

ALPHA GEO (INDIA) LIMITED

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E-mail: info@alphageoindia.com, Website: www.alphageoindia.com

Ref: AGIL/CS/NSE&BSE/32/2020-21
Date: 05.09.2020

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
Scrip ID: ALPHAGEO

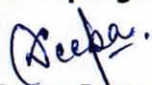
To
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring, Rotunda Building
Phiroze Jeejeebhoy Towers, Dalal Street, Fort,
Mumbai- 400 001
Scrip Code: 526397

Dear Sir,

Sub: Submission of Annual Report for the FY 2019-20 under Regulation 34 of SEBI (LODR) Regulations 2015 - Reg.

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith submitting the Annual Report for the financial year 2019-20 along with the Notice of 33rd Annual General Meeting of the Company for your information and records.

Thanking You
For **Alphageo (India) Limited**



Deepa Dutta
Company Secretary & Compliance Officer

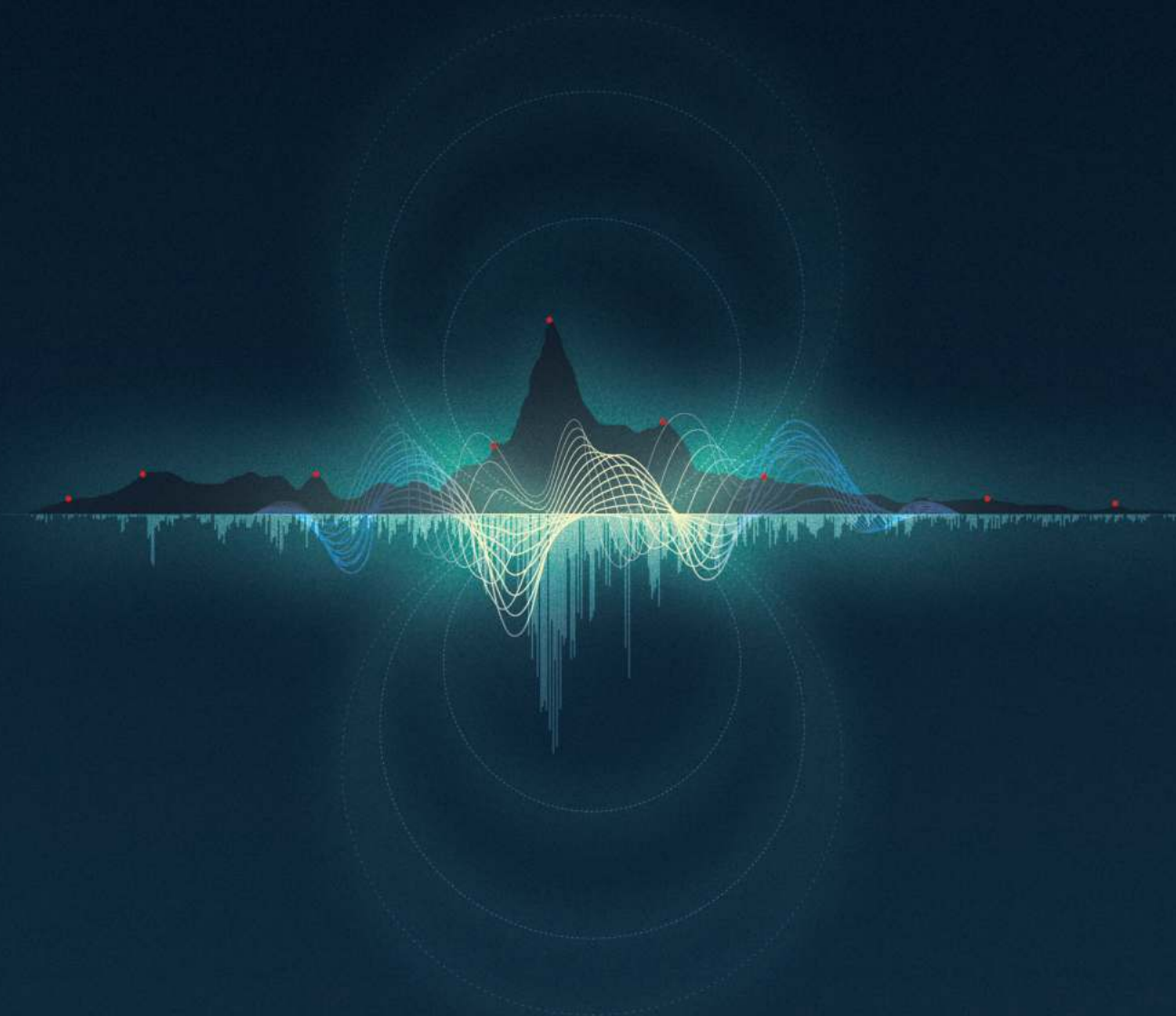


Encl: As above



ALPHAGEO (INDIA) LIMITED

ANNUAL REPORT 20¹⁹
20



TREASURE IN **TREMORS**

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They say you cannot find treasure unless you **dig in.**

For us, the irony is that we HAVE found our fair share of treasures - we're simply waiting to be able to dig in!

The onset of the pandemic has led to hitting pause on numerous industries, and ours has not been an exception. We have felt the impact of it as much as many others.

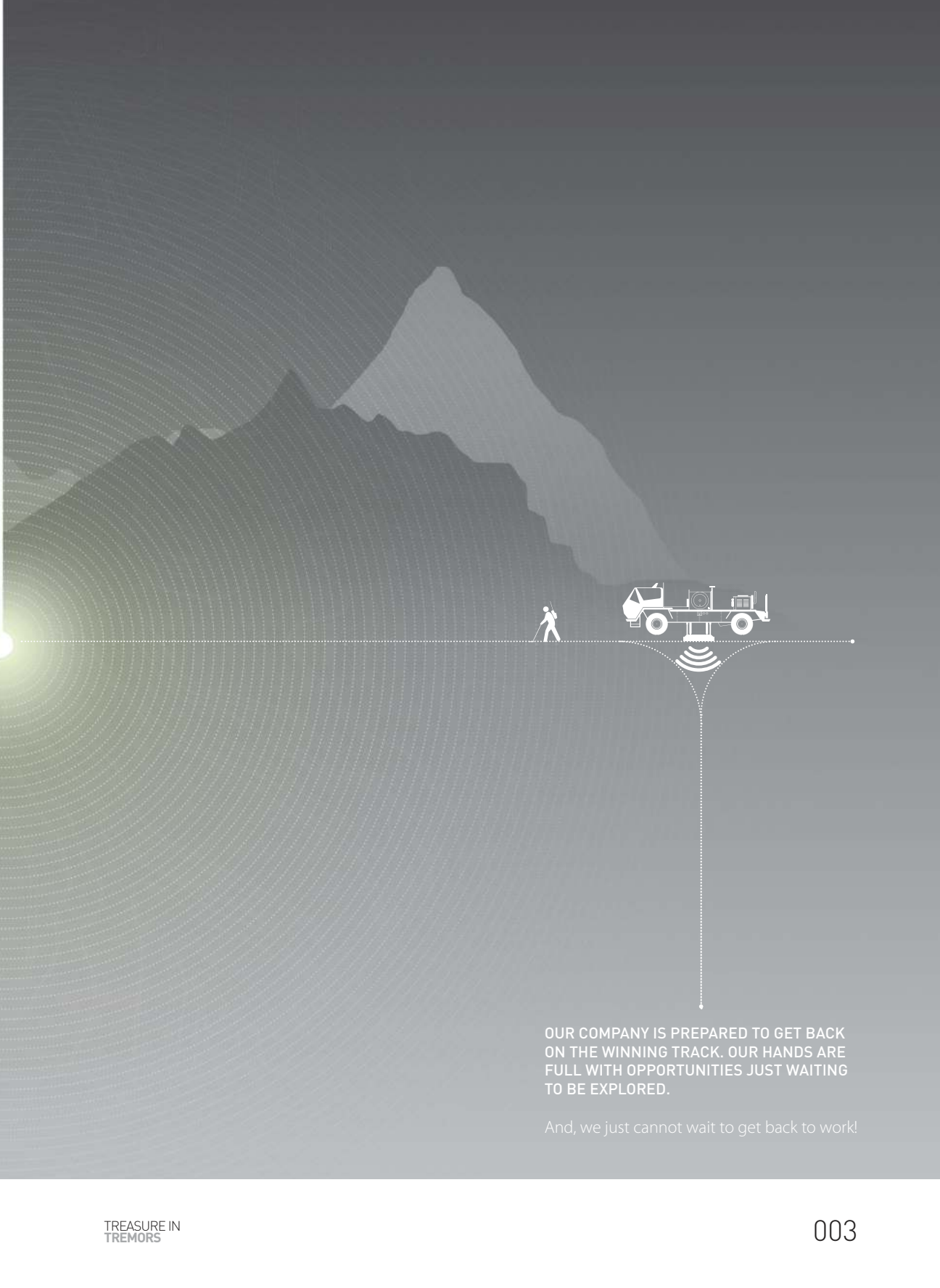
Yet, while others felt the tremors of uncertainty at the prospect of an unclear future, we, on the other hand, have been privileged

to experience the tremors of new possibilities and a robust future!



SITTING ON A TREASURE TROVE OF TO-BE TAPPED OPPORTUNITIES. AWAITING THE GREEN LIGHT!

For us, the brief lull created by the present scenario gave us the chance to reorient our mindset and strategies and double down on finding new opportunities to make ourselves future-proof. In the process, we secured more than 500 crore worth of orders for ourselves, along with multiple new business opportunities, which may essentially transform & elevate the potentials of our industry!



OUR COMPANY IS PREPARED TO GET BACK ON THE WINNING TRACK. OUR HANDS ARE FULL WITH OPPORTUNITIES JUST WAITING TO BE EXPLORED.

And, we just cannot wait to get back to work!



ALPHAGEO (INDIA) LIMITED

ONE OF THE WORLD'S



HAGGEO

LARGEST AND LOWEST
COST SEISMIC SERVICE
PROVIDERS

MORE ABOUT US

Headquartered in Hyderabad, India

Business Services

Seismic Data Acquisition in 2D/3D/3C

Seismic Data Processing of 2D/3D data

Seismic Data Interpretation

Airborne Surveys

Geophysical Mapping Services

Other Services

Key Clients



ऑयल इंडिया लिमिटेड
Oil India Limited



Experience

29

Years of Experience in Seismic Data Acquisition

53

Projects Completed as on March 31, 2020

48,000

Experience in 2D Data (GLK)

7,000

Experience in 3D Data (sq. km)

Geographic Presence



16

Years of Experience in Sedimentary Basins

25

Number of Crew in Operations

Our Progress

221

The Alphageo Team as on March 31, 2020

27,127
Revenue (₹ lakh)

58,073
Our Order Book (₹ lakh)

29,709
Capital Employed (₹ lakh)

Our Wealth Creation

7,946

Market Capitalisation (₹ lakh) as on March 31, 2020



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 Strategic Focus



Seismic Survey

Balance business between 2D and 3D seismic survey projects

Enhances exposure in global seismic basins



Geophysical Mapping

Establish a strong presence in this niche and sunrise area



Corporate

Reduce external borrowings

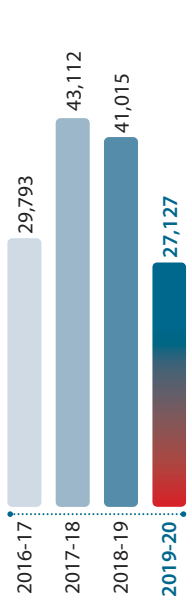
Strengthen Returns from Capital Employed



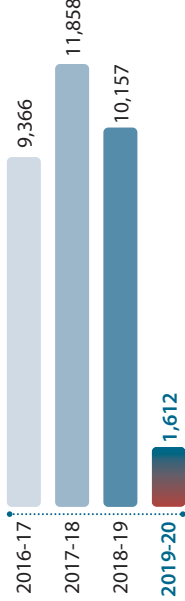
KEY PERFORMANCE INDICATORS

STANDALONE OPERATIONS

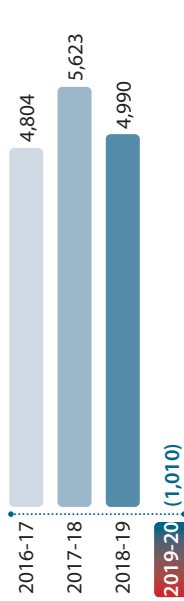
Total Income (₹ lakh)



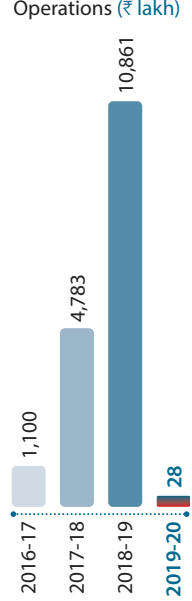
EBITDA (₹ lakh)



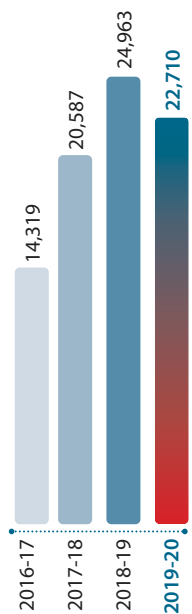
Net Profit (₹ lakh)



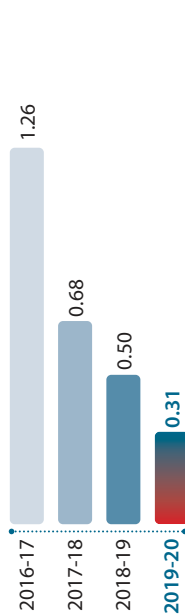
Net Cash Flow from Operations (₹ lakh)



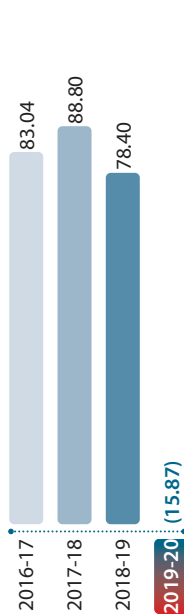
Networth (₹ lakh)



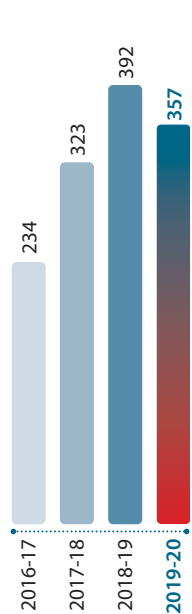
Debt-Equity (x)



Earnings Per Share (₹)



Book Value Per Share (₹)

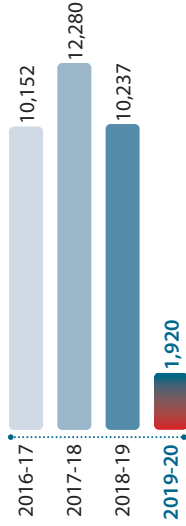


CONSOLIDATED OPERATIONS

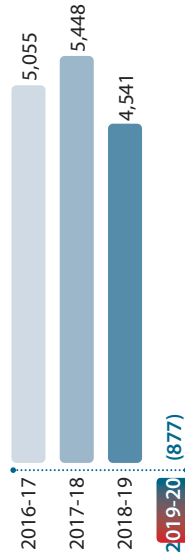
Total Income (₹ lakh)



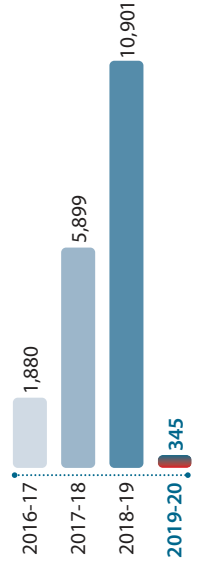
EBITDA (₹ lakh)



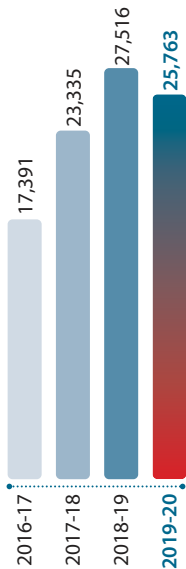
Net Profit (₹ lakh)



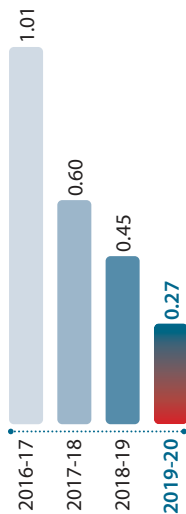
Net Cash Flow from Operations (₹ lakh)



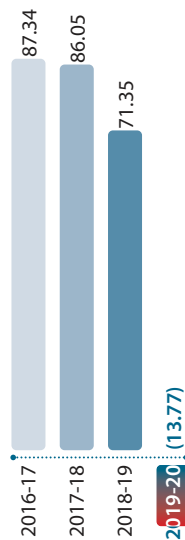
Networth (₹ lakh)



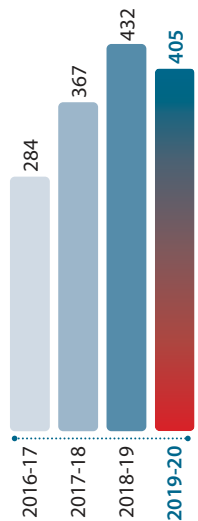
Debt-Equity (x)



Earnings Per Share (₹)



Book Value Per Share (₹)



I AM CONVINCED THAT THE GROWTH PROSPECTS OF THE INDUSTRY APPEAR VERY PROMISING. THE TRANSFORMATION FROM PROSPECTS TO PERFORMANCE OF OUR COMPANY WILL DEPEND PRIMARILY ON HOW FAST WE ARE ABLE TO GET ON OUR FEET AND MOVE FORWARD WITH SPEED.

Dear shareholders,

RIGHT at the outset, I would like to wish all the readers health and wellbeing.

As I sit down to write this year's annual letter to you, the world confronts one of the greatest threats of history, one that has profoundly impacted the global economy and the lives of people. Our thoughts remain with each one of you for the safety of your health and that of your families and friends.

Since January 2020, the Coronavirus has shadowed our lives and transformed our world, throwing up an unprecedented medical, economic and human challenge. The implications of the pandemic for every nation and for our clients, employees and shareholders are deep, and they will reverberate for years to come. Although our non-partisan fight against the dreaded virus has started driving businesses and economies out of the roughest patches they have ever encountered, we find ourselves swathed in a blanket of uncertainty. The world is not the same any more. And making any major prediction on our near-term performance at this hour seems largely unfounded.

Looking back at the year gone by

As I look back at the year gone by, I see a mixed bag of satisfaction and disappointment. For the second consecutive year, our performance dipped, revenue from operations was down by 33.96%, and we went ₹ 13,756 lakh down into the red, primarily because of certain contract closure expenses which have been accounted against the completion of projects in Gujarat and Madhya Pradesh. The Company is contesting against the said charges debited by the clients.

On the positives, we built our pipeline with a number of contracts for 2D and 3D seismic survey, most of which came to

us in the last quarter of 2019-20. Also, we received our third contract in the mineral exploration space. This gives us a stronger foothold in this sunrise opportunity which, I feel, is on the verge of a take-off in India. With a reasonably large order book, we were all geared up for a resurgent 2020-21.

Looking ahead to the year

But, that was not to be, unfortunately. The first half of 2020-21 was a complete washout for us and millions of our ilk. Half of the year has gone by under lockdowns and quarantines to fight the Covid-19 pandemic. We only hope to initiate work sometime in the second half if the virus doesn't make a fresh onslaught. Our performance this year would be significantly off our peak numbers in 2018-19, despite having sizeable contracts in hand.

It's not entirely discouraging. There are new opportunities emerging in the seismic





survey and mineral exploration spaces. But, considering the orders in hand, we are being selective. In all probability, I feel, we should have a healthy pipeline of contracts as we step into the next year.

Looking further beyond

I do believe that the global economy will recover steadily, in part because this situation lacks some of the obstacles to recovery in a typical financial crisis. Central banks are moving quickly to address problems in credit markets, and the governments are now acting aggressively to use fiscal stimuli. It is the same optimism that keeps me pragmatic about a rebound in our performance in the years to come. We will have orders in hand as we enter the next fiscal and a host of significant developments will transpire in our business space which will promise to increase opportunities for service providers like us.

Oil and gas sector

OALP, a giant leap towards improving the ease of doing business in the Indian exploration and production (E&P) sector, is expected to create huge opportunities for the seismic survey space. A total of 94 blocks, covering an area of 1.4 lakh sq. km, were awarded in the four OALP auctions. In the recently completed fifth round, the government offered 11 blocks. To make the OALP a bigger success, the government has come up with stronger policy support towards exploration and production. First, breaking from a 25-year-old practice of having a uniform contractual regime for all sedimentary basins in the country, it has decided not to charge any share of profit on hydrocarbons produced from less explored areas. Second, in perhaps the most far-reaching relaxation of rules, it has simplified procedures for oil and gas exploration and production by providing for self-certification in a host of compliances, such as a discovery notification and deemed consent for investment in fields in a stipulated time. These policies clearly establish the government's sharp focus on attracting elusive private and foreign investment to raise the domestic output. This could result in improving business prospects for seismic survey players over the near-term.



Mineral exploration

India is blessed with a geology that is similar to that of Western Australia and Antarctica - two areas with proven mineral deposits. It is, therefore, almost certain that the country treasures significant untapped mineral wealth, including gold. India's position at the lower end of the tally of per-capita mineral consumption shows the huge room for prosperity. In fact, India has not even scratched the surface to check what lies beneath. Only 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 government has now decided to change this altogether. In a bid to double the mineral output, it plans to invest about ₹ 1,500 crore in exploration trust. The Geological Survey of India has almost doubled its activity by implementing about 400 mineral exploration projects for various commodities. This will provide great opportunities for Alphageo to establish itself as a dominant player in this promising vertical. To sum it up, the transformation for prospects to performance will depend primarily on how fast we are able to get on our feet and move forward with speed.

Before I end this statement, I take the opportunity to thank our esteemed shareholders, partners and other stakeholders for believing in our story and reposing your confidence in our capability and extending your invaluable support in our journey to new highs.

Warm regards
Dinesh Alla
Chairman & Managing Director



BUSINESS - HIGHLIGHTS

New business

Received a contract for carrying out Gravity, Magnetic & Resistivity Survey for Manganese Ore in Rengali Block, Odisha with an estimated contract value of ₹ 0.72 crore (exclusive of taxes) from The Mineral Exploration Corporation Limited. This is the third contract received by the Company the Mineral Exploration space which is a sunrise sector with considerable promise.

Secured a contract from Oil and Natural Gas Corporation Limited (ONGC Ltd), Jorhat for: **Acquisition** of 3D seismic data through outsourcing for "Bogapha Syncline" Area of A&AA Basin for estimated contract value of ₹ 43.23 crore (exclusive of taxes); and

Acquisition of 3D seismic data through outsourcing for "Tichna" Area of A&AA Basin for estimated contract value of ₹ 68.75 crore (exclusive of taxes).

Received a contract from Oil India Limited for: **3D** Seismic Data acquisition and processing services in Cluster-3 Area in Mahanadi Basin, Odisha for estimated contract value of ₹ 68.24 Crores (exclusive of taxes); and **2D** and **3D** Seismic Data acquisition and processing services in Cluster-2 Area in Mahanadi Basin, Odisha for estimated contract value of ₹ 60.35 Crores (exclusive of taxes).

Received a contract from Oil India Limited for 2D and 3D Seismic Data Acquisition and Processing Services in Oil's OALP Areas of Mahanadi Basin, Odisha for an estimated contract value of ₹ 76.67 Crores(exclusive of taxes)

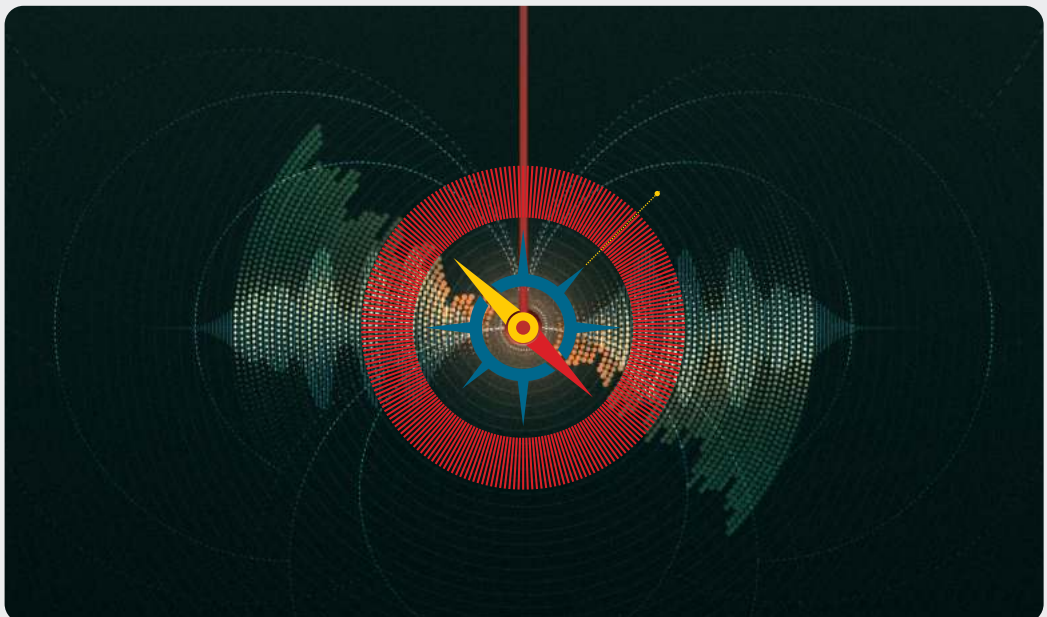
Received a contract from Vedanta Limited for 2D and 3D Seismic Data Acquisition Services in Assam for an estimated contract value of ₹ 184 Crores (inclusive of taxes).

Projects completed

Completed the contract from ONGC, Vadodara for acquisition of 3D Seismic Data in Mehsana Carpet Area of Cambay Basin.

Concluded the contract from ONGC, Mumbai for acquisition of 2D Seismic Data in an un-appraised on land areas of Sedimentary Basins of Ganga-Punjab.

Delivered the required data under the contract from Mineral Exploration Corporation Limited for carrying out Gravity, Magnetic & Resistivity Survey for Manganese Ore in Rengali Block, Odisha.



BOARD OF DIRECTORS

MR. DINESH ALLA

Chairman and Managing Director

Mr. Dinesh Alla is a Promoter Director and the Chairman and Managing Director of the Company. He is a post graduate from BITS, Pilani. He has very rich experience and a deep knowledge about the seismic survey industry and has immensely contributed to the growth of the Company by his incisive and broad based knowledge. Under his able guidance, the Company has successfully executed many seismic survey contracts in various terrains. He is the chief architect in building/ growing the Company to be one of the biggest and most preferred vendors by major Oil Companies. He is also the Chairman of Finance Committee and Corporate Social Responsibility Committee of Board of Directors and Member of Nomination and Remuneration Committee and Stakeholders' Relationship Committee of the Board of Directors of the Company.

MRS. SAVITA ALLA

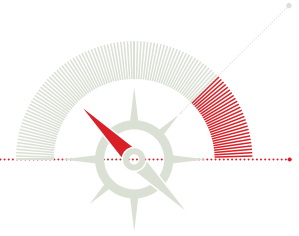
Joint Managing Director

Mrs. Savita Alla is the Joint Managing Director of the Company. She is a post graduate in Management studies from BITS, Pilani. She has served in various Managerial positions in the corporate sector and has multifaceted experience in quality management systems, customer relationship management and entrepreneurial skills. She is a Member of Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Finance Committee of the Board of Directors of the Company.

MR. RAJESH ALLA

Director

Mr. Rajesh Alla is a Non-executive Director on Board of the Company. He is a post graduate engineer from Carnegie Mellon University, Pittsburgh, USA - a premier institute for Artificial Intelligence Research. After his graduation he worked in the Robotics Institute, Carnegie- Mellon University. He specialised in Image Processing, Computer Vision and Robotics. He is the Chairman of Stakeholders' Relationship Committee of the Board and a Member of Audit Committee, Nomination and Remuneration Committee and Finance Committee of Board of Directors of the Company.



MR. RAJU MANDAPALLI
Independent Director

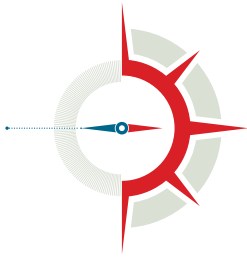
Mr. Raju Mandapalli is an Independent Director on Board of the Company. He is a graduate in Science in Botany, Geology & Chemistry and Masters in Geology from Andhra University, Waltair. He has an employment record of 37 years in Geological Survey of India in various positions from Engineer (Geology div.) to Director General, HOD and retired on superannuation. He specialises in the fields of Mineral Investigation, Engineering Geology, Landslide Hazard Projects, etc. He has authored many technical reports, articles in journals and publications, etc. He is the Chairman of Audit Committee and Nomination and Remuneration Committee of the Board of Directors and a Member of Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Finance Committee of Board of Directors of the Company.

MR. MAHENDRA PRATAP
Independent Director

Mr. Mahendra Pratap is an Independent Director on Board of the Company. He is a post graduate in Physics and has done Management courses from Indian Institute of Management, Lucknow and Indian School of Business, Hyderabad. He has an employment record of 36 years in Oil and Natural Gas Corporation (ONGC) in various positions from Level-1 Employee to the position of Executive Director. He also has around 3 years of experience in Directorate General of Hydrocarbons (DGH) as Deputy Director General (Exploration) and retired on superannuation. He has wide experience and a deep knowledge of all the facets of exploration with emphasis on seismic technology. He has authored many technical reports, articles and publications on the Hydrocarbon Prospects in various geological areas of India. He is a Member of Audit Committee and Nomination and Remuneration Committee of Board of Directors of the Company.

MR. VINAY KUMAR VERMA
Independent Director

Mr. Vinay Kumar Verma is an Independent Director on Board of the Company. He has done his graduation in Science with banking qualification and is specialised in the fields of strategic and policy planning, risk management and resource management. He is the former General Manager of Andhra Bank, superannuated in June 2017. He has an employment record of 35 years in Andhra Bank. He is a Member of Audit Committee and Nomination and Remuneration Committee of Board of Directors of the Company.



MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview

1) Global economy:

Growth across economies worldwide decelerated markedly in 2019 with a sustained weakness in international trade and investments. This weakness affected both the advanced economies, particularly the Euro Area, as well as the emerging markets and the developing economies. Global trade contracted for most part of 2019, leading to a slowdown in manufacturing, and financial markets remained fragile. Concerns over economic growth triggered widespread monetary policy easing by major central banks last year. In the backdrop of such turmoil, global growth weakened to an estimated 2.9% last year - the lowest rate of expansion since the 2008 financial crisis.

The year 2020 became a year of nightmare not for businesses alone, but for the entire human race. The Covid-19 pandemic ravaged the world, spelling doom and drawing the civilisation to its knees. The world faces a grim reality - the exponential growth of the contagion is multiplying the number of infected individuals every day. The loss in businesses associated with this health emergency and containment measures possibly dwarfed the losses that the two global financial crises had caused. The shock isn't over even as we draft this report. Covid-19 has driven the world into a state of severe uncertainty of unknown duration. Under such circumstances, economic policies play a very different role. With a blanket shutdown thrown over most part of the world to contain the spread of the disease, life came to a sudden halt, bringing all economic activities to a standstill. This made the revival virtually impossible in the short term. Many countries face a multi-layered crisis, comprising a health shock, domestic economic disruptions, plummeting external

demand, capital flow reversals and a collapse in commodity prices. Experts believe that the global economy has entered into one of its worst recessions.

2) Indian economy:

India's economic growth rate slumped to 3.1% in the March quarter - the slowest in 11 years. Data released by the statistics department showed that the gross domestic product (GDP) grew at 4.2% in the year ended 31 March 2020, compared with 6.1% a year ago. India's fiscal metrics worsened beyond the government's estimates with the fiscal deficit for FY20 widening to 4.6% of the GDP as against the finance ministry estimate of 3.8%. The slowdown was triggered by a mix of both internal as well as external factors such as a synchronised global slowdown, continued impact of demonetisation and poor implementation of GST, historically low automobile sales, a flat growth in core sectors and a steady decline in investment into construction and infrastructure. The situation worsened when most public sector banks began gasping for breaths under a huge load

of Non-Performing Assets (NPAs). The NBFC crisis weakened the financial health of the economy further with a significant liquidity crunch in the system.

The Covid-19 outbreak inflicted an unprecedented toll on mankind and the economy; large-scale job losses brought the average Indian teetering on the edge. In April 2020, India's manufacturing and services activities recorded the sharpest contraction among the world's top 10 economies.

But that's not the end of the road. Because India is robust and resilient enough to withstand and overcome shocks and crises of large magnitude, with courage. Experts believe that that while the economic damage of the pandemic has so far been deep and far-reaching in India, there is confidence that the economic activities will spike once the Covid-19 restrictions are eased.

01 Global oil market

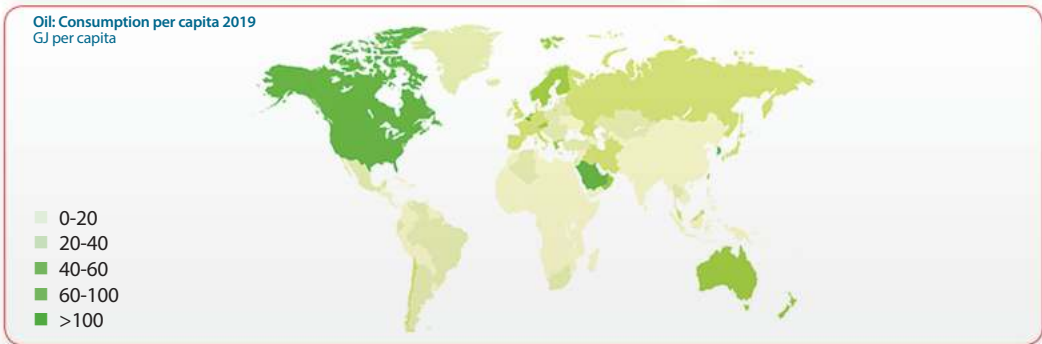
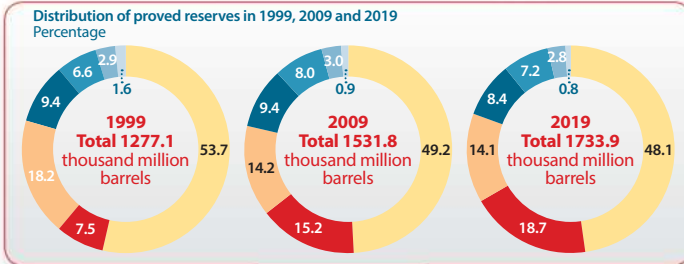
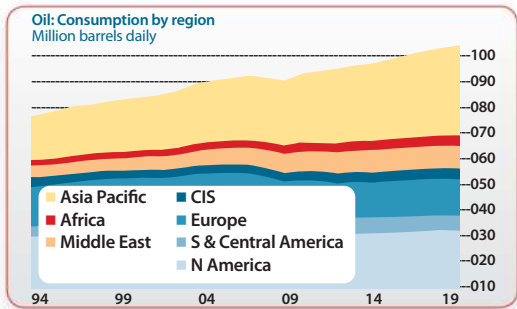
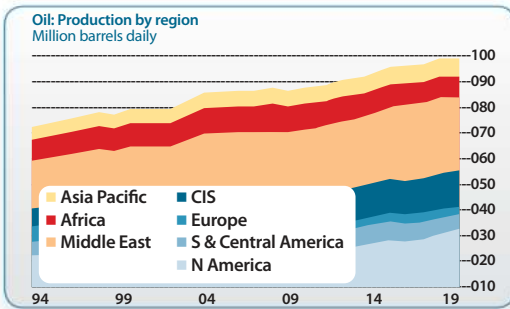
Oil consumption grew by 0.9 million barrels per day (b/d), or 0.9%, slightly lower than the 10-year annual average of 1.3%. The growth was led by China, where demand rose by 680,000 b/d, and the largest increase in the country's demand since 2015. Elsewhere in the developing world,

growth was below average other than Iran. The OECD demand fell by 290,000 b/d, the first decline since 2014. Oil production fell slightly by 60,000 b/d in 2019 as strong non-OPEC production growth, led by the US, was offset by a sharp decline in OPEC production. The US posted the largest

increase of any country for the third consecutive year, with its output rising by 1.7 million b/d, although this was down from the record increase in 2018 (2.2 million b/d). The OPEC production fell by 2 million b/d, the group's steepest decline since 2009. Much of

this fall was driven by a combination of sanctions and economic difficulties in Iran and Venezuela. In addition, a renewed OPEC+ production cut agreement reduced output levels for other countries. Oil prices edged a little lower last year, with Dated Brent averaging \$64.21/bbl compared with \$71.31/bbl in 2018.

2 million b/d
Decline in OPEC oil production, the largest decline since 2009



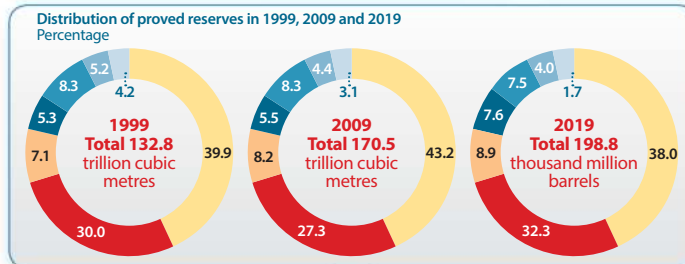
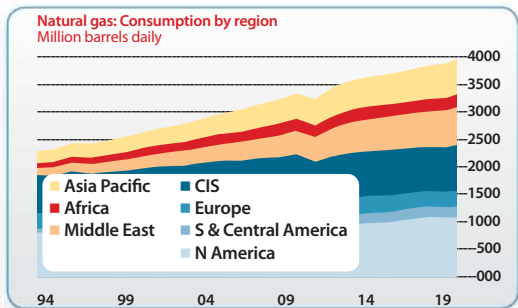
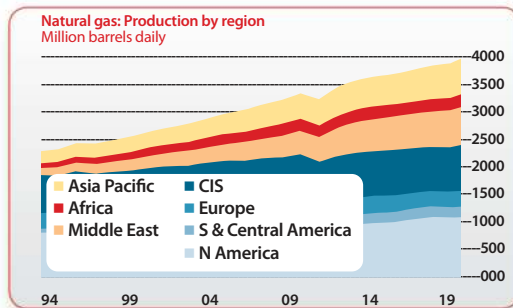
02 Global natural gas market

Global natural gas consumption growth averaged 2% in 2019, below its 10-year average and down sharply from the exceptional growth seen in 2018 (5.3%). In volume terms, demand grew by 78 billion cubic metres (bcm), led by the US (27 bcm) and China (24 bcm).

The growth in the US and Chinese gas consumption was much slower than in 2018, as the boost from weather effects and policy-driven coal-to gas switching in China faded. A reduction in the number of unusually hot and cold days also contributed to a fall in Russia's gas consumption

(10 bcm) - the largest decline of any country last year. Gas production grew by 132 bcm (3.4%) outpacing growth in consumption. The US accounted for almost two thirds of net global growth, with the volumetric increase of 85 bcm just shy of 2018's record increment (90 bcm).

With production growth outpacing growth in consumption by a considerable margin, storage levels rose in most regions and prices fell sharply.



INDIAN ENERGY MARKET

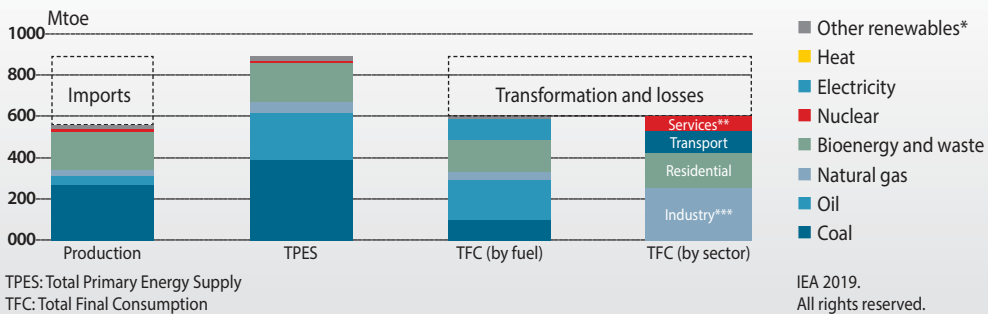
Ensuring Indian citizens that they will have access to electricity and clean cooking has been at the top of the country's political agenda. Around 750 million people in India gained access to electricity between 2000 and 2019, reflecting a strong and effective policy implementation.

Over the past decades, energy demand has increased steadily across all sectors, including agriculture, industry, commercial and residential, and is expected to continue to grow. Nonetheless, India's per capita energy consumption stands at 30% of the world's average (0.44 tonnes of oil equivalent

[toe] per capita versus the global average of 1.29 toe and the International Energy Agency average of 2.9 toe). India's energy system is largely based on the use of coal for power generation, oil for transport and industry, and biomass for residential heating and cooking.

Going forward, India's energy demand is projected to grow by 4.2% through 2035, an expansion faster than all major economies of the world. According to the IEA, India's demand for energy is set to double by 2040, while its electricity demand may triple over the same period.

Overview of India's energy system by fuel and sector, 2017



01 Indian oil market

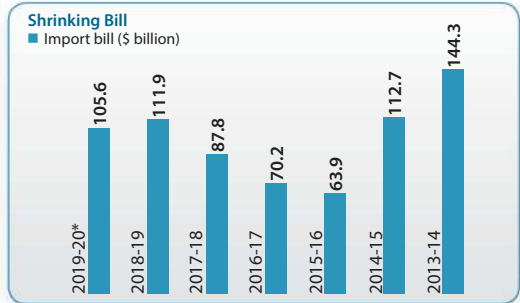
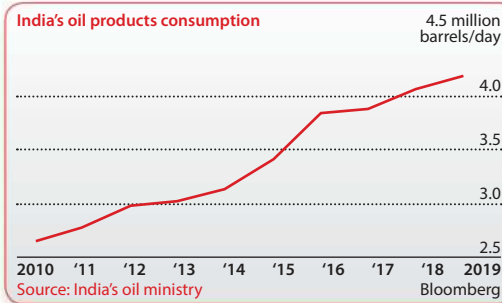
India, the third largest consumer of oil in the world, is facing dual challenges - increasing consumption and depleting oil reserves. Despite efforts by the government to increase crude oil production and cut down on the country's oil import bill, India's domestic crude oil output fell to 32,173 Thousand Metric Tonnes (TMT) in 2019-20 from 34,203 TMT a year back, hitting the lowest level of production in at least 18 years. Ageing of oil fields, and a production drop of 15.5% from fields

run by private players, 2% from fields under ONGC and nearly 6% from fields with Oil India led to the decline in overall production. India's crude oil import bill, however, stood 9% lower at \$102 billion in 2019-20, thanks to a price crash towards the end of the year. Import dependence in oil, though, has risen to 85% from 83.8% over the last one year on the face of lower domestic production. With the oil import bill weighing about 4% of the gross domestic product (GDP), the Indian economy remained even

more exposed to the risks of supply disruptions, geopolitical uncertainties and price volatility in international markets. The crude import bill is likely to shrink further this year as the local demand fell sharply in April because of the two-month lockdown. Domestic crude oil production is expected to increase marginally by 2024 as the KG-DWN98/2 deep-water oil and gas project of the state-run Oil and Natural Gas Corporation (ONGC) starting production this year and reaching its

peak of 78,000 barrels per day over the next couple of years. According to the BP Energy Outlook from 2019, India's consumption of oil will jump from 5 million bpd in 2017 to 9 million bpd in 2040 at a compound annual growth rate (CAGR) of 3.1% through 2040. India's share of total global primary energy demand is set to roughly double to around 11% by the same time, underpinned by strong population growth and economic development.

If crude price falls by one dollar per barrel, India's import bill shrinks by ₹ 2,936 crore. If exchange rate shifts by a rupee to a dollar, import bill changes by ₹ 2,729 crore.



India's crude reserves: India's proven reserves of crude oil and condensate as of April 2018 were about 595 mt (around

4.4 billion barrels), which could potentially sustain production for about 14 years at current levels. Oil production in India

comes primarily from three onshore states of Assam, Gujarat and Rajasthan, which together account for more than 96% of oil from

onshore fields, and from the aged offshore Mumbai High Field.

02 Indian gas market

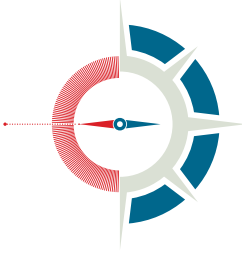
Natural gas production in 2019-20 declined 5% to 31,179 million metric standard cubic metres. The drop was sharper at 14% in March as customer demand declined as the lockdown shut transport and stopped industrial activities. For the full year, the deepest production decline of 13%

came from fields operated by private players. Gas production from fields of ONGC and Oil India fell 4% and 2%. Natural gas import bill shrank nearly 8% to \$9.5 billion as the global prices fell, although in volume terms, imports rose 17% to 33.7 billion cubic metres in

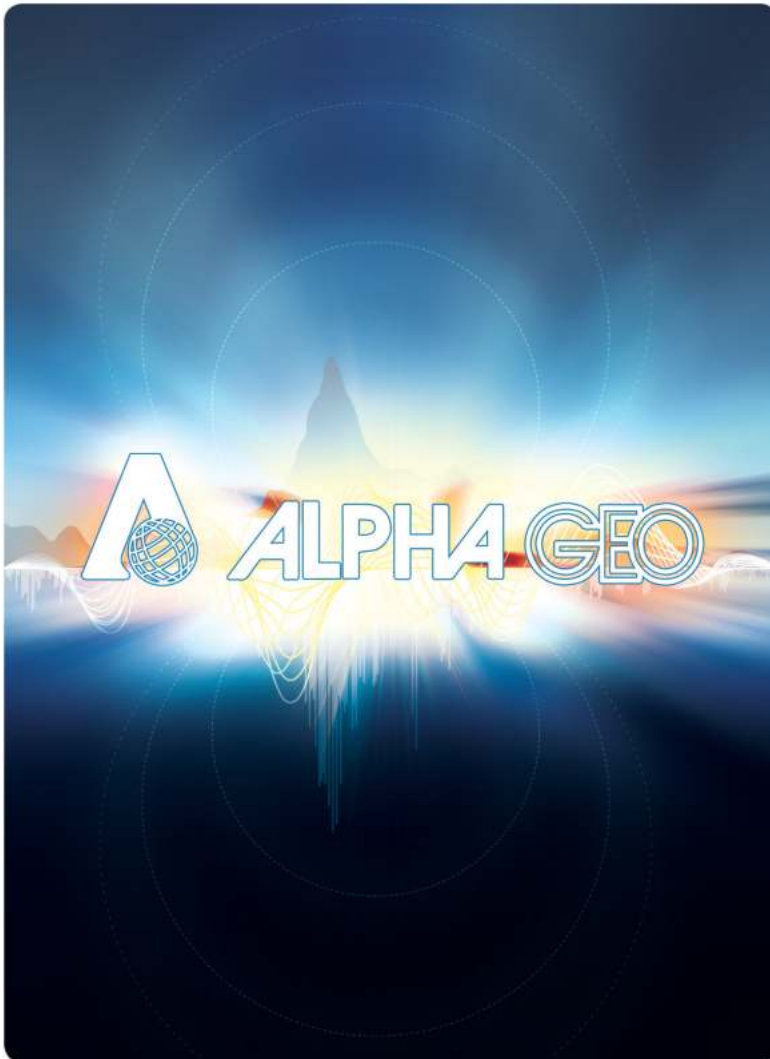
2019-20, according to the official data. Imports rose to fill the gap left by a 5.2% decline in domestic output and a similar rise in local gas consumption. Imports now make up 52.7% of the total gas consumption, up from 47.3% in 2018-19. India's natural gas reserves: The estimated reserves of

natural gas in India as of 31 March 2018 was 1,339.57 billion cubic metres (BCM), increasing by 3.87% from the previous year. The largest reserves of natural gas are located in the Eastern Offshore (38.13%) and the Western Offshore (23.33%).





ABOUT THE COMPANY



India's largest onland integrated seismic services player in the private sector, Alphageo (India) has successfully completed more than 53 projects in its over-25 + years journey in some of the most challenging basins in India. The Company's services include 2D and 3D geophysical and related services (geophysical data acquisition, processing and interpretation) for the oil and gas sector. Spearheaded by Dinesh Alla, the Company's business operations are managed by a team of experience and enthusiastic professionals. The Company's equity is listed on the BSE Limited and the National Stock Exchange of India Limited.

Operational performance

Alphageo completed 6,447 LKM in 2D Seismic survey and 184 Sq Km in 3D Seismic survey in 2019-20. Moreover, it successfully completed the Airborne Geophysical Survey project and Ground Geophysical Mapping Survey for creating gravity and magnetic maps which marks its diversification from oil to minerals. In 2019-20, the Company won a number of high-value projects such as a Gravity, Magnetic and Resistivity Survey for Manganese Ore, strengthening its experience and exposure in this new and relatively uncluttered opportunity space.

Financial performance

(Based on Standalone Financial Statements)

The financial performance slid as project execution was impacted because of the economic slowdown and policy-led social turmoil in certain parts of the country.

Statement of Profit and

Loss: Revenue from operations stood at ₹ 26,752 lakh in 2019-20 as against ₹ 40,508 lakh in 2018-19 - a dip of 33.96%.

As on-field operations remained subdued for most part of the year, the cost of operations also declined. Geophysical survey and related expenses dropped from ₹ 27,508 lakh in 2018-19 to ₹ 19,653 lakh in 2019-20.

Finance cost for the year also reduced to ₹ 251 lakh in 2019-20 against ₹ 297 lakh in the previous year primarily owing to a decrease in borrowings.

The Company registered a Net Loss of ₹ 1,010 lakh in 2019-20 as against a Net Profit of ₹ 4,490 lakh in 2018-19. This dip was primarily due to the contract closure charge of ₹ 3,279 lakh accounted for the current financial year.

Balance Sheet: The Capital Employed in the business was lower from ₹ 37,460 lakh as on March 31, 2019 to ₹ 29,709 lakh as on March 31, 2020. On the liabilities side, while the share capital remained unchanged, the reserves declined on the loss for the year which was written off from the Reserves built over the years. Shareholders' Fund declined from ₹ 24,962 lakh to ₹ 22,710 lakh during the period.

Borrowings largely

comprised working capital loans which declined marginally over the previous year – from ₹ 2,776 lakh to ₹ 2,623 lakh.

The Company enjoyed working capital limits of ₹ 12,480 lakh with banks as on March 31, 2020. It utilised fund-based working capital loans of ₹ 2,617 lakh against a limit of ₹ 4,000 lakh as on March 31, 2020. Of the ₹ 8,480-lakh non-fund-based limit, the Company utilised ₹ 7,942 lakh as on March 31, 2020. On the assets side, there was a marginal decline in tangible assets from ₹ 7,652 lakh as on March 31, 2019 to ₹ 6,888 lakh as on March 31, 2020. The current asset segment was a mixed bag. While the balance under inventories increased from ₹

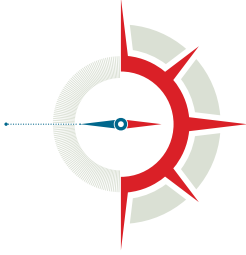
43 lakh to ₹ 103 lakh during the period under review, trade receivables dropped to ₹ 8,379 lakh from ₹ 16,392. The current ratio stood at 2.84 as on March 31, 2020 as against 2.20 as on March 31, 2019.

Significant changes or change of 25% or more in the key financial ratios

In accordance with the amendments notified by the SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on May 9, 2018, the details of significant changes i.e. change of 25% or more in the key financial ratios as compared to the immediately previous financial year along with detailed explanations are reported hereunder:

Key ratios

| Particulars | 2019-20 | 2018-19 | Change (%) | Reason for change |
|-----------------------------|---------|---------|------------|---|
| Debtors Turnover Ratio | 2.16 | 2.25 | (4.00) | - |
| Current Ratio | 2.84 | 2.20 | 29.09 | Working capital position improved over the previous year |
| Debt-Equity Ratio | 0.31 | 0.50 | (38.44) | Debt repaid during the year |
| Interest Coverage Ratio | (4.27) | 25.16 | (116.99) | |
| Operating Profit Margin (%) | 6.03 | 25.07 | (75.97) | Declined owing to certain contract closure charges imposed by the clients |
| Net Profit Margin (%) | (3.78) | 12.32 | (130.65) | |
| Return on Net Worth (%) | (4.45) | 19.99 | (122.26) | |



HUMAN RESOURCE

People have been the cornerstone of Alphageo's success. Their unwavering passion and disciplined perseverance have fuelled the Company's growth aspiration to challenge the status quo and go beyond perceived boundaries.

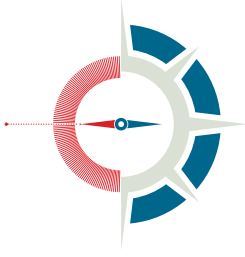
Alphageo believes that its intellectual capital represents an invaluable asset. In line with this, the Company has positioned employee engagement as a key priority through its people-centric policies and initiatives.

The Company, on its part, continues to invest in its people - building their capability, sharpening their expertise and nurturing the spirit of leadership - which position the Company as a learning and knowledge-building institution. It has consistently worked on building people competencies in line with changing business needs. As a result, the Company enjoys the support of a committed and satisfied human capital.

These practices enable the Company to keep the attrition rate well below the industry average. The Alphageo team comprised 221 workforce as on March 31, 2020.

Going forward, the HR team will focus on strengthening its leadership pipeline. Besides, the team will work closely with the IT team to deploy IT-based solutions for improving the working environment.



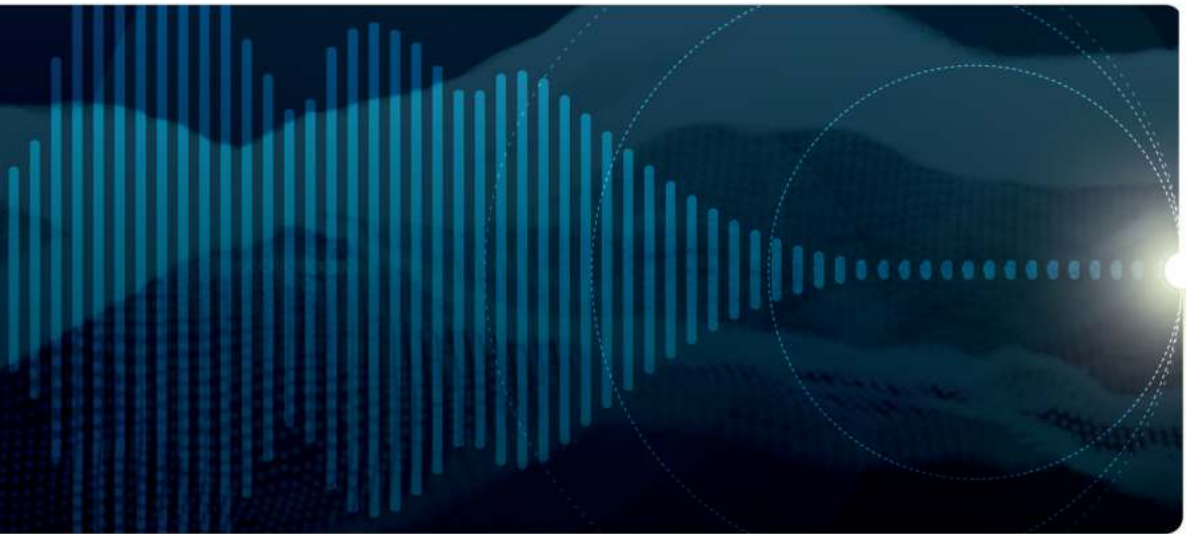


INTERNAL CONTROL AND ITS ADEQUACY

At Alphageo, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices and statutes considering the organisation's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profile, including development risks, commercial and financial risks.

In addition, Alphageo has management reporting and internal control systems in place, that enable it to monitor performance, strategy, operations, business environment, organisation, procedures, funding, risk and internal control. The internal auditors carry out extensive audits throughout the year across all functional areas and submit their reports to the Audit Committee.

The Company has instituted a legal compliance program, supported by a robust online system. The purview of this system includes various statutes, such as industrial and labour laws, taxation laws, corporate and securities laws and health, safety and environment regulations.



RISKS AND THEIR MANAGEMENT

RISK management at Alphageo is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable. The risk management framework encompasses strategies and operations and seeks to proactively identify, address and mitigate existing and emerging risks.

Risk

GROWTH



Relevance

The economic erosion consequent to the lockdowns could impact the flow of fresh business.

Management

The Company has chosen to be present in high-priority spaces which are relatively uncluttered. **The** search for crude oil has always been top most on the priority list for every government owing to India's huge and growing dependence on imported crude. **The** search for minerals, a nascent opportunity, is expected to grow significantly as the country sharpens its focus on the Make-in-India goal. The opportunities are present. Alphageo is being selective in the bidding process to ensure that whatever is received can be delivered in time.

Risk

PEOPLE



Relevance

The crew members could have got stuck at hometowns and unable to report back for work.

Management

For the Company, the rainy season is typically a no-work period, owing to the inability to work in the challenging and inhospitable mountainous terrains. Hence, the crew members typically have time till September 2020 to return to work, by when it is expected that all modes of transport would be operative and some semblance of normalcy would return.

Risk

PROJECT DELIVERY



Relevance

Owing to the lockdowns, project delivery could get delayed which could attract penalties.

Management

The Company has secured extensions for all its projects which are work-in-progress from its respective clients. This should help Alphageo manage project delivery without any detriment to its financial performance.

Risk

BUSINESS SUSTAINABILITY



Relevance

The Company's services could be perceived as environment damaging; it could impact business sustainability

Management

India's Achilles' Heel is its growing import dependence for oil and gas. The Company's services in this regard are critical in growing India's self-dependence for this critical fuel. Also, with India positioning itself as an important key in the global supply chain in the New World (post Covid) availability of minerals will emerge as an important determinant for global companies setting a base in India. As such, India's search for wealth below the surface will only increase.

Corporate Information

Board of Directors

| | |
|-----------------------|--------------------------------|
| Mr. Dinesh Alla | Chairman and Managing Director |
| Ms. Savita Alla | Joint Managing Director |
| Mr. Rajesh Alla | Director |
| Mr. Raju Mandapalli | Independent Director |
| Mr. Mahendra Pratap | Independent Director |
| Mr. Vinay Kumar Verma | Independent Director |

Chief Financial Officer

Mr. Sesham Purushotham (Resigned w.e.f. 07.08.2020)
Ms. Rohini Gade (Appointed w.e.f. 08.08.2020)

Registered Office

802, Babukhan Estate, Basheerbagh
Hyderabad- 500 001, Telangana

Company Secretary

Ms. Deepa Dutta

Statutory Auditors

M/s. Majeti & Co.,
Chartered Accountants
101, Ganesh Siri Sampada Apts, 6-3-347/17,
Dwarakapuri Colony, Sai Baba Temple Road
Punjabgutta, Hyderabad – 500082, Telangana

Bankers

State Bank of India
Axis Bank Ltd
Punjab National Bank

Corporate Office

First Floor, Plot No. 1, Sagar Society
Road No. 2, Banjara Hills,
Hyderabad – 500 034, Telangana
23550502/ 23550503

Registrar and Share Transfer Agent

M/s. KFin Technologies Private Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad - 500 032, Telangana
Phone : +91 40 67161500
Toll Free : 1800 345 4001, Fax: 040-23420814
E-mail : einward.ris@kfintech.com
Website : www.kfintech.com

Directors' Report

To
The Members

Your Directors are pleased to present the 33rd Annual Report of Alphageo (India) Limited ("the Company") on business and operations of the Company along with the Audited Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2020.

Financial Highlights

The financial performance of the Company for the year ended March 31, 2020, on a Standalone and Consolidated basis, is summarised below: (₹ in lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---------------|--------------|--------------|--------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue from Operations | 26752 | 40508 | 26752 | 40508 |
| Other Income | 375 | 507 | 395 | 508 |
| Total Revenue | 27127 | 41015 | 27147 | 41016 |
| Profit Before Finance costs and Depreciation | 1987 | 10664 | 2315 | 10745 |
| Finance Cost | 251 | 297 | 251 | 298 |
| Depreciation and Amortisation | 2685 | 2682 | 2835 | 3201 |
| Profit Before Tax | (949) | 7685 | (771) | 7246 |
| Tax Expenses | 61 | 2695 | 106 | 2705 |
| Profit After Tax | (1010) | 4990 | (877) | 4541 |
| Earnings Per Share of ₹. 10/- each | | | | |
| Basic (₹.) | (15.87) | 78.40 | (13.77) | 71.35 |
| Diluted (₹.) | (15.87) | 78.40 | (13.77) | 71.35 |

COVID-19 and its impact

Consequent to the nationwide lockdown due to COVID-19, the Company had to temporarily suspend its operations as per the directives of the Government and keeping in mind the paramount need of safety of its employees. The emergence of COVID-19 pandemic and the subsequent lockdown during the month of March and the first quarter

of financial year 2020-21 has adversely affected the seismic survey operations as these are the most productive periods for carrying out the seismic services that the Company executes for its clients. This has also impacted the financials of the Company due to non-fulfilment of the obligations of its clients.

The situation created by COVID-19 continues to hold some uncertainties for the future, however, the Management is making all efforts to resume the operations post monsoon.

Operational and Financial Performance

Domestic Operations:

The effect of events that took place beyond the management control including lockdown due to COVID-19 pandemic, resulted in lesser operational days during the current financial year. The income from operation for the year 2019-20 is ₹ 26752 Lakhs against ₹ 40508 lakhs for the previous year; the profit/loss before tax as ₹ -949 lakhs and the profit/loss after tax of ₹ -1010 lakhs for 2019-20.

The Equity of the Shareholders, on standalone basis is ₹ 22710 lakhs as on March 31, 2020 as compared to ₹ 24963 lakhs as on March 31, 2019.

Your directors are of opinion that having sizeable executable orders on hand, the Company will strive to achieve the operational and financial performance in the forthcoming financial years.

Global Operations:

On a consolidated basis, the operational income for the year 2019-20 is ₹ 26752 lakhs against ₹ 40508 lakhs for the previous year. The Profit/Loss before Tax for the year 2019-20 is ₹ -771 lakhs against ₹ 7246 lakhs in the previous year. The Profit/Loss after Tax for the year 2019-20 is ₹ -877 lakhs against ₹ 4541 lakhs in the previous year.

Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2020 is ₹ 636.48 lakhs comprising of 63,64,767 equity shares of ₹ 10 each. During the year under review, the Company has not issued or allotted any shares of the Company. The Company does not have any outstanding warrants or any convertible instruments as on March 31, 2020.

Transfer to Reserves

The Company has not transferred/ appropriated any amount to the General Reserve during the year ended March 31, 2020.

Dividend

Pursuant to the approval of Board of Directors on March 6, 2020, the Company declared an interim dividend of ₹ 8/- per equity share of ₹ 10/- each for the financial year 2019-20. The dividend pay-out for the interim dividend amounted to ₹ 5,09,18,136 and dividend distribution tax amounted to ₹ 1,04,66,373.

The interim dividend has been paid to all the shareholders who were on the register of members as on March 17, 2020, being the record date fixed for this purpose. The Board has not recommended a final dividend and accordingly recommends that the interim dividend of ₹ 8/- declared in March 2020 shall be considered as the final dividend for the financial year 2019-20.

Material changes and commitment, if any, affecting financial position of the Company from the end of the financial year till the date of this Report

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of COVID-19.

Subsidiaries

Foreign Subsidiaries:

The Company has one 100% owned foreign Subsidiary, Alphageo International Limited, incorporated in Jebel Ali Free Zone Area in Dubai and one 100% owned First Level Step Down Subsidiary, Alphageo DMCC incorporated under Dubai Multi Commodities Center (DMCC) Regulations.

Indian Subsidiaries:

Alphageo Marine Services Private Limited (AMSPL)

AMSPL was incorporated in the year 2017 for providing marine survey services and aerial geophysical services. No commercial activities have been carried on by the subsidiary company during the year 2019-20.

Alphageo Offshore Services Private Limited (AOSPL)

AOSPL was incorporated in the year 2018 as wholly-owned subsidiary of the Company for undertaking commercial activities relating to providing geophysical services for offshore and transition zones, and general offshore related services for mining and hydrography. This subsidiary company has not yet commenced its business operation.

Performance of Subsidiaries:

Pursuant to the provisions of Section 129(3) of the Companies Act 2013, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is annexed as Annexure-I to this report.

In compliance with section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiaries are available on the website of the Company and also will be made available upon the request by any member of the Company.

The Company does not have any Associate or Joint Venture Companies. Further, the Company has adopted a policy for determining "Material Subsidiary" in terms of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which can be viewed on the Company's website at <http://www.alphageoindia.com/Policies.htm>. In accordance with the aforesaid regulations, the Company has no material subsidiary as on March 31, 2020.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Subsidiaries for the financial year ended March 31, 2020 prepared in compliance with the Indian Accounting Standards notified under Section 133 the Companies Act, 2013, Section 129(3) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with Auditors' Report thereon form part of this Annual Report.

Change in the nature of business

The Company continues to be in the business of providing Geophysical Data Acquisition, Processing and Interpretation services and there has been no change in the nature of business of the Company or any of its subsidiaries during the year under review.

Unclaimed Dividend

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unpaid/unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

The details of the unclaimed dividend lying with the Company are available on the website of the Company at the web link: <http://alphageoindia.com/Unclaimed%20Dividends.htm>.

Transfer of Unpaid and Unclaimed Amounts to Investor Education and Protection Fund ("IEPF")

a) Transfer of Unclaimed Dividend to IEPF:

Pursuant to the provisions of Section 124 of Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules 2016, dividends which remain unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account are required to be transferred by the Company to Investor Education and Protection Fund ("IEPF") established by the Government of India under the provisions of Section 125 of the Companies Act, 2013.

During the year under review, there is no unclaimed dividend required to be transferred to the Account of IEPF.

b) Transfer of Shares to IEPF:

Section 124(6) of Companies Act, 2013, read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, mandates transfer of underlying shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund.

During the year under review, the Company is not required to transfer shares to the IEPF Authority pursuant to the aforesaid rule.

The details of shares transferred to IEPF during the previous years are displayed on the website of the Company. The shareholders whose shares have

been transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPF/corporates.html>.

Auditors and Audit Reports

a) Statutory Auditors:

In terms of the provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s Majeti & Co. Chartered Accountants, Hyderabad (ICAI Registration No. 015975S) have been appointed as Statutory Auditors of the Company to hold office from the conclusion of 30th Annual General meeting till the conclusion of 35th Annual General Meeting of the Company to be held in the calendar year 2022.

In accordance with the amendment to the provisions of Section 139 by the Companies Amendment Act 2017, notified on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified by the Members at every Annual General Meeting.

Audit Report on Financial Statements:

The Statutory Auditors has issued modified report on the Financial Statements of the Company for the year ended March 31, 2020.

Details of Audit Qualification:

"The Company is subjected to the proceedings under section 132 of the Income Tax Act. As per the information and explanations given to us by the Management, consequential impact of the search proceedings, if any, are presently unascertainable and no provision has been made in the standalone financial statements".

Board's Explanation to the qualification in the Audit Report:

The Company has not received any statement from the IT Officials on the conclusive findings of the search conducted by the Income Tax Department under 132 of the Income Tax Act, 1961 and hence, the consequences of the same is presently unascertainable.

b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad were appointed to conduct the secretarial audit of the Company for the year 2019-20. The Secretarial Auditors have issued modified Secretarial Audit Report for the year ended March 31, 2020. The Report issued by them is appended herewith as Annexure-II.

Details of Qualification:

The Secretarial Auditors in its Report have mentioned the non-compliance with respect to the composition of Board of Directors, Audit Committee and Nomination and Remuneration Committee as per the Listing Regulations.

Board's Explanation to the qualification in the Report:

During the quarter ended September 30, 2019, two of the Independent Directors of the Company resigned from the Board resulting in significant change in the composition of Board. In absence of requisite number of independent directors on the Board of the Company—

- the composition of Board of Directors was not in conformity with the provisions of the Companies Act, 2013 and Listing Regulations during the quarter ended September 30, 2019 and December 31, 2019;
- the composition of Audit Committee and Nomination and Remuneration Committee of the Board were not in conformity with the provisions of the Companies Act, 2013 and Listing Regulations during the quarter ended September 30, 2019.

However, subsequent to the appointment of independent directors during the year, the composition of Board of Directors, Audit Committee and Nomination and Remuneration Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Regulations as on March 31, 2020.

c) Cost Audit and Cost Records:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

Directors and Key Managerial Personnel

Appointments and Re-appointments of Directors:

During the year, Mr. Mahendra Pratap and Mr. Vinay Kumar Verma were appointed as Additional Directors of the Company under Independent category with the approval of the Board effective from October 17, 2019 and February 7, 2020 respectively. Their appointment as Independent Directors will be placed in 33rd Annual General Meeting of the Company for the approval of members of the Company.

Resignation:

During the year under review, Mr. Mohanakrishna Reddy Aryabumi, Non-Executive and Independent Director and Mr. Ashwinder Bhel, Non-Executive and Independent Director of the Company resigned from the Board, effective from July 31, 2019 and August 1, 2019 respectively. The Board places on record its appreciation for the valuable contribution made by them during their association with the Company.

Retirement by Rotation:

Mr. Rajesh Alla, Non-Executive Director retired by rotation has been re-appointed as Director of the Company at the 32nd Annual General Meeting held on September 30, 2019.

Further, as per the provisions of Section 152(6) of Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rajesh Alla retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment for the approval of the Members.

Particulars of Remuneration to Directors and Key Managerial Personnel:

Particulars of Remuneration to Directors and Key Managerial Personnel as required under section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in Annexure-III and forms part of this Report.

Changes in Key Managerial Personnel:

During the year, Mr. Sesham Purushotham has been appointed as Chief Financial Officer of the Company with effect from September 15, 2019 with approval of the Board in place of Mr. Venkatesa Perumallu Pasumarthy, erstwhile Chief Financial Officer who tendered his resignation effective from September 14, 2019.

Board and Committee Meetings

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

Audit Committee

The Audit Committee of the Board, currently headed by an Independent Director as Chairperson meets at regular intervals to discharge its terms of reference effectively and efficiently. During the year under review, there were no instances where recommendations of the Audit Committee were not accepted by the Board.

Directors Responsibility Statements under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the Annual Accounts of the Company, both standalone and consolidated, for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act 2013, have been followed and that there are no material departures from the same;

- ii. the Directors have selected such accounting policies 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 March 31, 2020 and of the profit/(loss) for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Annual Accounts for the year ended March 31, 2020 have been prepared on a going concern basis;
- v. adequate internal financial controls have been laid down and such controls are operating effectively;
- vi. proper and adequate systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are operating efficiently; and
- vii. there are no instances of frauds involving the officers or employees of the Company reported by the Auditor under section 143(12) of the Act during the year ended March 31, 2020.

Particulars of Remuneration to Employees

The details of remuneration to Employees, as required under Rule 5(2) read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in Annexure-IV and form part of this Report.

Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and Listing Regulation, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the working of its various committees as well on the evaluation criteria defined by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors.

The evaluation has been carried out through a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, interpersonal relationships, attendance and contribution at meetings etc. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The evaluation process has been explained in the Corporate Governance Report, which forms part of this Annual Report.

Declaration by Independent Directors

The Company has received necessary declaration from all the Independent Directors of the Company under the provisions of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

Nomination and Remuneration Policy

The Company has framed and adopted a policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees of the Company in line with the provisions of section 178 of the Companies Act, 2013 and Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Policy is available on the website at: <http://alphageoindia.com/Policies.htm>.

It is affirmed that the appointment and remuneration of Directors, Key Managerial Personnel and all other employees are in accordance with the Remuneration Policy of the Company. The remuneration paid to the executive and non-executive directors of the Company during the year under review have been detailed in the Corporate Governance Report, which forms part of the Annual Report.

Particulars of Loans, Guarantees or Investments

The Company has not extended any loans, guarantees or investments to any other person or body corporate during the year ended March 31, 2020.

Particulars of Contracts or Arrangements with Related Parties

The Company has adopted a Policy for dealing with the transactions with related parties in line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, which is available on the Company's website at <http://alphageoindia.com/Policies.htm>.

All contract and transactions entered into with related parties as defined under the Companies Act, 2013, during the year under review, were in the ordinary course of business and on an arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. All related parties transactions were placed before the Audit Committee for prior approval. The particulars of such transactions with related parties have been disclosed at note no. 36 in the standalone financial statements as required under Ind AS 24- Related Party Disclosures and as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations or which may have a potential conflict with the interests of the Company during the financial year.

During the year, there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price. Accordingly, there were no transactions during the year ended March 31, 2020 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014.

Corporate Social Responsibility (CSR)

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The Company's CSR Policy is available on the website at <http://alphageoindia.com/Policies.htm>.

During the year under review, the Company primarily extended its support to the projects in the areas of promoting education, enhancing vocational skills and

promoting healthcare including preventive health care. During the year, the Company, as part of its social responsibility, also extended its support to PM-CARES Fund towards COVID-19 relief.

The annual report on CSR activities undertaken during the financial year 2019-20 is appended as Annexure-V to this Report.

Reasons for not spending the amount earmarked for CSR Activities:

During the year 2019-20, the Company allocated an amount of ₹ 290.27 Lakhs to be spent on corporate social responsibility (CSR) activities, which included the unspent amount of ₹ 132.63 Lakhs of 2018-19 carried forward for spending in forthcoming years. Out of this, the Company spent ₹ 72.56 Lakhs during the year under review. The unspent amount of ₹. 217.71 Lakhs has been carried forwarded for spending in the forthcoming years.

The Company believes in spending on such activities which really benefit the targeted beneficiaries. Several projects have been identified and are under implementation. The Company has also started identifying appropriate CSR projects in the areas around the sites where it operates by coordinating with the local elected representatives, non-governmental organisations and Government agencies. The Company is continuously extending its effort for making contributions to various socially useful projects and is confident of meeting the statutory requirement in the coming financial year.

Report on Corporate Governance

Pursuant to Regulation 34 of the Listing Regulations, a detailed report on Corporate Governance for the financial year 2019-20 is provided in a separate section and forms part of the Annual Report. The Certificate from a Practicing Company Secretary confirming compliance with the mandatory requirements relating to corporate governance as stipulated under Chapter IV of the Listing Regulations, forms part of the Corporate Governance Report.

Management Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the Listing Regulations, Management Discussion and Analysis

Report for the year under review is presented in a separate section and forms part of the Annual Report.

Risk Management

The Company continuously identifies the risks that it faces such as strategic, financial, liquidity, regulatory, legal and other risks and assesses and evaluates the same in line with the overall business objectives, functioning and growth of the Company.

The details of the risk management framework and issues related thereto have been explained in the Management Discussion and Analysis Report.

Internal Financial Controls and its Adequacy

The Company has in place an adequate internal financial control system with reference to financial statements and such internal financial controls are operating effectively and no deficiencies have been observed during the year under review.

Reporting of Frauds

There were no instances of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or the Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

Whistle Blower/Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the directors and employees to deal with the instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimisation of persons, who avail the mechanism and provides direct access to the Chairman of Audit Committee of the Board.

The Audit Committee periodically reviews the Whistle Blower Policy. It is affirmed that no personnel of the Company have been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy has been posted on the Company's website at <http://www.alphageoindia.com/Policies.htm>

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy aims to provide protection to employees at workplace with the objective of providing a safe working environment. The Company has set up an Internal Complaints Committee to redress complaints regarding sexual harassment. During the year under review, no complaint of sexual harassment has been reported. The Policy is available on the Company's website at: <http://www.alphageoindia.com/Policies.htm>.

Extract of Annual Return

Pursuant to the provisions of Section 36 of the Companies (Amendment) Act, 2017 notified effective from July 31, 2018 read with Section 92(3) of the Companies Act 2013, the extract of the Annual Return in the prescribed form i.e. Form MGT-9 is placed on the Company's website at: http://www.alphageoindia.com/Other_Information.htm.

Deposits

The Company has not accepted any deposits covered under Chapter V of Companies Act, 2013 and also any other deposit which is not in compliance with the requirements of Chapter V of the Companies Act, 2013.

Compliance with Secretarial Standards

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Employees Stock Option Scheme

Stock option to Employees is being administered under the scheme titled "Alphageo ESOS 2008". Under this scheme, 2,35,067 stock options are available for granting to Employees and there are no enforceable stock options outstanding as on March 31, 2020.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are provided below:

| | | |
|---|-----------------------------|-----------------------------|
| a. Conservation of Energy: | Not Applicable | |
| b. Technology Absorption: | Nil | |
| c. Foreign Exchange Earnings and Outgo: | | |
| | 2019-20 ₹in Lakhs | 2018-19 ₹in lakhs |
| Foreign Exchange Earnings | Nil | Nil |
| Foreign Exchange Outgo: | | |
| CIF Value of Imports | 1622 | 653 |
| Expenditure in Foreign Currency | 757 | 797 |

Significant and Material Orders passed by the Courts / Regulators

There are no significant and material orders passed during the year by the regulators, courts or tribunals impacting the going concern status of the Company and its operations in future.

Acknowledgment

Your Directors take this opportunity to thank the employees, clients, vendors, investors, members, bankers and other business associates of the Company for their co-operation and valuable support extended during the year.

Your Directors appreciate and value the contributions made by every member of Alphageo family.

Hyderabad
June 29, 2020

For **Alphageo (India) Limited**

Dinesh Alla

Chairman and Managing Director

Annexure I
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129
read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries for the year ended March 31, 2020

(Amount in Rupees)

| S. No. | Particulars | Alphageo International Limited, Dubai | Alphageo DMCC, Dubai | Alphageo Marine Services Private Ltd., India | Alphageo Offshore Services Private Ltd., India |
|--------|--|---------------------------------------|----------------------|--|--|
| 1 | The Date since when Subsidiary was acquired | June 10, 2010 | January 30, 2011 | October 25, 2017 | April 26, 2018 |
| 2 | Reporting currency | USD | USD | INR | INR |
| 3 | Exchange rate as on 31.03.2019 | 75.3859 | 75.3859 | 1 | 1 |
| 4 | Share Capital | 21,47,02,586 | 40,88,177 | 10,00,000 | 1,00,000 |
| 5 | Reserves & Surplus | (9,93,285) | 22,19,01,412 | (5,90,856) | (82,112) |
| 6 | Total assets | 21,39,69,534 | 22,70,25,844 | 4,40,044 | 65,088 |
| 7 | Total liabilities | 2,60,232 | 10,36,255 | 30,900 | 47,200 |
| 8 | Investments (Excluding Investment in Subsidiary) | NIL | NIL | NIL | NIL |
| 9 | Turnover | NIL | 4,20,90,511 | NIL | NIL |
| 10 | Profit/(Loss) before taxation | (4,64,905) | 2,02,51,819 | (24,880) | (36,996) |
| 11 | Provision for taxation | NIL | 44,65,785 | NIL | NIL |
| 12 | Profit/(Loss) after taxation | (4,64,905) | 1,57,86,034 | (24,880) | (36,996) |
| 13 | Proposed dividend | NIL | NIL | NIL | NIL |
| 14 | % of Shareholding by Holding Company | 100 | 100 | 74 | 100 |

Notes:

1. Alphageo DMCC, Dubai is 100% owned Subsidiary of Alphageo International Limited and First Level Step down Subsidiary of Alphageo (India) Limited.
2. Alphageo Marine Services Private Limited is an Indian subsidiary incorporated on October 25, 2017.
3. Alphageo Offshore Services Private Limited is 100% owned Indian subsidiary incorporated on April 26, 2018.

Hyderabad
June 29, 2020

For **Alphageo (India) Limited**
Dinesh Alla
Chairman and Managing Director

Annexure II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

ALPHAGEO (INDIA) LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ALPHAGEO (INDIA) LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Due to lockdown on account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us via e-mail and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the period of audit);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer

Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - (Not applicable to the Company during the period of audit);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013- (Not applicable to the Company during the period of audit);
 - (k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) As per the representations and explanations given by the Management and Officers of the Company, there are no industry specific laws applicable to the Company as the Company falls under service sector.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. Company being in top 1000 Listed Entities w.e.f. 1 April, 2019 the Board shall comprise of Directors not

less than six in number. However due to resignation of Mr. Mohana Krishna Reddy & Mr. Ashwinder Bhel on 31.07.2019 and 01.08.2019 respectively, the number of directors on the Board were less than six till 07.02.2020

2. the Company does not have adequate number of Independent Directors on its Board for the quarters ended 30.09.2019 & 31.12.2019.
3. there were only (2) Two Directors as members of the Committee at the 71st Audit Committee meeting held on 14.08.2019.
4. Nomination and Remuneration Committee had only 1 (one) Independent Director as a member of the Committee during the period 01.08.2019 till 16.10.2019.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for not having minimum number of six directors and requisite number of independent directors from 01.08.2019 till 06.02.2020. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a

major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

We further report that during the year the Company was subjected to Search under Section 132 of the Income Tax Act, 1961 conducted by the Income Tax Department, CBDT from 24th July 2019 till 28th July 2019. The Management and employees had fully cooperated with the IT officials and supported them with all their requirements. The Company has not received

any statement from the IT officials on the conclusive findings of said search. This was intimated by the Company to Stock Exchanges.

For **D. Hanumanta Raju & Co.**

Company Secretaries

CS Shaik Razia

Partner

Place: Hyderabad

Date: 29.06.2020

FCS: 7122, CP NO: 7824

UDIN: F007122B000394795

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To

The Members,

ALPHAGEO (INDIA) LIMITED

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

For **D. Hanumanta Raju & Co.**

Company Secretaries

CS Shaik Razia

Partner

Place: Hyderabad

Date: 29.06.2020

FCS: 7122, CP NO: 7824

UDIN: F007122B000394795

Annexure III

Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| 1 Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20 | | | |
|---|---|--|---|
| | Name of the Executive Director | Ratio to Median | % of increase in remuneration (Not Annualised) |
| | Mr. Dinesh Alla | 38.95 | Nil (Refer Note-1)* |
| | Mrs. Savita Alla | 34.77 | Nil (Refer Note-2)* |
| Note-1: The remuneration for the year 2018-19 and 2019-20 are as approved by the Members at 29th Annual General Meeting and 32nd Annual General Meeting, respectively and within the overall remuneration prescribed under the Companies Act, 2013. | | | |
| Note-2: The remuneration for the year 2018-19 and 2019-20 are as approved by the Members of the Company at 31st Annual General Meeting and within the overall remuneration prescribed under the Companies Act, 2013. | | | |
| * Mr. Dinesh Alla and Mrs. Savita Alla, Executive Directors of the Company are being paid the commission, not exceeding 5% of the net profits of the Company in a financial year computed in the manner laid down in section 197(8) of Companies Act, 2013, which forms part of their remuneration. Since the Company has incurred loss during the current year 2019-20, there is a fall in total remuneration paid to them in the current year. Hence the same is mentioned as "NIL" instead of a negative number. | | | |
| 2. Percentage increase in remuneration of Non-Executive Director and Key Managerial Personnel: | | | |
| | | Ratio to Median | % of Increase (Not Annualised) |
| Non-Executive Directors: | | | |
| | Mr. Rajesh Alla, Non-executive Director | Non-executive Directors and Independent Directors were paid only Sitting Fees for attending meetings of the Board and Committees of the Board. Hence, Ratio to Median is not applicable. | Not Applicable |
| | Mr. Raju Mandapalli, Independent Director | | |
| | Mr. Mahendra Pratap, Independent Director | | |
| | Mr. Vinay Kumar Verma, Independent Director | | |
| Key Managerial Personnel: | | | |
| | Mr. Venkatesa Perumallu Pasumarthy, Chief Financial Officer (Resigned effective from 14th Sept, 2019) | Not Applicable | Employment is for part of the period. Hence, percentage increase in remuneration is not provided. |
| | Mr. Sesham Purushotham, Chief Financial Officer (Appointed w.e.f. 15th Sept, 2019) | Not Applicable | |
| | Ms. Deepa Dutta, Company Secretary | Not Applicable | |
| 3. The percentage increase in median remuneration of employees in the financial year 2019-20: 4.64% | | | |
| 4. No. of Permanent Employees on the rolls of the Company during 2019-20: 196 Nos. | | | |

5 Average percentile increase already made in the Salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The managerial remuneration being paid to Managing Director and Joint Managing Director is as per the provisions of Companies Act, 2013 and within overall limit prescribed in the Act which is based on the profits for the year 2019-20. On account of the lower profit for the year 2019-20, there is no increment in the managerial remuneration during the year.

The total salaries paid to employees other than managerial personnel in financial year 2019-20 were less than that of 2018-19, the reason being less number of employees during the present year. The percentage increase in average salaries paid to employees during the year 2019-20 was 1.45%.

6 Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2019-20 was as per the terms of the appointment and remuneration policy of the Company.

Hyderabad
June 29, 2020

For **Alphageo (India) Limited**
Dinesh Alla
Chairman and Managing Director

Annexure IV

Information pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Name | Age (Yr) | Qualification | Designation | Date of Commencement of Employment | Experience (yrs) | Gross Remuneration (Crores) | Last Employment |
|---|----------|--|-----------------------------------|------------------------------------|------------------|-----------------------------|--|
| Employed throughout the year: | | | | | | | |
| Mr. Dinesh Alla | 55 | M. Sc. (Hons) Mathematics, Masters in Management Studies | Chairman & Managing Director | 21-08-1991 | 28 | 1.34 | -- |
| Mrs. Savita Alla | 52 | Masters in Management Studies | Joint Managing Director | 26-09-2014 | 20 | 1.20 | IIC Technologies Pvt Ltd |
| Mr. Thomas Ajewole Olanrewaju | 51 | B. Sc. (Hon) Applied Geophysics | Chief Seismologist | 08-08-2016 | 23 | 0.63 | Petronas Carigali SDN. BHD. |
| Mr. Anthony Raymond Cheshire | 67 | BE. (Hons) Electrical & Electronic Engineering | VP - Technical Services | 30-09-2016 | 44 | 0.55 | Seismic Consultants Group Pty. Ltd |
| Mr. Balaji Sundararajan | 56 | BE. (Hons) Mechanical, M. Sc. (Hons) Mathematics | Senior Vice President- Operations | 01-08-2000 | 31 | 0.51 | Hindustan Dorr Oliver Ltd |
| Mr. Kodanda Rami Reddy Bathula | 55 | LECE, Grad. IETE, PGDCP | Party Chief | 19-05-2007 | 32 | 0.29 | Shivani Oil & Gas Exploration Services Ltd |
| Mr. Sachindra Singh | 48 | M. Tech (Geophysics) | Chief Seismologist | 01-06-1997 | 22 | 0.28 | -- |
| Mr. Yogendra Nath Singh | 62 | M. Sc Tech - Exploration Geophysics | Vice President (Operations) | 01-12-2017 | 37 | 0.27 | Reliance Industries Ltd. |
| Mr. Rahul Chawla | 45 | M Tech - Applied Geophysics | Party Chief | 16-07-2013 | 19 | 0.23 | Asian Oilfield Services Ltd |
| Dr. Anand Kumar Chaturvedi | 64 | M. Sc, M. Tech | Vice President (Airbone Surveys) | 01-08-2018 | 28 | 0.23 | Atomic Mineral Division of Atomic Energy, Govt. of India |
| Employed for a part of the year: | | | | | | | |
| Mr. Venkatesa Perumallu Pasumarthy | 59 | B.Com, FCA | Chief Financial Officer | 01-02-2012 | 32 | 0.26 | Practicing Chartered Accountant |

Notes:

- Gross Remuneration includes salary, allowances, company contribution to provident fund, commission and other benefits.
- Mr. Dinesh Alla, Chairman and Managing Director and Mrs. Savita Alla, Joint Managing Director are related to each other.
- No other employee mentioned above is related to any Director of the Company.
- Mr. Anthony Raymond Cheshire and Mr. Thomas Ajewole Olanrewaju appointments are contractual.

Hyderabad

June 29, 2020

For **Alphageo (India) Limited**
Dinesh Alla

Chairman and Managing Director

Annexure V

Annual Report on Corporate Social Responsibility (CSR) Activities for the year 2019-20

| S. No. | Particulars | Remarks |
|--------|--|---|
| 1. | A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes | The Company has adopted its CSR Policy to ensure that the Company operates its business in an economically, socially and environmentally sustainable manner by enhancing the quality and economic wellbeing of the society in fulfillment of its role as a Socially Responsible Corporate. The Policy is available at - http://www.alphageoindia.com/Policies.htm |
| 2 | The composition of the CSR committee: | The CSR Committee comprises of:- 1. Mr. Dinesh Alla - Chairman 2. Mrs. Savita Alla - Member 3. Mr. Raju Mandapalli - Member |
| 3. | Average net profit of the company for last three financial years for the purpose of computation of CSR: | ₹ 7881.87 Lakhs |
| 4 | Prescribed CSR Expenditure: • 2% of the amount as in item 3 above: • Unspent amount of 2018-19 carried forward: | ₹ 157.64 Lakhs ₹ 132.63 Lakhs |
| | Total amount allocated for CSR Expenditure: | ₹ 290.27 Lakhs |
| 5 | Details of CSR spent during the financial year: | |
| a | Total amount spent for the financial year: | ₹ 72.56 Lakhs |
| b | Amount unspent (if any) | ₹ 217.71 Lakhs |
| c | Manner in which the amount spent during the year | The details of the amount spent and the manner in which the same has been spent are given in Annexure attached to this Report. |
| 6 | In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. | The reason for not spending the earmarked amount of CSR is provided in the Board's Report. |
| 7 | A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company. | The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company. |

Hyderabad
June 29, 2020

For **Alphageo (India) Limited**
Dinesh Alla
Chairman and Managing Director

Annexure to Annual Report on Corporate Social Responsibility Activities for the year 2019-20
Manner in which amount spent during the financial year is detailed below:

| A | B | C | D | E | F | | G | H |
|--------|---|--|---|---|--|---------------|---|--|
| | | | | | Amount Spent on the Direct Expenditure on Projects (₹) | Overheads (₹) | | |
| S. No. | CSR Project or Activities Identified | Sector in which the Project is Covered | Projects or Programs (1) Local area or other (2) Specify the State & Districts where Projects or Programs were undertaken | Amount Outlay (Budget) Project or Program wise for the FY 2019-20 (₹) | Amount Spent on the Direct Expenditure on Projects (₹) | Overheads (₹) | Cumulative Expenditure up to the Reporting Period (₹) | Amount Spent: Direct or through Implementing Agency |
| 1. | Promoting education, employment enhancing skills among differently abled people | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Livelihood programs for youth & people with disability | Hyderabad Telangana State | 3,00,000/- | 3,00,000/- | - | 8,50,000/- | Youth 4 Jobs Foundation, Hyderabad |
| 2 | Supporting Girl Child for Education through Nanhali Kali Program | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting education | State of Andhra Pradesh and Telangana | 3,90,000/- | 3,90,000/- | - | 12,87,600/- | Nanhali Kali Project – a Joint programme of KC Mahindra Education Trust, Mumbai and Naandhi Foundation |
| 3 | Support to child-Education, Protection & Survival etc. | Activity covered under (i)&(ii) as per Schedule VII of Companies Act, 2013 i.e. Promoting education and health care | State of Andhra Pradesh and Telangana | 2,00,000/- | 2,00,000/- | - | 9,00,000/- | Save the Children (Bal Raksha Bharat), Bangalore |
| 4 | Extending medical care/support to infants/ babies in orphanages | Activity covered under (i) as per Schedule VII of the Companies Act, 2013 i.e. Promoting health care | Hyderabad, Telangana State | 5,00,000/- | 5,00,000/- | - | 8,00,000/- | Advocates for Babies in Crisis, Hyderabad |
| 5 | Education of Girl Child | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting education | Uttar Pradesh | 11,72,000/- | 11,72,000/- | - | 17,97,000/- | Milaan Foundation, New Delhi |
| 6 | Construction of Class Room Buildings | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting Education | Uttar Pradesh | 11,00,000/- | 11,00,000/- | - | 11,00,000/- | Milaan Foundation, New Delhi |

(Table contd. to next page)

| A S. No. | B CSR Project or Activities Identified | C Sector in which the Project is Covered | D Projects or Programs (1) Local area or other (2) Specify the State & Districts where Projects or Programs were undertaken | E Amount Outlay (Budget) Project or Program wise for the FY 2019-20 (₹) | F Amount Spent on the Projects or Programs | | G Cumulative Expenditure up to the Reporting Period (₹) | H Amount Spent: Direct or through Implementing Agency |
|--------------|---|---|--|--|---|---------------|--|---|
| | | | | | Direct Expenditure on Projects (₹) | Overheads (₹) | | |
| 7 | Education of Girl Child | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting education | Kangeri, Karnataka | 5,00,000/- | 5,00,000/- | - | 6,50,000/- | EDUCAIT Charitable Trust, Bangalore |
| 8 | Education of physically challenged children | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting education | Guntur District, Andhra Pradesh | 5,00,000/- | 5,00,000/- | - | 7,00,000/- | Sense International India, Ahmedabad |
| 9 | Support to school children – Education and Healthcare | Activity covered under (i)&(ii) as per Schedule VII of Companies Act, 2013 i.e. Promoting education and health care | Banas Kantha District, Gujarat | 94,500/- | 94,500/- | - | 94,500/- | Chandarva Primary School, Chandarva |
| 10 | Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) for Relief during Covid-19, Pandemic. | Activity covered under (viii) as per Schedule VII of the Companies Act, 2013 | - | 25,00,000/- | 25,00,000/- | - | 25,00,000/- | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) |
| 11 | Education of Children | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting education | Hyderabad, Telangana State | - | - | - | 3,60,000/- | KHUSHII, Gurgaon |
| 12 | Construction of Class Room Buildings | Activity covered under (ii) as per Schedule VII of the Companies Act, 2013 i.e. Promoting Education | State of Andhra Pradesh and Telangana | - | - | - | 14,00,000/- | Round Table India Trust, Chennai |
| TOTAL | | | | 72,56,500/- | 72,56,500/- | - | 1,24,39,100/- | |

For **Alphageo (India) Limited**
Dinesh Alla

Chairman and Managing Director

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

The Company's principles of Corporate Governance are based on ethical conduct of business, transparency in the form of disclosures and a commitment for building long term sustainable relationships with relevant stakeholders. The Company ensures transparency in all dealings and in the functioning of the Management and the Board. The presence of strong Board with adequate composition of Independent Directors ensures the good corporate governance and enhances the reputation of the Company.

The Company is committed to sound corporate governance principles and practice and constantly strives to adopt emerging best corporate governance practices. Through its various codes and policies, the Company ensures application of the best management practices, compliance with the applicable laws and conduct of business in ethical and well governed manner which ensures profitable and responsible growth for creating a long term value to the stakeholders.

The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations" or "SEBI LODR") with regard to corporate governance.

A report on compliance with corporate governance principles as prescribed under SEBI LODR is given below.

2. Board of Directors

The Board of Directors provides leadership and guidance to the management and supervises the performance of the Company. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

As on March 31, 2020, the Company has 6 directors on its Board, out of which 2 are Executive Directors and 4 are Non-Executive Directors, which includes 3 Independent Directors. The Independent Directors constitute one-half of the total Board strength. The Directors of the Company possesses requisite qualifications and experience in diverse areas which enable them to contribute effectively and provide effective leadership to the business of the Company.

Mr. Dinesh Alla, Chairman and Managing Director, Mrs. Savita Alla, Joint Managing Director and Mr. Rajesh Alla, Director are related to each other. Except these directors, all other directors of the Company are unrelated to each other.

None of the Directors of the Company is restrained/debarred from holding the office of director pursuant to any of order of the SEBI.

Composition of the Board

During the year, Mr. Mohanakrishna Reddy Aryabumi and Mr. Ashwinder Bhel, Independent Directors of the Company resigned from the Board, resulting in significant change in composition of the Board of Directors of the Company. In absence of requisite number of independent directors on Board of the Company, the composition of Board of Directors was not in conformity with the provisions of the Companies Act, 2013 ("the Act") and SEBI (LODR) Regulations, 2015 during the quarter ended September 30, 2019 and December 31, 2019.

The Company appointed Mr. Mahendra Pratap and Mr. Vinay Kumar Verma as Independent directors (Additional) on Board of the Company to comply with corporate governance requirements. As on March 31, 2020, the composition of Board of Directors of the Company is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

The Company has provided the clarification to the National Stock Exchange of India (NSE) regarding the delayed compliance with Regulation 17 of SEBI (LODR) Regulations, 2015.

Changes in the composition of Board

- Mr. Mohanakrishna Reddy Aryabumi, Independent Director resigned from the directorship of the Company, effective from July 31, 2019 due to health and personal reasons and Mr. Ashwinder Bhel resigned from the Board, effective from August 1, 2019 on personal grounds due to his preoccupation with other engagements. Mr. Mohanakrishna Reddy Aryabumi and Mr. Ashwinder Bhel have confirmed that there is no other material reason for their resignation other than stated above. The Board places on record its appreciation for the invaluable contributions and guidance provided by them during their association with the Company as Directors.
- Mr. Mahendra Pratap and Mr. Vinay Kumar Verma have been appointed as Additional Directors on the Board under Independent category with effect from October 17, 2019 and February 7, 2020 respectively, subject to the approval of shareholders in the ensuing annual general meeting.

Category of Directors and Directorships and Committee Memberships

The details of Directorships and Committee Memberships of the Directors as on March 31, 2020 are given below:

| Name of the Director and Designation | Category | Number of Directorships in Public Companies [incl. Alphageo (India) Limited] | Number of Committee Positions held in public companies [incl. Alphageo (India) Limited]* | |
|---|-----------------------------------|--|--|-------------|
| | | | Member | Chairperson |
| Mr. Dinesh Alla Chairman and Managing Director | Promoter Executive | 1 | 1 | - |
| Mrs. Savita Alla Joint Managing Director | Executive | 1 | 1 | - |
| Mr. Rajesh Alla Director | Non-Executive and Non-Independent | 2 | 1 | 1 |
| Mr. Raju Mandapalli Director | Non-Executive and Independent | 1 | 1 | 1 |
| Mr. Mahendra Pratap Director | Non-Executive and Independent | 1 | 1 | - |
| Mr. Vinay Kumar Verma Director | Non-Executive and Independent | 2 | 1 | - |

*Committees considered are Audit Committee and Stakeholders' Relationship Committee, including that of Alphageo (India) Limited.

None of the Directors is a Member of committee of more than ten committees or acting as a Chairperson of more than five committees across all the listed companies in which they are directors, including this Company as prescribed under Regulation 26 of SEBI (LODR) Regulations, 2015.

Every Director intimates the Company of his shareholding in the Company as well as directorships in other Companies in the prescribed forms on an annual basis and also the subsequent changes, if any.

Details of skills / expertise / competence of the Board of Directors

| S. No. | Name of Director(s) | Existing Skills / expertise / competence |
|--------|------------------------------------|---|
| 1. | Mr. Dinesh Alla | Entrepreneurship, Business strategy, Industrial affairs (Seismic industry), Leadership |
| 2. | Mrs. Savita Alla | Human Resources, HSE Practices, Manpower Deployment and General Corporate Management |
| 3. | Mr. Rajesh Alla | Information Technology, Artificial Intelligence and Robotics |
| 4. | Mr. Raju Mandapalli | Investigative Research and Strategy |
| 5. | Mr. Mahendra Pratap* | Industrial affairs (Seismic industry), Planning and execution of exploration projects and contract management |
| 6. | Mr. Vinay Kumar Verma* | Finance, Investment Banking, General Management |
| 7. | Mr. Mohanakrishna Reddy Aryabumi** | Finance, Economics, Investments |
| 8. | Mr. Ashwinder Bhel** | Business Administration and General Corporate Affairs |

* Mr. Mahendra Pratap and Mr. Vinay Kumar Verma were inducted as Non-Executive Independent Directors on the Board w.e.f. October 17, 2019 and February 7, 2020, respectively.

** Mr. Mohanakrishna Reddy Aryabumi and Mr. Ashwinder Bhel resigned from the Board, effective from July 31, 2019 and August 1, 2019 respectively.

Board Meetings and Attendance of Directors

During the financial year 2019-20, meetings of the Board were held Six (6) times on May 22, 2019, August 14, 2019, September 14, 2019, November 12, 2019, February 7, 2020 and March 6, 2020 with the presence of necessary quorum in all the meetings. The Board met at least once in every calendar quarter and the gap between two meetings did not exceed one hundred and twenty days. The information as required under Part A of Schedule II of Regulation 17(7) of the Listing Regulations has been made available to the Board.

Detailed agenda and other related information along with the supporting documents are circulated well in advance of Board and Committee meetings to ensure meaningful participation of the directors and to enable them to take informed decisions. Where

it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In case of a special and urgent business needs, the Board's approval is taken by passing resolution by circulation, for the matters permitted under the Act, which have been noted and confirmed in the subsequent meeting. All the meetings of the Board of Directors were held at Hyderabad, Telangana State.

The intimation and outcome of every Board Meeting of the Company are given to the Stock Exchanges (NSE and BSE) where the shares of the Company are listed.

The details of attendance of the Directors at the Board Meetings held during the year under review and at the 32nd Annual General Meeting held on

September 30, 2019 is as given here under:

| Name of the Director | No. of Board Meetings | | Whether attended last AGM |
|------------------------------------|-----------------------|----------|---------------------------|
| | Held | Attended | |
| Mr. Dinesh Alla | 6 | 6 | Yes |
| Mrs. Savita Alla | 6 | 6 | Yes |
| Mr. Rajesh Alla | 6 | 4 | Yes |
| Mr. Raju Mandapalli | 6 | 5 | Yes |
| Mr. Mahendra Pratap* | 3 | 2 | NA |
| Mr. Vinay Kumar Verma* | 2 | 2 | NA |
| Mr. Mohan Krishna Reddy Aryabumi** | 1 | 1 | NA |
| Mr. Ashwinder Bhel** | 1 | -- | NA |

* Mr. Mahendra Pratap and Mr. Vinay Kumar Verma were appointed as Directors w.e.f. October 17, 2019 and February 7, 2020, respectively.

** Mr. Mohanakrishna Reddy Aryabumi and Mr. Ashwinder Bhel resigned from the Board, effective from July 31, 2019 and August 1, 2019, respectively.

3. Independent Directors

The Company believes that the presence of Independent Directors on the Board ensures the process of decision making of the Board is unbiased and the interests of the stakeholders are best safeguarded. The Independent Directors of the Company have been appointed in terms of the requirements of the Act and Listing Regulations. The maximum tenure of independent directors is in compliance with the Companies Act, 2013.

Declaration by Independent Directors

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence laid down in Section 149(6) of the Act read with Schedule IV and Rules made thereunder and under Regulation 16(1)(b) of the Listing Regulations. The Board is of the opinion that the Independent Directors fulfill the criteria of independence as specified in the Act and the Listing Regulations.

Meeting of Independent Directors

In terms of the provisions of Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations,

2015, a separate meeting of Independent Directors of the Company was held on November 12, 2019 without the presence of Non-Independent Directors. At the said meeting, the Independent Directors inter alia, discussed matters pertaining to review of performance of Non Independent Directors and the Board as a whole, reviewed performance of the Chairman of the Company after taking into account the views of the Executive and Non-Executive Directors, assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. The meeting was attended by all independent directors.

Familiarisation Programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business operations, etc. at the time of their joining. At the time of appointment of independent director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities. Further, the Independent Directors were also regularly apprised of all regulatory and policy changes. The familiarization programme for Independent Directors is disclosed on the Company's website at <http://www.alphageoindia.com/Others.htm>

4. Committees of the Board of Directors

In terms of the regulatory requirements and in order to focus and deal with specific areas and to make informed decisions on the affairs of the Company, the Board has constituted various Board level committees with distinct role, accountability and authority. The Committees are constituted keeping in view the statutory requirement of the composition of directors in the committees.

During the year, the following statutory and non-statutory Committees are in existence:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee; and
- Finance Committee.

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. The tentative date of the Board and Committee meetings was circulated to directors well in advance to facilitate them to plan their schedule. The Committees can request special invitees to join the meeting as appropriate.

All the decisions and recommendations of the Committees were placed before the Board for their approval. During the year under review, there were no instances where recommendations of the Committees were not accepted by the Board. The minutes of the meetings of all Committees were also placed before the Board for review.

The brief description of terms of reference, composition, meetings and attendance of the Committees during the financial year 2019-20 are provided below:

Audit Committee

The Audit Committee has been constituted under the provisions of the Companies Act, 2013 and Listing Regulations. The Audit Committee discharges such duties and functions generally indicated under Regulation 18 of the Listing Regulations, Section

177 of the Act and such other functions as may be specifically assigned to it by the Board from time to time.

The Audit Committee has the powers inter alia in line with the Listing Regulations, to investigate any activity within its terms of reference, to seek information from any employee, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition, Meetings and Attendance

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the members of the Committee are financially literate and possess sound knowledge of accounts, audit, governance and legal matters. The Company Secretary of the Company acts as Secretary to the Audit Committee.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended March 31, 2020 are as under:

| S. No. | Name of the members | Category | Designation | No. of meetings | |
|--------|--|------------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1 | Mr. Raju Mandapalli | Independent director | Chairman* | 4 | 4 |
| 2 | Mr. Mohan Krishna Reddy (Upto 31.07.2019) | Independent director | Chairman | 1 | 1 |
| 3 | Mr. Ashwinder Bhel (Upto 01.08.2019) | Independent director | Member | 1 | - |
| 4 | Mr. Rajesh Alla | Non-executive director | Member | 4 | 4 |
| 5 | Mr. Mahendra Pratap (App. w.e.f. 17.10.2019) | Independent director | Member | 2 | 2 |
| 6 | Mr. Vinay Kumar Verma (App. w.e.f. 07.02.2020) | Independent director | Member | - | - |

* Mr. Raju Mandapalli was appointed as Chairman of the Audit Committee, effective from August 14, 2019.

In absence of requisite number of Independent Directors on Board of the Company, the composition of the Audit Committee was not in conformity with the provisions of the Act and Listing Regulations during the quarter ended September 30, 2019. However, subsequent to the appointment of independent directors on Board of the Company, the Committee has been reconstituted by including the requisite number of independent directors. The composition of the Audit Committee as on March 31, 2020 is in conformity with Section 177 of the Act and Regulation 18 of Listing Regulations.

During the year, the Committee met four (4) times on May 22, 2019, August 14, 2019, November 12, 2019 and February 7, 2020. However, the meeting on August 14, 2019 could not be duly convened due to absence of mandatory quorum as per the Listing Regulations.

The Chief Financial Officer makes periodic presentation at the meetings of Audit Committee. Representatives of Statutory Auditors also participate in the Audit Committee meetings.

Mr. Raju Mandapalli, Chairman of the Committee was present at the 32nd Annual General Meeting of the Company held on September 30, 2019.

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177(4) of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia is as follows:

1. Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered to the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;

- Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of related party transactions;
 - Qualification in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval and auditors' report thereon;
 6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and back ground, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall also mandatorily review:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports pertaining to internal control weakness;

5. The appointment, removal and terms of remuneration of the chief internal auditor; and
6. Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations;
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommends nominations of Directors on the Board and decides on remuneration packages to the executive directors, and recommends the appointment/ reappointment and remuneration of the key managerial personnel and senior management. The Committee also evaluates the performance of Executive Directors, Non-Executive Directors and Independent Directors on yearly basis and submits its report to the Board through its Chairman. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Composition, meetings and attendance

The composition of the Nomination and Remuneration Committee and attendance of the Members at the meetings during the financial year ended March 31, 2020 are as under:

| S. No. | Name of the members | Category | Designation | No. of meetings | |
|--------|---|------------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1 | Mr. Raju Mandapalli | Independent director | Chairman* | 4 | 3 |
| 2 | Mr. Mohan Krishna Reddy (Upto 31.07.2019) | Independent director | Chairman | 1 | 1 |
| 3 | Mr. Dinesh Alla | Executive director | Member | 4 | 4 |
| 4 | Mr. Rajesh Alla | Non-executive director | Member | 4 | 3 |
| 5 | Mr. Ashwinder Bhel (Upto 01.08.2019) | Independent director | Member | 1 | - |
| 6 | Mr. Mahendra Pratap (App. w.e.f. 17.10.2019) | Independent director | Member | 3 | 2 |
| 7 | Mr. Vinay Kumar Verma (App. w.e.f. 07.02.2020) | Independent director | Member | 1 | 1 |

* Mr. Raju Mandapalli was appointed as Chairman of the Committee, effective from August 14, 2019.

In absence of requisite number of Independent Directors on Board of the Company, the composition of the Nomination and Remuneration Committee was not in conformity with the provisions of the Act and Listing Regulations during the quarter ended September 30, 2019. However, subsequent to the appointment of independent directors on Board of the Company, the Committee has been reconstituted by including the requisite number of independent directors. The composition of the Committee as on March 31, 2020 is in conformity with section 178(1) of the Act and Regulation 19 of the Listing Regulations.

During the year under review, the Committee met four (4) times on May 22, 2019, November 12, 2019, February 7, 2020 and March 6, 2020. Mr. Raju Mandapalli, Chairman of the Committee was present at the 32nd Annual General Meeting of the Company held on September 30, 2019.

The terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 of the Act and Part D of Schedule II of the Listing Regulations, as enumerated below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. To formulate remuneration policy ensuring that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to operate the company successfully (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmark; and (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;

7. To administer, monitor and formulate the plan, terms and conditions of Employee Stock Option Scheme titled "Alphageo ESOS 2008", allotment of shares pursuant to exercise of options granted in terms of the Scheme to employees of the Company and also to the employees of subsidiary companies.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2019-20 by the Board in respect of its own performance, the working of its Committees and the directors individually through a structured questionnaire encompassing upon various areas that provide an insight and feedback into the functioning of the Board, its Committees, individual directors and areas of development. The performance evaluation of the Independent Directors was carried out by the entire Board. The reports received by the Company from the Directors, evaluating and assessing the performance of all individual directors were reviewed by the Nomination and Remuneration Committee and the Independent Directors in their separate meeting. The feedback obtained from the interventions was discussed in detail and, where required, independent and collective action points for improvement were put in place. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy

The Company has a well defined policy for appointment and remuneration of directors, key managerial personnel and other employees which aims to retain, motivate and promote talent and ensures long term sustainability of talented managerial persons. The Nomination and Remuneration Policy of the Company provides a framework based on which our Human Resources Management aligns their recruitment plans for the strategic growth of the Company. The Policy is

disclosed on the website of the Company at <http://www.alphageoindia.com/Policies.htm>.

Remuneration to Non-executive Directors:

Independent Directors and Non-Independent Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Audit Committee within regulatory limits, as approved by the Board. The Company also reimburses the commuting and other out of pocket expenses incurred for attending meetings.

The details of remuneration paid to the Directors along with their shareholding in the company during the year 2019-20:

i) Non-executive Director(s):

| Name | Sitting Fees (₹) | No. of shares held as on 31.03.2020 |
|----------------------------------|------------------|-------------------------------------|
| Mr. Rajesh Alla | 1,80,000 | 1,26,567 |
| Mr. Raju Mandapalli | 2,10,000 | Nil |
| Mr. Mahendra Pratap | 90,000 | Nil |
| Mr. Vinay Kumar Verma | 60,000 | Nil |
| Mr. Ashwinder Bhel | - | Nil |
| Mr. Mohanakrishna Reddy Aryabumi | 45,000 | Nil |

There were no pecuniary transactions with any of the Non-Executive Directors during the year, except payment of remuneration.

Remuneration to Executive Directors:

The Executive directors/ Whole-time directors of the Company are paid the remuneration as recommended by the Nomination and Remuneration Committee, and further approved by the Board of Directors and Shareholders. The remuneration paid consists of fixed salary and allowances on monthly basis and commission based on profits of the Company calculated in terms of Section 197 of the Act.

ii) Executive Director(s):

(Amounts in INR)

| Name | Salary | Perquisites | Commissions | Contribution to P.F. | Total |
|------------------|-------------|-------------|-------------|----------------------|-------------|
| Mr. Dinesh Alla | 1,20,00,000 | 1,46,652 | -- | 12,96,000 | 1,34,42,652 |
| Mrs. Savita Alla | 42,00,000 | -- | 73,68,000 | 4,32,000 | 1,20,00,000 |

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations with the primary responsibility of redressal of shareholders' and investors' grievances including complaints relating to transfer and transmission of securities, dematerialization/ re-materialization of securities, issue of duplicate share certificates, non-receipt of dividends and such other grievances as may be raised by the shareholders from time to time. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall quality improvement of investor services.

Composition, meetings and attendance

The Stakeholders' Relationship Committee comprises of one Non-executive director, one Independent director and two Executive directors and headed by Mr. Rajesh Alla, Non-executive director. The Board has designated Ms. Deepa Dutta, Company Secretary of the Company as Compliance Officer under SEBI Regulations. The Company Secretary also acts as the Secretary to the Stakeholders' Relationship Committee.

During the year, the Committee met four times on May 22, 2019, August 14, 2019, November 12, 2019 and February 7, 2020. The composition of the Stakeholders' Relationship Committee and the details of the meetings attended by its members during the financial year ended March 31, 2020 are as under:

| S. No. | Name of the members | Category | Designation | No. of meetings | |
|--------|---------------------|------------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1 | Mr. Rajesh Alla | Non-executive director | Chairman | 4 | 4 |
| 2 | Mr. Dinesh Alla | Executive director | Member | 4 | 4 |
| 3 | Mrs. Savita Alla | Executive director | Member | 4 | 4 |
| 4 | Mr. Raju Mandapalli | Independent Director | Member | 4 | 4 |

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of Section 178 of the Act and Part D of the Schedule II of the Listing Regulations.

Investors' grievances/ complaints received during the financial year 2019-20:

| | |
|---|-----|
| No. of complaints unresolved at the beginning of the year | Nil |
| No. of complaints received | 3 |
| No. of complaints resolved to the satisfaction of shareholder | 3 |
| No. of complaints not resolved to the satisfaction of shareholder | Nil |
| No. of pending complaints as on March 31, 2020 | Nil |

The quarterly statement on investor complaint received and disposed of is submitted with stock exchanges within 21 days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in compliance with the requirements of Section 135 of the Act with the prime responsibility to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementing a framework in line with the Corporate Social Responsibility Policy of the Company. The Company's Policy on Corporate Social Responsibility is available on the Company's website on the web link: <http://www.alphageoindia.com/Policies.htm>.

During the financial year 2019-20, the focus areas

| S. No. | Name of the members | Category | Designation | No. of meetings | |
|--------|---|----------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1 | Mr. Dinesh Alla | Executive director | Chairman | 2 | 2 |
| 2 | Mrs. Savita Alla | Executive director | Member | 2 | 2 |
| 3 | Mr. Raju Mandapalli (App. w.e.f. 14.08.2019) | Independent director | Member | 1 | 1 |
| 4 | Mr. Ashwinder Bhel (Upto 01.08.2019) | Independent director | Member | 1 | - |

The terms of reference of the CSR Committee are in line with the provisions of Section 135 of the Act.

Finance Committee

The Finance Committee (formerly known as Securities Issue Committee) has been constituted with the primary objective to deal with issue of securities of the Company from time to time to strengthen the Company's financial position and net worth by augmenting the long term resources and to enhance the competitiveness and financial ability to meet financial needs of the company at the respective times.

The scope and terms and reference of the Committee have further been amended by the Board on May 22, 2019. The main terms of reference of the Committee include the following and incidental thereto:

for Company's CSR activities were healthcare, education, in particular girl education and empowerment and livelihood programmes for youth and people with disability. The Annual Report on CSR activities undertaken during the year under review forms part of the Directors' Report.

Composition, meetings and attendance

The Committee comprises of two Executive directors and one Independent director and headed by an Executive director. The Company Secretary of the Company acts as the Secretary to the CSR Committee.

During the year 2019-20, the meetings of CSR Committee were held on May 22, 2019 and November 12, 2019. The composition of the CSR Committee and the details of the meetings attended by its members during the financial year ended March 31, 2020 are as under:

- (A) Terms of reference in relation to the issue of securities of the Company:
- (i) To administer the authority granted/to be granted for issuing Securities of the Company in pursuance of the Members approval accorded at present or in future;
 - (ii) To issue Securities of the Company of such nature and in the manner in compliance with applicable provisions of the Companies Act, SEBI (ICDR) Regulations, Foreign Exchange Management Act and other applicable provisions, rules and regulations from time to time;

- (iii) To authorise or appoint any of the Members of the Committee or Officers of the Company to do any of the relevant act for this purpose;
- (iv) To determine the utilisation of the funds raised through issue of Securities from time to time;
- (v) To appoint any professional, attorney or advocate, consultant at such remuneration as the Committee think fit from time to time.
- (B) Terms of reference in relation to banking transactions and other financial matters:
- (i) To borrow money/ avail loans or credit facilities from banks/financial institutions/non-banking finance companies/others in pursuance of the Members approval accorded at the Extra Ordinary General Meeting held on 22nd December 2015;
- (ii) To execute loan documents and security documents and provide security whether by way of pledge (power of attorneys thereto) or otherwise, give guarantees including performance guarantees, corporate guarantees, counter guarantees, etc. and to do all other acts, deeds and things as may be required in respect of credit facilities availed/ being availed by the company;
- (iii) To provide authorizations for entering into and executing the agreements, deeds and documents of what so ever nature in relation to

company's project/general business purposes/ any other purposes mentioned herein above;

- (iv) To open and close of banking accounts, change authorizations to operate the accounts and all other matters what so ever nature in the normal course of business of the Company;
- (v) To settle all questions, difficulties or doubts that may arise in regard to availing of credit facilities and provide authorizations as it may, in its absolute discretion deem fit;
- (vi) To authorise affixation of Common Seal of the Company for the above said purposes;
- (vii) To authorize Directors/ Officials of the Company to sign, execute and submit necessary documents, forms, undertakings, Letter of Authorizations etc. to the banks/financial institutions or any other in connection with the aforesaid matters.

Composition, meetings and attendance

The Finance Committee comprises of two Executive directors, a Non-executive director and an Independent director and is headed by an Executive director. The Company Secretary of the Company acts as Secretary of the Committee.

During the year, the Committee met once on May 22, 2019. The composition of the Finance Committee and the details of the meeting attended by its members during the financial year ended March 31, 2020 are as under:

| S. No. | Name of the members | Category | Designation | No. of meetings | |
|--------|--|------------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1 | Mr. Dinesh Alla | Executive director | Chairman | 1 | 1 |
| 2 | Mrs. Savita Alla | Executive director | Member | 1 | 1 |
| 3 | Mr. Rajesh Alla | Non-executive director | Member | 1 | 1 |
| 4 | Mr. Mohan Krishna Reddy (Upto 31.07.2019) | Independent director | Member | 1 | 1 |
| 5 | Mr. Raju Mandapalli (App. w.e.f. 14.08.2019) | Independent director | Member | - | - |

5. Unclaimed Dividend of the previous years

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unpaid/unclaimed for a period of seven years in the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, the dividend for the years mentioned below will be transferred to IEPF on the respective dates, if the dividend remains unclaimed for seven years.

| Financial Year | Date of Declaration of Dividend | Last Date of Claiming the Dividend | Unclaimed amount as on 31.03.2020 (₹) | Due date for transfer to Investor Education and Protection Fund (IEPF) |
|--------------------------|---------------------------------|------------------------------------|---------------------------------------|--|
| 2013-14 | 26.09.2014 | 31.10.2021 | 3,17,680 | 30.11.2021 |
| 2014-15 | 28.09.2015 | 02.11.2022 | 3,03,210 | 01.12.2022 |
| 2015-16 | 29.09.2016 | 03.11.2023 | 2,97,858 | 02.12.2023 |
| 2016-17 | 29.09.2017 | 03.11.2024 | 5,87,208 | 02.12.2024 |
| 2017-18 | 14.09.2018 | 19.10.2025 | 5,46,432 | 18.11.2025 |
| 2018-19 | 30.09.2019 | 04.11.2026 | 4,63,832 | 03.12.2026 |
| 2019-20 Interim Dividend | 06.03.2020 | 11.04.2027 | 2,95,344 | 10.05.2027 |

The details of the unpaid/ unclaimed dividend lying with the Company are available on the website of the Company at the web link, <http://alphageoindia.com/Unclaimed%20Dividends.htm>.

6. Insider Trading Regulations

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted a comprehensive Code of Conduct for Prevention of Insider Trading for its directors, officers, designated employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. A detailed report on the matters related to insider trading code is submitted to the Chairman of Audit Committee on a quarterly basis. The Company Secretary of the Company is designated as the Compliance Officer for the purpose of this regulation. The Company's Code of Conduct is available on the website of the Company at the web link <http://www.alphageoindia.com/corporate-governance.htm>.

7. Risk Management

The Company ensures the sound risk management practices which covers identification of various risks impacting the Company, assessment and evaluation of the same in line with overall business objectives and mitigating actions to systematically address the identified risk on continuing basis. The

Company's policy on risk management is discussed in Management Discussion and Analysis Report.

8. Reconciliation of share capital audit

An audit is conducted on a quarterly basis by M/s D. Hanumanta Raju & Co., Company Secretaries in Practice, in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 to reconcile the total admitted equity share capital with the Depositories (NSDL and CDSL) and the total issued and listed equity share capital. The Reconciliation of Share Capital Audit Report confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form held with Depositories and also further confirms that the requests for dematerialization of shares are processed by the Registrar and Transfer Agent within stipulated period of 21 days and uploaded with the concerned depositories. A copy of the report is submitted by the Company to the Stock Exchanges (NSE and BSE) on a quarterly basis within the prescribed time limit.

9. Code of Conduct

The Company's Code of Ethics and Business Conduct for the Directors, Key Managerial Personnel and Senior Management ("the Code") is a comprehensive code that lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. In compliance of Regulation 26(3) of Listing Regulations, all the Directors and Senior Management of the Company have affirmed compliance of code of conduct as on March 31, 2020. The Company has obtained declaration from the Chairman and Managing Director of the Company confirming compliance of the Code of Conduct.

This Code is also available on the website of the Company at www.alphageoindia.com/corporate_governance.htm.

Declaration of compliance of the Code of Conduct in terms of Schedule V of SEBI (LODR) Regulations, 2015 is given hereunder:

In terms of Schedule V of SEBI (LODR) Regulation, 2015, I, Dinesh Alla, Chairman and Managing Director of the Company hereby confirm that:

- The Board of Directors of Alphageo (India) Limited has laid down a Code of Conduct for all the Board members and senior managerial personnel of the Company. The said Code of Conduct has also been posted on the Corporate Governance page of the Company's website www.alphageoindia.com.
- All the Board members and senior managerial personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2020.

For **Alphageo (India) Limited**

Dinesh Alla

Chairman and Managing Director

Hyderabad
June 29, 2020

10. Means of Communication

The Company emphasizes on continuous, efficient and relevant communication to public at large and regularly interacts with its members through multiple channels of communication viz. through its annual report, general meeting, newspapers and disclosures through website.

The quarterly, half-yearly and annual financial results of the Company are uploaded on NSE's Electronic Application Processing System and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on NSE and BSE websites and also published in widely circulated newspapers namely Business Standard (English daily) and Nava Telangana (Telugu daily) and posted on the Company's website at www.alphageoindia.com.

Information such as press releases on significant developments in the Company, presentations made to institutional investors or to the analysts, notices to shareholders and other information of the Company are displayed on NSE and BSE websites and also hosted on the website of the Company, www.alphageoindia.com.

11. Other Disclosures

(a) Related Party Transactions

During the year under review, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations were in the ordinary course of business and on arm's length pricing basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Company has formulated a policy on dealing with related party transactions and for determining the materiality of such transactions and the same is disclosed on the website of the Company at <http://www.alphageoindia.com/Policies.htm>.

(b) Compliance with the requirements of SEBI/ Stock Exchanges and Statutory Authorities

During the financial year 2019-20, the Company received notice of penalty from National Stock Exchange (NSE) for non-compliance/delayed compliance of the requirement of composition of Board of Directors [Regulation 17 of SEBI (LODR) Regulations, 2015]. The fine imposed by the NSE was duly paid by the Company with a clarification of delayed compliance of above said regulation. The reason for delay in compliance of Regulation 17 of SEBI (LODR) Regulations, 2015 is explained elsewhere in this Report.

Except the above, there were no instances of non-compliance or levying penalty on the Company for non-compliance either by SEBI, Stock Exchange or any statutory authority during the last three years. The report on the legal compliance is periodically reviewed by the Board.

(c) Whistle Blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for directors and employees to report their genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Policy allows the whistle blower direct access to the Chairman of the Audit Committee and it is affirmed that no person has been denied access to the Chairman of the Audit Committee. The Audit Committee periodically reviews the functioning of whistle blower mechanism. The Whistle Blower Policy has been disclosed on the website of the Company at <http://www.alphageoindia.com/Policies.htm>.

(d) Subsidiary Companies

The Company has adopted a policy for determining "Material Subsidiary" in terms of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which can be viewed on the Company's website at <http://www.alphageoindia.com/Policies.htm>. During the year, the Company does not have any unlisted material subsidiary.

The Audit Committee periodically reviews the financial statements of the subsidiary companies along with the statement containing all significant transactions entered into by them. Minutes of the Board meetings of the subsidiary companies are also reviewed periodically by the Company's Board. Even though the said companies are non-material subsidiary, the Company has nominated its Director on the Board of the subsidiaries and monitors regularly the performance of the subsidiaries.

(e) Details of Compliance with Mandatory and Discretionary requirements

Mandatory Requirements

As on March 31, 2020, the Company is in compliance with all mandatory requirements of corporate governance as prescribed in the Listing Regulations. The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify the instances of non compliance, if any.

Discretionary Requirements

The Company has fulfilled the following discretionary requirements as provided in the Listing Regulations:

(i) Shareholders rights

Quarterly and half yearly results are being displayed on the Company's website www.alphageoindia.com. The same are also being submitted to the Stock Exchanges and published in widely circulated newspapers.

(ii) Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee of the Board.

(f) Recommendation of the Committees

During the financial year 2019-20, the Board has accepted all the recommendations of its Committees.

(g) Director seeking reappointment

Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

(h) Disclosure of Accounting Treatment

The financial statements are prepared in compliance with all material aspects of the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(i) Fees paid to the Statutory Auditors

Total fees for all services paid by the Company to its Statutory Auditors during the year 2019-20 are given below:

| Payment to Statutory Auditors | FY 2019-20 (In ₹) |
|--------------------------------------|------------------------------|
| Audit Fees | 7,00,000 |
| Quarterly Audit Fees | 3,75,000 |
| Certification Fees | 55,000 |
| Reimbursement of expenses | 33,700 |
| Total | 11,63,700 |

(j) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The operations of the Company do not envisage any Commodity Price Risk or material Foreign Exchange Risk.

(k) Proceeds from Public/ Right/ Preferential Issue

During the financial year 2019-20, the Company has not raised any fresh funds from the public or through rights or preferential issue.

(l) Disclosure in relation to the Sexual Harassment of Women at Workplace**(Prevention, Prohibition and Redressal Act, 2013)**

| | | |
|----|--|-----|
| a. | Number of complaints filed during the financial year | Nil |
| b. | Number of complaints disposed of during the financial year | Nil |
| c. | Number of complaints pending as at end of the financial year | Nil |

(m) Shares in Demat suspense/ Un-claimed suspense accounts

There are no shares lying in the demat suspense account or unclaimed suspense account.

(n) Certificate by Managing Director and Chief Financial Officer

The Chairman & Managing Director and Chief Financial Officer of the Company have issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said Certificate is annexed to this Report.

(o) Certificate of Non-disqualification of Directors

A Certificate from M/s. D. Hanumanta Raju & Co., Company Secretaries in Practice has been obtained certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020. The Certificate is annexed to this Report.

(p) Certificate on Corporate Governance

The Certificate on Corporate Governance as stipulated under Para E of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by M/s D. Hanumanta Raju & Co., Company Secretaries in Practice confirming compliance with the conditions of corporate governance is attached to this Report.

12. General Body Meetings

(a) Annual General Meetings:

The Annual General Meetings of the Company during the preceding three years were held at "Sundarayya Vignana Kendram, Baghlingampally, Hyderabad" on the following dates and times, wherein the following special resolutions were passed:

| AGM | Financial Year ended | Date of AGM | Time | Special resolutions passed |
|----------|----------------------|-------------|----------|---|
| 30th AGM | 31.03.2017 | 29.09.2017 | 11.00 AM | a. Issue of Securities of the Company |
| 31st AGM | 31.03.2018 | 14.09.2018 | 11.00 AM | -NIL- |
| 32nd AGM | 31.03.2019 | 30.09.2019 | 11.00 AM | a. Approval of remuneration of Mr. Dinesh Alla, Chairman and Managing Director of the Company for the remaining period of 2 years of his tenure |

(b) Special Resolutions passed through Postal Ballot:

There were no resolutions passed by way of postal ballot during the year under review. Further, no special resolution is proposed to be conducted through postal ballot as on date.

(c) Extraordinary General Meeting:

No Extraordinary General Meeting of members of the Company was held during the year under review.

13. General Shareholder Information

I. Annual General Meeting for the financial year 2019-20

| | |
|---|--|
| a. Date and Venue of the meeting | |
| Date | : September 28, 2020 |
| Time | : 11.00 A.M. |
| Venue | : The Company is conducting AGM through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM. |
| Financial Year | : April 1, 2019 to March 31, 2020 |
| b. Book closure dates | : From September 19, 2020 to September 27, 2020 (both days inclusive) |

II. Tentative Calendar for financial year ending March 31, 2021

Board Meetings for approval of:

| | |
|---|--|
| Financial Results for the first quarter ending June 30, 2020 | Within 45 days from the end of quarter |
| Financial Results for the second quarter ending September 30, 2020 | Within 45 days from the end of quarter |
| Financial Results for the third quarter ending December 31, 2020 | Within 45 days from the end of quarter |
| Financial Results for the fourth quarter and year ending March 31, 2021 | Within 60 days from March 31, 2021 |
| Annual General Meeting for the year ending March 31, 2021 | On or before September 30, 2021 |

III. Listing Details

| Name and Address of the Stock Exchange | Stock Code/ Symbol |
|--|--------------------|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001 | 526397 |
| National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 | ALPHAGEO |

ISIN: INE137C01018

IV. Listing Fees and Custody fees

The Company has paid Annual Listing Fees for the financial year 2020-21 to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE); and Annual Custody Fees for the financial year 2020-21 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

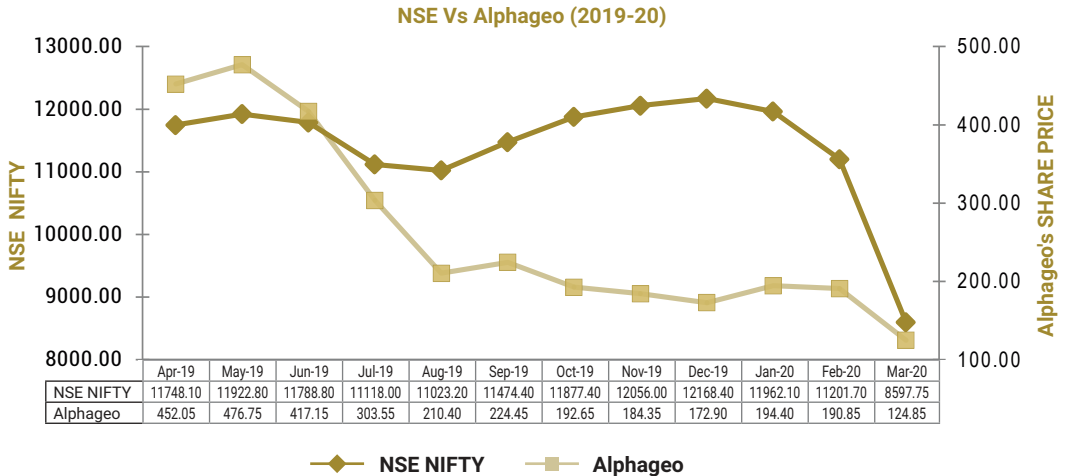
V. Stock Market Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2019-20 at BSE and NSE are as given below:

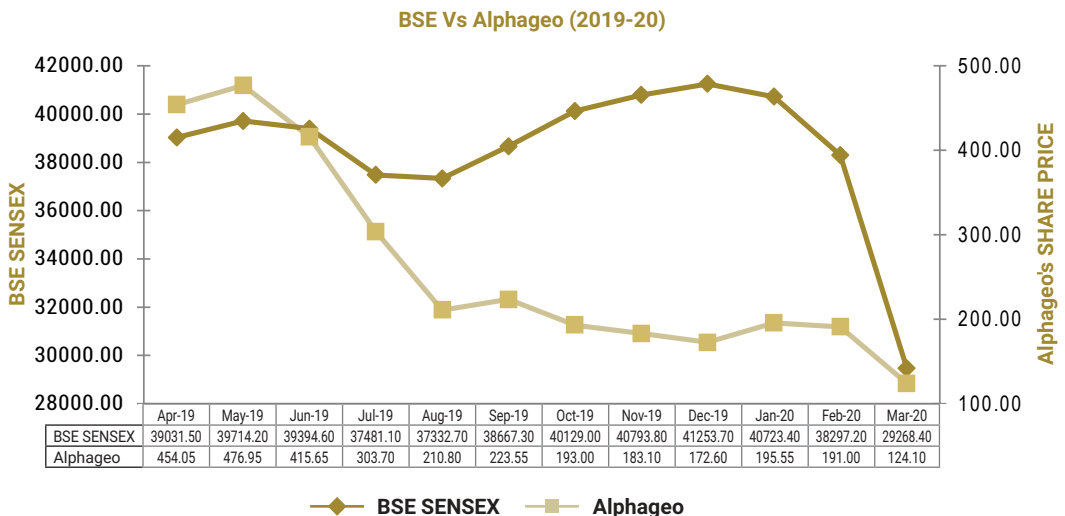
| Month | NSE | | | BSE | | |
|----------------|----------|---------|-------------------------|----------|---------|-------------------------|
| | High (₹) | Low (₹) | Volume of shares traded | High (₹) | Low (₹) | Volume of shares traded |
| April 2019 | 511.50 | 450.50 | 1,02,443 | 509.00 | 451.00 | 28,482 |
| May 2019 | 499.75 | 385.25 | 1,26,713 | 497.05 | 385.00 | 16,797 |
| June 2019 | 485.00 | 401.00 | 78,517 | 484.95 | 403.00 | 29,857 |
| July 2019 | 425.00 | 280.00 | 1,49,618 | 419.15 | 282.20 | 21,278 |
| August 2019 | 273.95 | 153.50 | 10,09,818 | 270.00 | 153.10 | 2,04,342 |
| September 2019 | 256.85 | 198.00 | 3,19,029 | 256.30 | 197.00 | 68,707 |
| October 2019 | 227.05 | 174.00 | 1,39,280 | 225.70 | 170.10 | 22,333 |
| November 2019 | 195.50 | 154.95 | 2,11,733 | 194.75 | 154.00 | 39,022 |
| December 2019 | 191.60 | 150.80 | 1,63,716 | 189.00 | 159.55 | 34,307 |
| January 2020 | 241.80 | 170.70 | 6,83,411 | 243.70 | 170.80 | 1,50,653 |
| February 2020 | 277.90 | 171.00 | 17,78,878 | 278.90 | 178.00 | 2,42,523 |
| March 2020 | 204.65 | 115.00 | 7,43,582 | 202.85 | 110.05 | 1,06,306 |

VI. Performance of the Company's Equity Shares (closing share price) in comparison to BSE Sensex and NSE NIFTY during the financial year 2019-20:

Comparison of Company's share price with NSE NIFTY



Comparison of Company's share price with BSE SENSEX



The securities of the Company are not suspended from trading during the financial year ended March 31, 2020.

VII. Registrar and Share Transfer Agents

M/s. KFin Technologies Private Limited
 (Formerly known as Kavy Fintech Private Limited)
 Selenium Tower B, Plot Nos. 31 & 32, Financial District,
 Nanakramguda, Serilingampally Mandal, Hyderabad-500032
 Phone: 040-67161606; Toll Free No. 1800-3454-001
 E-mail: einward.ris@kfintech.com; Website: www.kfintech.com

VIII. Share Transfer System

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form only. Transfers of equity shares in dematerialized form are processed and approved in the electronic form by the Depositories through their depository participants.

Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and have received the same under objection can re-lodge the transfer request after rectification of the documents.

The shareholders holding shares in physical form are advised to get the same dematerialised. Request for transmission of shares and dematerialization of shares will continue to be accepted.

The Company obtains a half-yearly certificate from a Company Secretary in Practice with respect to the share transfer formalities as required under Regulation 40(9) of Listing Regulations and files a copy of the said certificate with the stock exchanges.

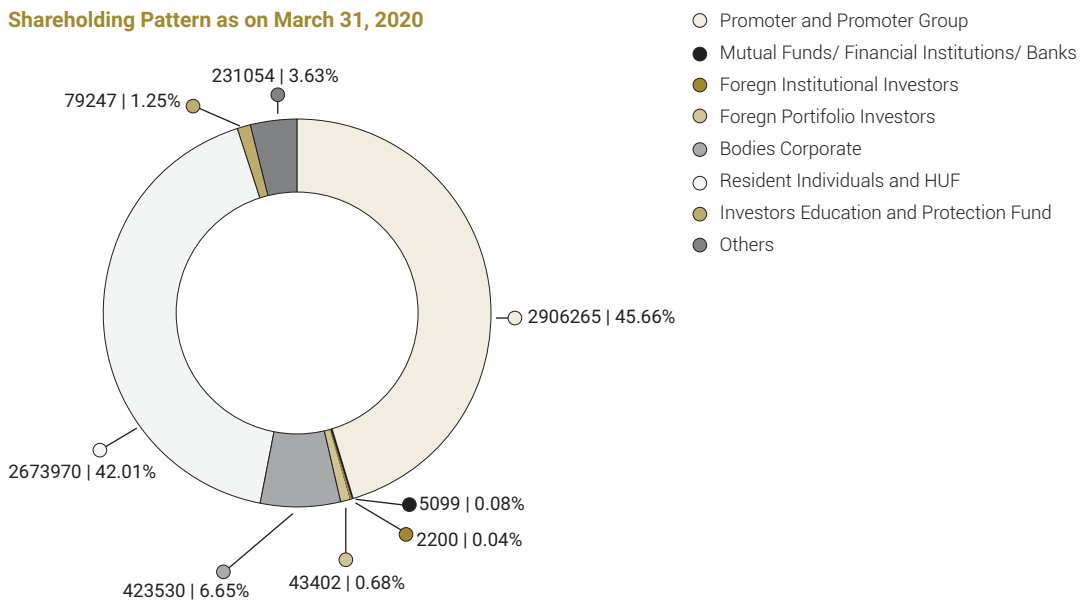
IX. Distribution of Shareholding as on March 31, 2020

| Nominal Value (₹) | Shareholders | | No. of Shares | |
|-------------------|--------------|---------------|------------------|---------------|
| | Number | % | Number | % |
| 1-5000 | 16000 | 94.41 | 13,23,869 | 20.80 |
| 5001-10000 | 538 | 3.17 | 4,08,824 | 6.42 |
| 10001-20000 | 222 | 1.31 | 3,31,149 | 5.20 |
| 20001-30000 | 72 | 0.42 | 1,71,817 | 2.70 |
| 30001-40000 | 31 | 0.18 | 1,12,225 | 1.76 |
| 40001-50000 | 18 | 0.11 | 82,346 | 1.29 |
| 50001-100000 | 30 | 0.18 | 2,06,209 | 3.24 |
| 100001 & Above | 36 | 0.21 | 37,28,328 | 58.58 |
| Total | 16947 | 100.00 | 63,64,767 | 100.00 |

X. Shareholding Pattern as on March 31, 2020

| S. No. | Category | No. of Shareholders | No. of shares held | % to Equity |
|--------|---|---------------------|--------------------|---------------|
| 1 | Promoter and Promoter Group:- | | | |
| i | Indian | 14 | 2744249 | 43.12 |
| ii | Foreign | 3 | 162016 | 2.54 |
| | | 17 | 2906265 | 45.66 |
| 2 | Mutual Funds/ Financial Institutions/Banks:- | | | |
| i | Mutual Funds | 4 | 4400 | 0.07 |
| ii | Financial Institutions/ Banks | 1 | 699 | 0.01 |
| | | 5 | 5099 | 0.08 |
| 3 | Foreign Institutional Investors | 1 | 2200 | 0.04 |
| 4 | Foreign Portfolio Investors | 2 | 43402 | 0.68 |
| 5 | Bodies Corporate | 173 | 423530 | 6.65 |
| 6 | Resident Individuals and HUF | 16054 | 2673970 | 42.01 |
| 7 | Investors Education and Protection Fund | 1 | 79247 | 1.25 |
| 8 | Others:- | | | |
| i | Clearing Members | 82 | 36546 | 0.57 |
| ii | Non-Resident Indians | 611 | 186388 | 2.93 |
| iii | Trusts | 1 | 8120 | 0.13 |
| | | 694 | 231054 | 3.63 |
| | Total | 16947 | 6364767 | 100.00 |

Shareholding Pattern as on March 31, 2020

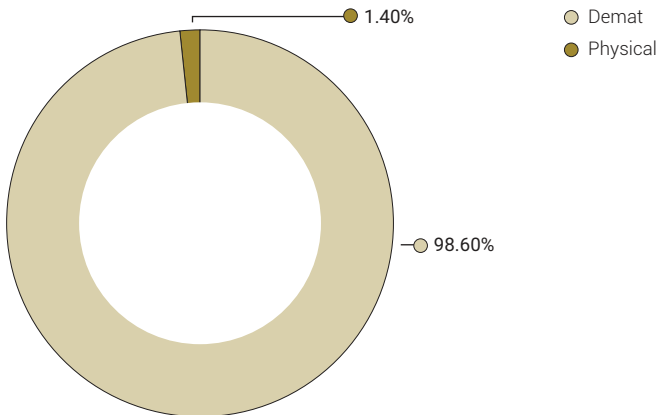


XI. De-materialisation of Shares and Liquidity and Shareholding Profile as on March 31, 2020

As on March 31, 2020, 62,75,929 equity shares representing 98.60% of the total equity share capital of the Company were held in dematerialised form with National Securities Depository Limited (73.88%) and Central Depository Services (India) Limited (24.72%). The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2020 is given below:

| Mode of Holding | No of Holders | Shares | % to Equity |
|-----------------|---------------|------------------|---------------|
| Demat | | | |
| NSDL | 8989 | 47,02,310 | 73.88 |
| CDSL | 7349 | 15,73,619 | 24.72 |
| Total | 16338 | 62,75,929 | 98.60 |
| Physical | 609 | 88,838 | 1.40 |
| Total | 16947 | 63,64,767 | 100.00 |

Shareholding Profile as on March 31, 2020



XII. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

The Company has not issued any Global Depository Receipts or American Depository Receipts. There are no warrants or any convertible instruments outstanding as on March 31, 2020.

XIII. Credit Ratings

CRISIL has placed its Long Term Rating 'CRISIL BBB+/Stable' and Short Term Rating 'CRISIL A2' on the bank facilities of the Company.

XIV. Address for Correspondence

| Contact Person | Corporate Office Address | Contact Details |
|--|---|---|
| Ms. Deepa Dutta Company Secretary & Compliance Officer | Alphageo (India) Limited Plot No. 1, Sagar Society, Road No. 2, Banjara Hills Hyderabad – 500034 | Ph: 040-23550502/23550503, Fax: 040-23550238 E-mail: info@alphageoindia.com Website: www.alphageoindia.com |

Hyderabad
June 29, 2020

TREASURE IN
TREMORS

For **Alphageo (India) Limited**

Dinesh Alla

Chairman and Managing Director

Certificate on Corporate Governance

To
The Members of
ALPHAGEO (INDIA) LIMITED

Due to lockdown on account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our examination of the records of the company shared to us via e-mail pertaining to the compliance of conditions of Corporate Governance by ALPHAGEO (INDIA) LIMITED ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] for the period 1st April, 2019 to 31st March, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except the requisite number of Independent Directors and minimum number of directors on its Board for the quarters ended 30.09.2019 and 31.12.2019 as required under the provisions of Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: June 29, 2020

For **D. Hanumanta Raju & Co**
Company Secretaries
CS Shaik Razia
Partner
FCS: 7122, CP NO: 7824
UDIN: F007122B000394850

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of

ALPHAGEO (INDIA) LIMITED

802, Babukhan Estate, Basheerbagh,
Hyderabad – 500 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ALPHAGEO (INDIA) LIMITED having CIN: L74210TG1987PLC007580 and having registered office at 802, Babukhan Estate Basheerbagh, Hyderabad – 500 001 (hereinafter referred to as "the Company"), produced before us by the Company via e-mail due to Covid-19 pandemic for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal, www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No | Name of Director | DIN | Date of Appointment in Company |
|--------|-----------------------|----------|--------------------------------|
| 1. | Mr. Dinesh Alla | 01843423 | 21/08/1991 |
| 2. | Mrs. Savita Alla | 00887071 | 29/05/2014 |
| 3. | Mr. Rajesh Alla | 01657395 | 30/09/2014 |
| 4. | Mr. Raju Mandapalli | 08014543 | 04/12/2017 |
| 5. | Mr. Mahendra Pratap | 08591443 | 17/10/2019 |
| 6. | Mr. Vinay Kumar Verma | 07603237 | 07/02/2020 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. Hanumanta Raju & Co**

Company Secretaries

CS Shaik Razia

Partner

FCS: 7122, CP NO: 7824

UDIN: F007122B000394872

Place: Hyderabad

Date: June 29, 2020

Certification of Managing Director and Chief Financial Officer

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Dinesh Alla, Chairman and Managing Director and Sesham Purushotham, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the Audited Financial Statements of the Company and of the Group for the year ended March 31, 2020 and these statements:
 - i. do not contain any materially untrue statement or omit of any material fact or contain statements that might be misleading;
 - ii. present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (d) We have indicated to the auditors and the Audit Committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies if any, made during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances, if any, of significant fraud of which we become aware about the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad
June 29, 2020

Dinesh Alla
Chairman and Managing Director

Sesham Purushotham
Chief Financial Officer

Independent Auditor's Report

To

The Members of

ALPHAGEO (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of ALPHAGEO (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As mentioned in Note No.40 to the Financial Statements, the company was subjected to the proceedings under section 132 of the Income Tax Act. As per the information and explanations given to us by the Management, consequential impact of the search proceedings, if any, are presently unascertainable and no provision has been made in the standalone Financial Statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 29(D) of the Standalone Financial Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of the same on the standalone financial statements. In view of these uncertainties, the impact on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| 1 | <p>Accuracy of revenue recognition:</p> <p>Measurement of Liquidated damages/ Contractual Deductions involves critical estimates.</p> <p>As per Ind AS 115</p> <p>Revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which an entity expects to be entitled.</p> <p>As per the standard, Company is required to recognise the revenue at the amount of the transaction price. While determining the transaction price, an entity is required to consider the effects of all of the following:</p> <ul style="list-style-type: none"> • Variable consideration • Constraining estimates of variable consideration • Consideration payable to a customer. <p>Applying the principles of Ind AS 115 to the given case, Critical Estimates involved as detailed below.</p> <p>Estimate the amount of consideration, Where the contractual deductions are inherent in determination of transaction price:</p> <p>Estimated Liquidated damages are critical estimate to determine the variable consideration. This estimate has an inherent uncertainty as the deductions will be impacted based on the work to be executed in future in accordance with the contract.</p> <p>Refer Notes 18.1 to the Standalone financial statements.</p> | <p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Based on our knowledge gained through Company's contract with customer and work completed till date, we reviewed the management workings on the calculation of Transaction price adjustment w.r.t to variable consideration i.e., adjustment of transaction price for the contractual deductions. • We also considered the historical accuracy of estimates made by management. • We further challenged management's contract risk assessments by enquiries, and review of correspondence with customers where available. |

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report,

Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports comprising other information are expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance

regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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 those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of

Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) Except for the possible effects of the matter(s) described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses Unmodified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter describe in the Basis of Qualified Opinion Section above, there were no pending litigations which would impact its financial position of the company.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, the company doesn't have derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **MAJETI & CO**

Chartered Accountants

Firm's Registration No: 015975S

Kiran Kumar Majeti

Partner

Membership No:220354

Place: Hyderabad

Date: June 29, 2020.

UDIN No: 20220354AAAAAV8134

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ALPHAGEO (INDIA) LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **MAJETI & CO**

Chartered Accountants

Firm's Registration No: 015975S

Kiran Kumar Majeti

Partner

Place: Hyderabad

Date: June 29, 2020.

Membership No:220354

UDIN No: 20220354AAAAAV8134

Annexure B to Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Goods and Service tax (GST) though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, cess and other material statutory dues as applicable, with the appropriate authorities. As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Goods and Service tax (GST), income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. There was no amount raised by the company through the issue of debentures.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **MAJETI & CO**
Chartered Accountants
Firm's Registration No: 015975S

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN No: 20220354AAAAV8134

Place: Hyderabad
Date: June 29, 2020.

Balance Sheet

as at March 31st, 2020

(All amounts in Indian Rupees)

| Particulars | Note No. | As at | As at |
|--|----------|----------------------|----------------------|
| | | March 31, 2020 | March 31, 2019 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 68,88,19,561 | 76,52,48,365 |
| (b) Capital work-in-progress | 3 | 1,04,23,714 | 1,04,23,714 |
| (c) Intangible assets | 4 | - | 1,41,80,389 |
| (d) Financial assets | | | |
| (i) Investments | 5 | 13,30,53,750 | 13,30,53,750 |
| (e) Deferred tax assets (net) | 6 | 9,63,95,362 | 9,74,40,580 |
| (f) Other non-current assets | 7(i) | 8,24,02,662 | 7,83,359 |
| Total Non-current assets | | 101,10,95,049 | 102,11,30,157 |
| Current assets | | | |
| (a) Inventories | 8 | 1,02,83,748 | 42,50,482 |
| (b) Financial assets | | | |
| (i) Trade receivables | 9 | 83,79,43,536 | 163,92,25,808 |
| (ii) Cash and cash equivalents | 10 | 46,61,83,060 | 81,74,95,985 |
| (iii) Bank balances other than (ii) above | 11 | 15,78,49,392 | 18,51,58,448 |
| (c) Current tax assets (net) | 12 | 39,16,82,463 | 2,47,95,201 |
| (d) Other current assets | 7(ii) | 9,58,64,358 | 5,38,99,965 |
| Total Current assets | | 195,98,06,557 | 272,48,25,889 |
| TOTAL ASSETS | | 297,09,01,606 | 374,59,56,046 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 13 | 6,37,83,670 | 6,37,83,670 |
| (b) Other equity | | 220,72,51,787 | 243,24,62,948 |
| Total Equity | | 227,10,35,457 | 249,62,46,618 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(i) | 6,17,560 | - |
| (b) Provisions | 15 | 83,03,890 | 1,11,97,192 |
| Total Non-current liabilities | | 89,21,450 | 1,11,97,192 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(ii) | 26,17,07,191 | 27,76,50,163 |
| (ii) Trade payables: | | | |
| - total outstanding dues to micro and small enterprises (Refer note- 31) | | - | - |
| - total outstanding dues to others | | 29,09,04,814 | 78,29,96,430 |
| (iii) Other financial liabilities | 16 | 5,33,95,141 | 10,69,17,533 |
| (b) Other current liabilities | 17 | 8,23,81,871 | 6,84,45,231 |
| (c) Provisions | 15 | 25,55,682 | 25,02,879 |
| Total current liabilities | | 69,09,44,699 | 123,85,12,236 |
| Total Liabilities | | 69,98,66,149 | 124,97,09,428 |
| TOTAL EQUITY AND LIABILITIES | | 297,09,01,606 | 374,59,56,046 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN : 20220354AAAAAV8134

Hyderabad

29-06-2020

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in Indian Rupees)

| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| Revenue from operations | 18 | 267,51,89,803 | 405,07,68,991 |
| Other income | 19 | 3,74,74,592 | 5,07,40,631 |
| Total Income | | 271,26,64,395 | 410,15,09,622 |
| EXPENSES | | | |
| Geophysical survey and related expenses | 20 | 196,53,13,884 | 275,07,81,011 |
| Employee benefits expense | 21 | 15,30,21,328 | 21,49,31,240 |
| Finance costs | 22 | 2,51,38,854 | 2,97,09,129 |
| Depreciation and amortisation expense | 23 | 26,84,43,360 | 26,81,75,693 |
| Contract Closure expenses | 24 | 32,79,38,686 | - |
| Other expenses | 25 | 6,77,03,551 | 6,94,44,260 |
| Total Expenses | | 280,75,59,663 | 333,30,41,333 |
| Profit/(Loss) before tax | | (9,48,95,268) | 76,84,68,289 |
| Tax expense | | | |
| Current tax | 26 | 44,30,063 | 29,81,01,617 |
| Deferred tax | 26 | 16,73,681 | (2,86,47,964) |
| Total tax expense | | 61,03,744 | 26,94,53,653 |
| Profit/(Loss) after tax for the year | | (10,09,99,012) | 49,90,14,636 |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | (20,71,594) | (1,63,621) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 6,28,463 | 55,703 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Other Comprehensive Income for the year | | (14,43,131) | (1,07,918) |
| Total Comprehensive Income for the year | | (10,24,42,143) | 49,89,06,718 |
| Earnings/(Loss) per share- (Face value of ₹ 10 each) | | | |
| (a) Basic | 37 | (15.87) | 78.40 |
| (b) Diluted | 37 | (15.87) | 78.40 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN : 20220354AAAAAV8134

Hyderabad

29-06-2020

Dinesh Alla
Chairman And Managing Director
DIN No: 01843423

Sesham Purushotham
Chief Financial Officer

Savita Alla
Joint Managing Director
DIN No: 00887071

Deepa Dutta
Company Secretary

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital

(All amounts in Indian Rupees)

| Paid up Equity Share capital | Note No. | No of Shares | Amount |
|--|----------|------------------|--------------------|
| Paid up Equity Share Capital | | 63,64,767 | 6,36,47,670 |
| Amount originally paid up on forfeited share | | - | 1,36,000 |
| As at April 01, 2018 | | 63,64,767 | 6,37,83,670 |
| Changes in equity share capital | 13 | - | - |
| As at March 31, 2019 | | 63,64,767 | 6,37,83,670 |
| Changes in equity share capital | 13 | - | - |
| As at March 31, 2020 | | 63,64,767 | 6,37,83,670 |

b. Other Equity

(All amounts in Indian Rupees)

| | Reserves and surplus | | | | Other Comprehensive Income | Total |
|--|----------------------|---------------------|--------------------|-----------------------|----------------------------|-----------------------|
| | Capital Reserve | Securities Premium | General reserve | Retained earnings | | |
| Balance as at April 01, 2018 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 138,88,54,735 | 8,20,526 | 199,49,40,739 |
| Profit for the year | - | - | - | 49,90,14,636 | - | 49,90,14,636 |
| Remeasurements of defined benefits plan, net of tax | - | - | - | - | (1,07,918) | (1,07,918) |
| Total comprehensive income for the year | - | - | - | 49,90,14,636 | (1,07,918) | 49,89,06,718 |
| Transactions with owners in their capacity as owners: Dividend (Including tax on dividend distribution) | - | - | - | (6,13,84,509) | - | (6,13,84,509) |
| Balance as at March 31, 2019 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 182,64,84,862 | 7,12,608 | 243,24,62,948 |
| Balance as at April 01, 2019 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 182,64,84,862 | 7,12,608 | 243,24,62,948 |
| Loss for the year | - | - | - | (10,09,99,012) | - | (10,09,99,012) |
| Remeasurements of defined benefits plan, net of tax | - | - | - | - | (14,43,131) | (14,43,131) |
| Total comprehensive income for the year | - | - | - | (10,09,99,012) | (14,43,131) | (10,24,42,143) |
| Transactions with owners in their capacity as owners: Dividend (Including tax on dividend distribution) * | - | - | - | (12,27,69,018) | - | (12,27,69,018) |
| Balance as at March 31, 2020 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 160,27,16,832 | (7,30,523) | 220,72,51,787 |

* Dividend includes final dividend of 2018-19 amounting to ₹ 6,13,84,509/- and Interim dividend for the year 2019-20 amounting to ₹ 6,13,84,509/-

Statement of changes in equity for the year ended March 31, 2020

b. Other Equity (Contd.)

Nature and purpose of reserves

(i) Capital reserve:

Represents money received on warrents forfeited for failure in compliance with terms of issue.

(ii) Securities premium :

Represents premium received on issue of securities,mandatorily to be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General Reserve:

General reserve, created out of profits of the company, will be utilised for meeting future contingencies and losses if any.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN : 20220354AAAAAV8134

Hyderabad

29-06-2020

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Statement of cash flows

for the Year ended March 31, 2020

(All amounts in Indian Rupees)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before tax | (9,48,95,268) | 76,84,68,289 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation expense | 26,84,43,360 | 26,81,75,693 |
| Unrealised foreign exchange gain(net) | (214) | (1,02,413) |
| Interest income | (1,22,49,582) | (1,89,22,980) |
| Finance costs | 2,51,38,854 | 2,97,09,129 |
| Remeasurements of defined benefit plan | (14,43,131) | (1,07,918) |
| Gain on investments | (2,47,81,294) | (3,16,08,918) |
| (Profit)/ Loss on sale of Property, plant and equipment (net) | 4,79,311 | (2,08,733) |
| Operating profit before working capital changes | 16,06,92,036 | 101,54,02,149 |
| Change in operating assets and liabilities | | |
| Trade receivables and other assets | 75,48,68,997 | 29,52,78,985 |
| Inventories | (60,33,266) | 8,39,719 |
| Trade payables, other liabilities and provisions | (53,48,04,207) | 4,13,69,300 |
| Cash generated from operating activities | 37,47,23,560 | 135,28,90,153 |
| Income tax paid | (37,19,45,787) | (26,67,57,639) |
| Net cash generated from operating activities | 27,77,773 | 108,61,32,514 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (25,76,52,822) | (8,50,54,935) |
| Investment in subsidiary | - | (1,00,000) |
| Loan (given)/realised from subsidiary | - | 43,61,868 |
| Proceeds from sale of liquid investments | 2,47,81,294 | 2,98,98,563 |
| Proceeds from disposal of property, plant and equipment | 21,68,922 | 2,31,896 |
| Change in bank balances (having original maturity of more than three months) (net) | 2,28,90,049 | (1,99,80,181) |
| Interest received | 1,74,39,222 | 2,30,62,716 |
| Net cash (outflow) from investing activities | (19,03,73,335) | (4,75,80,073) |
| Cash flows from financing activities | | |
| Proceeds/(repayment) of Non current borrowings (net) | 1,36,885 | (30,21,658) |
| Proceeds/(repayment) of current borrowings (net) | (1,59,42,972) | (18,37,30,652) |
| Finance costs paid | (2,51,42,472) | (2,97,30,273) |
| Dividend and dividend distribution tax paid | (12,27,69,018) | (6,13,84,509) |
| Net cash (outflow)/ inflow from financing activities | (16,37,17,577) | (27,78,67,092) |

Statement of cash flows

for the Year ended March 31, 2020

(All amounts in Indian Rupees)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Net increase/ (decrease) in cash and cash equivalents | (35,13,13,139) | 76,06,85,349 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 214 | (22) |
| Fair Value changes on liquid investments | - | 17,10,355 |
| Cash and cash equivalents at the beginning of the year | 81,74,95,985 | 5,51,00,303 |
| Cash and cash equivalents at end of the year | 46,61,83,060 | 81,74,95,985 |

Notes:

1. The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows.
2. Previous year figures have been regrouped /reclassified to conform to current year classification.
3. Figures in brackets represents outflows.
4. Taxes paid are treated as arising from operating activities.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

Hyderabad

29-06-2020

For and on behalf of the Board

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| | Freehold Land | Freehold Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Electrical Fittings | Data Processing Equipment | Total | Capital work-in-progress |
|--|--------------------|--------------------|---------------------|------------------------|--------------------|------------------|---------------------|---------------------------|---------------------|--------------------------|
| Year Ended March 31, 2019 | | | | | | | | | | |
| Gross carrying Value | | | | | | | | | | |
| Gross Carrying Value as at April 01, 2018 | 2,19,08,666 | 1,4,46,800 | 213,74,71,033 | 29,12,684 | 2,86,54,941 | 1,48,69,337 | 11,12,449 | 87,42,417 | 221,71,18,327 | 1,04,23,714 |
| Additions | - | - | 7,24,83,910 | - | 21,43,142 | 3,37,691 | 2,150 | 2,70,141 | 7,52,37,034 | - |
| Deductions | - | - | (4,63,254) | - | - | - | - | - | (4,63,254) | - |
| Gross carrying value as at March 31, 2019 | 2,19,08,666 | 1,4,46,800 | 220,94,91,689 | 29,12,684 | 3,07,98,083 | 1,52,07,028 | 11,14,599 | 90,12,558 | 229,18,92,107 | 1,04,23,714 |
| Accumulated depreciation | | | | | | | | | | |
| Accumulated depreciation at April 01, 2018 | - | 3,61,406 | 124,93,00,845 | 17,32,934 | 1,34,78,923 | 84,61,317 | 4,40,702 | 37,62,681 | 127,75,38,808 | - |
| Depreciation charge for the year | - | 51,970 | 24,25,84,889 | 1,37,462 | 22,00,949 | 16,54,213 | 1,87,979 | 27,27,563 | 24,95,45,025 | - |
| Accumulated Depreciation on Disposals | - | - | (4,40,091) | - | - | - | - | - | (4,40,091) | - |
| Accumulated depreciation as at March 31, 2019 | - | 4,13,376 | 149,14,45,643 | 18,70,396 | 1,56,79,872 | 1,01,15,530 | 6,28,681 | 64,90,244 | 152,66,43,742 | - |
| Net carrying value as at March 31, 2019 | 2,19,08,666 | 10,33,424 | 71,80,46,046 | 10,42,288 | 1,51,18,211 | 50,91,498 | 4,85,918 | 25,22,314 | 76,52,48,365 | 1,04,23,714 |
| Year Ended March 31, 2020 | | | | | | | | | | |
| Gross carrying Value | | | | | | | | | | |
| Gross Carrying Value as at April 01, 2019 | 2,19,08,666 | 1,4,46,800 | 220,94,91,689 | 29,12,684 | 3,07,98,083 | 1,52,07,028 | 11,14,599 | 90,12,558 | 229,18,92,107 | 1,04,23,714 |
| Additions | - | - | 17,41,96,388 | 8,000 | 60,53,827 | 1,00,931 | 15,600 | 1,07,655 | 18,04,82,401 | - |
| Deductions | - | - | - | (6,12,748) | (46,40,798) | - | - | - | (52,53,546) | - |
| Gross carrying value as at March 31, 2020 | 2,19,08,666 | 1,4,46,800 | 238,36,88,077 | 23,07,936 | 3,22,11,112 | 1,53,07,959 | 11,30,199 | 91,20,213 | 246,71,20,962 | 1,04,23,714 |
| Accumulated depreciation | | | | | | | | | | |
| Accumulated depreciation at April 01, 2019 | - | 4,13,376 | 149,14,45,643 | 18,70,396 | 1,56,79,872 | 1,01,15,530 | 6,28,681 | 64,90,244 | 152,66,43,742 | - |
| Depreciation charge for the year | - | 52,112 | 24,82,97,686 | 1,16,040 | 23,87,527 | 15,26,396 | 1,88,233 | 16,94,977 | 25,42,62,971 | - |
| Deductions | - | - | - | (4,16,532) | (21,88,780) | - | - | - | (26,05,312) | - |
| Accumulated depreciation as at March 31, 2020 | - | 4,65,488 | 173,97,43,329 | 15,69,904 | 1,58,78,619 | 1,16,41,926 | 8,16,914 | 81,85,221 | 177,83,01,401 | - |
| Net carrying value as at March 31, 2020 | 2,19,08,666 | 9,81,312 | 64,39,44,748 | 7,38,032 | 1,63,32,493 | 36,66,033 | 3,13,285 | 9,34,992 | 68,88,19,561 | 1,04,23,714 |

Note 3(a): Property, plant and equipment

Note 3(a): Refer Note 38 for information on Property plant and equipment provided as security by the company.

Note 3(b): Refer Note 33 for capital commitments.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 4: Intangible assets (Acquired)

| | Computer Softwares |
|--|--------------------|
| Year Ended March 31, 2019 | |
| Gross carrying value | |
| Gross carrying value as at April 01, 2018 | 5,61,13,786 |
| Gross carrying value as at March 31, 2019 | 5,61,13,786 |
| Accumulated amortisation | |
| Accumulated amortisation as at April 01, 2018 | 2,33,02,729 |
| Amortisation charge for the year | 1,86,30,668 |
| Accumulated depreciation as at March 31, 2019 | 4,19,33,397 |
| Net carrying value as at March 31, 2019 | 1,41,80,389 |
| Year Ended March 31, 2020 | |
| Gross carrying value | |
| Gross Carrying Value as at April 01, 2019 | 5,61,13,786 |
| Gross carrying value as at March 31, 2020 | 5,61,13,786 |
| Accumulated amortisation | |
| Accumulated amortisation as at April 01, 2019 | 4,19,33,397 |
| Amortisation charge for the year | 1,41,80,389 |
| Accumulated depreciation as at March 31, 2020 | 5,61,13,786 |
| Net carrying value as at March 31, 2020 | - |

Note 5: Investments

Non Current

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (Un quoted, fully paid up) | | |
| Investment in equity instruments in subsidiary companies (at Cost) | | |
| Alphageo International Limited 1,05,036 (March 31, 2019 : 1,05,036) Equity Shares of AED 100 /- each, fully paid | 13,22,13,750 | 13,22,13,750 |
| Alphageo Marine Services Private Limited 74,000 (March 31, 2019 : 74,000) Equity Shares of ₹ 10 /- each, fully paid | 7,40,000 | 7,40,000 |
| Alphageo Offshore Services Private Limited 10,000 (March 31, 2019 : 10,000) Equity Shares of ₹10 /- each, fully paid | 1,00,000 | 1,00,000 |
| Total Non-current investments | 13,30,53,750 | 13,30,53,750 |
| Aggregate amount of unquoted investments | 13,30,53,750 | 13,30,53,750 |
| Aggregate amount of impairment in value of investment | - | - |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 6: Deferred tax asset (net)

The balance comprises tax effect on temporary differences attributable to:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Fiscal allowances on property, plant and equipment and intangible assets | 9,20,55,115 | 9,40,94,530 |
| Expenses allowable on the basis of payment | 29,78,832 | 39,43,716 |
| "Fair valuation of financial instruments measured at fair value through profit or loss | - | (5,97,666) |
| Unabsorbed Business Losses | 13,61,415 | - |
| Net deferred tax Asset | 9,63,95,362 | 9,74,40,580 |

Movement in Deferred tax assets

| | Unabsorbed Business Losses | Fair valuation of financial instruments | Property, plant and equipment | Expenses allowable on the basis of Payment | Total |
|---------------------------------|----------------------------------|--|-------------------------------------|---|--------------------|
| As at March 31, 2018 | - | - | 6,40,49,574 | 46,87,339 | 6,87,36,913 |
| Charged/(credited): | | | | | |
| - to profit or loss | - | (5,97,666) | 3,00,44,956 | (7,99,326) | 2,86,47,964 |
| - to other comprehensive income | - | - | - | 55,703 | 55,703 |
| As at March 31, 2019 | - | (5,97,666) | 9,40,94,530 | 39,43,716 | 9,74,40,580 |
| Charged/(credited): | | | | | |
| - to profit or loss | 13,61,415 | 5,97,666 | (20,39,415) | (15,93,347) | (16,73,681) |
| - to other comprehensive income | - | - | - | 6,28,463 | 6,28,463 |
| As at March 31, 2020 | 13,61,415 | - | 9,20,55,115 | 29,78,832 | 9,63,95,362 |

Note 7: Other Assets

i) Other non-current assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Capital Advances | 7,71,70,421 | - |
| Security deposits | 8,04,459 | 7,83,359 |
| Pre-paid expenses | 44,27,782 | - |
| Total other non-current assets | 8,24,02,662 | 7,83,359 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

ii) Other Current Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Advances other than capital advances: | | |
| Balances with government authorities | 6,28,34,607 | - |
| Security deposits | 36,77,300 | 38,31,800 |
| Prepaid expenses | 1,36,09,139 | 1,43,50,016 |
| Advances to suppliers* | 1,55,79,716 | 3,54,47,365 |
| Other receivable | 1,63,596 | 2,70,784 |
| Total other current assets | 9,58,64,358 | 5,38,99,965 |

*(includes the related party outstanding to ₹63,81,462/- (previous year ₹3,00,00,000/-)

Note 8: Inventories (Valued at Lower of cost and net realisable value)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Stores and spares | 1,02,83,748 | 42,50,482 |
| Total inventories | 1,02,83,748 | 42,50,482 |

Note 8(a): Inventories are hypothecated with banks where working capital financing is sanctioned. (Refer Note :38)

Note 9: Trade receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|-------------------------|-------------------------|
| Trade receivables | 83,79,43,536 | 163,92,25,808 |
| Total trade receivables | 83,79,43,536 | 163,92,25,808 |

Note 9(a): Trade Receivables are hypothecated with banks where working capital financing is sanctioned. (Refer Note :38)

Break-up of security details

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Trade receivables considered good - Secured | | |
| Trade receivables considered good - Unsecured | 83,79,43,536 | 163,92,25,808 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit imparied | - | - |
| Total | 83,79,43,536 | 163,92,25,808 |
| Loss allowance | - | - |
| Total trade receivables | 83,79,43,536 | 163,92,25,808 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 10: Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Balances with banks | | |
| - in Local currency accounts | 26,52,61,834 | 12,43,17,633 |
| - in other currency accounts | 2,596 | 2,382 |
| Cash on hand | 6,81,830 | 8,07,525 |
| Investments in Debt schemes in mutual funds (Refer Note 10(a)&(b)) | - | 69,23,68,445 |
| Term deposits with banks with a original maturity of three months or less | 20,02,36,800 | - |
| Total cash and cash equivalents | 46,61,83,060 | 81,74,95,985 |

Note 10(a): Liquid Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| (Quoted, fully paid up) | | |
| Investment in mutual funds (at fair value through profit or loss) | - | 69,23,68,445 |
| Total investments | - | 69,23,68,445 |
| Aggregate amount of quoted investments and market value there of | - | 69,23,68,445 |
| Aggregate amount of unquoted investments | - | - |

Note 10(b): During the previous year the company has invested its free funds in Debt Oriented Investments (Open ended Schemes with no exit load and redemption restrictions) with risk free returns better than offered by financial institutions and intended to hold these investments for short period (say less then 3 Months).

Note 11: Bank balances other than cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Earmarked Balances with banks* (Refer Note:16.1) | 28,11,601 | 20,40,968 |
| Margin money deposits with Banks (Refer Note- 11(a) & 38) | 15,50,37,791 | 18,31,17,480 |
| Total Bank balances other than cash and cash equivalents | 15,78,49,392 | 18,51,58,448 |

Note 11(a) : Margin Money Deposits includes ₹12,21,80,040/- (March 31,2019 ₹15,22,13,055/-) pledged / lien against bank guarantees issued by the Bank. Further, ₹3,28,57,751/- (March 31,2019 ₹3,09,04,425/-) pledged / lien against working capital loans.

* Earmarked Balances represents unclaimed dividend.

Note 12: Current tax assets (net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Prepaid Income taxes (net of provision of March 31, 2020: ₹ NIL (March 31, 2019: ₹29,80,00,000/-)) | 39,16,82,463 | 2,47,95,201 |
| Total current tax assets (net) | 39,16,82,463 | 2,47,95,201 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 13 : Equity share capital

| Authorised : | Number of shares | Amount |
|-----------------------------|--------------------|---------------------|
| As at April 01, 2018 | 1,00,00,000 | 10,00,00,000 |
| Change during the year | - | - |
| As at March 31, 2019 | 1,00,00,000 | 10,00,00,000 |
| Change during the year | - | - |
| As at March 31, 2020 | 1,00,00,000 | 10,00,00,000 |

| Issued : | Number of shares | Amount |
|-----------------------------|------------------|--------------------|
| As at April 01, 2018 | 63,76,167 | 6,37,61,670 |
| Change during the year | - | - |
| As at March 31, 2019 | 63,76,167 | 6,37,61,670 |
| Change during the year | - | - |
| As at March 31, 2020 | 63,76,167 | 6,37,61,670 |

| Subscribed and fully paid up : | Number of shares | Amount |
|---|------------------|--------------------|
| Paid up Equity Share Capital | 63,64,767 | 6,36,47,670 |
| Amount originally paid up on forfeited shares | - | 1,36,000 |
| As at April 01, 2018 | 63,64,767 | 6,37,83,670 |
| Change during the year | - | - |
| As at March 31, 2019 | 63,64,767 | 6,37,83,670 |
| Change during the year | - | - |
| As at March 31, 2020 | 63,64,767 | 6,37,83,670 |

Terms and rights attached to equity shares

The Company has only one class of equity shares having face value of INR 10/- per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Details of shareholders holding more than 5% shares in the company

| | Dinesh Alla | Savita Alla | Aquila Drilling Private Limited |
|-----------------------------|-------------|-------------|---------------------------------|
| As at March 31, 2019 | | | |
| Number of shares | 8,85,769 | 3,91,458 | 4,59,906 |
| % holding | 13.92% | 6.15% | 7.23% |
| As at March 31, 2020 | | | |
| Number of shares | 9,32,373 | 3,91,458 | 4,59,906 |
| % holding | 14.65% | 6.15% | 7.23% |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 14: Borrowings

i) Non Current Borrowing

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------|-------------------------|-------------------------|
| (Secured) | | |
| From financial institutions | 10,00,000 | 8,63,115 |
| Less: Current maturities | 3,82,440 | 8,63,115 |
| Non-current borrowings | 6,17,560 | - |

Note 14(a): Long term borrowings are secured by the assets purchases and are repayable in the equal monthly instalments over a period of 3 years and carry a finance charge of 9.15%

ii) Current borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Secured - Payable on demand | | |
| From Banks | 26,17,07,191 | 27,76,50,163 |
| Total Current Borrowings | 26,17,07,191 | 27,76,50,163 |

Note 14(b) : The above loans are secured (primary) by the First charge (Pari -passu) on entire current assets of the company and further secured by the First charge (Pari -passu) on all the fixed assets of the company both present and future. These loans are further, secured by equitable mortgage of certain immovable properties belonging to three directors and two of their relatives and their personal guarantees. (Refer note 38 for the security details).

Note 14(c) : Rate of interest on the above borrowings is at applicable MCLR plus applicable spread i.e. 1.65% - 2.00% in terms of sanction of respective banks.

Note 15: Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Employee Benefit Obligations (Refer Note below) | | |
| Non-Current | | |
| Retirement benefits | 13,42,809 | 23,62,045 |
| Other benefits | 69,61,081 | 88,35,147 |
| Total | 83,03,890 | 1,11,97,192 |
| Current | | |
| Retirement benefits | 3,67,682 | 13,18,879 |
| Other benefits | 21,88,000 | 11,84,000 |
| Total | 25,55,682 | 25,02,879 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 15(a):

(i) Defined Contribution plans

Employer's Contribution to Provident Fund: Contributions are made to provident fund for entitled employees at the prescribed rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employer's Contribution to State Insurance Scheme: Contributions are made under State Insurance Scheme for entitled employees at the prescribed rate to Employee State Insurance Corporation. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

| | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Employer's Contribution to Provident Fund | 47,69,155 | 47,50,407 |
| Employer's Contribution to ESI | 2,55,193 | 3,63,962 |

(ii) Defined Benefits plans

Post-employment obligations- Gratuity

The company provides for gratuity payments to employees as per the payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination based on the employees last drawn basic salary per month and the number of years of services with the company.

Effective October 01, 2010 the company established Alphageo India Limited Employee's Group Gratuity Trust to administred the gratuity obligations in respect of employees other than Whole time directors of the company. The gratuity plan is funded through Group Gratuity Accumulation plan of Life insurance corporation of India.

A) Reconciliation of opening and closing balances of Defined Benefit Obligation

| | Gratuity | |
|--|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Defined Benefit Obligation at beginning of the year | | |
| Funded Portion | 1,33,98,395 | 1,12,27,735 |
| Unfunded Portion | 23,62,045 | 17,96,062 |
| Current Service Cost | 17,05,625 | 16,55,023 |
| Interest Cost | 11,14,935 | 10,39,802 |
| Actuarial Loss for the year | 19,73,698 | 94,371 |
| Benefits Paid | (23,72,252) | (52,553) |
| Defined Benefit Obligation at year end | 1,81,82,446 | 1,57,60,440 |
| Funded Portion | 1,57,62,281 | 1,33,98,395 |
| Unfunded Portion | 24,20,165 | 23,62,045 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

B) Reconciliation of opening and closing balances of fair value of Plan Assets

| | Gratuity Funded | |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Fair value of Plan Assets at beginning of year | 1,20,79,516 | 1,02,99,105 |
| Expected Return on Plan Assets | 10,55,467 | 8,26,998 |
| Employer Contribution | 58,07,120 | 10,75,216 |
| Actuarial (Loss)/ gain for the year | (97,896) | (69,250) |
| Benefits Paid | (23,72,252) | (52,553) |
| Fair value of Plan Assets at year end | 1,64,71,955 | 1,20,79,516 |

C) Reconciliation of fair value of Assets and Obligations

| | Gratuity | |
|--|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Fair value of Plan Assets | 1,64,71,955 | 1,20,79,516 |
| Present value of defined benefit obligation | 1,81,82,446 | 1,57,60,440 |
| Amount recognised in Balance Sheet [Surplus/(Deficit)] | (17,10,491) | (36,80,924) |
| Current | - | 13,18,879 |
| Non current | 24,20,165 | 23,62,045 |
| Prepaid Gratuity | (7,09,674) | - |

D) Expenses recognised during the year

| | Gratuity | |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| In Statement of Profit and Loss | | |
| Current Service Cost | 17,05,625 | 16,55,023 |
| Interest Cost | 11,14,935 | 10,39,802 |
| Return on Plan Assets | (10,55,467) | (8,26,998) |
| Net Cost | 17,65,093 | 18,67,827 |
| In Other Comprehensive Income | | |
| Actuarial (Gain) / Loss | (20,71,594) | (1,63,621) |
| Net expense for the period recognised in OCI | (20,71,594) | (1,63,621) |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| | Gratuity | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Discount rate | 6.78% | 7.65% |
| Salary growth rate | 4% | 4% |
| Withdrawal rate | 4% | 4% |
| Retirement Age | 58 | 58 |
| Average Balance Future Services | 22.41 | 22.58 |
| Mortality Table(L.I.C) | 2012-14 | 2012-14 |

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars | As at March 31, 2020 |
|---|-------------------------|
| Defined Benefit Obligation | 1,81,82,446 |
| Discount rate:(% change compared to base due to sensitivity) | |
| Increase : +1% | 1,71,61,209 |
| Decrease: -1% | 1,93,37,302 |
| Salary Growth rate:(% change compared to base due to sensitivity) | |
| Increase : +1% | 1,92,19,466 |
| Decrease: -1% | 1,72,01,791 |
| Withdrawal rate:(% change compared to base due to sensitivity) | |
| Increase : +1% | 1,83,56,765 |
| Decrease: -1% | 1,79,84,766 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plans assets are as follows:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Funds Managed by Insurers | 100% | 100% |
| | 100% | 100% |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Defined benefit liability and employer contributions

The Company has purchased insurance policy to provide for payment of gratuity to the employees other than whole time directors. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

The weighted average duration of the defined benefit obligation is 9.77 years. The expected future cash flows over the next years, which will be met out of planned assets, is as follows:

| Particulars | As at March 31, 2020 |
|--|-------------------------|
| Defined benefit obligation-gratuity | |
| Less than a year | 13,42,809 |
| Between 2-5 years | 1,01,39,521 |
| Above 5 years | 61,04,676 |

Risk Management

The Significant risks the company has in administering defined benefit plans are :

Interest Rate Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Note 16: Other Financial liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Current | | |
| Current maturities of long term borrowings | 3,82,440 | 8,63,115 |
| Interest accrued | 2,758 | 6,376 |
| Unpaid dividend (Refer Note:16.1) | 28,11,601 | 20,40,968 |
| Employee benefits payable | 3,13,38,173 | 9,11,92,042 |
| Creditors for expenses | 1,88,60,169 | 1,28,15,032 |
| Total other financial liabilities | 5,33,95,141 | 10,69,17,533 |

Note 16.1 : Unpaid dividend account represents the dividend not claimed by the shareholders and there is no amount due and outstanding to be credited to Investor Education and Protection Fund.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 17: Other current liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Mobilisation Advance* | 8,06,76,588 | - |
| Statutory Liabilities | 17,05,283 | 6,84,45,231 |
| Total other current liabilities | 8,23,81,871 | 6,84,45,231 |

(*The Company has raised Mobilisation advance of ₹11,39,37,124 /- as Contract Liability and adjusted ₹3,32,60,536/- against the invoices raised during the year)

Note 18: Revenue from operations

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Revenue from contracts with customers | | |
| Geophysical survey and related service income (Refer Note No 18.1) | 267,51,89,803 | 405,07,68,991 |
| Total revenue from operations | 267,51,89,803 | 405,07,68,991 |

Critical judgement in recognising variable consideration

Note 18.1: Revenue from contracts with customers is net of variable consideration components including liquidated damages on account of present and future recoveries for committed periodical quantitative Geophysical survey executions, determined as per the terms of the agreements.

Information about major customers: Two customer represents 10% or more of the Company's total revenue during the year ended March 31, 2020 and one customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019.

Revenue disaggregation by geography is as follows:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------|--------------------------------------|--------------------------------------|
| Geography | | |
| Within India | 267,51,89,803 | 405,07,68,991 |
| Outside India | - | - |

Note 19: Other income

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Interest income from financial assets at amortised cost | 1,22,49,582 | 1,89,22,980 |
| Profit on sale of Property, plant & equipment | - | 2,08,733 |
| Net gain on foreign currency transactions and translations | 4,43,716 | - |
| Gain on sale of investments | 2,47,81,294 | 3,16,08,918 |
| Total other income | 3,74,74,592 | 5,07,40,631 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 20: Geophysical survey and related expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Consumption of stores | 52,72,845 | 1,13,24,490 |
| Survey and drilling charges | 152,07,66,207 | 232,55,67,197 |
| Fuel | 6,50,35,287 | 7,27,37,155 |
| Vehicle hire charges | 3,99,76,753 | 4,53,51,753 |
| Equipment hire charges | 7,67,36,565 | 2,36,68,332 |
| Repairs to machinery | 2,12,15,828 | 1,02,69,344 |
| Camp rental charges | 1,49,75,888 | 1,07,35,049 |
| Technical consultancy charges | 10,17,34,338 | 12,50,59,012 |
| Camp expenses | 9,70,58,349 | 9,84,06,526 |
| Transport and handling charges | 1,51,58,465 | 73,13,676 |
| Other survey expenses | 73,83,359 | 2,03,48,477 |
| Total Geophysical survey and related expenses | 196,53,13,884 | 275,07,81,011 |

Note 21: Employee benefits expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages, bonus and other allowances (Refer Note :15(a)) | 14,47,05,144 | 20,61,34,551 |
| Contribution to provident fund and other funds | 63,80,313 | 67,92,837 |
| Contribution to ESI | 2,55,193 | 3,63,962 |
| Staff welfare expenses | 16,80,678 | 16,39,890 |
| Total employee benefits expense | 15,30,21,328 | 21,49,31,240 |

Note 22: Finance costs

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Interest and finance charges on financial liabilities carried at amortised cost | 62,54,791 | 1,25,20,235 |
| Other borrowing costs | 1,88,84,063 | 1,71,88,894 |
| Total Finance costs | 2,51,38,854 | 2,97,09,129 |

Note 23: Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment | 25,42,62,971 | 24,95,45,025 |
| Amortisation of intangible assets | 1,41,80,389 | 1,86,30,668 |
| Total depreciation and amortisation expense | 26,84,43,360 | 26,81,75,693 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 24: Contract Closure expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Contract Closure expenses* | 32,79,38,686 | - |
| Total Contract Closure expenses | 32,79,38,686 | - |

*on account of client enforced performance commitments.

Note 25 :Other expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Rent | 91,46,600 | 87,19,533 |
| Repairs and maintenance to others | 26,32,787 | 22,44,203 |
| Insurance | 59,45,159 | 54,67,241 |
| Rates and taxes | 57,33,570 | 72,13,421 |
| Printing and stationery | 20,60,549 | 23,14,687 |
| Communication expenses | 25,64,417 | 23,00,632 |
| Travelling and conveyance | 1,50,30,064 | 2,25,68,640 |
| Payments to Auditors (Refer note 25 (a)below) | 11,63,700 | 11,44,750 |
| Legal, Professional and consultancy charges | 92,05,958 | 66,84,471 |
| Directors fees | 5,85,000 | 7,20,000 |
| Bank Charges | 8,65,015 | 4,84,860 |
| Vehicle maintenance | 4,08,318 | 7,88,160 |
| Loss on Sale of Assets | 4,79,311 | - |
| Net loss on foreign currency transactions and translations | - | 7,00,265 |
| CSR Expenditure (Refer Note 25(b) below) | 72,56,500 | 23,04,600 |
| Donations | 30,000 | 20,000 |
| Miscellaneous expenses | 45,96,603 | 57,68,797 |
| Total other expenses | 6,77,03,551 | 6,94,44,260 |

Note 25(a): Details of payments to auditors

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Payment to auditors | | |
| As Statutory Auditor | 7,00,000 | 7,00,000 |
| For Quarterly Reviews | 3,75,000 | 3,75,000 |
| For Certification | 55,000 | 30,000 |
| Re-imbusement of expenses | 33,700 | 39,750 |
| Total payments to auditors | 11,63,700 | 11,44,750 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 25(b): Details of Expenses on Corporate Social Responsibility Activities:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Gross amount required to be spent as per section 135 of the Act | 2,90,27,181 | 1,55,52,954 |
| Amount spent during the year on | 72,56,500 | 23,04,600 |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purpose other than (i) above: | | |
| Promoting education | 41,62,000 | 17,04,600 |
| Promoting healthcare | 5,00,000 | 4,00,000 |
| For empowering employment skills for youth | 25,94,500 | 2,00,000 |

Note 26: Tax expense

Analysis of the company's income tax expense, given below explains significant estimates made in to relation to company's tax position and also shows amounts that are recognised directly in equity and the effect of tax expense on account of non-assessable and non-deductible items.

| (a) Tax expense | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <i>Current tax</i> | | |
| - to profit or loss | | |
| Current tax on profits for the year | - | 29,80,00,000 |
| Income tax adjustments of earlier year | 44,30,063 | 1,01,617 |
| Total Current Tax Expense | 44,30,063 | 29,81,01,617 |
| Deferred tax | | |
| - to profit or loss | 16,73,681 | (2,86,47,964) |
| - to other comprehensive income | (6,28,463) | (55,703) |
| Total Deferred tax expense/(benefit) | 10,45,218 | (2,87,03,667) |
| Income tax expense | 54,75,281 | 26,93,97,950 |
| Tax Expenses | | |
| - to profit or loss | 61,03,744 | 26,94,53,653 |
| - to other comprehensive income | (6,28,463) | (55,703) |

| (b) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate: | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Profit/Loss from operations before tax | (9,48,95,268) | 76,84,68,289 |
| Current tax rate in india | 25.168% | 34.944% |
| Tax on profit from operations | - | 26,85,33,559 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Expenses not allowable for tax purpose | 9,45,876 | 5,82,741 |
| Adjustments for tax of relating to prior periods | 44,30,063 | 1,01,617 |
| Items considered in OCI and considered in current tax computation | (6,28,463) | (55,703) |
| Others | 13,56,268 | 2,91,439 |
| Income tax expenses | 61,03,744 | 26,94,53,653 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Financial Instruments and Risk Management

Note 27: Fair Value Hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Note:

- (i) The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances and trade receivables are considered to be the same as their fair values due to their short term nature and recoverability from /by the parties.

Note 28: Categories of Financial Instruments

| | Fair Value Hierarchy | Notes | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-------|----------------------|----------------------|----------------------|----------------------|
| | | | Carrying Value | Fair Value | Carrying Value | Fair Value |
| A. Financial assets | | | | | | |
| a) Measured at amortised cost | | | | | | |
| Cash and cash equivalents other than liquid investments | Level -3 | 10 | 46,61,83,060 | 46,61,83,060 | 12,51,27,540 | 12,51,27,540 |
| Other bank balances | Level -3 | 11 | 15,78,49,392 | 15,78,49,392 | 18,51,58,448 | 18,51,58,448 |
| Trade receivables | Level -3 | 9 | 83,79,43,536 | 83,79,43,536 | 163,92,25,808 | 163,92,25,808 |
| b) Measured at Fair Value through Profit or Loss | | | | | | |
| Liquid Investments (Quoted Method - Valuation) | Level -1 | 10 | - | - | 69,23,68,445 | 69,23,68,445 |
| Total financial assets | | | 146,19,75,988 | 146,19,75,988 | 264,18,80,241 | 264,18,80,241 |
| B. Financial liabilities | | | | | | |
| a) Measured at amortised cost | | | | | | |
| Trade payables | Level -3 | | 29,09,04,814 | 29,09,04,814 | 78,29,96,430 | 78,29,96,430 |
| Borrowings* | Level -3 | 14 | 26,27,07,191 | 26,27,07,191 | 27,85,13,278 | 27,85,13,278 |
| Other financial liabilities | Level -3 | 16 | 5,30,12,701 | 5,30,12,701 | 10,60,54,418 | 10,60,54,418 |
| Total financial liabilities | | | 60,66,24,706 | 60,66,24,706 | 116,75,64,126 | 116,75,64,126 |

* Including current maturities of long term borrowing.

Notes:

- (i) In pursuance of exception in INDAS 107: Financial Instruments Disclosure in respect of Investment in equity instruments in subsidiaries carrying at cost, no further disclosure are required to be given in this regard.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 29: Financial Risk Management

The Company's activities expose it to Credit risk, Market risk and Liquidity risk . The Company emphasis on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations .The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Company is managed at the Company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the company by establishing credit limits and continuously monitoring the credit worthiness of the customers. The Company is not required to provides for expected credit losses based on the past experience where it believes that there is no probability of default based on credit worthiness of company customers. Financial assets are written off when there is no reasonable expectation of recovery.

The ageing analysis of the receivables (gross of provisions) has been considered from the due date of invoice :

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Upto 180 days | 77,86,35,585 | 148,36,67,809 |
| More than 180 days | 5,93,07,951 | 15,55,57,999 |

Note:

Significant revenue and receivable is from major public sector companies in oil and gas exploration business with a credit rating of A+(ICRA). As the Management is not foreseeing any loss from the parties based on the evaluation of past trend,the carrying value of trade receivable is equal to its fair value and no loss allowance is required to be made.

(B) Market Risk:

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

- **Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its market interest rates by fixed rate interest . Hence ,the Company is not significantly exposed to interest rate risks.

- **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As the company is not foreseeing significant transaction in other than functional currency the exposure to the foreign currency is minimal.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Foreign currency exposure as at the reporting date:

| | As at March 31, 2020 | | | As at March 31, 2019 | | |
|-----------------------|----------------------|-----|--------------------------|----------------------|-----|--------------------------|
| | USD | GBP | Equivalent Amount in INR | USD | GBP | Equivalent Amount in INR |
| Balance with banks | 34 | - | 2,596 | 34 | - | 2,382 |
| Advance for suppliers | 774,355 | - | 5,83,75,449 | 50,380 | - | 34,84,850 |
| Payables for services | 41,160 | - | 31,02,884 | 1,04,400 | - | 72,21,485 |

(C) Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company manage its risk from their principle source of reasources such as cash and cash equivalents , cash flows that is generated from operations and other means of borrowings, to ensure, as far as possible , that it will always have sufficient liquidity to meet the liabilities.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| | On Demand | Due in 1st year | Due after 1st year | Total |
|-----------------------------|--------------|-----------------|--------------------|--------------|
| As at March 31, 2020 | | | | |
| Borrowing | 26,17,07,191 | 3,82,440 | 6,17,560 | 26,27,07,191 |
| Trade and other payable | - | 29,09,04,814 | - | 29,09,04,814 |
| Other financial liabilities | - | 5,30,12,701 | - | 5,30,12,701 |
| As at March 31, 2019 | | | | |
| Borrowing | 27,76,50,163 | 8,63,115 | - | 27,85,13,278 |
| Trade and other payable | - | 78,29,96,430 | - | 78,29,96,430 |
| Other financial liabilities | - | 10,60,54,418 | - | 10,60,54,418 |

(D) Other Risk - Impact of COVID-19 (Global pandemic) :

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbance and slowdown of economic activity. The company's operations were impacted in the month of March 2020, following nationwide lockdown announced by the Government of India.

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2020.

The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 30: Capital Management

The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The Company monitors the capital structure on the basis of total debt to equity ratio :

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Net Debt | - | - |
| Equity | 227,10,35,457 | 249,62,46,618 |
| Total Capital (Net Debt+Equity) | 227,10,35,457 | 249,62,46,618 |
| Net Debt to Total Capital (%) | 0.00% | 0.00% |
| Equity to Total capital | 100.00% | 100.00% |

Net debt represents:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| A) Borrowings | | |
| Non-current borrowings | 6,17,560 | - |
| Current borrowings | 26,17,07,191 | 27,76,50,163 |
| Current Maturity of finance lease obligation | 3,82,440 | 8,63,115 |
| Total(A) | 26,27,07,191 | 27,85,13,278 |
| B) Cash and cash equivalents | 46,61,83,060 | 81,74,95,985 |
| C) Net Debt/(Asset) (A-B) | (20,34,75,869) | (53,89,82,707) |

Note 31 : Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("Act") as given below has been determined to the extent such parties have been identified on the basis of information available with the company:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Principal amount remaining unpaid as on 31st March | NIL | NIL |
| Interest due thereon as on 31st March | NIL | NIL |
| Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year | NIL | NIL |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | NIL | NIL |
| Interest accrued and remaining unpaid as at 31st March | NIL | NIL |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act | NIL | NIL |

Note : The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

Note 32: The following are the details of loans and advances in the nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of the Regulation 34(3) read together with para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Alphageo Marine Services Private Limited | | |
| Out standing at year end | - | - |
| Maximum Outstanding | - | (1,30,00,000) |

Note : The Loan to subsidiary represents the inter corporate loan given to its subsidiary to meet its business needs and exigencies carries interest

Note 33: Capital commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) ₹ 27,92,99,636/- (Previous Year ₹ Nil).

Note 34 : Segment Information

(a) Description of segments and principal activities

The Chairman & Managing Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in Seismic Service and operates in a single operating segment.

In accordance with paragraph 4 of Ind AS 108- " Operating Segments" the company has disclosed segment information only on the basis of consolidated financial statements which are presented together along with the standalone financial statements.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 35: Interest in Other Entities

The Company's subsidiaries as at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company.

| Name of Entities | Relationship | Principle Activity | Place of Business | Ownership |
|--|----------------------|--|-------------------|-----------|
| Alphageo International Limited | Subsidiary | Investment in Companies and Joint Ventures and providing technical support services | Dubai | 100% |
| Alphageo DMCC | Step down subsidiary | Provision of Onshore and offshore oil and gas field services, Geophysical Studies and geological Services and rental of drilling equipment & machinery | Dubai | 100% |
| Alphegeo Offshore Services Private Limited | Subsidiary | Provision of Offshore Geophysical Studies and Services | India | 100% |
| Alphageo Marine Services India Private Limited | Subsidiary | Provision of Marine Survey Services and Aerial Geophysical Services | India | 74% |

- Method of accounting of investment in Subsidiaries are at amortised cost

Note 36: Related Party Transactions

(a) Enterprises where control exists

| | |
|--|--|
| Wholly owned Subsidiary Companies | : Alphageo International Limited |
| | : Alphageo Offshore Services Private Limited |
| Stepdown Subsidiaries | : Alphageo DMCC (Subsidiary of Alphageo International Limited) |
| Subsidiaries | : Alphageo Marine Services Private Limited |

| | |
|--|---|
| (b) Key Management personnel(KMP) | : Dinesh Alla, Chairman & Managing Director |
| | : Savita Alla, Joint Managing Director |
| | : Rajesh Alla, Non executive directors |
| | : Aryabumi Mohanakrishna Reddy, Independent Director (upto July 30, 2019) |
| | : Ashwinder Bhel, Independent Director (upto July 31, 2019) |
| | : Raju Mandapalli, Independent Director |
| | : Mahendra Pratap, Independent Director (w.e.f October 17, 2019) |
| | : Vinay Kumar Verma, Independent Director (w.e.f February 02, 2020) |

| | |
|---|--------------------------|
| (c) Relative of Key Management personnel | : Rajesh Alla |
| | : Kamala Rajupet |
| | : Sashank Alla |
| | : Anisha Alla |
| | : Mrudulla Alla |
| | : Gopinath Reddy Rajupet |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

(d) List of Related Parties over which Control / Significant Influence exists with whom the company has transactions :

| | |
|--|--|
| Alphageo International Limited | Wholly Owned Subsidiary |
| Alphageo Offshore Services Private Limited | |
| Alphageo Marine Services Private Limited | Subsidiary |
| Alphageo DMCC | Step-down subsidiary |
| Dinesh Alla (HUF) | Entity In Which Key Management Personnel has Significant Influence |
| Trac | |
| Athena Infracon (India) Private Limited | |
| Aquila Drilling Private Limited | |
| Rajesh Alla (HUF) | Entity In Which Relative of Key Management Personnel has Significant Influence |
| IIC Technologies Limited | |
| IIC Technologies USA | |
| (e) Employee Benefit Plans | : Alphageo India Limited Employees' Group Gratuity Trust |

(f) Transactions with Related Parties:

| | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Amount | Outstanding balance | Amount | Outstanding balance |
| Key Management Personnel: | | | | |
| Short term employee benefits | | | | |
| Remuneration* | 2,54,42,652 | 1,53,88,719 | 8,54,65,366 | 7,46,12,098 |
| Director Fees | 5,85,000 | - | 7,20,000 | - |
| Others | | | | |
| Dividend paid | 2,06,32,400 | - | 1,00,79,456 | - |
| Interest on Loan taken | - | - | 20,11,644 | - |
| Acceptance of Loan | - | - | 6,00,00,000 | - |
| Repayment of Loan | - | - | 6,00,00,000 | - |
| Relatives of Key Management Personnel: | | | | |
| Salary paid | 11,68,377 | 72,309 | 8,78,373 | 2,72,631 |
| Dividend paid | 1,35,62,672 | - | 67,81,336 | - |
| Concerns in which Key Management Personnel has substantial interest: | | | | |
| Rent | 7,49,806 | 1,80,900 | 4,44,000 | - |
| Dividend paid | 98,03,488 | - | 47,83,784 | - |
| Concerns in which Relative of the Key Management Personnel has Substantial Interest: | | | | |
| Dividend paid | 13,81,328 | - | 6,90,664 | - |
| Rent | 1,80,000 | 40,500 | 1,80,000 | - |
| Advance against service | - | - | 3,00,00,000 | 3,00,00,000 |
| Advance adjusted against service | 2,36,18,538 | 63,81,462 | | |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------------|----------------------|---------------------|----------------------|---------------------|
| | Amount | Outstanding balance | Amount | Outstanding balance |
| Purchase of Spare Parts | - | - | 1,59,294 | - |
| Equipment Hire Charges | 2,09,16,400 | - | - | - |
| Reimbursement of expenses | 68,83,915 | - | - | - |
| Contribution to Funds | | | | |
| Post Employment Benefit Plan | 58,49,367 | - | 10,22,663 | - |
| Subsidiaries: | | | | |
| Investment in equity shares | - | - | 1,00,000 | - |
| Interest income | - | - | 67,783 | - |
| Loan given | - | - | 1,30,00,000 | - |
| Loan Received back | - | - | 1,73,00,000 | - |
| Reimbursement of expenses | 31,500 | - | 14,185 | - |
| Step-Down Subsidiary: | | | | |
| Sale of Property Plant & Equipment | - | - | 2,31,896 | - |
| Equipment hire-charges | 3,96,75,746 | 31,02,884 | 2,35,39,677 | 72,21,485 |

(f) Terms and Conditions

Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.

* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

(g) Disclosure of the total transactions w.r.t related parties during the year:

| Nature of the transaction | Name of the related party | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|------------------------------|----------------------|----------------------|
| Short term employee benefits | Dinesh Alla | 1,34,42,652 | 4,27,32,683 |
| | Savita Alla | 1,20,00,000 | 4,27,32,683 |
| Director Fees | Z.P.Marshal | - | 45,000 |
| | Aryabumi Mohanakrishna Reddy | 45,000 | 1,80,000 |
| | Ashwinder Bhel | - | 1,35,000 |
| | Rajesh Alla | 1,80,000 | 1,80,000 |
| | Raju Mandapalli | 2,10,000 | 1,80,000 |
| | Mahendra Pratap | 90,000 | - |
| Interest on Loan taken | Vinay Kumar Varma | 60,000 | - |
| | Dinesh Alla | - | 13,00,411 |
| Acceptance of Loan | Savita Alla | - | 7,11,233 |
| | Dinesh Alla | - | 4,00,00,000 |
| Repayment of Loan | Savita Alla | - | 2,00,00,000 |
| | Dinesh Alla | - | 4,00,00,000 |
| Salary paid | Savita Alla | - | 2,00,00,000 |
| | Sashank Alla | 11,68,377 | 8,78,373 |
| Rent | Trac | 3,05,806 | - |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| Nature of the transaction | Name of the related party | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|--|-------------------------|-------------------------|
| | Dinesh Alla (HUF) | 4,44,000 | 4,44,000 |
| | Rajesh Alla (HUF) | 1,80,000 | 1,80,000 |
| Equipment Hire Charges | IIC Technologies Limited | 2,09,16,400 | - |
| Reimbursement of expenses | Alphegeo Marine Services Private Limited | 12,700 | 5,000 |
| | Alphegeo Offshore Services Private Limited | 18,800 | 9,185 |
| | IIC Technologies Limited | 68,83,915 | - |
| Post Employment Benefit Plan | Alphegeo India Limited Employees' Group Gratuity Trust | 58,49,367 | 10,22,663 |
| Investment Made | Alphegeo Offshore Services Private Limited | - | 1,00,000 |
| Interest income | Alphegeo Marine Services Private Limited | - | 67,783 |
| Loan given | Alphegeo Marine Services Private Limited | - | 1,30,00,000 |
| Loan Received back | Alphegeo Marine Services Private Limited | - | 1,73,00,000 |
| Advance against service | IIC Technologies Limited | - | 3,00,00,000 |
| Purchase of Spare Parts | IIC Technologies USA | - | 1,59,294 |
| Sale of Property Plant & Equipment | Alphegeo DMCC | - | 2,31,896 |
| Equipment hire-charges | Alphegeo DMCC | 3,96,75,746 | 2,35,39,677 |

Note 37: Earnings per share (EPS)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) Basic & Diluted EPS | | |
| Earnings per share attributable to the equity holders of the company | (15.87) | 78.40 |

(b) Reconciliation of earnings used in calculating earnings per share

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Basic and Diluted earnings per share | | |
| Profit/(Loss) attributable to the equity holders of the company used in calculating EPS | (10,09,99,012) | 49,90,14,636 |

(c) Weighted average number of shares used as the denominator

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 63,64,767 | 63,64,767 |
| Adjustments for calculation of diluted earnings per share: | - | - |
| Weighted average number of equity shares used as the denominator in calculating diluted earnings per share | 63,64,767 | 63,64,767 |

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 38: Assets of the Company pledged as security

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Hypothecation of stocks, book debts and current assets -First Charge | | |
| Trade receivables | 83,79,43,536 | 163,92,25,808 |
| Inventories | 1,02,83,748 | 42,50,482 |
| Fixed Deposits | 3,28,57,751 | 3,09,04,425 |
| Other assets (Other than above) | 107,87,21,522 | 105,04,45,174 |
| Second Charge | | |
| Equitable mortgage of Land and Buildings and movable fixed assets | 68,88,19,561 | 77,94,28,754 |

Note 39: Events occurring after the reporting period

(i) Proposed Dividend

The final dividend proposed and recommended by the Board of Directors for the approval of Members at the ensuing annual general meeting :

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| On Equity Shares of ₹10 each | | |
| Proposed Dividend* | - | 5,09,18,136 |
| Proposed Dividend per equity share | - | 8 |

* Dividend distribution tax is payable at the time payment of dividend.

Note 40: In July 2019, the Income Tax Department ('Department') has conducted a search under section 132 of the Income Tax Act, 1961. The company has provided the requested information and documents with the Department and the consequential impact of the search proceedings, if any, are presently unascertainable and no provision has been made.

Note 41: The figures for the previous year have been reclassified / regrouped wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **MAJETI & CO.**
Chartered Accountants
Firm's registration number: 015975S

Dinesh Alla
Chairman And Managing Director
DIN No: 01843423

Savita Alla
Joint Managing Director
DIN No: 00887071

Kiran Kumar Majeti
Partner
Membership number: 220354

Sesham Purushotham
Chief Financial Officer

Deepa Dutta
Company Secretary

Hyderabad
June 29, 2020

Notes Annexed and forming part of the Financial Statements

1. Corporate Information

- 1.1 Alphageo (India) Limited (the Company or AGIL) is a public limited company incorporated in the year 1987 under the provisions of erstwhile Companies Act, 1956 having its registered office at Hyderabad in the state of Telangana, India. The Equity Shares of the Company are listed with Stock Exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.
- 1.2 The Company is providing Geophysical Seismic Data Acquisition, Processing and Interpretation Services for exploration of hydrocarbons and minerals.
- 1.3 These financial statements are approved and authorised for issue by the Board of Directors on June 29, 2020.

2. Basis of Preparation of financial statements

The financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy. The financial statements are presented in Indian Rupees (INR).

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and the guidelines issued by Securities and Exchange Board of India (SEBI).

New & Amended Standard adopted by the company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

An asset is classified as current if:

- It is expected to be realised or sold or consumed in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be settled within twelve months after the reporting period;
- It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non current only.

A liability is classified as current if:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

Notes Annexed and forming part of the Financial Statements

- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has no unconditional right to defer the statement of the liability for the least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current only.

2.1 Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are detailed hereafter. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chairman & Managing Director has been identified as the Chief Operating Decision Maker. Refer Note 34 for the segment information presented.

2.3 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Indian Rupees is the functional currency of the company. The financial statements and all financial information are presented in Indian rupee (INR).

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end

exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.4 Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with Ind AS requires management of the Company to make estimates and assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets; liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Following are the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Variable Consideration in accordance with Ind AS 115– Note 18.1
- Estimated useful life of tangible asset – Note 2.7

Notes Annexed and forming part of the Financial Statements

- Estimated useful life of intangible asset – Note 2.8
- Estimation of expected credit loss on financial assets in accordance with Ind AS 109 – Note 29(A)
- Estimation of defined benefit obligation in accordance with Ind AS 19– Note 15
- Estimation of uncertainties relating to the global health pandemic from COVID-19 – Note 29(D)

2.5 Revenue recognition

Sale of Services - Recognition & Measurement

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue from Seismic Data Acquisition, Processing and Interpretation Services are recognised on output basis measured by milestones reached, units delivered, efforts expended, number of transactions processed, etc.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions, penalties and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company disaggregates revenue from contracts with customers by geography of services provided.

Dividend Income

Dividend income on investments is accounted for when the right to receive the same is established. Dividend income is included in Other Income in the Statement of Profit and Loss.

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.6 Leases

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment (if any) to retained earnings as on the date of initial application. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Refer note 2.6– Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17. The adoption of the Standard has insignificant impact on the financial statements of the Company.

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone

Notes Annexed and forming part of the Financial Statements

price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for

terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease..

2.7 Property, Plant and Equipment

i) Recognition and measurement

Property, plant and equipment except Freehold land are stated at cost of acquisition or construction less accumulated depreciation

Notes Annexed and forming part of the Financial Statements

and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP. Freehold land is carried at historical cost.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs if any of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

ii) Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

iii) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or

loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

iv) Depreciation expense

Depreciation is charged on straight line basis so as to write off the depreciable amount of the asset over the useful lives specified in Schedule II to the Act. The useful life of the assets are periodically reviewed and re-determined based on a technical evaluation and expected use. In case of revision in useful life of an asset, the unamortised depreciable amount is charged over the remaining useful life of such asset. The cases, where the useful life of assets so determined, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., different from the useful life as specified under Part C of Schedule II of the Act as given below:

| Nature of Asset | Useful Life |
|--|-------------|
| Machinery in the nature of Geophone strings and cables | 5 Years |
| Machinery in the nature of equipment used for Seismic Survey | 5 Years |

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Notes Annexed and forming part of the Financial Statements

2.8 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

| Nature of Asset | Useful Life |
|-----------------|-------------|
| Software | 3 Years |

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.9 Financial Instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments,

this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition

The Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

i. At amortised cost:

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

ii. At fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value

Notes Annexed and forming part of the Financial Statements

through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payment of principle and interest on the principle amount outstanding and selling financial assets.

iii. At fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Investment in subsidiaries

Investment in subsidiaries measured at cost less impairment as per Ind AS 27.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, Liquid Investments and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts considered an integral part of the Company's cash management.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

Trade and other payables represent liabilities for goods and services prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount

Notes Annexed and forming part of the Financial Statements

is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.10 Impairment of Assets

Financial assets

The Company assesses at each date of balance sheet impairment if any of a financial asset or a group of financial assets. The company uses, in accordance with Ind AS 109, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to: The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Non-financial assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to

Notes Annexed and forming part of the Financial Statements

which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and impairment loss is recognised in the profit or loss.

2.11 Equity instruments

An equity instrument is a contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.12 Borrowing costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to make it ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.13 Inventories

Stock of Stores and spares is valued at lower of cost and net realisable value. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO). Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

2.14 Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount

expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the prevailing tax laws for the year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Current tax assets and current tax liabilities are presented in the statement of financial position after off-setting the taxes paid or deemed to be paid and current income tax expenses for the year.

Deferred income taxes

Deferred tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward unused tax credits and the carried forward unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow total or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Notes Annexed and forming part of the Financial Statements

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The Company recognises interest related to income tax in interest expenses.

2.15 Provisions, contingent liabilities and contingent asset

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be

measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised in the financial statements unless it becomes virtually certain that an inflow of economic benefits will arise and is probable. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.16 Employee benefits

(i) Short term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for accumulating compensated absences not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of expected future payments to be made in respect of services provided using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer

Notes Annexed and forming part of the Financial Statements

settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans - gratuity and;
- (b) Defined contribution plans - provident fund and state insurance plans.

(a) Defined benefit plans-Gratuity obligations

The liability recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in Other Comprehensive Income in the statement of changes in equity and other equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or

curtailments are recognized immediately in profit or loss as past service cost.

(b) Defined contribution plans

Provident Fund: The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense as and when they are due.

State Insurance Plans: Employer's contribution to Employee State Insurance plan is charged to Statement of Profit and Loss as and when due.

2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, and not distributed on or before the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Recent accounting pronouncements (Standards issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**Statement on Impact of Audit Qualifications on Standalone Financial Statements for the financial year ended
March 31, 2020**

[Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
(₹ in Lakh)

| I. | Sl. No | Particulars | Audited Figures* | Audited Figures^ |
|----|--------|---|------------------|------------------|
| | 1. | Total Income | 27,126.64 | NA |
| | 2. | Total Expenditure | 28,075.59 | NA |
| | 3. | Net Profit/ (Loss) | (1,009.99) | NA |
| | 4. | Earnings Per Share | (15.87) | NA |
| | 5. | Total Assets | 29,709.02 | NA |
| | 6. | Total Liabilities | 6,998.66 | NA |
| | 7. | Net Worth | 22,710.36 | NA |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | NA | NA |
| | | * (as reported before adjusting for qualifications) | | |
| | | ^(audited figures after adjusting for qualifications) | | |

II. Audit Qualification (each audit qualification separately)

1. Details of Audit Qualification:

As mentioned in Note No. 40 of the Financial Statements, the Company was subjected to the proceedings under section 132 of the Income Tax Act. As per the information and explanations given to us by the Management, consequential impact of the search proceedings, if any, are presently unascertainable and no provision has been made in the standalone financial statements.

| | | | |
|----|---|---|-----|
| B. | Type of Audit Qualification | Qualified opinion | Yes |
| | | Disclaimer of opinion | - |
| | | Adverse opinion | - |
| C. | Frequency of qualification | Appeared first time | Yes |
| | | Repetition | - |
| | | Since how long continuing | - |
| D. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | Not Quantified | |
| E. | For Audit Qualification(s) where the impact is not quantified by the auditor | | |
| | i. Management's estimation on the impact of audit qualification | Not Applicable | |
| | ii. If Management is unable to estimate the impact, reasons for the same: | Quantification can't be made until the conclusion of the matter with the Income Tax Department. | |
| | iii. Auditors' Comments on (i) or (ii) above | Refer to Audit Qualification mentioned in Point no. II above | |

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
ALPHAGEO (INDIA) LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **ALPHAGEO (INDIA) LIMITED** ("the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020,

and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

As mentioned in Note No.39 to the Consolidated Financial Statements, the Holding company was subjected to the proceedings under section 132 of the Income Tax Act. As per the information and explanations given to us by the Management, consequential impact of the search proceedings, if any, are presently unascertainable and no provision has been made in the Audited consolidated financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements

and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter – Impact of COVID 19

We draw your attention to Note 28(D) of the Consolidated Financial Statements, which describes the management's assessment of the financial impact of the events arising out of Coronavirus (Covid-19) pandemic, for which a definitive assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| 1 | <p>Accuracy of revenue recognition:</p> <p>Measurement of Liquidated damages/ Contractual Deductions involves critical estimates.</p> <p>As per Ind AS 115</p> <p>Revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which an entity expects to be entitled.</p> <p>As per the standard, Company is required to recognise the revenue at the amount of the transaction price. While determining the transaction price, an entity is required to consider the effects of all of the following:</p> <ul style="list-style-type: none"> • Variable consideration • Constraining estimates of variable consideration • Consideration payable to a customer. <p>Applying the principles of Ind AS 115 to the given case, Critical Estimates involved as detailed below:</p> <p>Estimate the amount of consideration, Where the contractual deductions are inherent in determination of transaction price.</p> <p>Estimated Liquidated damages are critical estimate to determine the variable consideration. This estimate has an inherent uncertainty as the deductions will be impacted based on the work to be executed in future in accordance with the contract.</p> <p>Refer Notes 17.1 to the Consolidated financial statements.</p> | <p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Based on our knowledge gained through Company's contract with customer and work completed till date, we reviewed the management workings on the calculation of Transaction price adjustment w.r.t to variable consideration i.e., adjustment of transaction price for the contractual deductions. • We also considered the historical accuracy of estimates made by management. • We further challenged management's contract risk assessments by enquiries, and review of correspondence with customers where available. |

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports comprising other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view

of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with

a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(a) We did not audit the financial statements of three subsidiaries (which includes one step down subsidiary) whose financial statements reflect total assets of ₹4374.12 Lakhs as at March 31, 2020, total revenues of ₹416.84 Lakhs and net cash (outflows) amounting to ₹55.78 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report that:

- a) We have sought and except for the matter described in the Basis for Qualified Opinion section above and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, except for the possible effects of the matter described in the Basis for Qualified

Opinion section above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the, Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Group and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to all the subsidiary companies incorporated in India in terms of the notification no. G.S.R. 583(E) dated 13

June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017. Hence this report does not contain a separate report on the internal financial controls over financial reporting of the Group under Clause (i) of Sub-section 3 of Section 143 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the

best of our information and according to the explanations given to us:

- i) Except for the possible effect of the matter described in the Basis of Qualified Opinion section above, there were no pending litigations which would impact the consolidated financial position of the Group.
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts and company has no derivative contracts;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **MAJETI & CO**

Chartered Accountants

Firm's Registration No: 015975S

Kiran Kumar Majeti

Partner

Membership No:220354

UDIN No: 20220354AAAAAW9890

UDIN No:

Place: Hyderabad

Date: June 29, 2020.

Consolidated Balance Sheet

as at March 31st, 2020

(All amounts in Indian Rupees)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 83,24,62,303 | 90,95,06,374 |
| (b) Capital work-in-progress | 3 | 1,04,23,714 | 1,04,23,714 |
| (c) Intangible assets | 4 | 6,12,434 | 1,62,65,972 |
| (d) Deferred tax asset (net) | 5 | 9,63,95,362 | 9,74,40,580 |
| (e) Other non-current assets | 6 (i) | 8,24,02,662 | 7,83,359 |
| Total Non-current assets | | 102,22,96,475 | 103,44,19,999 |
| Current assets | | | |
| (a) Inventories | 7 | 1,02,83,748 | 42,50,482 |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | 83,79,43,536 | 163,92,25,808 |
| (ii) Cash and cash equivalents | 9 | 71,84,64,779 | 105,16,69,987 |
| (iii) Bank balances other than (ii) above | 10 | 15,78,49,392 | 18,51,58,448 |
| (iv) Loans | 11 | 3,92,57,207 | - |
| (c) Current tax asset (net) | 25(a) | 39,16,82,463 | 2,48,10,093 |
| (d) Other current assets | 6 (ii) | 9,66,75,767 | 5,58,92,306 |
| Total Current assets | | 225,21,56,892 | 296,10,07,124 |
| TOTAL ASSETS | | 327,44,53,367 | 399,54,27,123 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 12 | 6,37,83,670 | 6,37,83,670 |
| (b) Other equity | | 251,24,00,544 | 268,76,52,666 |
| Equity attributable to equity holders of the parent | | 257,61,84,214 | 275,14,36,336 |
| Non controlling interest | | 1,31,302 | 1,37,771 |
| Total Equity | | 257,63,15,516 | 275,15,74,107 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 (i) | 6,17,560 | - |
| (b) Provisions | 14 | 83,03,890 | 1,15,56,883 |
| Total Non-current liabilities | | 89,21,450 | 1,15,56,883 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 (ii) | 26,17,07,191 | 27,76,50,163 |
| (ii) Trade payables: | | | |
| - total outstanding dues to micro and small enterprises | | - | - |
| (Refer note- 30) | | | |
| - total outstanding dues to others | | 28,78,01,930 | 77,57,74,946 |
| (iii) Other financial liabilities | 15 | 5,47,69,727 | 10,79,22,914 |
| (b) Other current liabilities | 16 | 8,23,81,871 | 6,84,45,231 |
| (c) Provisions | 14 | 25,55,682 | 25,02,879 |
| Total current liabilities | | 68,92,16,401 | 123,22,96,133 |
| Total liabilities | | 69,81,37,851 | 124,38,53,016 |
| TOTAL EQUITY AND LIABILITIES | | 327,44,53,367 | 399,54,27,123 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN No: 20220354AAAAAW9890

Hyderabad

June 29, 2020

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in Indian Rupees)

| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| Revenue from operations | 17 | 267,51,89,803 | 405,07,68,991 |
| Other income | 18 | 3,94,82,452 | 5,08,18,441 |
| Total Income | | 271,46,72,255 | 410,15,87,432 |
| EXPENSES | | | |
| Geophysical survey and related expenses | 19 | 192,85,09,882 | 273,74,47,329 |
| Employee benefits expense | 20 | 15,47,08,958 | 21,69,11,099 |
| Finance costs | 21 | 2,51,39,014 | 2,97,74,654 |
| Depreciation and amortisation expense | 22 | 28,34,77,645 | 32,01,38,625 |
| Contract Closure Charges | 23 | 32,79,38,686 | - |
| Other expenses | 24 | 7,20,06,240 | 7,27,94,170 |
| Total Expenses | | 279,17,80,425 | 337,70,65,877 |
| Profit/(Loss) before tax | | (7,71,08,170) | 72,45,21,555 |
| Tax expense | | | |
| Current tax | 25 | 88,95,848 | 29,90,86,132 |
| Deferred tax | 25 | 16,73,681 | (2,86,47,964) |
| Total tax expense | | 1,05,69,529 | 27,04,38,168 |
| Profit/(Loss) after tax for the year | | (8,76,77,699) | 45,40,83,387 |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | (20,71,594) | (1,63,621) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 6,28,463 | 55,703 |
| B (i) Items that will be reclassified to profit or loss | | 3,66,31,257 | 2,55,01,365 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Total Other Comprehensive Income for the year | | 3,51,88,126 | 2,53,93,447 |
| Total Comprehensive Income for the year | | (5,24,89,573) | 47,94,76,834 |
| Profit/(Loss) attributable to : | | | |
| (a) Owners of Alphageo (India) Limited | | (8,76,71,230) | 45,41,25,638 |
| (b) Non- Controlling Interest | | (6,469) | (42,251) |
| Other Comprehensive Income | | | |
| (a) Owners of Alphageo (India) Limited | | 3,51,88,126 | 2,53,93,447 |
| (b) Non- Controlling Interest | | - | - |
| Total Comprehensive Income for the year | | (5,24,83,104) | 47,95,19,085 |
| (a) Owners of Alphageo (India) Limited | | (5,24,83,104) | 47,95,19,085 |
| (b) Non- Controlling Interest | | (6,469) | (42,251) |
| Earnings/(Loss) per share (Face value of ₹10 each) | | | |
| (a) Basic | 35 | (13.77) | 71.35 |
| (b) Diluted | 35 | (13.77) | 71.35 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN No: 20220354AAAAAW9890

Hyderabad

June 29, 2020

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Consolidated Statement of changes in equity

for the year ended March 31, 2020

a. Equity share capital

| | Note No. | No of Shares | Amount |
|---|----------|------------------|--------------------|
| Paid up Equity Share capital | | | |
| Paid up Equity Share capital | | 63,64,767 | 6,36,47,670 |
| Amount originally paid up on forfeited shares | | | 1,36,000 |
| As at April 01, 2018 | | 63,64,767 | 6,37,83,670 |
| Changes in equity share capital during the year | 12 | - | - |
| As at March 31, 2019 | | 63,64,767 | 6,37,83,670 |
| Changes in equity share capital during the year | 12 | - | - |
| As at March 31, 2020 | | 63,64,767 | 6,37,83,670 |

b. Other Equity

| | Reserves and surplus | | | | Other Comprehensive Income | | Attributable to Equity holders of parent | Non Controlling Interest |
|--|----------------------|---------------------|--------------------|----------------------|---|--|--|--------------------------|
| | Capital Reserve | Securities Premium | General reserve | Retained earnings | Remeasurements of defined benefits plan, net of tax | Exchange differences in translating the financial statements of foreign operations | | |
| Balance as at April 01, 2018 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 168,94,36,982 | 8,20,526 | (2,60,84,874) | 226,96,98,112 | 1,80,022 |
| Profit for the year | - | - | - | 45,40,83,387 | - | - | 45,40,83,387 | (42,251) |
| Remeasurements of defined benefits plan, net of tax | - | - | - | - | (1,07,918) | - | (1,07,918) | - |
| Exchange differences in translating the financial statements of foreign operations | - | - | - | - | - | 2,55,01,365 | 2,55,01,365 | - |
| Total comprehensive income for the year | - | - | - | 45,40,83,387 | (1,07,918) | 2,55,01,365 | 47,94,76,834 | (42,251) |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| Dividend (including tax on dividend distribution) | - | - | - | (6,13,84,509) | - | - | (6,13,84,509) | - |
| Balance as at March 31, 2019 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 208,21,35,860 | 7,12,608 | (5,83,509) | 268,77,90,437 | 1,37,771 |
| Balance as at April 01, 2019 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 208,21,35,860 | 7,12,608 | (5,83,509) | 268,77,90,437 | 1,37,771 |
| Loss for the year | - | - | - | (8,76,77,699) | - | - | (8,76,77,699) | (6,469) |
| Remeasurements of defined benefits plan, net of tax | - | - | - | - | (14,43,131) | - | (14,43,131) | - |

Consolidated Statement of changes in equity

for the year ended March 31, 2020

| | Reserves and surplus | | | | Other Comprehensive Income | | Total | Attributable to Equity holders of parent | Non Controlling Interest |
|--|----------------------|---------------------|--------------------|----------------------|---|--|----------------------|--|--------------------------|
| | Capital Reserve | Securities Premium | General reserve | Retained earnings | Remeasurements of defined benefits plan, net of tax | Exchange differences in translating the financial statements of foreign operations | | | |
| Exchange differences in translating the financial statements of foreign operations | - | - | - | (8,76,77,699) | (14,43,131) | 3,66,31,257 | 3,66,31,257 | - | |
| Total comprehensive income for the year | - | - | - | (8,76,77,699) | (14,43,131) | 3,66,31,257 | (5,24,89,573) | (6,469) | |
| Transactions with owners in their capacity as owners: | | | | | | | | | |
| Dividend (including tax on dividend distribution)* | | | | (12,27,69,018) | | | (12,27,69,018) | | |
| Balance as at March 31, 2020 | 1,61,18,047 | 54,91,47,431 | 4,00,00,000 | 187,16,89,143 | (7,30,523) | 3,60,47,748 | 251,25,31,846 | 1,31,302 | |

* Dividend includes final dividend of 2018-19 amounting to ₹6,13,84,509/- and Interim dividend for the year 2019-20 amounting to ₹6,13,84,509/-

Nature and purpose of reserves

(i) Capital reserve:

Represents money received on warrants forfeited for failure in compliance with terms of issue.

(ii) Securities premium :

Represents premium received on issue of securities, mandatorily to be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General Reserve:

General Reserve, created out of profits of the company, will be utilised for meeting future contingencies and losses if any.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN No: 20220354AAAAAAW9890

Hyderabad

June 29, 2020

For and on behalf of the Board

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Consolidated Statement of cash flows

for the Year ended March 31, 2020

(All amounts in Indian Rupees)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | |
| Profit/(Loss) before tax | (7,71,08,170) | 72,45,21,555 |
| <i>Adjustments for</i> | | |
| Depreciation and amortisation expenses | 28,34,77,645 | 32,01,38,625 |
| Unrealised foreign exchange gain(net) | (214) | (1,02,413) |
| Interest income | (1,41,76,682) | (1,92,09,523) |
| Gain on investments | (2,47,81,294) | (3,16,08,918) |
| Finance costs | 2,51,39,014 | 2,97,74,654 |
| Remeasurements of defined benefit plan | (14,43,131) | (1,07,918) |
| Loss on sale of property, plant and equipment (net) | 4,79,311 | - |
| Operating profit before working capital changes | 19,15,86,479 | 102,34,06,062 |
| Change in operating assets and liabilities | | |
| Trade receivables and other assets | 75,60,49,929 | 29,48,59,541 |
| Inventories | (60,33,266) | 57,29,734 |
| Trade payables, other liabilities and provisions | (53,06,76,092) | 3,38,96,108 |
| Cash generated from operating activities | 41,09,27,050 | 135,78,91,445 |
| Income tax paid | (37,63,96,681) | (26,77,44,780) |
| Net cash generated from operating activities | 3,45,30,369 | 109,01,46,665 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (25,76,52,822) | (8,50,54,935) |
| Proceeds from disposal of property, plant and equipment | 21,68,922 | - |
| Loan given and received (net) | (3,92,57,207) | 5,60,25,411 |
| Gain on investments | 2,47,81,294 | 2,98,98,563 |
| Change in bank balances (having original maturity of more than three months) (net) | 2,28,90,049 | (1,99,80,181) |
| Interest received | 1,93,66,322 | 2,33,49,259 |
| Net cash inflow/ (outflow) from investing activities | (22,77,03,442) | 42,38,117 |
| Cash flows from financing activities | | |
| Proceeds/(repayment) of non current borrowing (net) | 1,36,885 | (30,21,658) |
| Proceeds/(repayment) of current borrowing (net) | (1,59,42,972) | (18,37,30,652) |
| Finance costs paid | (2,51,42,632) | (2,97,95,798) |
| Dividend and dividend tax paid | (12,27,69,018) | (6,13,84,509) |
| Net cash (outflow)/ inflow from financing activities | (16,37,17,737) | (27,79,32,617) |
| Net increase in cash and cash equivalents | (35,68,90,810) | 81,64,52,165 |

Consolidated Statement of cash flows

for the Year ended March 31, 2020

(All amounts in Indian Rupees)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Exchange difference on translation of foreign currency cash and cash equivalent | 214 | (22) |
| Effect of foreign currency translations on consolidation | 2,36,85,387 | 1,38,24,644 |
| Fair value changes on liquid investments | - | 17,10,355 |
| Cash and cash equivalents at the beginning of the year | 105,16,69,987 | 21,96,82,845 |
| Cash and cash equivalents at end of the year | 71,84,64,779 | 105,16,69,987 |

Notes:

1. The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows.
2. Previous year figures have been regrouped /reclassified to conform to current year classification.
3. Figures in brackets represents outflows.
4. Taxes paid are treated as arising from operating activities.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN No: 20220354AAAAAW9890

Hyderabad

June 29, 2020

For and on behalf of the Board

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

1. Corporate Information

1.1 Alphageo (India) Limited (the Company or AGIL or Parent Company) is a public limited Company incorporated under the provisions of erstwhile Companies Act, 1956 having its registered office at Hyderabad in the state of Telangana, India. The Equity Shares of the Company are listed with Stock Exchanges in India viz., BSE Limited, Mumbai and

the National Stock Exchange of India Limited, Mumbai.

1.2 The Consolidated financial statements comprise of financial statements of Alphageo (India) Limited ('the Company' or 'the Holding Company or Parent Company) and its subsidiaries listed below considered for consolidation (collectively, "the Group") for the year ended March 31, 2020:

| Name of the Entity | Country of Incorporation | Extent of holding | |
|--|--------------------------|----------------------|----------------------|
| | | As at March 31, 2020 | As at March 31, 2019 |
| Alphageo International Limited | Dubai | 100% | 100% |
| Alphageo DMCC | Dubai | 100% | 100% |
| Alphageo Marine Services Private Ltd | India | 74% | 74% |
| Alphageo Offshore Services Private Limited | India | 100% | 100% |

1.3 The Group is providing Geophysical Seismic Data Acquisition, Processing and Interpretation Services for exploration of hydrocarbons and minerals.

1.4 The Consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 29, 2020.

2. Basis of Preparation of consolidated financial statements

The consolidated financial statements have been prepared as a going concern on accrual basis of accounting. The Group has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy. The consolidated financial statements are presented in Indian Rupees (INR).

Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

New & Amended Standard adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per Group's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Group has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

An asset is classified as current if:

- It is expected to be realised or sold or consumed in the Group's normal operating cycle;
- It is held primarily for the purpose of trading;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current only.

2.1 Significant Accounting Policies

The significant accounting policies adopted in the preparation of these consolidated financial statements are detailed hereafter. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group and will be deconsolidated from the date the control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Non-controlling interests (NCI)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of profit and loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively

2.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chairman & Managing Director has been identified as the Chief Operating Decision Maker. Refer Note 32 for the segment information presented.

2.4 Foreign currency transactions

a) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Parent Company

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

2.5 Use of estimates, assumptions and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires to make estimates and assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities

at the date of the consolidated financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Following are the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- Variable Consideration in accordance with Ind AS 115– Note 17.1
- Estimated useful life of tangible asset – Note 2.8
- Estimated useful life of intangible asset – Note 2.9
- Estimation of expected credit loss on financial assets in accordance with Ind AS 109– Note 28(A)
- Estimation of defined benefit obligation in accordance with Ind AS 19– Note 14.
- **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, and other balances. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at the date of approval of these financial statements has used internal and external sources

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

of information including credit reports and related information, economic forecasts. The group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the company and that are believed to be reasonable under the circumstances.

2.6 Revenue recognition

Sale of Services - Recognition & Measurement

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the group expects to receive in exchange for those services.

Revenue from Seismic Data Acquisition, Processing and Interpretation Services are recognised on output basis measured by milestones reached, units delivered, efforts expended, number of transactions processed, etc.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions, penalties and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The group disaggregates revenue from contracts with customers by geography of services provided.

Dividend Income

Dividend income on investments is accounted for when the right to receive the same is established. Dividend income is included in Other Income in the Statement of Profit and Loss.

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.7 Leases

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment (if any) to retained earnings as on the date of initial application. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Refer note 2.7– Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17. The adoption of the Standard has insignificant impact on the financial statements of the Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the

Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.8 Property, Plant and Equipment

i) Recognition and measurement

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs if any of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

ii) Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

iii) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from

the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

iv) Depreciation expense

Depreciation is charged on straight line basis so as to write off the depreciable amount of the asset over the useful lives specified in Schedule II to the Act. The useful life of the assets is periodically reviewed and re-determined based on a technical evaluation and expected use. In case of revision in useful life of an asset, the unamortised depreciable amount is charged over the remaining useful life of such asset. The cases, where the useful life of assets so determined, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., different from the useful life as specified under Part C of Schedule II of the Act as given below:

| Nature of Asset | Useful Life |
|--|-------------|
| Machinery in the nature of Geophone strings and cables | 5 Years |
| Machinery in the nature of equipment used for Seismic Survey | 5 Years |
| Machinery in the nature of Vibrators used for Seismic Survey | 20 Years |

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

2.9 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

| Nature of Asset | Useful Life |
|-----------------|-------------|
| Software | 3 Years |

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.10 Financial Instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are recognized on the balance sheet when the group becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

Classification:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition

The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

i. At amortised cost:

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

ii. At fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payment of principle and interest on the principle amount outstanding and selling financial assets.

iii. At fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the group has elected to present the value changes in 'Other Comprehensive Income'.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, Liquid Investments and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

Trade and other payables represent liabilities for goods and services prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings

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(All amounts in Indian Rupees, unless otherwise stated)

are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The

legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.11 Impairment of Assets

Financial assets

The Group assesses at each date of balance sheet impairment if any of a financial asset or a group of financial assets. The group uses, in accordance with Ind AS 109, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to: The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables:

Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets:

Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Non-financial assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and impairment loss is recognised in the profit or loss.

2.12 Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.13 Borrowing costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to make it ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.14 Inventories

Stock of Stores and spares is valued at lower of cost and net realisable value. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO). Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

2.15 Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Current tax assets and current tax liabilities are presented in the statement of financial position after off-setting taxes paid or deemed to be paid and current income tax expenses for the year arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees, unless otherwise stated)

Deferred income tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Group will pay normal income tax after the tax holiday period.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Group recognised interest related to income tax in interest expenses.

2.16 Provisions, contingent liabilities and contingent asset

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of

any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.17 Employee benefits

(i) Short term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

current employee benefit obligations in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for accumulating compensated absences not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of expected future payments to be made in respect of services provided using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

- (a) Defined benefit plans - gratuity and;
- (b) Defined contribution plans - provident fund and state insurance plans.

(a) Defined benefit plans-Gratuity obligations

The liability recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in Other Comprehensive Income in the statement of changes in equity and other equity in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(b) Defined contribution plans

Contributions to Defined contribution plans are recognised as employee benefit expenses and charged to Statement of Profit and Loss

2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, and not distributed on or before the end of the reporting period. Proposed dividend is recognised as a liability in the period in which it approved by shareholders in a general meeting or paid in which it is paid

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

2.19 Earnings per share

Basic earnings per share are calculated by dividing the profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Recent accounting pronouncements (Standards issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| | Freehold Land | Freehold Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Electrical Fittings | Data Processing Equipment | Total | Capital work-in-progress |
|---|--------------------|--------------------|----------------------|------------------------|--------------------|--------------------|---------------------|---------------------------|----------------------|--------------------------|
| Year Ended March 31, 2019 | | | | | | | | | | |
| Gross carrying Value | 2,19,08,666 | 14,46,800 | 286,63,88,832 | 29,12,684 | 2,86,54,941 | 1,69,88,301 | 11,12,449 | 89,89,330 | 294,84,02,003 | 1,04,23,714 |
| Gross Carrying Value as at April 01, 2018 | - | - | 7,24,83,910 | - | 21,43,142 | 3,37,691 | 2,150 | 2,70,141 | 7,52,37,034 | - |
| Adjustments | - | - | 2,90,85,778 | - | - | 1,23,271 | - | - | 2,92,09,049 | - |
| Gross carrying value as at March 31, 2019 | 2,19,08,666 | 14,46,800 | 296,79,58,520 | 29,12,684 | 3,07,98,083 | 1,74,49,263 | 11,14,599 | 92,59,471 | 305,28,48,086 | 1,04,23,714 |
| Accumulated depreciation | | | | | | | | | | |
| Accumulated depreciation at April 01, 2018 | - | 3,61,406 | 179,66,23,601 | 17,32,935 | 1,34,78,925 | 1,03,50,216 | 4,40,702 | 39,60,602 | 182,69,48,387 | - |
| Depreciation charge for the year | - | 51,970 | 29,16,00,570 | 1,37,462 | 22,00,949 | 16,54,213 | 1,87,979 | 27,27,563 | 29,85,60,706 | - |
| Adjustments | - | - | 1,77,15,762 | - | - | 1,16,857 | - | - | 1,78,32,619 | - |
| Accumulated depreciation as at March 31, 2019 | - | 4,13,376 | 210,59,39,933 | 18,70,397 | 1,56,79,874 | 1,21,21,286 | 6,28,681 | 66,88,165 | 214,33,41,712 | - |
| Net carrying value as at March 31, 2019 | 2,19,08,666 | 10,33,424 | 86,20,18,587 | 10,42,287 | 1,51,18,209 | 53,27,977 | 4,85,918 | 25,71,306 | 90,95,06,374 | 1,04,23,714 |
| Year Ended March 31, 2020 | | | | | | | | | | |
| Gross Carrying Value as at April 01, 2019 | 2,19,08,666 | 14,46,800 | 296,79,58,520 | 29,12,684 | 3,07,98,083 | 1,74,49,263 | 11,14,599 | 92,59,471 | 305,28,48,086 | 1,04,23,714 |
| Additions | - | - | 17,41,96,388 | 8,000 | 60,53,827 | 1,00,931 | 15,600 | 1,07,655 | 18,04,82,401 | - |
| Adjustments | - | - | 4,38,32,164 | - | - | 1,85,618 | - | - | 4,40,17,782 | - |
| Deductions | - | - | - | (6,12,748) | (46,40,798) | - | - | - | (52,53,546) | - |
| Gross carrying value as at March 31, 2020 | 2,19,08,666 | 14,46,800 | 318,59,87,072 | 23,07,936 | 3,22,11,112 | 1,77,35,812 | 11,30,199 | 93,67,126 | 327,20,94,723 | 1,04,23,714 |
| Accumulated depreciation | | | | | | | | | | |
| Accumulated depreciation at April 01, 2019 | - | 4,13,376 | 210,59,39,933 | 18,70,397 | 1,56,79,874 | 1,21,21,286 | 6,28,681 | 66,88,165 | 214,33,41,712 | - |
| Depreciation charge for the year | - | 52,112 | 26,16,66,847 | 1,16,040 | 23,87,527 | 15,30,995 | 1,88,233 | 16,94,977 | 26,76,36,731 | - |
| Adjustments | - | - | 3,10,83,329 | - | - | 1,75,960 | - | - | 3,12,59,289 | - |
| Deductions | - | - | (4,16,532) | (21,88,780) | - | - | - | - | (26,05,312) | - |
| Accumulated depreciation as at March 31, 2020 | - | 4,65,488 | 239,86,90,109 | 15,69,905 | 1,58,78,621 | 1,38,28,241 | 8,16,914 | 83,83,142 | 243,96,32,420 | - |
| Net carrying value as at March 31, 2020 | 2,19,08,666 | 9,81,312 | 78,72,96,963 | 7,38,031 | 1,63,32,491 | 39,07,571 | 3,13,285 | 9,83,984 | 83,24,62,303 | 1,04,23,714 |

Note 3(a): Refer Note: 36 for information on Property plant and equipment provided as security by the company.

Note 3(b): Refer Note 31 for capital commitments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 4: Intangible assets (Acquired)

| | Computer Softwares |
|--|--------------------|
| Year Ended March 31, 2019 | |
| Gross carrying Value | 6,66,82,476 |
| Adjustments | 6,70,608 |
| Gross carrying value as at March 31, 2019 | 6,73,53,084 |
| Accumulated amortisation | |
| Accumulated depreciation at April 01, 2018 | 2,91,38,876 |
| Amortisation charge for the year | 2,15,77,919 |
| Adjustments | 3,70,317 |
| Accumulated depreciation as at March 31, 2019 | 5,10,87,112 |
| Net carrying value as at March 31, 2019 | 1,62,65,972 |
| Year Ended March 31, 2020 | |
| Gross carrying value | |
| Gross Carrying Value as at April 01, 2019 | 6,73,53,084 |
| Adjustments | 10,09,779 |
| Gross carrying value as at March 31, 2020 | 6,83,62,863 |
| Accumulated amortisation | |
| Accumulated depreciation at April 01, 2019 | 5,10,87,112 |
| Amortisation charge for the year | 1,58,40,914 |
| Adjustments | 8,22,403 |
| Accumulated depreciation as at March 31, 2020 | 6,77,50,429 |
| Net carrying value as at March 31, 2020 | 6,12,434 |

Note 5: Deferred tax asset

The balance comprises tax effect on temporary differences attributable to:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Fiscal allowances on property, plant and equipment and intangible assets | 9,20,55,115 | 9,40,94,530 |
| Expenses allowable on the basis of Payment | 29,78,832 | 39,43,716 |
| Fair valuation of financial instruments measure at fair value through profit or loss | - | (5,97,666) |
| Unabsorbed Business Losses | 13,61,415 | - |
| Net deferred tax Asset | 9,63,95,362 | 9,74,40,580 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Movement in Deferred tax assets

| | Unabsorbed Business Losses | Fair valuation of financial instruments | Property, plant and equipment | Expenses allowable on the basis of Payment | Total |
|---------------------------------|----------------------------|---|-------------------------------|--|--------------------|
| As at March 31, 2018 | | - | 6,40,49,574 | 46,87,339 | 6,87,36,913 |
| Charged/(credited): | | | | | |
| - to profit or loss | | (5,97,666) | 3,00,44,956 | (7,99,326) | 2,86,47,964 |
| - to other comprehensive income | | - | - | 55,703 | 55,703 |
| As at March 31, 2019 | | (5,97,666) | 9,40,94,530 | 39,43,716 | 9,74,40,580 |
| Charged/(credited): | | | | | |
| - to profit or loss | 13,61,415 | 5,97,666 | (20,39,415) | (15,93,347) | (16,73,681) |
| - to other comprehensive income | | - | - | 6,28,463 | 6,28,463 |
| As at March 31, 2020 | 13,61,415 | - | 9,20,55,115 | 29,78,832 | 9,63,95,362 |

Note 6: Other Assets

i) Other non-current assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| Capital Advances | 7,71,70,421 | - |
| Security deposits | 8,04,459 | 7,83,359 |
| Pre-paid expenses | 44,27,782 | - |
| Total other non-current assets | 8,24,02,662 | 7,83,359 |

ii) Other Current Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|----------------------|----------------------|
| Balances with government authorities | 6,28,69,617 | - |
| Security deposits | 36,77,300 | 38,31,800 |
| Prepaid expenses | 1,43,85,538 | 4,63,42,357 |
| Advance to suppliers* | 1,55,79,716 | 54,47,365 |
| Other receivable | 1,63,596 | 2,70,784 |
| Total other current assets | 9,66,75,767 | 5,58,92,306 |

*(includes outstanding amount of ₹63,81,462/- (previous year ₹3,00,00,000/- to related party)

Note 7: Inventories (Valued at Lower of cost and net realisable value)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|----------------------|----------------------|
| Stores and spares | 1,02,83,748 | 42,50,482 |
| Total Inventories | 1,02,83,748 | 42,50,482 |

Note 7(a): Inventories held by the parent company are hypothecated with banks where working capital financing is sanctioned. (Refer Note :36)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 8: Trade receivables

i) Current

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| (Unsecured, considered good) | | |
| Trade receivables | 83,79,43,536 | 163,92,25,808 |
| Total trade receivables | 83,79,43,536 | 163,92,25,808 |

Note 8(a): Trade receivables of the parent company are hypothecated with banks where working capital financing is sanctioned. (Refer Note :36)

Break-up of security details

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Trade receivables considered good - Secured | | |
| Trade receivables considered good - Unsecured | 83,79,43,536 | 163,92,25,808 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit imparied | - | - |
| Total | 83,79,43,536 | 163,92,25,808 |
| Loss allowance | - | - |
| Total trade receivables | 83,79,43,536 | 163,92,25,808 |

Note 9: Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Cash on hand | 6,81,830 | 8,07,525 |
| Balances with banks | | |
| - in Current accounts | 51,75,46,149 | 35,84,94,017 |
| Term deposits with banks with a original maturity of three months or less | 20,02,36,800 | - |
| Liquid Investments (Refer Note 9(a) & 9(b)) | - | 69,23,68,445 |
| Total cash and cash equivalents | 71,84,64,779 | 105,16,69,987 |

Note 9(a): Liquid Investments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| (Quoted, fully paid up) | | |
| Investment in mutual funds (at fair value through profit or loss) | - | 69,23,68,445 |
| Total | - | 69,23,68,445 |
| Aggregate amount of quoted investments and market value there of | - | 69,23,68,445 |
| Aggregate amount of unquoted investments | - | - |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 9(b): During the year the company has invested its free funds in Debt Oriented Investments (Open ended Schemes with no exit load and redemption restrictions) with risk free returns better than offered by financial institutions and intended to hold these investments for short period (say less then 3 Months).

Note 10: Bank balances other than cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Earmarked Balances with banks* (Refer Note:15.1) | 28,11,601 | 20,40,968 |
| Margin money deposits with banks (Refer Note- 36) | 15,50,37,791 | 18,31,17,480 |
| Total Bank balances other than cash and cash equivalents | 15,78,49,392 | 18,51,58,448 |

Note10 (a) : Margin Money Deposits includes ₹12,21,80,040/- (March 31,2019 ₹15,22,13,055/-) pledged / lien against bank guarantees issued by the Bank. Further, ₹3,28,57,751/-(March 31,2019 ₹3,09,04,425/-) pledged / lien against working capital loans.

* Earmarked Balances represents unclaimed dividend.

Note 11 : Loans

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Loans given* | 3,92,57,207 | - |
| Total Loans | 3,92,57,207 | - |

*Financial Asset at amortised cost

The above loan carries interest @1% per month on outstanding amount.

Break-up of security details

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 3,92,57,207 | - |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| Total | 3,92,57,207 | - |
| Loss allowance | - | - |
| Total Loans | 3,92,57,207 | - |

Note 12 : Equity share capital

| Authorised : | Number of shares | Amount |
|-----------------------------|--------------------|---------------------|
| As at April 01, 2018 | 1,00,00,000 | 10,00,00,000 |
| Change during the year | - | - |
| As at March 31, 2019 | 1,00,00,000 | 10,00,00,000 |
| Change during the year | - | - |
| As at March 31, 2020 | 1,00,00,000 | 10,00,00,000 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 12 : Equity share capital (Cont.)

| Issued : | Number of shares | Amount |
|---|------------------|--------------------|
| As at April 01, 2018 | 63,76,167 | 6,37,61,670 |
| Change during the year | - | - |
| As at March 31, 2019 | 63,76,167 | 6,37,61,670 |
| Change during the year | - | - |
| As at March 31, 2020 | 63,76,167 | 6,37,61,670 |
| Subscribed and fully paid up : | Number of shares | Amount |
| Paid up Equity Share Capital | 63,64,767 | 6,36,47,670 |
| Amount originally paid up on forfeited shares | | 1,36,000 |
| As at April 01, 2018 | 63,64,767 | 6,37,83,670 |
| Change during the year | - | - |
| As at March 31, 2019 | 63,64,767 | 6,37,83,670 |
| Change during the year | - | - |
| As at March 31, 2020 | 63,64,767 | 6,37,83,670 |

Terms and rights attached to equity shares

The Company has only one class of equity shares having face value of INR 10/- per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Details of shareholders holding more than 5% shares in the company

| | Dinesh Alla | Savita Alla | Aquila Drilling Private Limited |
|-----------------------------|-------------|-------------|---------------------------------|
| As at March 31, 2019 | | | |
| Number of shares | 8,85,769 | 3,91,458 | 4,59,906 |
| % holding | 13.92% | 6.15% | 7.23% |
| As at March 31, 2020 | | | |
| Number of shares | 9,32,373 | 3,91,458 | 4,59,906 |
| % holding | 14.65% | 6.15% | 7.23% |

Note 13: Borrowings

i) Non Current Borrowing

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------|----------------------|----------------------|
| (Secured) | | |
| From Financial Institutions | 10,00,000 | 8,63,115 |
| Less: Current maturities | 3,82,440 | 8,63,115 |
| Non-current borrowings | 6,17,560 | - |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 13(a): Long term borrowings are secured by the assets purchases and are repayable in the equal monthly instalments over a period of 3 years and carry a finance charge of 9.15%

ii) Current borrowings

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Secured - Payable on demand | | |
| From Banks | 26,17,07,191 | 27,76,50,163 |
| Cash credit | - | - |
| Secured - Fixed Term | | |
| From Banks | - | 0 |
| Total Current Borrowings | 26,17,07,191 | 27,76,50,163 |

Note 13(b): The above loans are secured (primary) by the First charge (Pari-passu) on entire current assets of the company and further secured by the First charge (Pari-passu) on all the fixed assets of the company both present and future. These loans are further, secured by equitable mortgage of certain immovable properties belonging to three directors and two of their relatives and their personal guarantees. (Refer note 36 for the security details)

Note 13(c): Rate of interest on the above borrowings is at applicable MCLR plus applicable spread i.e. 1.65 %-2.00% in terms of sanction of respective banks.

Note 14: Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Employee Benefit Obligations | | |
| Non Current | | |
| Retirement benefits | 13,42,809 | 27,21,736 |
| Other benefits | 69,61,081 | 88,35,147 |
| Total | 83,03,890 | 1,15,56,883 |
| Current | | |
| Retirement benefits | 3,67,682 | 13,18,879 |
| Other benefits | 21,88,000 | 11,84,000 |
| Total | 25,55,682 | 25,02,879 |

Note 14(a):

(i) Defined Contribution plans

Employer's Contribution to Provident Fund: Contributions are made to provident fund for entitled employees at the prescribed rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employer's Contribution to State Insurance Scheme: Contributions are made to Employee State Insurance Corporation under State Insurance Scheme for entitled employees at the prescribed rate. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Employer's Contribution to Provident Fund | 47,69,155 | 47,50,407 |
| Employer's Contribution to ESI | 2,55,193 | 3,63,962 |

(ii) Defined Benefits plans

Post-employment obligations- Gratuity

The company provides for gratuity payments to employees as per the payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination based on the employees last drawn basic salary per month and the number of years of services with the company.

Effective October 01, 2010 the company established Alphageo India Limited employee group gratuity trust to administered the gratuity obligations in respective of employee other than Whole time directors of the company. The gratuity plan is funded through group gratuity accumulation plan of Life insurance corporation of India.

A) Reconciliation of opening and closing balances of Defined Benefit Obligation

| Particulars | Gratuity | |
|--|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Defined Benefit Obligation at beginning of the year | | |
| Funded Portion | 1,33,98,395 | 1,12,27,735 |
| Unfunded Portion | 27,21,736 | 17,96,062 |
| Current service cost | 17,05,625 | 20,14,714 |
| Interest cost | 11,14,935 | 10,39,802 |
| Actuarial Loss for the year | 19,73,698 | 94,371 |
| Benefits Paid | (27,31,943) | (52,553) |
| Defined Benefit Obligation at year end | 1,81,82,446 | 1,61,20,131 |
| Funded Portion | 1,57,62,281 | 1,33,98,395 |
| Unfunded Portion* | 24,20,165 | 27,21,736 |

*Unfunded portion for defined benefit obligation consist of Wholetime director of the parent company and Subsidiary companies gratuity obligation.

B) Reconciliation of opening and closing balances of fair value of Plan Assets

| Particulars | Gratuity | |
|--|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Fair value of Plan Assets at beginning of year | 1,20,79,516 | 1,02,99,105 |
| Expected Return on Plan Assets | 10,55,467 | 8,26,998 |
| Employer Contribution | 58,07,120 | 10,75,216 |
| Actuarial (Loss)/ gain for the year | (97,896) | (69,250) |
| Benefits Paid | (23,72,252) | (52,553) |
| Fair value of Plan Assets at year end | 1,64,71,955 | 1,20,79,516 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

C) Reconciliation of fair value of Assets and Obligations

| Particulars | Gratuity | |
|--|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Fair value of Plan Assets | 1,64,71,955 | 1,20,79,516 |
| Present value of defined benefit obligation | 1,81,82,446 | 1,61,20,131 |
| Amount recognised in Balance Sheet [Surplus/(Deficit)] | (17,10,491) | (40,40,615) |
| Current | - | 13,18,879 |
| Non current | 24,20,165 | 27,21,736 |
| Prepaid Gratuity | (7,09,674) | - |

D) Expenses recognised during the year

| Particulars | Gratuity | |
|---|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| In Income Statement | | |
| Current Service Cost | 17,05,625 | 20,14,714 |
| Interest Cost | 11,14,935 | 10,39,802 |
| Return on Plan Assets | (10,55,467) | (8,26,998) |
| Net Cost | 17,65,093 | 22,27,518 |
| In Other Comprehensive Income | | |
| Actuarial (Gain) / Loss | (20,71,594) | (1,63,621) |
| Net expense for the year recognised in OCI | (20,71,594) | (1,63,621) |

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| Particulars | Gratuity | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Discount rate | 6.78% | 7.65% |
| Salary growth rate | 4% | 4% |
| Withdrawal rate | 4% | 4% |
| Retirement Age | 58 | 58 |
| Average Balance Future Services | 22.41 | 22.58 |
| Mortality Table(L.I.C) | 2012-14 | 2012-14 |

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars | As at March 31, 2020 |
|--|-------------------------|
| Defined Benefit Obligation | 1,81,82,446 |
| Discount rate:(% change compared to base due to sensitivity) | |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

| | |
|---|-------------|
| Increase : +1% | 1,71,61,209 |
| Decrease: -1% | 1,93,37,302 |
| Salary Growth rate:(% change compared to base due to sensitivity) | |
| Increase : +1% | 1,92,19,466 |
| Decrease: -1% | 1,72,01,791 |
| Withdrawal rate:(% change compared to base due to sensitivity) | |
| Increase : +1% | 1,83,56,765 |
| Decrease: -1% | 1,79,84,766 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The plans assets are as follows:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Funds Managed by Insurers | 100% | 100% |
| | 100% | 100% |

Defined benefit liability and employer contributions

The Company has purchased insurance policy to provide for payment of gratuity to the employees other than whole time directors. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

The weighted average duration of the defined benefit obligation is 9.77 years. The expected cash flows over the next years, which will be met out of planned assets, is as follows:

| Particulars | As at March 31, 2020 |
|--|-------------------------|
| Defined benefit obligation-gratuity | |
| Less than a year | 13,42,809 |
| Between 2-5 years | 1,01,39,521 |
| Above 5 years | 61,04,676 |

Risk Management

The Significant risks the company has in administering defined benefit plans are :

Interest Rate Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Note 15: Other Financial liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Current | | |
| Current maturities of non current borrowings | 3,82,440 | 8,63,115 |
| Interest accrued | 2,758 | 6,376 |
| Unpaid dividend (Refer Note:15.1) | 28,11,601 | 20,40,968 |
| Employee benefits payable | 3,23,93,424 | 9,18,67,638 |
| Creditors for expenses | 1,91,79,504 | 1,31,44,817 |
| Total other financial liabilities | 5,47,69,727 | 10,79,22,914 |

Note 15.1 : Unpaid dividend account represents the dividend not claimed by the shareholders and there is no amount due and outstanding to be credited to Investor Education and Protection Fund

Note 16: Other current liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Mobilisation Advance* | 8,06,76,588 | - |
| Statutory Liabilities | 17,05,283 | 6,84,45,231 |
| Total other current liabilities | 8,23,81,871 | 6,84,45,231 |

(* The Company has raised Mobilisation advance of ₹11,39,37,124 /- as Contract Liability and adjusted ₹ 3,32,60,536/- against the invoices raised during the year)

Note 17: Revenue from operations

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Revenue from contracts with customers | | |
| Geophysical survey and related service income (Refer Note 17.1) | 267,51,89,803 | 405,07,68,991 |
| Total revenue from operations | 267,51,89,803 | 405,07,68,991 |

Critical judgement in recognising variable consideration

Note 17.1: Revenue from contracts with customers is net of variable consideration components including liquidated damages on account of present and future recoveries for committed periodical quantitative Geophysical survey executions, determined as per the terms of the agreements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Revenue disaggregation by geography is as follows:

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------|--------------------------------------|--------------------------------------|
| Geography | | |
| With in India | 267,51,89,803 | 405,07,68,991 |
| Outside India | - | - |

Note 18: Other income

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Interest income from financial assets at amortised cost | 1,41,76,682 | 1,92,09,523 |
| Net gain on foreign currency transactions and translations | 4,43,716 | - |
| Gain on investments | 2,47,81,294 | 3,16,08,918 |
| Other non-operating income | 80,760 | - |
| Total other income | 3,94,82,452 | 5,08,18,441 |

Note 19: Geophysical survey and related expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Consumption of stores | 52,72,845 | 1,13,24,490 |
| Survey and drilling charges | 152,07,66,207 | 232,55,67,197 |
| Fuel | 6,50,35,287 | 7,27,37,155 |
| Vehicle hire charges | 3,99,76,753 | 4,53,51,753 |
| Equipment hire charges | 3,70,60,819 | 1,28,655 |
| Repairs to machinery | 2,12,15,828 | 1,69,54,726 |
| Camp rental charges | 1,50,98,241 | 1,08,55,714 |
| Technical consultancy charges | 10,44,83,729 | 12,84,58,960 |
| Camp expenses | 9,70,58,349 | 9,84,06,526 |
| Transport and handling charges | 1,51,58,465 | 73,13,676 |
| Other survey expenses | 73,83,359 | 2,03,48,477 |
| Total Geophysical survey and related expenses | 192,85,09,882 | 273,74,47,329 |

Note 20: Employee benefits expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages, bonus and other allowances (Refer Note : 14(a)) | 14,63,92,774 | 20,81,14,410 |
| Contribution to provident fund and other funds | 63,80,313 | 67,92,837 |
| Contribution to ESI | 2,55,193 | 3,63,962 |
| Staff welfare expenses | 16,80,678 | 16,39,890 |
| Total employee benefits expense | 15,47,08,958 | 21,69,11,099 |

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for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 21: Finance costs

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Interest and finance charges on financial liabilities carried at amortised cost | 62,54,951 | 1,25,20,235 |
| Other borrowing costs | 1,88,84,063 | 1,72,54,419 |
| Total Finance costs | 2,51,39,014 | 2,97,74,654 |

Note 22: Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment | 26,76,36,731 | 29,85,60,706 |
| Amortisation of intangible assets | 1,58,40,914 | 2,15,77,919 |
| Total depreciation and amortisation expense | 28,34,77,645 | 32,01,38,625 |

Note 23: Contract Closure expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Contract Closure expenses* | 32,79,38,686 | - |
| Total contract closure charges | 32,79,38,686 | - |

*on account of client enforced performance commitments.

Note 24 :Other expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Rent | 98,45,839 | 90,30,075 |
| Repairs and maintenance to others | 26,32,787 | 22,44,203 |
| Insurance | 60,31,642 | 54,71,506 |
| Rates and taxes | 67,04,202 | 79,01,008 |
| Printing and stationery | 20,60,549 | 23,16,717 |
| Communication expenses | 25,72,498 | 23,15,942 |
| Travelling and conveyance | 1,54,92,608 | 2,30,82,551 |
| Payments to Auditors (Refer note 24 (a) below) | 23,84,721 | 23,44,239 |
| Legal, Professional and consultancy charges | 93,86,444 | 69,53,499 |
| Directors fees | 11,31,901 | 9,85,100 |
| Bank Charges | 9,44,680 | 5,43,858 |
| Vehicle maintenance | 4,08,318 | 7,88,160 |
| Loss on sale of property plant and equipment | 4,79,311 | - |
| Net loss on foreign currency transactions and translations | - | 7,00,265 |
| CSR Expenditure (Refer note 24 (b) below) | 72,56,500 | 23,04,600 |
| Donations | 30,000 | 20,000 |
| Miscellaneous expenses | 46,44,240 | 57,92,447 |
| Total other expenses | 7,20,06,240 | 7,27,94,170 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 24(a): Details of payments to auditors

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Payment to auditors | | |
| A) Standalone Auditors | | |
| As Statutory Auditor | 7,00,000 | 7,00,000 |
| For Quarterly Reviews | 3,75,000 | 3,75,000 |
| For Certification | 55,000 | 30,000 |
| Re-imbusement of expenses | 33,700 | 39,750 |
| B) Subsidiary Auditors | | |
| As Auditor | 12,21,021 | 11,99,489 |
| Total payments to auditors | 23,84,721 | 23,44,239 |

Note 24(b): Details of Corporate Social Responsibility

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Gross Amount required to be spent as per section 135 of the Act | 2,90,27,181 | 1,55,52,954 |
| Amount spent during the year on | 72,56,500 | 23,04,600 |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purpose other than (i) above: | | |
| Promoting education | 41,62,000 | 17,04,600 |
| Promoting healthcare | 5,00,000 | 4,00,000 |
| For empowering employment skills for youth | 25,94,500 | 2,00,000 |

Note 25: Tax expense

Analysis of the group's income tax expense, given below explains significant estimates made in to relation to group's tax position and also shows amounts that are recognised directly in equity and the effect of tax expense on account of non-assessable and non-deductible items.

(a) Current tax assets (net)

| | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Prepaid Income taxes (net of provision of March 31, 2020: ₹ NIL (March 31, 2019: ₹29,80,00,000/-)) | 39,16,82,463 | 2,48,10,093 |
| Total current tax assets (net) | 39,16,82,463 | 2,48,10,093 |

(b) Tax expense

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <i>Current tax</i> | | |
| <i>- to profit or loss</i> | | |
| Current tax on profits for the year | 44,65,785 | 29,89,84,515 |
| Income tax adjustments of earlier year | 44,30,063 | 1,01,617 |
| Total current tax expense | 88,95,848 | 29,90,86,132 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 25: Tax expense (Contd.)

| (b) Tax expense | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Deferred tax | | |
| - to profit or loss | 16,73,681 | (2,86,47,964) |
| - to other comprehensive income | (6,28,463) | (55,703) |
| Total Deferred tax expense/(benefit) | 10,45,218 | (2,87,03,667) |
| Income tax expense | 99,41,066 | 27,03,82,465 |
| Tax Expenses | | |
| - to profit or loss | 1,05,69,529 | 27,04,38,168 |
| - to other comprehensive income | (6,28,463) | (55,703) |

| (c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate: | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Profit from operations before tax | (7,71,08,170) | 72,45,21,555 |
| Current tax rate in india | 25.168% | 34.944% |
| Tax on profit from operations | - | 25,31,76,812 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Taxes paid on presumptive basis | 44,65,785 | 9,84,515 |
| Effect of difference between indian and foreign tax rates and non taxable subsidiaries | - | 1,52,25,953 |
| Expenses not allowed for tax purpose | 9,45,876 | 5,82,741 |
| Adjustments for tax of relating to prior periods | 44,30,063 | 1,01,617 |
| Tax impact on account of consolidated adjustments | (11,536) | 58,243 |
| Tax credit on loss not considered | 15,573 | 72,550 |
| Items considered in OCI and considered in current tax computation | (6,28,463) | (55,703) |
| Others | 13,52,230 | 2,91,439 |
| Income tax expenses | 1,05,69,529 | 27,04,38,168 |

Financial Instruments and Risk Management

Note 26: Fair Value Hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees, unless otherwise stated)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Note:

- (i) The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances and trade receivables and loans are considered to be the same as their fair values due to their short term nature and recoverability from /by the parties.

Note 27: Categories of Financial Instruments

| | Fair Value Hierarchy | Notes | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-------|----------------------|----------------------|----------------------|----------------------|
| | | | Carrying Value | Fair Value | Carrying Value | Fair Value |
| A. Financial assets | | | | | | |
| a) Measured at amortised cost | | | | | | |
| Cash and cash equivalents other than liquid investments | Level -3 | 9 | 71,84,64,779 | 71,84,64,779 | 35,93,01,542 | 35,93,01,542 |
| Other bank balances | Level -3 | 10 | 15,78,49,392 | 15,78,49,392 | 18,51,58,448 | 18,51,58,448 |
| Trade receivables | Level -3 | 8 | 83,79,43,536 | 83,79,43,536 | 163,92,25,808 | 163,92,25,808 |
| b) Measured at Fair Value through Profit or Loss | | | | | | |
| Liquid Investments (Quoted Method - Valuation) | Level -1 | 9 | - | - | 69,23,68,445 | 69,23,68,445 |
| Total financial assets | | | 175,35,14,914 | 175,35,14,914 | 287,60,54,243 | 287,60,54,243 |
| B. Financial liabilities | | | | | | |
| a) Measured at amortised cost | | | | | | |
| Trade payables | Level -3 | | 28,78,01,930 | 28,78,01,930 | 77,57,74,946 | 77,57,74,946 |
| Borrowings | Level -3 | 14 | 26,27,07,191 | 26,27,07,191 | 27,85,13,278 | 27,85,13,278 |
| Other financial liabilities | Level -3 | 16 | 5,43,87,287 | 5,43,87,287 | 10,70,59,799 | 10,70,59,799 |
| Total financial liabilities | | | 60,48,96,408 | 60,48,96,408 | 116,13,48,023 | 116,13,48,023 |

Note 28: Financial Risk Management

The Group's activities expose it to Credit risk, Market risk and Liquidity risk . The Group emphasis on risk management and has an enterprise wide approach to risk management. The Group's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer to a financial instrument fails to meet its contractual obligations .The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Group is managed at the Group level.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Group by establishing credit limits and continuously monitoring the credit worthiness of the customers. The Group is not required to provide for expected credit losses based on the past experience where it believes that there is no probability of default based on credit worthiness of Group customers. Financial assets are written off when there is no reasonable expectation of recovery.

The ageing analysis of the receivables (gross of provisions) has been considered from the due date of invoice :

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|-------------------------|-------------------------|
| Upto 180 days | 77,86,35,585 | 148,36,67,809 |
| More than 180 days | 5,93,07,951 | 15,55,57,999 |

Note:

Significant revenue and receivable is from major public sector companies in oil and gas exploration business with a credit rating of A+(ICRA). As the management is not foreseeing any loss from the parties based on the evaluation of past trend, the carrying value of trade receivable is equal to its fair value and no loss allowance is made.

(B) Market Risk:

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

• Interest Rate Risk

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its market interest rates by fixed rate interest. Hence, the Group is not significantly exposed to interest rate risks.

• Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As the group is not foreseeing significant transaction in other than functional currency the exposure to the foreign currency is minimal.

Foreign currency exposure as at the reporting date:

| | As at March 31, 2020 | | | As at March 31, 2019 | | |
|-----------------------|----------------------|-----|--------------------------|----------------------|-----|--------------------------|
| | USD | GBP | Equivalent Amount in INR | USD | GBP | Equivalent Amount in INR |
| Balance with banks | 33,40,335 | - | 25,18,14,193 | 33,75,785 | - | 23,36,49,268 |
| Advance for suppliers | 774,355 | - | 5,83,75,449 | 50,380 | - | 34,84,850 |
| Payables for services | 41,160 | - | 31,02,884 | 1,04,400 | - | 72,21,485 |

(C) Liquidity Risk:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The group manage its risk from their principle source of resources such as cash and cash equivalents, cash flows that is generated from operations and other means of borrowings, to ensure, as far as possible, that it will always have sufficient liquidity to meet the liabilities.

Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees, unless otherwise stated)

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date:

| | On Demand | Due in 1st year | Due after 1st year | Total |
|-----------------------------|--------------|-----------------|--------------------|--------------|
| As at March 31, 2020 | | | | |
| Borrowing | 26,17,07,191 | 3,82,440 | 6,17,560 | 26,27,07,191 |
| Trade and other payable | - | 28,78,01,930 | - | 28,78,01,930 |
| Other financial liabilities | - | 5,43,87,287 | - | 5,43,87,287 |
| As at March 31, 2019 | | | | |
| Borrowing | 27,76,50,163 | 8,63,115 | - | 27,85,13,278 |
| Trade and other payable | - | 77,57,74,946 | - | 77,57,74,946 |
| Other financial liabilities | - | 10,70,59,799 | - | 10,70,59,799 |

(D) Other Risk - Impact of COVID-19 (Global pandemic) :

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. This outbreak is causing significant disturbance and slowdown of economic activity. The Group's operations were impacted in the month of March 2020, following nationwide lockdown announced by the Government of India.

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2020.

The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Note 29: Capital Management

The Group's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The Group's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Group decides the optimum capital structure. The Group aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The group monitors the capital structure on the basis of total debt to equity ratio :

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Net Debt | - | - |
| Equity | 257,61,84,214 | 275,14,36,336 |
| Total Capital (Net Debt+Equity) | 257,61,84,214 | 275,14,36,336 |
| Net Debt to Total Capital (%) | 0.00% | 0.00% |
| Equity to Total capital | 100.00% | 100.00% |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Net debt is as follows

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| A) Borrowings | | |
| Non-current borrowings | 6,17,560 | - |
| Current borrowings | 26,17,07,191 | 27,76,50,163 |
| Current Maturity of finance lease obligation | 3,82,440 | 8,63,115 |
| Total(A) | 26,27,07,191 | 27,85,13,278 |
| B) Cash and cash equivalents | 71,84,64,779 | 105,16,69,987 |
| C) Net Debt/(Asset) (A-B) | (45,57,57,588) | (77,31,56,709) |

Note 30 : Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("Act") as given below has been determined to the extent such parties have been identified on the basis of information available with the group:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Principal amount remaining unpaid as on 31st March | NIL | NIL |
| Interest due thereon as on 31st March | NIL | NIL |
| Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year | NIL | NIL |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | NIL | NIL |
| Interest accrued and remaining unpaid as at 31st March | NIL | NIL |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act | NIL | NIL |

Note : The list of undertakings covered under MSMED was determined by the group on the basis of information available with the group and has been relied upon by the auditors.

Note 31: Capital commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) ₹ 27,92,99,636(Previous Year ₹ Nil).

Notes to the Consolidated Financial Statements

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Note 32 : Segment Information

(a) Description of segments and principal activities

The Chairman & Managing Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in seismic service and operates in a single operating segment.

Information about Major Customer:

The revenue from transactions with two customers for years ended March 31, 2020 (public sector company in oil & gas exploration business) exceed 10% of the total revenue of the company and one customer for the year ended March 31, 2019.

Geographical Information

The Group is mainly domiciled its activities in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Revenue from external customers | | |
| India | 267,51,89,803 | 405,07,68,991 |
| Rest of the World | - | - |
| Non-current Assets | | |
| India | 70,44,75,516 | 79,06,35,827 |
| Rest of the World | 13,96,63,048 | 14,18,43,134 |

Note 33: subsidiaries considered for consolidation

The Company's subsidiaries as at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company.

| Name of Entities | Relationship | Principle Activity | Place of Business | Ownership |
|--|----------------------|--|-------------------|-----------|
| Alphageo International Limited | Subsidiary | Investment in Companies and Joint Ventures and providing technical support services | Dubai | 100% |
| Alphageo DMCC | Step down subsidiary | Provision of Onshore and offshore oil and gas field services, Geophysical Studies and geological Services and rental of drilling equipment & machinery | Dubai | 100% |
| Alphageo Offshore Services Private Limited | Subsidiary | Provision of Offshore Geophysical Studies and Services | India | 100% |
| Alphageo Marine Services India Private Limited | Subsidiary | Provision of Marine Survey Services and Aerial Geophysical Services | India | 74% |

Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees, unless otherwise stated)

Note 34: Related Party Transactions

| | |
|---|---|
| (a) Key Management personnel(KMP) | : Dinesh Alla, Chairman & Managing Director |
| | : Savita Alla, Joint Managing Director |
| | : Rajesh Alla, Non executive directors |
| | : Aryabumi Mohanakrishna Reddy, Independent Director (upto July 30, 2019) |
| | : Ashwinder Bhel, Independent Director (upto July 31, 2019) |
| | : Raju Mandapalli, Independent Director |
| | : Mahendra Pratap, Independent Director (From October 17, 2019) |
| | : Vinay Kumar Verma, Independent Director (From February 02, 2020) |
| (b) Relative of Key Management personnel | : Kamala Rajupet |
| | : Sashank Alla |
| | : Anisha Alla |
| | : Mrudulla Alla |
| | : Gopinath Reddy Rajupet |

(c) List of Related Parties over which Control / Significant Influence exists with whom the company has transactions :

| | |
|---|--|
| Dinesh Alla (HUF) | |
| Trac | Entity In Which Key Management Personnel has Significant Influence |
| Athena Infracon (India) Private Limited | |
| Aquila Drilling Private Limited | |
| Rajesh Alla (HUF) | |
| IIC Technologies Limited | Entity In Which Relative of Key Management Personnel has Significant Influence |
| IIC Technologies USA | |

| | |
|-----------------------------------|--|
| (d) Employee Benefit Plans | : Alphageo India Limited Employees' Group Gratuity Trust |
|-----------------------------------|--|

(e) Transactions with Related Parties:

| | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Amount | Outstanding balance | Amount | Outstanding balance |
| Key Management Personnel: | | | | |
| Short term employee benefits | | | | |
| Remuneration* | 2,54,42,652 | 1,53,88,719 | 8,54,65,366 | 7,46,12,098 |
| Director Fees | 11,31,901 | - | 9,85,100 | - |
| Others | | | | |
| Dividend paid | 2,06,32,400 | - | 1,00,79,456 | - |
| Interest on Loan taken | - | - | 20,11,644 | - |
| Acceptance of Loan | - | - | 6,00,00,000 | - |
| Repayment of Loan | - | - | 6,00,00,000 | - |
| Relatives of Key Management Personnel: | | | | |
| Salary paid | 11,68,377 | 72,309 | 8,78,373 | 2,72,631 |
| Dividend paid | 1,35,62,672 | - | 67,81,336 | - |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

(e) Transactions with Related Parties: (Contd.)

| | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Amount | Outstanding balance | Amount | Outstanding balance |
| Concerns in which Key Management Personnel has substantial interest: | | | | |
| Rent | 7,49,806 | 1,80,900 | 4,44,000 | - |
| Dividend paid | 98,03,488 | - | 47,83,784 | - |
| Concerns in which Relative of the Key Management Personnel has Substantial Interest: | | | | |
| Dividend paid | 13,81,328 | - | 6,90,664 | - |
| Rent | 1,80,000 | 40,500 | 1,80,000 | - |
| Advance against service | - | - | 3,00,00,000 | 3,00,00,000 |
| Advance adjusted against service | 2,36,18,538 | 63,81,462 | - | - |
| Purchase of Spare Parts | - | - | 1,59,294 | - |
| Equipment Hire Charges | 2,09,16,400 | - | - | - |
| Reimbursement of expenses | 68,83,915 | 33,27,504 | - | - |
| Contribution to Funds | | | | |
| Post Employment Benefit Plan | 58,49,367 | - | 10,22,663 | - |

(f) Terms and Conditions

Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.

* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

(g) Disclosure of the total transactions w.r.t related parties during the year:

| Nature of the transaction | Name of the related party | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|------------------------------|----------------------|----------------------|
| Short term employee benefits | Dinesh Alla | 1,34,42,652 | 4,27,32,683 |
| | Savita Alla | 1,20,00,000 | 4,27,32,683 |
| Director Fees | Z.P.Marshall | - | 45,000 |
| | Aryabumi Mohanakrishna Reddy | 45,000 | 1,80,000 |
| | Ashwinder Bhel | - | 1,35,000 |
| | Rajesh Alla | 1,80,000 | 1,80,000 |
| | Raju Mandapalli | 2,10,000 | 1,80,000 |
| | Mahendra Pratap | 90,000 | - |
| | Hamit Ummak | 5,46,901 | 2,65,100 |
| | Vinay Kumar Varma | 60,000 | - |
| Interest on Loan taken | Dinesh Alla | - | 13,00,411 |
| | Savita Alla | - | 7,11,233 |
| Acceptance of Loan | Dinesh Alla | - | 4,00,00,000 |
| | Savita Alla | - | 2,00,00,000 |
| Repayment of Loan | Dinesh Alla | - | 4,00,00,000 |
| | Savita Alla | - | 2,00,00,000 |
| Salary paid | Sashank Alla | 11,68,377 | 8,78,373 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

(g) Disclosure of the total transactions w.r.t related parties during the year: (Contd.)

| Nature of the transaction | Name of the related party | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|--|-------------------------|-------------------------|
| Rent | Trac | 3,05,806 | - |
| | Dinesh Alla (HUF) | 4,44,000 | 4,44,000 |
| | Rajesh Alla (HUF) | 1,80,000 | 1,80,000 |
| Equipment Hire Charges | IIC Technologies Limited | 2,09,16,400 | - |
| Reimbursement of Expenses | IIC Technologies Limited | 68,83,915 | - |
| Post Employment Benefit Plan | Alphageo India Limited Employees' Group Gratuity Trust | 58,49,367 | 10,22,663 |
| Advance against service | IIC Technologies Limited | - | 3,00,00,000 |
| Purchase of Spare Parts | IIC Technologies USA | - | 1,59,294 |

Note 35: Earnings/(Loss) per share

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) Basic EPS | | |
| Basic earnings per share attributable to the equity holders of the company | (13.77) | 71.35 |
| (b) Diluted EPS | | |
| Diluted earnings per share attributable to the equity holders of the company | (13.77) | 71.35 |

(c) Reconciliation of earnings used in calculating earnings per share

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Basic earnings per share | | |
| Profit/(Loss) attributable to the equity holders of the company used in calculating basic earnings per share | (8,76,71,230) | 45,41,25,638 |
| Diluted earnings per share | | |
| Profit attributable to the equity holders of the company used in calculating diluted earnings per share | (8,76,71,230) | 45,41,25,638 |

(d) Weighted average number of shares used as the denominator

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 63,64,767 | 63,64,767 |
| Adjustments for calculation of diluted earnings per share: | - | - |
| Weighted average number of equity shares used as the denominator in calculating diluted earnings per share | 63,64,767 | 63,64,767 |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 36: Assets pledged as security

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Hypothecation of stocks, book debts and current assets -First Charge | | |
| Trade receivables | 87,89,81,449 | 163,92,25,808 |
| Inventories | 1,02,83,748 | 42,50,482 |
| Fixed deposits | 3,28,57,751 | 3,09,04,425 |
| Other current assets | 115,58,91,943 | 105,04,45,174 |
| Second Charge | | |
| Equitable mortgage of Land and Buildings and movable fixed assets | 68,88,19,561 | 77,94,28,754 |

Note 37: Events occurring after the reporting period

(i) Proposed Dividend

The final dividend proposed by the directors which is subject to the approval of shareholders in the ensuing annual general meeting :

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| On Equity Shares of Rs 10each | | |
| Proposed Dividend* | - | 5,09,18,136 |
| Proposed Dividend per equity share | - | 8 |

* Dividend distribution tax is payable at the time payment of dividend.

Note 38: Additional Information required by Schedule III

| | Name of the entity in the group | | | | Non Controlling Interest | Effect of Inter Company adjustments / eliminations |
|--|---------------------------------|---|--|--|--------------------------|--|
| | Parent | Foreign Subsidiaries | Indian Subsidiaries | | | |
| | Alphageo India Limited | Alphageo International Limited and its subsidiary | Alphageo Marine Services Private Limited | Alphageo Offshore Services Private Limited | | |
| Net Assets(Total Assets minus Total Liabilities) | 227,10,35,457 | 43,56,10,713 | 2,77,842 | 17,888 | 1,31,302 | (13,07,57,686) |
| As % of Consolidated net assets | 88.15% | 16.91% | 0.01% | 0.00% | 0.01% | -5.08% |
| Share in Profit or (Loss) | (10,09,99,012) | 1,33,37,354 | (18,411) | (36,996) | (6,469) | 45,835 |
| As % of Consolidated Profit or (Loss) | 115.19% | -15.21% | 0.02% | 0.04% | 0.01% | -0.05% |
| Share in Other Comprehensive Income | (14,43,131) | 3,66,31,257 | - | - | - | - |
| As % of Consolidated Other Comprehensive Income | -4.10% | 104.10% | 0% | 0% | 0% | 0% |
| Share in Total Comprehensive Income | (10,24,42,143) | 4,99,68,611 | (18,411) | (36,996) | (6,469) | 45,835 |
| As % of Consolidated Total Comprehensive Income | 195.17% | (0.95) | 0.04% | 0.07% | 0.01% | -0.09% |

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Note 39: In July 2019, the Income Tax Department ('Department') has conducted a search under section 132 of the Income Tax Act, 1961. The company has provided the requested information and documents with the Department and the consequential impact of the search proceedings, if any, are presently unascertainable and no provision has been made.

Note 40: The figures for the previous year have been reclassified / regrouped wherever necessary to conform to current year's classification.

As per our report of even date

For **MAJETI & CO.**

Chartered Accountants

Firm's registration number: 015975S

Kiran Kumar Majeti

Partner

Membership number: 220354

UDIN No: 20220354AAAAAW9890

Hyderabad

June 29, 2020

For and on behalf of the Board

Dinesh Alla

Chairman And Managing Director

DIN No: 01843423

Sesham Purushotham

Chief Financial Officer

Savita Alla

Joint Managing Director

DIN No: 00887071

Deepa Dutta

Company Secretary



ALPHAGEO (INDIA) LIMITED

CIN: L74210TG1987PLC007580

Regd. Office: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500 001

Corporate Office: 1st Floor, Plot No.1, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034

Tel: 040-23550502/503 | **Fax:** 040-23550238

Email: info@alphageoindia.com | **Website:** www.alphageoindia.com

Notice of 33rd Annual General Meeting

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of the Company will be held on Monday, September 28, 2020 at 11.00 A.M. through Video Conferencing ("VC") Facility / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 8/- per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20.
3. To consider the re-appointment of Mr. Rajesh Alla (DIN: 01657395), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Appointment of Mr. Mahendra Pratap (DIN: 08591443) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all

other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Mahendra Pratap** (DIN: 08591443), who was appointed as an Additional Director in the capacity of Independent Director of the Company with effect from October 17, 2019 and who holds office upto the date of 33rd Annual General Meeting in terms of Section 161(1) of the Act and the Article of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years upto October 16, 2024.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mahendra Pratap be paid such fees and remuneration and profit related commission, if any, as the Board and Nomination and Remuneration Committee of the Board may approve from time to time and subject to such

limits, prescribed or as may be prescribed from time to time."

5. Appointment of Mr. Vinay Kumar Verma (DIN: 07603237) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Vinay Kumar Verma** (DIN: 07603237), who was appointed as an Additional Director in the capacity of Independent Director of the Company with effect from February 7, 2020 and who holds office upto the date of 33rd Annual General Meeting in terms of Section 161(1) of the Act and the Article of Association of the Company and in respect of whom

the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years upto February 6, 2025.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinay Kumar Verma be paid such fees and remuneration and profit related commission, if any, as the Board and Nomination and Remuneration Committee of the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

By Order of the Board

Hyderabad
August 7, 2020

Deepa Dutta
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") setting out material facts in respect of special businesses to be transacted at the Meeting is annexed hereto.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May 2020, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 33rd Annual General Meeting (AGM) of the Company is being conducted through VC/OAVM Facility, without the physical presence of the members at a common venue.
3. The Meeting shall be deemed to be conducted at the corporate office of the Company at Plot No. 1, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500034.
4. Pursuant to the MCA Circulars and SEBI Circular and in view of the prevailing situation, the Notice of 33rd AGM and the Annual Report for the financial year 2019-20 are being sent only by email to the members.
5. The Notice of AGM and Annual Report have been uploaded on the website of the Company at www.alphageoindia.com and can also be accessed on the website of BSE Limited at www.bseindia.com and on the website of NSE Limited at www.nseindia.com.

com. Pursuant to the abovementioned Circulars, the Company has not printed the Annual Reports and hence no hard copies of the Annual Report will be provided.

6. The Members whose email addresses is not registered with the Company or with their respective Depository Participant can get their email address registered by following the procedure given below:

(a) Members holding shares in physical form may register their email address by sending email to the Company's Registrar and Transfer Agent at einward.ris@kfintech.com along with a signed copy of request letter mentioning their folio number, email address to be registered and scanned self attested copy of PAN, with a request of receiving all communication including annual reports, notices, circulars, etc. in electronic mode.

(b) Members holding shares in demat form may register/update your email address through your respective Depository Participants.

7. M/s. KFin Technologies Private Limited (KFin), the Company's Registrar and Transfer Agent, will be providing facility for participation in the 33rd AGM through VC/OAVM Facility, for voting through remote E-voting and E-voting during the AGM.

8. Since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 33rd AGM.

9. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send certified true copy (PDF Format) of its Board Resolution / Authorisation Letter etc., authorising its representative to attend the meeting on its behalf and to vote either through remote e-voting or e-voting during the AGM. The said resolution/ letter should be sent electronically through their registered email address to the Scrutinizer at Email Id: chr300@gmail.com.

10. Since the AGM will be held through VC/OAVM

Facility, the Route Map is not annexed in this Notice.

11. The Company has notified that Register of Members shall remain closed from 19th September, 2020 to 27th September, 2020 (both days inclusive).

12. Instructions for Members for attending the e-AGM through Video Conference (VC):

(a) Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s. KFin Technologies Private Limited.

(b) Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and login by using the remote e-voting login credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.

(c) Members who do not have User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the remote e-Voting instructions.

(d) **AGM Questions prior to e-AGM:** Members who would like to express their views or ask questions during the AGM may login to <https://emeetings.kfintech.com/> and click on "Post your Questions". The Members may post their queries/views/questions by mentioning their name, demat account number/folio number, email id, mobile number. Please note that queries/questions of only those members will be answered who are holding shares of the Company as on the cut-off date. The window for posting the questions shall be opened from 24th September, 2020 (9.00 A.M.) to 25th September, 2020 (5.00 P.M.).

(e) **Speaker Registration during e-AGM session:** Members who wish to register as speakers, may login to <https://emeetings.kfintech.com/> and click on "Speaker Registration". The Speaker Registration will be open from 24th September, 2020 (9.00 A.M.) to 25th September, 2020

(5.00 P.M.). The Company reserves the right to restrict the speaker registration during the e-AGM session, depending upon availability of the time as appropriated for smooth conduct of the meeting and hence, encourages the members to send their questions/queries, etc. in advance as provided in note no. 12(d) above.

- (f) Members will be allowed to attend the AGM through VC on first come, first serve basis.
- (g) Facility to join the e-AGM will be opened 15 minutes before the scheduled time of the meeting and will be kept open throughout the proceedings of the meeting.
- (h) In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the e-AGM.
- (i) The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. Remote e-Voting and e-Voting at the e-AGM:

- (a) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members, the facility to exercise their right to vote on resolutions proposed to be passed at 33rd AGM by electronic means. Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ('remote e-voting').

Further, the facility for voting through electronic voting system will also be made available at the e-AGM ("Insta Poll") and members attending the e-AGM who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

Event Number and Timelines for Remote e-Voting

| E-voting Event Number (EVEN) | Commencement of remote e-voting | End of remote e-voting |
|------------------------------|--------------------------------------|-------------------------------------|
| 5572 | 24th September, 2020 (11.00 A.M.) | 27th September, 2020 (5.00 P.M.) |

- (b) The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin upon expiry of the aforesaid period.
- (c) Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., 18th September, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the e-AGM and voting through Insta Poll. The voting rights of the shareholders shall be one vote per equity share registered in the name of the shareholder / beneficial owner as on the cut-off date.
- (d) Any person who becomes a member of the Company after the sending of the Notice of the AGM and holds shares as on the cut-off date may obtain PIN and Password by contacting KFin Technologies Private Limited.
- (e) The Members who have cast their vote(s) by remote e-voting shall not be entitled to cast their vote(s) again at the e-AGM. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- (f) Resolutions shall be deemed to be passed on the date of e-AGM subject to receipt of requisite number of votes in favour of Resolutions.
- (g) The Board of Directors of the Company in its meeting held on 7th August, 2020 has appointed M/s. D. Hanumanta Raju & Co., Practising Company Secretaries, Hyderabad as Scrutinizer for conducting the process of

remote e-voting and e-voting during AGM in a fair and transparent manner.

- (h) The Scrutinizer shall, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairman, not later than 48 hours of the conclusion of the meeting. The results of e-voting along with the scrutinizers' report shall be placed on the website of the Company www.alphageoindia.com and on website of KFin at <https://evoting.karvy.com> and shall be intimated to the stock exchanges immediately after declaration of results by the Chairman or by a person authorised by him.

Instructions for Members for Remote e-Voting:

- (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (b) Enter the login credentials (i.e. User ID and password/ PIN) mentioned in your email. However, if you are already registered with KFin for e-voting, you can use your existing User ID and Password/PIN for casting your vote.
- (c) After entering these details appropriately, click on "LOGIN". You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (d) You need to login again with the new credentials.
- (e) On successful login, the system will prompt you to select the E- Voting "EVEN" i.e., Alphageo (India) Limited.
- (f) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (g) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- (h) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (i) You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).
- (j) Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at Email Id: dhr300@gmail.com and may also upload the same in the e-voting module of their login. The scanned image of the above mentioned documents should be in the naming format "Alphageo (India) Limited 33rd Annual General Meeting".
- (k) Members can cast their vote online from 24th September, 2020 (11.00 A.M.) till 27th September, 2020 (5.00 P.M.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

- (l) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

Instructions for Members for e-Voting during the e-AGM session:

- (a) During the e-AGM proceedings, upon instructions of the Chairman, the e-Voting 'Thumb sign' on the left hand corner of the video screen shall be activated. Shareholders shall click on the same to take them to the 'Insta Poll' page.
- (b) Members to click on the "Insta Poll" icon to reach the resolution page and follow the instructions to vote on the Resolutions.
- (c) Only those shareholders, who are present in the e-AGM and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

Other Information:

14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN to the Registrar & Share Transfer Agent.

15. The Securities and Exchange Board of India (SEBI) has mandated the transfer of securities to be carried out in dematerialized form only w.e.f. 1st April, 2019. Members holding shares in physical form are, therefore, requested to submit with the Company's Registrar and Share Transfer Agent, an application along with the necessary documents to get their shares dematerialized through their Depository Participants.
16. Members holding shares in electronic form are advised to keep the bank details updated with the respective Depositories, viz. NSDL and CDSL. Member holding shares in certificate form are requested to update bank details with the Company's Registrar and Transfer Agent.
17. Members desiring to seek any information on the financial statements are requested to write to the Company at an early date to enable compilation of information.
18. Unclaimed dividend for the years 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 are held in separate bank accounts.

Members whose dividends remain unclaimed are requested to write to the Company or its Registrar and Transfer Agent and claim their dividends. Members are requested to note that dividends not encashed or claimed within the due date mentioned below, will be transferred to the Investor Education and Protection Fund ("IEPF") of the Government of India as per the provisions of Section 124(5) of the Companies Act, 2013. In view of this, members are advised to send their requests to the Company or its Registrar for revalidation of the warrants and encash them before the due dates as listed below:

| Dividend and Year | Date of Declaration | Due Date for claiming the Dividend |
|--------------------------|---------------------|------------------------------------|
| Final Dividend 2013-14 | 26.09.2014 | 31.10.2021 |
| Final Dividend 2014-15 | 28.09.2015 | 02.11.2022 |
| Final Dividend 2015-16 | 29.09.2016 | 03.11.2023 |
| Final Dividend 2016-17 | 29.09.2017 | 03.11.2024 |
| Final Dividend 2017-18 | 14.09.2018 | 19.10.2025 |
| Final Dividend 2018-19 | 30.09.2019 | 04.11.2026 |
| Interim Dividend 2019-20 | 06.03.2020 | 11.04.2027 |

19. Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, notified by the Ministry of Corporate Affairs, the companies are required to transfer the shares in respect whereof the dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of shares transferred to IEPF are displayed on the website of the Company at <http://www.alphageoindia.com/pdf/Shares%20transferred%20to%20IEPF.pdf>. The shareholders whose shares are transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

20. The requirement to place the matter relating to the appointment of auditors for ratification by the members at every annual general meeting has done away vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, Government of India. Consequently, no resolution is proposed for ratification of the appointment of the Auditors who were appointed in 30th Annual General Meeting of the Company.

21. The information pertaining to Director seeking reappointment at the Annual General Meeting is furnished below:

Mr. Rajesh Alla is a graduate of Carnegie Mellon University, Pittsburgh, USA – a premier institute for Artificial Intelligence Research. He is specialised in Image Processing, Computer Vision and Robotics. He is an alumnus of Indian Institute of Management, Ahmadabad and Osmania University, Hyderabad.

Mr. Rajesh Alla has worked in the Robotics Institute, Carnegie-Mellon University developing automated Printed Circuit Board inspection systems for production use. He is one of the

pioneers of Automated Digitizing and Recognition of documents. He has developed numerous Pattern Recognition and Artificial Intelligence Algorithms.

Mr. Rajesh Alla is a director of the Company since 30th September, 1992. He is member of Audit Committee, Nomination and Remuneration Committee and Chairman of Stakeholders' Relationship Committee of Board of Directors of the Company.

Mr. Rajesh Alla is the Founder and Managing Director of IIC Technologies Limited and Director of IIC Geo Surveys Private Ltd, IIC Academy Private Ltd, Transducers and Controls Private Ltd and Palnadu Infrastructure Private Ltd. He is holding 1,26,567 Equity Shares of the company in his individual capacity.

Mr. Rajesh Alla is interested in the resolution set out in Item No. 3 of the Notice. Mr. Dinesh Alla, being related to Mr. Rajesh Alla may be deemed to be interested in the said resolution.

The other relatives of Mr. Rajesh Alla may be deemed to be interested in the said resolution, to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 of the Notice for approval by the Members.

By Order of the Board

Hyderabad
August 7, 2020

Deepa Dutta
Company Secretary

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for the items set out in the Notice as Special Business:

Item No. 4

The Board of Directors of the Company, through circular resolution passed on October 17, 2019, appointed Mr. Mahendra Pratap as an Additional Director of the Company in the capacity of Independent Director for a term of five consecutive years with effect from October 17, 2019, subject to the approval of the Members of the Company.

The Company has received a notice in writing pursuant to Section 160 the Companies Act, 2013 from a Member proposing the candidature of Mr. Mahendra Pratap for the office of Director of the Company.

Mr. Mahendra Pratap is a post graduate in Physics and has done Management courses from Indian Institute of Management, Lucknow and Indian School of Business, Hyderabad. He has an employment record of 36 years in Oil and Natural Gas Corporation (ONGC) in various positions from Level-1 Employee to the position of Executive Director. He also has around 3 years of experience in Directorate General of Hydrocarbons (DGH) as Deputy Director General (Exploration) and retired on superannuation. He has wide experience and a deep knowledge of all the facets of exploration with emphasis on seismic technology. He has authored many technical reports, articles and publications on the Hydrocarbon Prospects in various geological areas of India.

Mr. Mahendra Pratap does not hold the directorship in any other listed company or membership/ chairmanship of the committees of other public limited companies as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received a declaration from Mr. Mahendra Pratap confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Companies Act, 2013 and

a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Mahendra Pratap fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management.

A copy of draft letter of appointment of Mr. Mahendra Pratap setting out the terms and conditions of appointment would be available for inspection by the Members at the corporate office of the Company during business hours on any working day and the same has also been put up on the Company website at www.alphageoindia.com.

Mr. Mahendra Pratap does not hold any shares in the Company. He is not related to any other Director and Key Managerial Personnel of the Company.

Mr. Mahendra Pratap, being the appointee, is interested in the resolution set out in item no. 4 of the Notice. The other relatives of Mr. Mahendra Pratap may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) of ICSI.

The Board of Directors recommends the resolution in relation to appointment of Mr. Mahendra Pratap as an Independent Director of the Company, as set out in Item

No. 4 for approval of the members by way of an Ordinary Resolution.

Item No. 5

The Board of Directors of the Company in its meeting held on February 7, 2020, appointed Mr. Vinay Kumar Verma as an Additional Director of the Company in the capacity of Independent Director for a term of five consecutive years with effect from February 7, 2020, subject to the approval of the Members of the Company.

The Company has received a notice in writing pursuant to Section 160 the Companies Act, 2013 from a Member proposing the candidature of Mr. Vinay Kumar Verma for the office of Director of the Company.

Mr. Vinay Kumar Verma is the former General Manager of Andhra Bank, superannuated in June 2017. He has an employment record of 35 years in Andhra Bank. He has done his graduation in Science with banking qualification. He is specialised in the fields of strategic and policy planning, risk management and resource management. He is presently associated with Vardhaman (Mahila) Urban Co-Operative Urban Bank Ltd, Hyderabad as Chief Executive Officer (CEO). He is also associated with Nabsamruddhi Finance Ltd as an Independent Director and Jan Chetna Trust of Andhra Bank as Managing Trustee.

Mr. Vinay Kumar Verma does not hold the directorship in any other listed company or membership/ chairmanship of the committees of other public limited companies as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received a declaration from Mr. Vinay Kumar Verma confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Vinay Kumar Verma fulfils

the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management.

A copy of draft letter of appointment of Mr. Vinay Kumar Verma setting out the terms and conditions of appointment shall be available for inspection by the Members at the corporate office of the Company during business hours on any working day and the same has also been put up on the Company website at www.alphageoindia.com.

Mr. Vinay Kumar Verma does not hold any shares in the Company. He is not related to any other Director and Key Managerial Personnel of the Company.

Mr. Vinay Kumar Verma, being the appointee, is interested in the resolution set out in item no. 5 of the Notice. The other relatives of Mr. Vinay Kumar Verma may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) of ICSI.

The Board of Directors recommends the resolution in relation to appointment of Mr. Vinay Kumar Verma as an Independent Director of the Company, as set out in Item No. 5 for approval of the members by way of an Ordinary Resolution.

By Order of the Board

Hyderabad
August 7, 2020

Deepa Dutta
Company Secretary

CAUTIONARY STATEMENT

STATEMENTS IN THIS DOCUMENT THAT ARE NOT HISTORICAL FACTS ARE FORWARD LOOKING STATEMENTS. THESE 'FORWARDLOOKING' STATEMENTS MAY INCLUDE THE COMPANY'S OBJECTIVES, STRATEGIES, INTENTIONS, PROJECTIONS, EXPECTATIONS AND ASSUMPTIONS REGARDING THE BUSINESS AND THE MARKETS IN WHICH THE COMPANY OPERATES. THE STATEMENTS ARE BASED ON INFORMATION WHICH IS CURRENTLY AVAILABLE TO US, AND THE COMPANY ASSUMES NO OBLIGATION TO UPDATE THESE STATEMENTS AS CIRCUMSTANCES CHANGE. THERE MAY BE A MATERIAL DIFFERENCE BETWEEN ACTUAL RESULTS AND THOSE EXPRESSED HEREIN. THE RISKS, UNCERTAINTIES AND IMPORTANT FACTORS THAT COULD INFLUENCE THE COMPANY'S OPERATIONS AND BUSINESS ARE THE GLOBAL AND DOMESTIC ECONOMIC CONDITIONS. THE MARKET DEMAND AND SUPPLY FOR PRODUCTS, PRICE FLUCTUATIONS, CURRENCY AND MARKET FLUCTUATIONS, CHANGES IN THE GOVERNMENT'S REGULATIONS, STATUTES AND TAX REGIMES, AND OTHER FACTORS NOT SPECIFICALLY MENTIONED HEREIN BUT THOSE THAT ARE COMMON TO THE INDUSTRY.



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