

# VICTORY & VISION



**ALPHAGEO (INDIA) LIMITED**

Annual Report **2020-21**

## Inside this Document

001	Victory & Vision
004	About the Company
006	From the Chairman's Desk
009	FY21 Key Highlights
010	Key Performance Indicators
012	Board of Directors
014	Management Discussion & Analysis
022	Lending a Helping Hand
025	Corporate Information
026	Directors' Report
048	Report on Corporate Governance
076	Standalone Financial Statements
130	Consolidated Financial Statements
180	Notice

Some victories roar from rooftops.

Others quietly remind you that even in the most unprecedented situations, you CAN emerge thriving.  
The key is to stay on course.

In FY21, we witnessed the latter.

It was a year when survival took precedence over everything else.  
As the world came to a standstill, so did our work in the first couple of quarters.

And yet, we not just survived, but thrived. We made up for those 6 months and ended the year with a result we couldn't be prouder of.

Now, our opportunity basket is brimming. Our prospects have widened.  
Our zeal has increased.

Our victory has nourished our vision.

It has given us the healthy start we needed, and now we are ready to capture bigger opportunities, bring in superior results and reinforce our place in our business space.

With a victory that inspires us and a vision that lights our fire,  
Alphageo is now back on the progress track!





A glance at the building blocks of

# OUR VICTORY

**Our performance  
snapshot in FY21**

143.10

Revenue (₹ crore)

15.19

EBITDA (₹ crore)

10.01

Profit before Tax (₹ crore)

7.43

Profit after Tax (₹ crore)

And now, let's look at the vision that

# LIES AHEAD

**A strong order book**

# 462

Unexecuted projects as on April 1, 2021  
(₹ crore)

**This is a higher than the  
highest revenue earned in any  
one year in the last five years.**

We have our hands more than full. We are ready to  
execute and deliver.

With Victory and Vision as our guiding lights,  
Alphageo is ready to move ahead!

About

# ALPHA GEO (India)



## Our vision

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



## Our 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.



## Our Presence

Operations are concentrated in sedimentary basins of India  
Headquarters in Hyderabad, India  
Equity listed on the BSE Limited and the National Stock Exchange of India



## Our people

Our team comprises 150+ go-getters who possesses a 'can-do' soul in a 'must-do' body. With an average age of 38 years, the team combines a prudent mix of energy and experience.

About

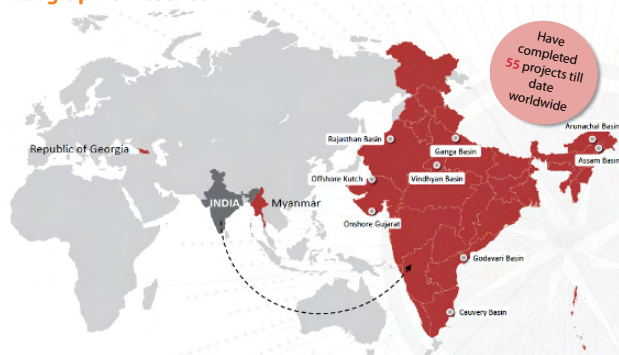
# OUR BUSINESS

We are one of the world's largest and lowest cost seismic service providers

<b>Our Services</b>	Seismic data acquisition in 2D/3D/3C	Seismic data processing of 2D/3D data	Seismic data interpretation	Airborne Surveys	Geophysical mapping services	Other Services
---------------------	--------------------------------------	---------------------------------------	-----------------------------	------------------	------------------------------	----------------

Experience	
<b>30</b> Years of experience in Seismic Data Acquisition	<b>55</b> Projects completed as on March 31, 2021
<b>48,225</b> Experience in 2D Data (GLK)	<b>7,936</b> Experience in 3D Data (sq. km)

## Geographic Presence



<b>17</b> Sedimentary basins worked in	<b>12</b> Number of crew in operations
---	---

<b>Key Clients</b>	   
--------------------	---

From the Chairman's Desk

'THE PROSPECTS OVER THE HORIZON APPEAR CONSIDERABLY PROMISING. OUR FOCUS WILL BE ON ACTIONS THAT WILL STRENGTHEN OUR ABILITY TO CAPTURE OPPORTUNITIES AND REINFORCE OUR FUTURE SUSTAINABILITY.'





## Dear Shareholder

It is great to be communicating with you through my annual letter. I hope you and your loved ones are safe. Safety for us has assumed critical priority, considering the more aggressive second wave that was considerably fatal. My thoughts and good wishes are with all those who have endured the brunt of this invisible enemy.

It's hard to believe that another year has passed so quickly and what a year it has been! We were in the midst of some exceptional and unprecedented times.

The coronavirus pandemic has been a wakeup call exposing shortcomings in business strategies, fragility of interconnectedness and global supply chains. All business plans drawn up before the pandemic hit the world were almost abruptly turned to naught. Survival took precedence over success. So it was with us.

India commenced unshackling itself from the lockdown in a phased manner from the end of the first quarter. While other businesses restarted and rebounded in the second quarter of FY21, our hands

remained tied, owing to the nature of our work. The painful part was that we had to foreclose a mineral exploration contract owing to the pandemic-related travel restrictions.

With only about five months of field operations, we remained in the black; we reported a Net Profit of about ₹7 crore. This, for me, was immensely satisfying. I believe the team did a commendable job in sailing through troubled waters in FY21.

### **FY22 holds reasonable promise**

The start to the current fiscal mirrored that of the previous fiscal. But this time around, two things worked in our favour. We were more prepared with our fall back plan in the event of a possible second wave. Also, managing the health crisis became a state subject (previously it was on the national agenda). As such, there were windows of opportunity for undertaking field work. We capitalised on them effectively to post a topline of ₹80 crore in the first quarter of FY22 – our highest in the preceding

five quarters. Also, we reported a Net Profit in excess of ₹14 crore during the same period. This, I consider, as a healthy start to the fiscal.

As the old adage goes 'well begun is half done', I remain optimistic about our performance in FY22. We have an order pipeline in excess of ₹360 crore. In the second half of the year, we will focus on completing a major part of these projects. Moreover, we are hopeful of securing some projects towards the close of the financial year, which will further bolster our order book as we enter FY23.

### **Over the horizon**

The prospects over the horizon appears considerably promising. My optimism stems from a number of realities.



**Pent-up demand:** The pandemic forced private and government companies to postpone their aspiration to find oil and gas for more than 12 months. These are expected to re-surface in the next 12-24 months.

**Consider this:** In the recently completed fifth round of the Open Acreage Licensing Policy (OALP), the government offered 11 blocks to ONGC (7 blocks) and Oil India Ltd. (4 blocks). These companies signed contracts with the Government for the allotted blocks only in November 2020. This should open interesting opportunities over the coming years.

**Gas gaining ground:** The Government has set a vision to make India a gas-based economy. The goal is to increase the share of gas in the energy mix from the current 6% to 15% in 2030. Towards this goal, the Government has planned a US\$60 billion investment for creating gas infrastructure in the country till 2024. The increased focus on gas could lead to a larger hunt for gas resources.

**Mineral exploration:** India has a lot of potential for discovery of minerals as the continental landmass and its offshore consists of several crustal elements going back ages. India

is blessed with ample resources of a number of minerals and has the geological environment for many others. But currently mining only accounts for less than 2% of India's GDP.

My sense tells me that this number should increase appreciably over the coming years. This thought is based on Government aspirations of an Atmanirbhar Bharat which necessarily mandates a sharper focus on increasing the production of minerals.

The recent Production-Linked Incentive (PLI) Schemes (for 13 key sectors), for which the Government has announced an outlay of ₹1.97 lakh crore are considered cornerstones of the Government's push for achieving an Atmanirbhar Bharat. For these schemes have been contoured to create national manufacturing champions. If these schemes are to see the light of day, India will definitely need to multiply its mineral production going forward.

According to a FICCI report, every 1% increase in the growth rate of mining and quarrying leads to an increase of 1.2-1.4% in the growth rate of industrial production.

The aggressive push towards electric vehicles is expected to magnify the demand for minerals considerably, for a number of them India is completely import-dependent.

As such, I believe that mineral exploration space is expected to generate significant opportunities over the medium-term.

Going forward, our focus will be on actions that will strengthen our ability to capture opportunities and reinforce our future sustainability.

In closing, I take this opportunity to thank our esteemed shareholders, partners and other stakeholders for reposing confidence in our capability and extending your invaluable support in our journey.

Warm regards,

**Dinesh Alla**  
Chairman & Managing Director