

| | | | | |
|-----|----|---|-----|----|
| MD | ✓ | | BKC | ✓ |
| CS | NA | | DPY | NA |
| RO | ✓ | | DIV | NA |
| TRA | ✓ | | AC | ✓ |
| AGM | ✓ | ✓ | SIH | ✓ |
| YE | ✓ | ✓ | | |



ALPHA GEO

(INDIA) LIMITED

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**ELEVENTH
ANNUAL REPORT
1997 - 98**

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 V.L. Herman | Director |
| Ms. Anita Ramachandran | Nominee Director - TDICI |
| Sri A. Dinesh | Managing Director |

AUDITORS :

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

BANKERS :

State Bank of India
C & I Division,
Hyderabad Main Branch,
Hyderabad - 500 001.

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.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given to all members of the Company that the Eleventh Annual General Meeting of ALPHAGEO (INDIA) LIMITED will be held at HOTEL GREEN PARK, Green Lands, Begumpet, HYDERABAD 500 016 on Wednesday the 30th September, 1998 at 3.00 P.M to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 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 U.V.WARLU, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri V.L.HERMAN, 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 the following resolution with or without any modifications as a

Special Resolution :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to acquire/ purchase any of its own fully paid Shares on such terms and conditions and upto such limits as may be prescribed by law from time to time; Provided that acquisition/purchase of such fully paid Equity Shares of the Company be not construed as reduction of Equity Share Capital which is subject to the controls as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force and that the Board be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution".

6. To consider and, if thought fit to pass the following resolution with or without any modifications as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered as under, viz.,

**ALPHA GEO**

The following shall be added as new Article 3(a) and 3(b):

3(a) Subject to the provisions of the Act and all the other applicable provisions of law, the Company may issue shares, either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.

3(b) The Company shall have power, subject to and in accordance with all applicable provisions

of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase".

By Order of the Board

HYDERABAD
24.07.1998

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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. The register of members and share transfer books of the company will remain closed from 23.09.1998 to 30.09.1998 both days inclusive.



ALPHA GEO

ANNEXURE TO THE NOTICE :**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :****ITEM NO. 5 :**

The Companies Act, 1956, presently restricts the purchase of own shares by a Company unless the same is done with a view to reduce its capital. Reduction of capital is subject to the controls as stipulated in Sections 100 to 104 and 402 of the Companies Act, 1956.

However, in view of the current trend towards liberalisation, there is an ongoing discussion on the subject to amend the relevant provisions of the Companies Act, 1956 enabling companies to purchase their own shares. The resolution placed for adoption is to enable the Company to act on it only after the Companies Act is suitably amended and is commanded for adoption.

No Director of the Company is directly or indirectly concerned or interested in the resolution.

ITEM NO. 6 :

It is proposed to add Article 3(a) and 3(b) respectively as set out at Item No.6 of the Notice, to enable the Company (i) to issue shares with non-voting rights and (ii) to purchase any of its own shares if the law is amended so as to legitimise these activities. In the event that a company is permitted by law to issue shares with non-voting rights as also to purchase its own shares, the enabling provisions in the Articles as proposed will enable the Board to act thereon. The resolution placed for adoption is commanded for your approval.

No Director of the Company is directly or indirectly concerned or interested in the resolution.

By Order of the Board

Place : HYDERABAD
Date : 24.07.1998

A. DINESH
Managing Director



DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present their Eleventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS:

| | 1997 - 98 | | 1996 - 97 | |
|--|-----------|---------------|-----------|---------------|
| | Rs. | Rs. | Rs. | Rs. |
| Profit/(Loss) before Finance charges and Depreciation | | 2,74,30,033 | | (91,87,349) |
| Less: Finance Charges | 83,75,019 | | 59,74,881 | |
| Depreciation | 94,95,615 | | 90,95,507 | |
| | | 1,78,70,634 | | 1,50,70,388 |
| | | 95,59,399 | | (2,42,57,737) |
| Less: Provision for taxation | | 5,20,000 | | — |
| | | 90,39,399 | | (2,42,57,737) |
| Add: Transfer from General Reserve | | 80,00,000 | | — |
| | | 1,70,39,399 | | (2,42,57,737) |
| Add/Less: Profit/(Loss) brought forward | | (1,37,32,774) | | 1,05,24,963 |
| Balance carried to Balance sheet | | 33,06,625 | | (1,37,32,774) |
| | | ===== | | ===== |

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

AUDITORS:

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

DEPOSITS:

With reference to the comments of Auditors in respect of recoverability of Rs. 152.36 lakhs from Sundry Debtors, your Directors are confident of recovering the amounts and do not foresee any difficulty in collecting the amounts.

AUDITORS REPORT:

the year ended 31st March, 1998.
your Directors are not recommending any dividend for company and to plough back income of the company, Keeping in view the operational performance of the

DIVIDEND:

offer themselves for reappointment.
ensuing Annual General Meeting and being eligible, V.L.HERMAN will retire by rotation as Directors at the Two Directors namely Sri U.V.WARLU and Sri

DIRECTORS:

The Government has recently signed 13 Exploration contracts with private companies and another 5 are to be signed shortly. The Government proposes to offer exploration acreages under the New Exploration Licensing Policy (NELP) in August 1998. With this thrust to accelerate exploration activities, a larger market for your company's services and greater business opportunities can be expected.

sell the data to any company interested in bidding for these exploration blocks.

The company has completed the 2-D seismic data acquisition work in the Ganga Basin by the 2nd week of May 1998. The processing, interpretation and data packaging for the two blocks (Vindhyan and Ganga) is under progress. As per terms of agreement with the Directorate General of Hydrocarbons, these blocks would be put up for bidding under the New Exploration Licensing Policy announced by the Govt. of India. Your company holds the rights - for a period of 7 years - to

another 2 years.
years from the date of commencement extendable by to commence shortly. The contract is for a period of 2 operations for two field parties at Mehmana are expected Ahmedabad site in the last week of April 1998. The Reservoir Data Acquisition contract with ONGCL at its The company has commenced operations under the

BUSINESS PLAN

sites by February 1998.
parties including men and material at the respective necessary capital equipment and had mobilised its field Ahmedabad and Mehmana, the company procured the for undertaking Reservoir Field Data Acquisition at Against the contract signed with ONGCL in June 1997, March, 1998 in the Ganga Basin.

During the year under review, your company commenced the Speculative Seismic Surveys in June 1997. It had completed 566 GLK of 2-D Seismic Data Acquisition by December 1997 in the Vindhyan Block and 450 GLK of 2-D Seismic Data Acquisition by 31st

Your Directors wish to inform that your company has achieved a gross income of Rs.475.57 lakhs as compared to Rs. 19.84 lakhs for the previous year. During the year, your company has earned profit of Rs.95.59 lakhs (after providing for interest and Depreciation of Rs.178.71 lakhs) as compared to a loss of Rs.242.57 lakhs during the previous year.

OPERATIONS

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U.V.WARLU
Chairman

HYDERABAD
24.07.1998

Your Directors place on record their appreciation of the cooperation and support extended by the Industrial

ACKNOWLEDGEMENTS:

Details pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules) 1975 are given in Annexure - II and form part of this Report.

For and on behalf of the Board

EMPLOYEES:

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.

Credit and Investment Corporation of India Limited, Industrial Finance Corporation of India Limited, TDICI Limited and State Bank of India and also place on record their appreciation of the services rendered by all the Executives, Staff and Workmen of the Company through out the year.

DISCLOSURE OF PARTICULARS:

