



ALPHA GEO
(INDIA) LIMITED

Report  Junction.com

**Sixteenth
Annual Report
2002 - 2003**

Spearheading India's Search for Oil

BOARD OF DIRECTORS

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

**REGISTRAR AND
TRANSFER AGENTS** : **M/s Sathguru Management Consultants Pvt. Ltd.**
Plot no. 15 , Hindi nagar colony,
Behind Sai Baba temple, Punjagutta,
Hyderabad – 500 034.

Names of Stock Exchanges : Hyderabad, Madras, Delhi and Mumbai.
where the Shares of the
Company are listed



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given to all the Members of the Company that the Sixteenth Annual General Meeting of ALPHAGEO (INDIA) LIMITED will be held at **Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044** on Friday the 19th September, 2003 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, 2003 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. 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."

"RESOLVED THAT pursuant to provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereafter referred to as 'delisting guidelines') 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 by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("the Board" which term shall be deemed to include any Committee thereof), consent of Company be and is hereby accorded to the Board to delist the Equity shares of the Company from the Madras Stock Exchange, Hyderabad Stock Exchange and Delhi Stock Exchange.

"RESOLVED FURTHER that Mr. A.Dinesh, Managing Director of the Company be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in regard to delisting of the equity shares and to execute all such deeds, documents, writings as may be necessary, or expedient as may be deemed fit to give effect to this resolution."

By order of the Board

PLACE : HYDERABAD
Date : 31.07.2003

A.DINESH
Managing Director

AS SPECIAL BUSINESS:

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



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The register of members and share transfer books of the company will remain closed from 12.09.2003 to 19.09.2003 (both days inclusive).

REAPPOINTMENT OF DIRECTORS

The information pertaining to the Directors proposed to be reappointed is furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:

i) Sri U.V. Warlu

Sri U.V. Warlu has been on the Board of Directors since 26.10.1994 and is also the Chairman of the Audit Committee, Share Holders / Investors Grievance Committee and the Remuneration Committee of the Company.

Sri U.V. Warlu is a DMIT Electronic Engineer from Madras Institute of Technology with Honours Grad. Brit. I.R.E. in 1953. He joined the Atomic Energy Establishment, Trombay, in 1954 (Now Baba Atomic Research Centre, BARC) and thereafter held senior positions in ECIL and APEDC. After retirement he has been the Chairman of 12 Companies in the area of Electronics, Communications and software. He was the Chairman of number of ISIS Committees, R&D Committees / Working Groups of DST, DOE and DNES.

ii) Sri Z.P. Marshall

Sri Z.P. Marshall is a professional Director on the Board of the Company. A graduate in Engineering from Madras Institute of Technology. He held senior positions during his long career- DRDO and BDL, spanning 30 years. He retired as Managing Director of Bharath Dynamics Limited, a public sector undertaking in 1988.

EXPLANATORY STATEMENT

The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item No.5 setout above is Annexed hereto.

Item No: 5

The equity shares of the Company are listed on The Hyderabad Stock Exchange Limited (HSE), Hyderabad, The Delhi Stock Exchange Association Limited (DSE), The Madras Stock Exchange Limited (MSE) and The Stock Exchange, Mumbai, (BSE). However bulk of trading of the Company's Equity shares take place on BSE.

As per the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003 (the Guidelines), it is open to the Company to voluntarily delist securities from any stock exchange(s), provided that the Company's securities continue to remain listed in a stock exchange having nation-wide trading terminals. The BSE is a stock exchange, which fulfills this condition.

For the last few years, it has been observed that the trading in equity shares of the Company on HSE, DSE and MSE (said Stock Exchanges) has been negligible, as compared to the trading volume at BSE. Also the listing fee paid to the said stock exchanges is disproportionate to the volume handled by them when compared to that of BSE. Moreover, owing to the expansion of BSE and their extensive networking and extension of their terminals to other cities, investors now have access to online dealing in the Company's equity shares on such terminals across the Country.



The equity shares of the Company are one of the scrips, which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialized form.

Further, the Company has been spending considerable amount of money on listing fees, communication charges etc. and no particular benefit accrues to the shareholders or the Company by continuing the listing of the equity shares on the said Stock Exchanges.

Therefore, it is considered desirable to delist equity shares of the Company from HSE, DSE and MSE subject to the Company complying with the various provisions of SEBI (Delisting of Securities) Guidelines, 2003 (The Delisting Guidelines) and obtaining requisite approvals, permissions and sanctions in this regard.

The Company's equity shares however, will continue to be listed on BSE.

In terms of De-listing Guidelines issued by SEBI, a Public announcement regarding proposed de-listing will be published. The de-listing will take place only after all approvals, sanction and permissions have been received. The exact date on which de-listing will take place will be suitably notified.

Owing to the availability of trading facilities on the connectivity of BSE in most of the cities across the Country, the proposed de-listing of the company's equity shares on the said Stock Exchanges will not be prejudicial to or after the interest of the Investors.

The Directors commend the special resolution for the approval of the members.

None of the Directors of the company are interested in the said resolution.

By order of the Board

Report

PLACE : HYDERABAD
Date : 31.07.2003

A.DINESH
Managing Director



DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present their Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2003.

FINANCIAL RESULTS:

	2002 – 2003		2001 – 2002	
	Rs.	Rs.	Rs.	Rs.
Profit before				
Finance charges and				
Depreciation		3,90,74,686		3,09,63,440
Less: Finance Charges	55,21,957		61,52,298	
Depreciation	1,17,53,799		1,06,08,606	
		1,72,75,756		1,67,60,904
Profit before tax		2,17,98,930		1,42,02,536
Less: Provision for Taxation				
Current Tax	17,59,099		1,45,000	
Deferred Tax	81,22,381		51,71,009	
		98,81,480		53,16,009
Profit after tax		1,19,17,450		88,86,527
Less: Loss brought forward	(2,95,93,118)		(4,28,51,897)	
Deferred Tax asset as on				
01.04.2002	---		43,72,252	
		(2,95,93,118)		(3,84,79,645)
Balance of Loss carried to				
Balance Sheet		1,76,75,668		2,95,93,118

OPERATIONS:

Your Directors wish to inform that during the year your Company has earned a gross income of Rs. 985.67 lakhs on account of seismic survey and other related services as against Rs. 755.25 lakhs for the previous year.

Due to the improved performance during the year, your Company has earned a profit of Rs. 390.75 lakhs (before providing for Interest and Depreciation of Rs. 172.75 lakhs) during the year which has been setoff against the brought forward loss

BUSINESS PLAN:

During the year under review, your company has successfully completed the data acquisition work for the Directorate General of Hydrocarbons in the Ganga Valley area in Bihar. The processing and interpretation of the seismic data for an estimated value of Rs. 50 lakhs is in progress and is expected to be completed during the current financial year.



The company is continuing the seismic data acquisition operations for Oil India Limited and has successfully completed the work program under Phase I and Phase II. During the year under review, your company has completed acquisition to the extent of Rs.431.41 lakhs. The company has been allotted additional work under the same contract for an amount of Rs. 300 lakhs. Your company expects to finish this additional work program during the current financial year 2003 – 04.

Your Directors are pleased to announce that during the year under review, your company has been successful in getting some additional contracts.

A contract has been awarded by Directorate General of Hydrocarbons for conducting seismic data acquisition, processing and Interpretation in the Chambal valley area of Madhya Pradesh & Rajasthan for an estimated contract value of Rs. 680 lakhs. Your company has completed mobilisation during the year under review and the work is currently progressing. Your company is hopeful of completing the entire work during the current financial year.

A contract has been awarded by Oil India Limited, BEP for undertaking seismic data processing and interpretation of the Mahanadi Basin for an estimated value of Rs. 68.54 lakhs. The company has completed Rs. 15.27 lakhs during the year under review and is hopeful of completing the complete contract during the current financial year.

A third contract has been awarded by Oil India Limited, GVP for undertaking seismic data processing and interpretation of the Ganga Basin for an estimated value of Rs. 122 lakhs. The work is expected to be completed during the financial year 2004 – 05.

Your company has participated in a few more tenders for different organisations. Your company foresees some additional work in the areas of 2D and 3D seismic data acquisition, processing and interpretation. Your company foresees some additional opportunities during the coming few years as a result of more private sector participants in the petroleum exploration sector.

DIRECTORS:

Two Directors namely Sri. U.V.WARLU 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 dispute, the same is not recognised.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Corporate Governance and Management Discussion & Analysis is included as a part of the Annual Report.

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.

DIRECTORS RESPONSIBILITY STATEMENT

We the Directors of Alpha Geo (India) Limited confirm the following :

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied consistently and made judgments and estimates that 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, 2003 and its profit for the year ended on that date.



- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors had prepared 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.24.00 lakhs per annum if employed through out the year or not less than Rs.2,00,000/- 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
31.07.2003

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. 3,22,87,146/-
e.	Foreign exchange outgo towards :		
	Travelling Expenses	:	Rs. 96,500/-
	Foreign Technician Fees	:	Rs. 15,08,584/-
	Interest on Deposits (Net)	:	Rs. 32,33,884/-
	Other Charges	:	Rs. 1,35,250/-
	Stores and Spares	:	Rs. 46,22,440/-
	Computer Software	:	Rs. 9,32,690/-
	Equipment	:	Rs. 11,54,074/-

For and on behalf of the Board

HYDERABAD
31.07.2003

U.V.WARLU
Chairman



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 2003 and the attached Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date.

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 it 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 (f) below.
- e. On the basis of the written representations received from the directors, as on 31.03.2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 st March, 2003 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. **The Loss on foreign exchange translation on the disputed amounts receivable from Debtors as mentioned at Item No. 3(ii) of Schedule 19 of Notes to Accounts, for the Current Year amounting to Rs. 124300/- and the total gain aggregating upto the year ended 31st March 2003 Rs. 883300/- has not been recognised as expense or income in the books of accounts. Due to this the Profit for the year is overstated by Rs. 124300/- and the Balance in Profit and Loss Account and the Sundry Debtors are understated by Rs.883300/.**

Subject to the foregoing and in our opinion and to the best of our information and according to 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: