

A stylized map of India is centered on the left side of the page. From a single point on the map, numerous thin white lines radiate outwards across the entire page, ending in small white dots. The background consists of concentric circles and a color gradient from dark blue at the top to orange at the bottom.

# INDIA

AN INTERESTING  
GROWTH OPPORTUNITY

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## Forward-looking Statement

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



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IT'S NOT A COUNTRY. IT'S  
MORE LIKE A CONTINENT.

**A SIXTH OF HUMANITY,  
WITH THE INTELLECT,  
ENERGY AND CREATIVITY  
OF A YOUNG NATION  
IS POISED TO GROW  
RAPIDLY AND PROVIDE  
UNPRECEDENTED  
PROSPECTS TO ITS  
CITIZENS, ITS BUSINESSES,  
AND ITS INVESTORS.**

**YES!**

INDIA IS OPENING UP  
TO BECOME THE MOST  
INTERESTING GROWTH  
OPPORTUNITY.

# IS THERE A POSSIBILITY OF VAST UNEXPLORED OIL RESERVES IN INDIA?

**THIS IS THE BURNING QUESTION IN THE MINDS OF THE INDIAN GOVERNMENT.**

**Its lack is causing a significant burden on the national exchequer.**

Over the last decade, the Government has been paying more than US\$100 billion to keep its growth engines running.

**Its probability will attract global heavy weights with bag loads of investments.**

Every stakeholder in oil value chain is asking this burning question for the immense growth opportunities it could open.

**Its presence can take the nation into a new growth orbit.**





India is one of the least explored countries in the world when it comes to hydrocarbon reserves.

So, there is a pretty good possibility of discovering new oil fields in India.

And India its taking giant strides towards unlocking the potential of its hydrocarbon wealth. After NELP, it was HELP and now it is the Open Acreage Licensing Policy (OALP) which is drawing

the attention of oil seekers in India and across the globe. It promises to double the area under hydrocarbon exploration in India.

Interestingly, blocks are awarded to aspirants who offer the highest share of oil and gas to the government as well as commit to do the maximum exploration work by way of shooting 2D and 3D seismic survey and drilling exploration wells.

## DO WE NEED TO EXPLAIN ANY FURTHER?

### OALP

ROUND 1	ROUND 2	ROUND 3
55 BLOCKS	14	23
59,282 SQ KM	29,233 SQ KM	31,722 SQ KMS

THE OALP REGIME HAS SO FAR SEEN COMMITTED INVESTMENT OF AROUND ₹1.4 TRILLION.



### Did you know?

Indonesia is benefitting its national economy by extracting the oil & natural gas reserves present in the Andaman & Nicobar region.

# COULD THERE BE A LARGE TREASURE CHEST OF MINERALS BENEATH 3.287 MILLION SQ KM?

**NOBODY KNOWS. AND, NOBODY SEEMS TO BE INTERESTED IN FINDING OUT EXCEPT THE INDIAN GOVERNMENT AS ITS STAKES IN THIS QUEST ARE VERY HIGH.**

## **Mineral scarcity is thwarting an Industrial India.**

Under the 'Make in India' initiative, the government has set targets to increase growth in the manufacturing sector to 12-14% per annum, pull up the share of manufacturing in gross domestic product (GDP) to 25% by 2022 (from 16%).

## **Mineral shortage is a huge drain for the Indian Government.**

India imports over three times the value of its indigenous production. This disturbing trend has shown no sign of abatement since 2013-14. It draining the exchequer by billions of dollar.

## **Mineral search could open new vistas of growth for the nation.**

India is scrambling to secure supplies of strategic minerals namely lithium and cobalt mines from international sources; lithium is critically necessary for making batteries that will drive India's e-mobility dream towards reality.



India is endowed with rich mineral reserves, much of the wealth below the ground still remains untapped.

This is because in India, exploration is still a state sponsored activity which unfortunately remains largely neglected.

Exploration being the cornerstone of mining, the tepid spending on the activity in India does not spur unearthing of deep seated deposits. On every square km, the country's exploration spend is a measly US\$9 as against US\$124 in Australia and US\$118 in Canada.

Only about 13% of the country's 575,000 sq km of land with geological potential has been explored in detail, according to the Indian Mineral Federation. The country could be sitting on a gold mine, and not even know it.

Given India's large population and stage of economic development, it is time for India to develop an appropriate strategy to find and access these minerals which are critical for its development.

India has woken to this reality. The survey and exploration opportunity window has only partially opened for the private sector.

## THE OPPORTUNITIES FOR GOING DEEP COULD BE SKY HIGH!



### Did you know?

Deccan Gold Mines hasn't dug up an ounce in 13 years because of the difficulty of obtaining permits from appropriate authorities.

From the Chairman's desk



# "THE BOTTOMLINE IS... INDIA PROMISES TO PROVIDE UNPRECEDENTED OPPORTUNITIES THAT HOLD THE POTENTIAL TO SUSTAIN OUR GROWTH ASPIRATION OVER THE MEDIUM TERM."

*Dear Shareholders*

I take great pleasure in penning down this statement as your Company stands at the threshold of interesting opportunities which are unfolding in the geophysical space. But before I delve into the opportunities our country provides, I take this opportunity to provide a brief synopsis of the financial year gone by.

Our performance in 2018-19 was not as good as we would have liked it to be especially on the backdrop of robust growth in revenue and profits in the preceding year. Our subdued numbers were primarily owing to an elongated monsoon which resulted in lesser operational days. This meant that our crews were idle, our work was halted for a longer time duration and our billables reduced - which means our revenue is only postponed its not shrunk.

But I am not particularly disappointed because 2018-19 was an interesting year in terms of emerging opportunities. And this is increasingly relevant because it holds the potential to enhance our growth momentum on a sustained basis over the medium term.

## **Oil & gas space**

India which has set itself a target to cut its dependence on foreign oil to 67% from the current over 80% by 2022, has been keen on monetising its hydrocarbon reserves and bring in private players and foreign partners in the exploration and production space. This is evidenced in the policy announcements - first NELP followed by HELP (Hydrocarbon Exploration Licensing Policy) to Open Acreage Licensing Policy which holds the promise to attract players from across the globe.

Through these policies the area offered for exploration has more

than trebled - the acreage which stood at approximately 90,000 sq. km. in 2017 was enhanced to 150,000 sq. km. after OALP I and would touch 2,10,000 sq. km after OALP Round II and III bidding exercises by May 2019.

What is interesting is that the private sector has taken a deep dive in India's oil exploration opportunity. Vedanta has won 41 out of the 55 blocks in OALP-1 bid round and another 10 areas in the latest licensing round. They have committed about ₹3,000 crore investment in seismic survey of these assets in the next 24-36 months. This is a huge opportunity for the seismic survey business space.

Besides, tenders from ONGC and OIL are also increasing owing to their intensified efforts in the search for crude oil.

Currently, work is happening at



14 basins in India simultaneously – this is the first time in the last decade that such intense survey is happening in the nation's basins. This trend could continue owing to the Government's unwavering focus on meeting its goals. Moreover, if there is a discovery in any one basin, seismic survey work will intensify even more. Sector experts suggest that if a discovery happens, the volume of seismic survey done in the past couple of decades will need to be done in the next 4-5 years.

At Alphageo, we are at a unique position. From a position of doing whatever orders came our way, today we are hard-pressed to cherry pick the tenders to bid for.

Interestingly, this is only one part of our excitement. There is more in store.

### Search below the surface

India is a huge landmass. It is the seventh-largest country in the world, with a total area of 3,287,263 square kilometres. And we are scarcely aware of what lies beneath the surface – a miniscule patch of this expansive asset has been searched and that too for specific resources. And when we ask the overarching question 'What lies beneath?' (in terms of all possible resources) we do not have an answer – in reality we have not even scratched the surface.

The Central Government is cognizant of this reality and is working aggressively to alter this situation. It is keen to know what lies beneath (resources, minerals

etc.) every sq. inch of India's surface.

In keeping with this vision, the Government is focused on undertaking a geophysical mapping of the entire nation to get an understanding of every resource buried deep under the surface of the nation. While the herculean task was being spearheaded by the some government agencies, not much headway has been made in India's underground search for wealth.

Now the Government has decided to replicate the model used for the exploring the oil and gas sector. It started with a pilot project in the areas of minerals. Alphageo is spearheading India's search for minerals with three orders in hand.

Interestingly, the operating model for these new projects is quite similar to that of seismic survey projects done by us, the difference is the equipment and slightly altered skill sets.

### What this means for Alphageo?

One, the successful implementation of these projects will open a new revenue vertical for the Company which has the potential to sustain our growth momentum over the long-term.

Two, Alphageo will feature among the few companies globally who will possess seismic and mineral exploration competencies – this could open global opportunities over the medium term.

### Stepping into 2019-20

There is considerable excitement

among the team. While we will focus on completing the projects at hand, on time, we will continue to capitalise on the growing opportunities emerging out of the Indian landscape. Our combined efforts should help in improving our performance and delivering value to our shareholders.

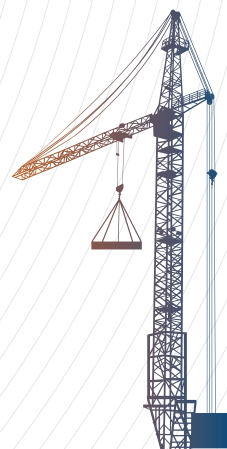
### Acknowledgment

In closing, I would like to thank our esteemed shareholders, partners and other stakeholders for believing in our story and reposing their confidence in our capability and extending their support in our long journey of endurance.

Warm regards

**Dinesh Alla**

*Chairman & Managing Director*



About us

# ALPHAGEO (INDIA) LIMITED IS ONE OF THE LARGEST AND COST EFFECTIVE GEOPHYSICAL SEISMIC SERVICE PROVIDER.

## Whereabouts

- Headquartered in Hyderabad, India the Company's business
- Possess a working experience across 13 states in India as well as Myanmar and Republic of Georgia.
- Equity share listed on the BSE Limited and the National Stock Exchange of India Limited

## Services

A leading geophysical services company providing a comprehensive range of services including seismic data acquisition, seismic data processing and interpretation services.

## Team

Spearheaded by Mr. Dinesh Alla, the Company's business operations are managed by

a team of experienced and enthusiastic professionals.

## Clients

The Company's clients include large national and international oil majors like ONGC, Oil India Limited, GAIL (India), Petronas Carigali Inc. etc.

## Vision

We envision to emerge as a leading geophysical services player with global operations to deliver time-critical, quality data at competitive prices.

## Mission

Our mission is to emerge out as 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 communities in which we work. We are committed to provide excellence in all that we do and through this, create value for all our stakeholders.

