the company.
2. The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
3. The register of members and share transfer books of the company will remain closed from 06.09.2002 to 12.09.2002 both days inclusive.

EXPLANATORY STATEMENT

The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item 5 setout above is Annexed hereto.

Item No: 5

Sri. V.L. Herman resigned as a Director on the Board of Directors of the Company with effect from 12th June, 2002 due to reasons of ill health and the resignation was accepted by the Board of Directors with effect from 12th June, 2002. It is decided, for the present, not to fill the vacancy of the Directorship caused by his resignation by appointing another Director in his place.



DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present their Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS:

	2001 – 2002		2000 – 2001	
	Rs	Rs	Rs	Rs
Profit before				
Finance charges and				
Depreciation		3,09,63,440		1,38,28,095
Less: Finance Charges	61,52,298		33,38,872	
Depreciation	1,06,08,606		1,00,23,471	
		1,67,60,904		1,33,62,343
Profit before tax		1,42,02,536		4,65,752
Less: Provision for Taxation				
Current Tax	1,45,000		---	
Deferred Tax	51,71,009		---	
		53,16,009		---
Profit after tax		88,86,527		4,65,752
Less: Loss brought forward	(4,28,51,897)		(4,33,17,649)	
Deferred Tax asset as on				
01.04.2001	43,72,252		---	
		(3,84,79,645)		(4,33,17,649)
Balance of Loss carried to				
Balance Sheet		2,95,93,118		4,28,51,897

OPERATIONS:

Your Directors wish to inform that during the year your Company has earned a gross income of Rs. 755.25 lakhs on account of seismic survey and other related services as against Rs. 190.31 lakhs for the previous year.

Due to the improved performance during the year, your Company has earned a profit of Rs. 309.63 lakhs (before providing for Interest and Depreciation of Rs. 167.61 lakhs) during the previous year.

BUSINESS PLAN:

During the year under review, your company successfully completed the seismic survey contract in North East India for a private sector oilfield operator. The second contract from Oil India Limited for seismic data interpretation was also successfully completed. With this, your company has again proven to be a pioneer in the oilfield services industry by becoming the first Indian Company to undertake such jobs.



The company has also commenced its seismic data acquisition work in November 2001 against the contract awarded by Oil India Limited. The company has completed services to the extent of approx.Rs.234 Lakhs against the total contract value of Rs. 900 Lakhs during the financial year ended 2002.

Your Directors are also pleased to inform that your company has been awarded a contract by the Directorate General of Hydrocarbons for seismic data acquisition, processing and interpretation in the Ganga Valley area in Bihar. The contract is valued at approx.Rs. 750 lakhs. Your company has completed mobilisation during the year under review, and the work is currently progressing. Your company is hopeful of completing the seismic data acquisition during the current financial year 2002 - 03.

Your company has participated in a few tenders for different organisations - in both private and public sector. Your company foresees additional opportunities during the coming few years as a result of the entry of more private sector participants in the petroleum exploration sector.

DIRECTORS:

Two Directors namely Sri. A. RAJESH and Sri. S RAVULA REDDY will retire by rotation as Directors at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS' REPORT:

With reference to the comments of Auditors in respect of non recognition of foreign exchange gain in respect of amounts receivable from debtors, your Directors feel that as the amounts receivable are under dispute, the same is not recognised.

DEPOSITS:

Your Directors have to report that there were no deposits at the year end which fell due but not paid.

AUDITORS:

The Auditors, M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad retire and are eligible for reappointment.

INFORMATION PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Yours Directors confirm that-

- (i) The applicable accounting standards have been followed:
- (ii) The accounting policies selected were applied consistently and the judgments and estimates made 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, 2002 and of the profit for the year ended on that date.
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

DISCLOSURE OF PARTICULARS:

Information as per the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure -I forming part of this report.

EMPLOYEES:

Your Directors wish to inform you that during the year there was no employee who was in receipt of remuneration of not less than Rs.12.00 lakhs per annum if employed through out the year or not less than Rs.1,00,000/- per month if employed for any part of the year.

ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation of the cooperation and support extended by the Industrial Finance Corporation of India Limited, ICICI Venture Funds Management Company Limited and State Bank of India and place on record their appreciation of the services rendered by all the Executives, Staff and workmen of the Company.

For and on behalf of the Board

HYDERABAD
13.06.2002

U.V.WARLU
Chairman



ANNEXURE - I

INFORMATION AS REQUIRED BY SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.

a.	Conservation of Energy	:	Not Applicable
b.	Technology absorption	:	NIL
c.	Research and Development	:	NIL
d.	Foreign exchange earnings:		
	Seismic Survey and Other related Charges	:	Rs. 1,94,19,704/-
e.	Foreign exchange outgo towards :		
	Travelling Expenses	:	Rs. 2,42,680/-
	Foreign Technician Fees	:	Rs. 21,80,378/-
	Interest on Deposits (Net)	:	Rs. 30,15,757/-
	Bank Charges	:	Rs. 6,418/-
	Stores and Spares	:	Rs. 71,79,900/-
	Computer Software	:	Rs. 7,44,830/-
	Equipment	:	Rs. 59,35,971/-

For and on behalf of the Board

HYDERABAD
13.06.2002

U.V.WARLU
Chairman

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AUDITOR'S REPORT

To
The Shareholders of
ALPHAGEO (INDIA) LIMITED

We have audited the attached Balance Sheet of **ALPHAGEO (INDIA) LIMITED** as at 31st March 2002 and the attached Profit and Loss Account for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing And Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Section 227(4-A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of these books.

- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable except as mentioned in note (g) below.
- e. On the basis of the written representations received from the directors, as on 31.03.2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Non-remittance of unclaimed and unpaid Share application and allotment monies amounting to Rs. 458591/- due for crediting to the Investor Education and Protection Fund established by the Central Government as mentioned at Item No.6 of Schedule 20 Notes to Accounts is not in accordance with the provisions of Section 205 C of the Companies Act, 1956.
- g. The Gain on foreign exchange translation on the disputed amounts receivable from Debtors as mentioned at Item No. 4(ii) of Schedule 20 of Notes to Accounts, for the Current Year amounting to Rs. 227700/- and aggregating upto the year ended 31st March 2002 Rs. 1007600/- has not been recognised as income in the books of accounts. Due to this the Profit for the year is understated by Rs. 227700/- and the Balance in Profit and Loss Account and the Sundry Debtors are understated by Rs. 1007600/-.



Subject to the foregoing and in our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
- b. in the case of Profit and Loss Account of the Profit for the year ended on that date.

For P V R K NAGESWARA RAO & CO.,
Chartered Accountants

HYDERABAD P.V.R.K NAGESWARA RAO
13.06.2002 Partner

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF AUDITORS' REPORT OF EVEN DATE:

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The assets have been physically verified by the Management according to the phased programme designed to cover all assets on rotation basis. In respect of assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification.
- ii. None of the fixed assets have been revalued during the year.
- iii. The stocks of stores and spare parts have been physically verified at regular intervals by the management.
- iv. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- v. No discrepancies have been noticed on verification between physical stocks and the book balances.
- vi. In our opinion and on the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. The valuation of stocks is on the same basis as in previous year.
- vii. The rate of interest and the terms and conditions on which Unsecured Loans taken by the company from other parties as listed in the register maintained under Section 301 of the companies Act, 1956 are not prima facie prejudicial to the interests of the company. We are informed that there are no Companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- viii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no Companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
- ix. The company has given loans and advances in the nature of interest free loans and advances to its employees and the same are being recovered as stipulated/ restipulated.
- x. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stocks, components, plant and machinery, equipment and other assets and with regard to the sale of seismic survey and other related services.