



ALPHA GEO
(INDIA) LIMITED

**Fourteenth
Annual Report
2000-2001**

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
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 Fourteenth Annual General Meeting of ALPHAGEO (INDIA) LIMITED will be held at **Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044** on Friday the 28th September, 2001 at 4.00 P.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date along with the Reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Sri. V.L. HERMAN, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri. Z.P. MARSHALL, 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 modification(s), as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all 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.,

The following shall be added as new Articles 64(a), 64(b) and 105(d) after existing articles No.64 and 105(c) respectively :

5 (a) 64 (a) NOMINATION OF SHARES :

- A.1). Every shareholder or debenture holder or depositor of the Company, may at any time, nominate a person to whom his shares or debentures or deposits shall vest in the event of

his death in such manner as may be prescribed under the Act.

- (2). Where the shares or debentures or deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures or deposits, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (3). Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures or deposits, the nominee shall, on the death of the share holder or debenture holder or deposits or, as the case may be, all the joint holders, in relation to such shares or debentures or deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (4). Where the nominee is a minor, it shall be lawful for holder of the shares or debentures or deposits, to make the nomination to appoint any person to become entitled to shares in, or debentures of or deposits of the Company in the manner prescribed under the Act, in the event of his death, during the minority.

- B.1) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

- a. to register himself as holder of the share or debenture or deposit, as the case may be; or
- b. to make such transfer of the share or debenture or deposit, as the deceased shareholder or debenture holder or depositor, as the case may be, could have made.

- (2) If the nominee elects to be registered as holder of the share or debenture or deposit, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder or depositor, as the case may be.
- (3) A nominee shall be entitled to the share dividend, interest on debentures or deposits and other advantages to which he would be entitled if he were the registered holder of the share or debenture or deposit. Provided that he shall not,



before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture or deposit, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, interest, bonuses or other moneys payable in respect of the share or debenture or deposit, until the requirements of the notice have been complied with.

5(b). 64(b) DEMATERIALISATION OF SECURITIES:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

Notwithstanding anything in the Act, or these articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a depository

Notwithstanding anything contained in the Act, or these articles, where securities are dealt with by a depository the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners

The Register and Index of beneficial owners maintained by a depository under Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

5(c). 105 (d) RESOLUTIONS BY POSTAL BALLOT:

Notwithstanding anything contained in these Articles, pursuant to Section 192 A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode), instead of/ in addition to transacting the business in the General Meeting of the Company. Where the Company decides to pass any resolution by postal ballot, it shall send a notice by post, or by any other method as may be prescribed by the Central Government in this behalf to all the share holders, along with draft resolution explaining reasons



therefor, and requesting them to send their assent or dissent in writing on a postal ballot, in postage pre paid envelope to be provided by the company, within a period of 30 days or within such period as may be prescribed by the Central Government from the date of posting of the notice.

If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot (including voting by electronic method), it shall be deemed to have been duly passed at a General Meeting in that behalf."

6. To consider and, if thought fit, to pass, with or without any modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, approval be and is hereby accorded to the reappointment of Sri A.Dinesh for a period of 5 years with effect from 21.08.2001 on the following terms and conditions".

1. **SALARY:** @ Rs.50,000/- (Rupees Fifty thousand only) per month in the scale of Rs.50,000 – 5,000 – 70,000/-
2. **PERQUISITES:** The following perquisites may be allowed in addition to salary.

CATEGORY A:

- i. Housing I : The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:
Sixty percent of the salary, over and above ten percent payable by Sri A.Dinesh, Managing Director.
Or
Housing II: In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.
Or
Housing III: In case no accommodation is provided by the Company a House Rent Allowance subject to the ceiling laid down in Housing I shall be paid.
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962 and shall be subject to a ceiling of ten percent of

salary of the appointee.

ii. **Medical Reimbursement:**

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

- iii. Leave Travel Concession for self and family, once in a year incurred in accordance with any rules specified by the Company.
- iv. Club fees subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. Personal Accident Insurance the premium of which shall not exceed Rs.4,000/- per annum.

CATEGORY B:

1. Contribution to Provident Fund, Superannuation fund and annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
3. Encashment of leave at the end of the tenure.

CATEGORY C:

1. Provision of car for use on Company's business and telephone at residence. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company to Sri A.Dinesh, Managing Director.
2. **COMMISSION:**
5% commission on the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 in addition to salary as mentioned above.
3. **MINIMUM REMUNERATION:**
In the event of loss or inadequacy of profits during the above period, the Managing Director is entitled to the salary and perquisites mentioned above as minimum remuneration".

By order of the Board

PLACE : HYDERABAD
Date : 31.07.2001

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 22.09.2001 to 28.09.2001 both days inclusive.



EXPLANATORY STATEMENT

The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No.5 and 6 setout above is annexed hereto:

ITEM NO.5(a)

Article 64 (a) is proposed to be inserted, for alteration of Articles of Association of the Company in view of introduction of Nomination of shares with effect from 31.10.1998 by the Companies amendment Act, 1999.

According to Section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend the Provisions of Articles of Association. Therefore, the Board recommends the resolution for the approval of the members.

None of the Directors of the Company is deemed to be concerned or interested in the resolution.

ITEM NO.5 (b)

The Company is introducing Dematerialisation of shares. As per the provisions of the Depositories Act, 1996, the shares of a body Corporate can be in a Dematerialisation form i.e., not in form of physical certificate but be fungible and be represented by the statement issued through electronic mode.

Article 64 (b) is proposed to be inserted, for alteration of Articles of Association of the Company, in view of the introduction of Depositories Act, 1996.

According to Section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend the Provisions of Articles of Association. Therefore, the Board recommends the resolution for the approval of the members.

None of the Directors of the Company is deemed to be concerned or interested in the resolution.

ITEM NO.5 (c):

Article 105 (d) is proposed to be inserted, for alteration of Articles of Association of the Company, in view of recent amendments of the Companies Act, 1956, by insertion of Section 192 A for passing of certain resolutions by postal ballot, by the Companies (Amendment) Act, 2000.

According to Section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend the Provisions of Articles of Association. Therefore, the Board recommends the resolution for the approval of the members.

None of the Directors of the Company is deemed to be concerned or interested in the resolution.

Item: 6

Sri. A. Dinesh was appointed as Managing Director of the Company for a period of 5 years with effect from 21.08.1996. The Board of Directors of the Company at its meeting held on 31.07.2001 reappointed Sri. A. Dinesh as Managing Director of the Company for a further period of 5 years with effect from 21.08.2001 on the remuneration and other terms and conditions subject to your approval.

Sri. A. Dinesh is a Post Graduate from BITS, Pilani and has wide experience in the field of seismic survey and with his able guidance, your company has become the first Indian Company to successfully execute seismic survey contracts in India.

The appointment and remuneration proposed are not more than the remuneration as per the provisions of Schedule XIII of the Companies Act, 1956 and requires approval of the members by way of ordinary resolution.

Sri. A. Dinesh is interested in the resolution to the extent of remuneration and perquisites payable to him.

Sri. A. Rajesh being relative of Sri. A. Dinesh is deemed to be interested in the resolution. No other Director is concerned or interested in the resolution.

Board of Directors commend the resolution for your approval.

By order of the Board

PLACE : HYDERABAD
Date : 31.07.2001

A.DINESH
Managing Director



DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present their Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS:

	2000-2001		1999-2000	
	Rs	Rs	Rs	Rs
Profit before				
Finance charges and				
Depreciation		1,38,28,095	(64,33,488)	
Less: Finance Charges	33,38,872		1,35,92,854	
Depreciation	<u>1,00,23,471</u>		<u>1,01,52,467</u>	
		1,33,62,343	2,37,45,321	
Profit before tax		4,65,752	(3,01,75,809)	
Less: Income tax adjustments				
of earlier year		--	3,176	
Profit after tax		4,65,752	(3,01,75,633)	
Add/Less: Loss brought forward		(4,33,17,649)	(1,31,42,016)	
Balance of Loss carried to				
Balance Sheet		<u>(4,28,51,897)</u>	<u>(4,33,17,649)</u>	

OPERATIONS:

Your Directors wish to inform that during the year your Company has earned a gross income of Rs. 190.31 lakhs on account of seismic survey and other related services as against Rs. 130.90 lakhs for the previous year.

Your Directors wish to inform you that on being approached, the financial institutions viz., IFCI and ICICI have waived the interest on loans charged in earlier years to the extent of Rs. 259.52 lakhs under One Time Settlement Scheme (OTS).

To avail the benefits under this scheme your Company has mobilized public deposits from Non-Resident Indians to the extent of USD\$ 5,00,000/- equivalent to Rs. 231.70 lakhs and utilized the proceeds to repay the loans under OTS Scheme.

Due to the improved performance and waiver of interest by financial institutions, during the year, your Company has earned a profit of Rs. 138.28 lakhs (before providing for Interest and Depreciation of Rs. 237.45 lakhs) during the previous year.

BUSINESS PLAN:

During the year under review your Company commenced operations on two Seismic Survey contracts. The first is for Seismic data acquisition, processing and interpretation in the Northeastern part of the Country for a private sector oil company. The contract is valued at Rs. 410 lakhs. Out of this your Company executed contract to the extent of Rs. 115 lakhs. The second contract is from Oil India Limited for seismic data interpretation services. The contract is valued at Rs. 76 lakhs. Against this your Company had executed contract to the extent of Rs.7 lakhs during the year under review.

Your Company has successfully completed the data acquisition portion of the first contract and is hopeful of completing the processing and interpretation by end September. Your company has successfully completed the interpretation contract of Oil India Limited as on date.



During the financial year 2001 –02 your Company has been able to sell the data package for the Ganga Valley block at a price of Rs. 100 lakhs. Your Company is hopeful of selling the other data packages during the next exploration licensing rounds of the Government of India. Your Company has also entered into an agreement with Oil India Limited conducting Seismic data acquisition in Ganga Valley for a value of Rs. 900 lakhs. The operations against this contract are expected to commence by October, 2001.

Your Company foresees additional opportunities during the coming few years as a result of the entry of new private sector participants in the petroleum exploration scenario.

DIRECTORS:

Two Directors namely Sri. V L HERMAN and Sri. Z P MARSHALL 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 disputes, 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, 2001 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 ICICI Limited, 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
31.07.2001

U.V.WARLU
Chairman