

NOTICE

NOTICE is hereby given to all the Members of the Company that the Nineteenth Annual General Meeting of ALPHAGEO (INDIA) LIMITED will be held at “Sundarayya Vignana Kendram”, 1-8-1/B/25A, Baghlingampally, Hyderabad – 500 044 Andhra Pradesh on Monday the 18th December, 2006 at 11.00 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2006 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March 2006.
3. To appoint a Director in place of Sri A. Rajesh, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri S. Ravula Reddy, who retires by rotation, and being eligible offers himself for reappointment.
5. To appoint Auditors for the current year and fix their remuneration and for that purpose to pass the following resolution with or without any modifications as ORDINARY RESOLUTION.

“RESOLVED that M/s. P. V. R. K. Nageswara Rao & Co., Chartered Accountants, Hyderabad be and are hereby reappointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company”.

AS SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution with or without modification as a **SPECIAL RESOLUTION**:

“RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310, 311 of the Companies Act, 1956 and other applicable provisions if any, read with Schedule XIII, approval be and is hereby accorded to the reappointment of Mr. A. Dinesh as Managing Director for a period of 5 (Five) years with effect from 21st August, 2006.

FURTHER RESOLVED THAT the remuneration to Mr A. Dinesh, Managing Director be and is hereby paid as stated below, be and is hereby ratified from 21st August, 2006 to 18th December, 2006 and he be paid the same remuneration from 19th December, 2006 to 20th August, 2009.

I SALARY

Salary: Rs.2,00,000/- per month.

II PERQUISITES

Perquisites are classified into three categories i.e., A, B and C and are as follows:

Category “ A “

1. House Rent Allowance: 40% of the salary.

The Expenditure incurred by the company on Gas, Electricity, Water and furnishing shall be valued as per the Income-Tax Rules, 1962 and shall be subject to a ceiling of 5% of Salary of the Appointee.

2. Medical Reimbursement: Subject to a ceiling of One-month salary in a year or three months salary over a period of three years for self & family.
3. Club Fees: Subject to a maximum of two clubs. This will not include admission and life membership fees.
4. Personal accident insurance: The Premium of which shall not exceed Rs.12,000/- per annum.

Category “ B “

Contribution to P.F., Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income tax Act, 1961. Encashment of Leave for every completed year of service as per the company policy. Gratuity payable shall not exceed half a month's salary for each completed year of service.

Category “ C ”

Provision of car for use of company's business and telephone at residence will be provided to the Managing Director and shall not be considered as a perquisite. Personal long distance calls on telephone and the company shall bill use of car for personal purpose to the Managing Director.

Commission

5% Commission on the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956 in addition to Salary as mentioned above.

Minimum Remuneration:

In the event of Loss or inadequacy of profits during the above period, the Managing Director is entitled to the Salary and perquisites mentioned above as minimum remuneration.

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

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (Act), (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of

Articles of Association of the Company, the Listing Agreement entered into between the Company and the various stock exchanges, the Guidelines for Preferential Issues contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines), rules and regulations framed by Reserve Bank of India (RBI) and other statutory/regulatory authorities, and subject to all applicable norms, guidelines, regulations in force, and statutory approvals, consents, permissions or sanctions as may be necessary, of appropriate authorities, institutions or bodies and subject to such conditions as the authorities may impose at the time of granting their approvals / consents / permissions / sanctions and which may be agreed to by the Board of Directors of the Company (the “Board”, which expression shall include any Committee thereof constituted/to be constituted by the Board for exercising the powers conferred on the Board by this resolution) if it thinks fit in the interest of the Company, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 5,50,000 (Five Lakhs fifty thousands only) warrants (“Warrants” for brevity) to the Promoters of the Company, the details of which are mentioned in the Explanatory Statement annexed hereto, on preferential allotment basis, in one or more tranches, on such terms and conditions and in such manner as the Board may think fit, whether or not they are members of the Company; each warrant entitling the holder thereof to apply for and be allotted one equity share per Warrant of Rs.10/- each at a premium of Rs.126/- (Rupees one hundred twenty six only) per share aggregating to Rs.7,48,00,000/- (Rupees Seven crores forty eight only) and which conversion shall be made within a period not exceeding 18 (eighteen) months from the date of allotment of the Warrants in accordance with the SEBI (Disclosure & Investor Protection) Guidelines, 2000 and other applicable guidelines.

“RESOLVED FURTHER THAT

- (a) The relevant date for the purpose of pricing of the Warrants as above, in accordance with the SEBI Guidelines is 17.11.2006, being the 30 days prior to 18.12.2006 (i.e., the 30th day prior to the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue).
- (b) The equity shares to be issued on conversion of the Warrants in pursuance of this resolution shall rank PARI PASSU with the then existing equity shares of the Company in all respects
- (c) The Warrants to be offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company
- (d) For the purpose of giving effect to this resolution, the Board is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of Warrants, as may be necessary in accordance with the terms of the offer and subject to the provisions of the Company’s Articles of Association”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants and the utilization of the issue proceeds thereof, to effect any modification(s) to the foregoing (including any modifications to the terms of the Issue) in the best interests of the Company and its shareholders and to execute all such writings and instrument(s) as the Board may in its absolute discretion deem necessary or desirable”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee of Directors of the Company to give effect to the aforesaid resolution”

8. To consider and if thought fit to pass the following resolution with or without modification as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Mr. Ashwinder Behl, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

9. To consider and if thought fit to pass the following resolution with or without modification as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to borrow such monies in any manner from time to time with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that, the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.100 Crores (Rupees One hundred cores only)

10. To consider and if thought fit to pass the following resolution with or without modification as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to Section 293(1)(a) of the Companies Act, 1956, the Board of Directors be and are hereby authorised to charge and/or mortgage all the present and future movable (save and except book debts) and immovable properties of the Company, in favour of the Banks/Financial institutions to secure the repayment of loans not exceeding Rs.100 Crores (One Hundred Crores only) sanctioned /to be sanctioned to the company together with interest at the agreed rates, compound/further/additional interest, liquidated damages, commitment charges, expenses and all other monies payable by the company in terms of Agreement/Loan agreement entered into/to be entered into, executed/to be executed by the company and/or letters of sanction issued/to be issued in respect of the said loans.

RESOLVED FURTHER THAT the aforesaid charge and mortgage shall rank pari-passu with the charge and mortgages in favour of the Banks/financial institutions in respect of their term loans and that the charge aforesaid shall be subject to the prior charges created/to be created by the company In favour of its Bankers, on its stocks, consumable stores, book debts and such other movables of the company to secure the borrowings from time to time for term loan/working capital requirements in the ordinary course of its business and subject also to prior charges created/to be created on specific items of machinery in favour of the company’s bankers for providing guarantees.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things and to execute all such documents or writings for creation of charge and mortgage in favour of Banks/Financial institutions in their absolute discretion consider necessary, usual requisite or proper for the purpose of giving effect to the Resolution”.

By Order of the Board,

Place: Hyderabad
Date: 24th October, 2006

(A. DINESH)
Managing Director

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

The Register of Members and share transfer books of the Company will remain closed from **12.12.2006 to 18.12.2006** (both days inclusive) for determining the names of members eligible for dividend, if approved by the members.

REAPPOINTMENT OF DIRECTORS

The information pertaining to the Directors proposed to be re-appointed are furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:

1) Mr. A.RAJESH

Mr.A.Rajesh is a graduate in Mechanical Engineering and a post graduate in Computer Sciences and Robotics 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 specialized in Image Processing, Computer Vision and Robotics.

Mr.A.Rajesh is the founder of IIC Technologies Private Limited. He is one of the pioneers of Automated Digitising and Recognition of hard copy documents in the Conversion industry. He has developed numerous Pattern Recognition and Artificial Intelligence Algorithms for automated vectorisation and feature attributisation of contours, point symbol recognition and text identification. He is also an alumnus from Indian Institute of Management, Ahmadabad, India.

Mr.A.Rajesh was also one of the founders of AUDRE, INC., an American and world leader in Automated Document Conversion Systems development, with systems in Australia, Singapore, Italy, Germany and China. He has developed interfaces to various G I S Systems and was on the National Institute of Standards and Technology (NIST), U.S.A., Raster Image File Format (CALS) standards committee. He is also a consultant to various G I S Companies and Institutions for the implementation of Raster Technologies into their Data Conversion and Capture Systems. He is also an advisor to GEOMAP Society, India which brings out the G I S Today publication.

2) Mr.S.RAVULA REDDY

Mr. S.Ravula Reddy is a resident of USA. He is a post-graduate in Geophysics and is the Chief Geophysicist and President of Alphageo Inc., Mr. Ravula has wide global experience in data acquisition, data processing and data interpretation in several countries including those in Africa and Middle East. He has published several papers on the subject and is a veteran in the field of geophysical exploration. He has been on the Board since inception of the Company.

By Order of the Board,

Place: Hyderabad
Date: 24th October, 2006

(A. DINESH)
Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT 1956**

ITEM NO.6

Mr. A. Dinesh was appointed as Managing Director of the Company for a period of five years with effect from 21st August 2001. The Board of Directors of the Company at its meeting held on 31st July 2006 reappointed Mr. A. Dinesh as Managing Director of the Company for a further period of five years with effect from 21st August 2006 on the remuneration and other terms and conditions mentioned in the resolution subject to the approval of members at the Annual General Meeting.

Mr. A. Dinesh is a post-graduate from BITS, Pilani and has a wide experience in the field of Seismic Survey and with his able guidance, the Company has become the first Indian Company to successfully execute Seismic Survey contracts in India.

The appointment and remuneration proposed does not exceed the remuneration prescribed under the provisions of Schedule XIII of the Companies Act, 1956 and requires approval of the members by way of ordinary resolution.

Disclosures, that are required to be made pursuant to the provisions of Schedule XIII to the Companies Act, 1956

I General Information:

- (1) **Nature of Industry:** Seismic Data Survey and related services
- (2) **Date of commencement of Commercial Production:** December 1990
- (3) **In case of new companies, expected date of commencement of activities as per Project approved by Financial institutions appearing in the prospectus:** Not applicable.
- (4) **Financial performance of the company:** Provided in the Balance Sheet & Profit & Loss Account of the Company separately

(5) Export performance and net foreign exchange collaborations:

	<u>2005-06</u>	<u>2004-05</u>
(i) Export Performance	Nil	Nil
(ii) Net Foreign Exchange collaborations	Nil	Nil

(6) Foreign investments or collaborators, if any: Nil

II Information about Appointee:**(1) Background Details of the Managerial person:**

Mr. A. Dinesh is a post-graduate from BITS, Pilani and has a wide experience in the field of Seismic Survey and with his able guidance, the Company has become the first Indian Company to successfully execute Seismic Survey contracts in India.

(2) Past Remuneration:

	<u>2005-2006</u>	<u>2004-2005</u>
	Rs.	Rs.
Salary and Allowances	8,16,774	7,56,774
Commission	21,96,988	12,73,132
Perquisites	4,59,239	4,44,209
Contribution to Provident Fund	98,013	90,813
Total	<u>35,71,014</u>	<u>25,64,928</u>

(3) Recognition or awards: Nil

(4) Job profile and his suitability:

Job profile includes the Complete management of the Company in all aspects of the company and Mr. A. Dinesh has rich and experience in the field of Seismic Survey from the inception of the company and with his able guidance, the Company has become the first Indian Company to successfully execute Seismic Survey contracts in India and is looking forward to get the share of services in overseas market under his able guidance.

(5) Remuneration proposed:

<i>[Amount in Rupees per month]</i>				
Salary	Perquisites	Others (Specify)	Total	Commission
Rs.2,00,000/-	Rs.1,00,000	Rs.40,666/- (PF Rs.24,000/- Gratuity Rs.8,333/- Leave Encashment Rs.8,333/-)	Rs. 3,40,666/-	5% of the Net Profits of the company

(6) Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (In case of expatriates, the relevant details would be w.r.t. the country of his origin)

The remuneration proposed is matching with the industry and its standards and for similar positions in the Industry. Profile of the person matches with the position of the Company since the qualification and experience of the person and hardworking brought huge changes in the company through implementation of latest technology.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

(i) Pecuniary relationship with the company: Mr. A. Dinesh is the Promoter Managing Director of the Company. In addition to his capacity as a Managing Director and earnings by way of Salary and commission thereof, the disclosures under Accounting Standard (AS) 18 on related party disclosures is given in item no. 8 to the Notes to the accounts.

(ii) Relationship with the managerial personnel:

Mr. A. Rajesh, Director of the Company is a brother of Mr. A. Dinesh and deemed to be interested in the appointment.

III Other information:

(1) Reasons for Loss or inadequate profits: The company is a profit making company and there is no losses or inadequate profits during the year under review.

(2) Steps taken or proposed to be taken for improvement: Not applicable for a profit making company.

(3) Expected increase in productivity and profits in measurable terms: Not applicable for a profit making company.

IV Other Disclosures

(1) Remuneration package of the managerial person: Given in the explanatory statement.

(2) Disclosures to be given in “Corporate Governance” attached to the Balance Sheet.

(a) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc of all the Directors: Furnished

(b) Details of Fixed component and performance linked incentives along with the performance criteria: Furnished below

(c) Service contracts, notice period, severance fees: No Service Contracts were made between the company and the Managerial Personnel.

(d) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Nil

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

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

Board of Directors recommends the resolution for the approval of Shareholders.

ITEM NO.7

In order to part finance the expansion projects, repayment of term loans and to augment the working capital requirements of the Company, as may be required at immediate future, subject to approval of the members and such other approvals as may be necessary and required, the Company has proposed to issue 5,50,000 (Five Lakhs fifty thousands only) Warrants of Rs.136/- each (One hundred and thirty six only) to Promoters viz., Sri A Dinesh, his associates, his family owned investment companies and companies under the same management (“Promoters” for brevity) as detailed hereunder.

The Promoters shall have a right to convert each Warrant into one Equity Share of Rs.10/- each at a premium of Rs.126/- per share each. A sum of Rs.13.60/- (Rupees Thirteen and paise Sixty only) per Warrant is payable at the time of allotment and the balance of Rs.122.40/- (Rupees one hundred twenty two and paise forty only) is payable within 18 months from the date of allotment. The issue price of Rs.136/- per Warrant has been determined as per the guidelines framed by SEBI in this regard.

The Warrant to be issued pursuant to the above will be subject to lock-in as stipulated under the applicable SEBI Guidelines

The proposed allotment of Warrants on preferential basis as envisaged above will not result in change in Control / Management of the Company

Disclosures, that are required to be made pursuant to Clause 13.1A of the Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000:

(i) The objects of the issue through preferential offer:

For the purpose of part financing the ongoing expansion projects and resultant working capital requirements, repayment of term loans, and other incidental project funding requirements that may be warranted at immediate future.

(ii) The intention of the promoters/directors/key management persons to subscribe to the offer:

The promoters (Including Promoter Director(s)) intend to subscribe to all of 5,50,000 Warrants being issued on preferential basis.

(iii) **Shareholding pattern of the Company before and after conversion of proposed issue of warrants pursuant to the resolution at Sl. No. 7:**

Sl. No.	Category	Pre-Issue		Post Issue	
		No. of Equity Shares	Percentage (%)	No. of Equity Shares	Percentage (%)
1.	Promoters' holding:				
	Indian Promoters	13,81,884	27.95	19,31,884	35.16
	Alphageo Inc.	3,46,667	7.01	3,46,667	6.31
2.	Institutional Investors	10,568	0.21	10,568	0.19
3.	Private Corporate Bodies	4,21,698	8.53	4,21,698	7.67
4.	Mutual Funds	10,400	0.21	10,400	0.19
5.	NRI's	43,111	0.87	43,111	0.79
6.	Indian Public	27,30,606	55.22	27,30,606	49.69
	Total	49,44,934	100.00	54,94,934	100.00

(iv) **Proposed time within which allotment will be completed:**

The allotment of the Warrants being issued on preferential basis is proposed to be made within fifteen days from the date of passing of the resolution by the Members, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

(v) **Identity of the proposed allottees and the percentage of post preferential issued capital that may be held by them**

<u>Identity of proposed allottees</u>	No. of equity shares to be allotted on conversion of warrants	Percentage of post issue equity capital
Promoters viz., Sri A Dinesh, his Associates, his family owned investment companies and companies under the same management Smt. A. Hemavathi Sri A. Dinesh Sri A. Rajesh Smt. A. Mrudula Smt. A. Savita Smt. Kamala Rajupet Sri Gopinath Rajupet M/s. Aquila Drilling Private Limited. M/s. IIC Technologies Private Limited M/s. Transducers & Controls Private Limited.	5,50,000	10.00%

M/s. PVRK Nageswara Rao & Co., Chartered Accountants, Hyderabad, the statutory auditors of the Company have certified that the preferential issues of Warrants proposed pursuant to the above resolutions are in accordance with the requirements contained in the Securities and

Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, and the said certificate will be laid before the Annual General Meeting. Copies of Memorandum & Articles of Association of the Company, the said Certificate and other documents in support of the resolutions shall be open for inspection to the desirous members of the Company on any working day up to the date of the Annual general meeting during normal business hours at the Registered Office of the Company.

None of the Directors other than Sri A Dinesh and A Rajesh are deemed to be concerned or interested in the above resolution.

Board of Directors recommend the resolution for the approval of Shareholders.

ITEM NO.8:

The Board of Directors in their Meeting held on 24th October 2006 have decided to take Mr. Ashwinder Behl as Additional Director in the Board.

Mr. Ashwinder Behl aged about 47 years is a Master in Business Administration from Case Western Reserve University, Cleveland Ohio with over two decades of rich and varied experience in the Oil Industry working with M/s. Premnath Diesels Private Limited. At present he is one of the Directors on the Board of Directors of the Company.

The Company will be benefited through the next few decades for its growth in India and abroad with the help of Mr. Ashwinder Behl.

Board of Directors recommend the resolution for the approval of Shareholders.

ITEM NO.9:

Under the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in the General meeting, borrow monies apart from temporary loans obtained from the Company's Bankers in the ordinary course of its business, in excess of its paid up capital and free reserves of the company, that is to say reserves not set apart for any specific purpose.

With the increasing activities of the Company by way of additional contracts, acquisition of Latest technology and machinery, there is necessity for the company to borrow from various sources so as to provide for additional funds as and when needed which may exceed the limit as stated above. Under the circumstances, the resolution incorporated in the Notice is recommended for your consideration and adoption.

None of the Directors are either directly or indirectly interested or concerned in the resolution.

ITEM NO.10:

The company is likely to get additional contracts during the current financial year 2006-07. This requires the company to raise term loans from various sources. At the Eighth Annual General Meeting of the company held on 28th August, 1995, the members passed an ordinary resolution thereby giving their consent under Section 293(1)(a) of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors, of all or any of the immovable and movable properties of the Company for securing any loans and/or advances already obtained or

that might be obtained within the overall borrowing limit of Rs.25 Crores, being the limit as was approved by an ordinary resolution passed pursuant to Section 293(1)(d) of the Companies Act, 1956 at the said Annual General Meeting. The said overall limit is proposed now to be increased to Rs.100 Crores as stated in Item No.9 above.

The ordinary resolution set out at Item 10 of the Notice of the Meeting is intended to give requisite authority under Section 293(1)(a) of the Act, to the Board upto the proposed enhanced limit of Rs.100 Crores.

Board recommends the above resolution for the adoption by the Shareholders.

None of the Directors are either directly or indirectly interested or concerned in the resolution.

By Order of the Board,

Place: Hyderabad
Date: 24th October, 2006

(A. DINESH)
Managing Director

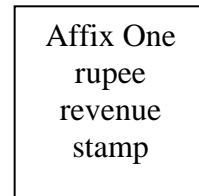
ALPHAGEO (INDIA) LIMITED

Regd. Off: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001 (AP)

PROXY FORM

I/We.....of
..... in the District of having Registered
Folo No..... being a member/members of the Company hereby appoint
..... Of As
my/our proxy at the Nineteenth Annual General Meeting of ALPHAGEO (INDIA) LIMITED
to be held on 18th December, 2006 at 11.00 a.m. at Sundarayya Vignana Kendram,
Baghlingampally, Hyderabad – 500044.

Signed this day of2006



- Note: 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Proxy form duly stamped and executed should reach the registered office of the company atleast 48 hours before the time fixed for the commencement of the meeting.
3. The member/proxy should bring the attendance slip sent herewith duly filled for attending the meeting and hand it over at the entrance duly signed by them.

ALPHAGEO (INDIA) LIMITED

Regd. Off: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001 (AP)

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

Name of the attending member(In Block Letters):

Member's Folio No:

DP ID/Client Id No:

Name of the proxy:

(In Block letters, to be filled in if the proxy attends instead of a member)

No.of Shares held:

I hereby record my presence at the Nineteenth Annual General Meeting of ALPHAGEO (INDIA) LIMITED to be held on 18th December, 2006 at 11.00 a.m. at Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500044.

** To be signed at the time of handing over this slip

Member/Proxy's signature **

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Nineteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2006.

FINANCIAL RESULTS:

	2005 –2006		2004 - 2005	
	Rs.	Rs.	Rs.	Rs.
Profit before				
Finance charges and				
Depreciation		11,69,29,899		7,08,60,152
Less: Finance Charges	1,29,71,907		47,37,839	
Depreciation	3,61,25,638		1,73,87,855	
		4,90,97,545		2,21,25,694
Profit before tax		6,78,32,354		4,87,34,458
Less: <u>Provision for Taxation</u>				
Current Tax	1,34,30,000		1,20,00,000	
Deferred Tax	11,22,708		39,91,951	
Income tax				
adjustments of earlier	1,03,89,163		36,835	
years	2,49,41,871		1,60,28,786	
Fringe benefit tax	6,70,000		--	
		2,56,11,871		1,60,28,786
Profit after tax		4,22,20,483		3,27,05,672
Add: Profit brought forward		3,94,72,037		1,24,04,256
		8,16,92,520		4,51,09,928
Less: Proposed Dividend	49,44,934		49,44,434	
Corporate Dividend				
Tax	6,93,528	56,38,462	6,93,457	56,37,891
Balance of Profit carried to		7,60,54,058		3,94,72,037
Balance Sheet				

ALPHA GEO (INDIA) LIMITED

OPERATIONS:

Your Directors wish to inform you that during the year under review, your company earned a gross income of Rs.2386.65 Lakhs on account of seismic surveys and other related services as against Rs.2309.65 Lakhs in the previous year.

Due to the improved performance during the year, your company earned a profit of Rs.1169.29 Lakhs (before providing for interest and depreciation of Rs.490.97 Lakhs) during the year as against Rs.708.60 Lakhs in the previous year.

During the financial year 2005-06, your company successfully completed the seismic data acquisition contract for Oil India Limited in their operational areas of Assam and Arunachal Pradesh. The contract was extended by an Additional volume of 221km (Rs.108 lakhs in value) and this was completed prior to the onset of the monsoon season beginning in June, 2006. Your company declined the offer made by Oil India Limited to extend the contract by another 100% (180LKM) as the rates and terms offered were not considered beneficial to the company.

Your company was awarded a milestone contract by Canoro Resources Limited for undertaking 2D and 3D seismic data acquisition. Your company successfully completed the execution of this contract during the third and fourth quarters of the year under review. The contracts were jointly valued at Rs.1702.24 Lakhs.

Your company, in strategic alliance with a US partner, has bagged two contracts from Oil India Limited for undertaking 3D seismic data acquisition and processing in their blocks in Assam and Arunachal Pradesh. These contracts are valued at US\$ 9.48 Mn (Rs.4316.33 lakhs) and commenced operations in the fourth quarter of the year under review. The operations under these contracts are scheduled to be completed by June, 2007.

Your company was also awarded a contract by Hindustan Oil Exploration Company Limited (HOECL) for under taking 2D seismic data acquisition in their block in Assam. The contract, valued at Rs.315.25 Lakhs, commenced in the last quarter of the year and was successfully completed by April, 2006.

Your Company also acquired a contract from Geopetrol International Inc., for carrying out 2D and 3D seismic data acquisition in a block in Arunachal Pradesh. The contract, valued at Rs.2801.65 Lakhs would commence operations from mid December, 2006 and the same is expected to be completed by June, 2008.

BUSINESS PLANS:

Your company is discussing modalities with a few private exploration companies operating in India for undertaking 2D and 3D seismic data acquisition. Your Company has also participated in bids for national oil companies – Oil India Limited and ONGC – for similar services in Gujarat, Assam, Mizoram, Tamilnadu etc. The evaluation of bids is in progress and the company is hopeful that some of them would materialize into contracts soon.

With the renewed thrust on exploration activities due to enhanced global crude oil prices and the invocation of regulations by the regulatory body to make seismic surveys mandatory for all exploration blocks awarded under NELP, the demand for your company's services is expected to keep growing. Your company is hopeful that they would be able to secure adequate clients and contracts during the coming years.

DIVIDEND:

Your Directors are pleased to recommend a dividend at Rs.1.00 per equity share for the financial year 2005-06 subject to the approval of the Members at the ensuing Annual General Meeting.

DIRECTORS:

Mr. A.Rajesh and Mr.S.Ravula Reddy Directors of the company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

DEPOSITS:

Your Directors have to report that there were no deposits at the year end which fell due but not paid .
ALPHA GEO (INDIA) LIMITED

AUDITORS:

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

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that

- (i) The applicable accounting standards have been followed in preparation of the annual accounts;
- (ii) The accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and its profit for the year ended on that date ;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and
- (iv) The annual accounts have been prepared on a going concern basis.

DISCLOSURE OF PARTICULARS:

Information as per the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure -I forming part of this report.

PARTICULARS OF EMPLOYEES:

The particulars of employees who was in receipt of remuneration of Rs.24.00 lakhs or more per annum if employed through out the year or Rs.2,00,000/- or more per month if employed for any part of the year are given in Annexure-II and forming part of this report.

ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation of the cooperation and support extended by the State Bank of India the Bankers of the Company and place on record their appreciation of the services rendered by all the employees of the Company.

For and on behalf of the Board

Hyderabad
30.08.2006

A.DINESH
Managing Director

ALPHAGEO (INDIA) LIMITED

ANNEXURE – I TO DIRECTORS REPORT

INFORMATION AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.

a.	Conservation of Energy	:	Not Applicable
b.	Technology absorption	:	NIL
c.	Research and Development	:	NIL
d.	Foreign exchange earnings: Seismic Survey and Other related Charges	:	Rs. 5,03,22,386/-

e. **Foreign exchange outgo towards :**

(i).	Travelling Expenses	:	Rs. 10,13,378/-
(ii).	Interest on Deposits (Net of TDS)	:	Rs. 14,96,179/-
(iii).	Stores and Spares	:	Rs. 8,92,240/-
(iv).	Computer Software and service charges	:	Rs. 2,39,819/-
(v).	Equipment	:	Rs. 41,35,83,180/-
(vi).	Dividend Remitted	:	Rs. 3,46,667/-

For and on behalf of the Board

Hyderabad
30.08.2006

A.DINESH
Managing Director

ANNEXURE - II

**INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ
WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

PARTICULARS

Employed throughout the year:

1. Name	:	ALLA DINESH
2. Designation	:	Managing Director
3. Age (Years)	:	41 Years
4. Qualification	:	M M S & M.Sc., (Maths) (Hons)
5. Date of Commencement of employment	:	21.08.1991
6. Experience	:	20 Years
7. Gross Remuneration	:	Rs. 35,71,014/-
8. Previous employment held	:	Director, Transducers and Controls Private Limited

NOTE: 1. Gross remuneration represents salary, commission and perquisites.

2. The appointment is contractual.

3. Sri. A Dinesh is related to Sri A Rajesh, one of the Directors of the Company.

For and on behalf of the Board

Hyderabad
30.08.2006

A.DINESH
Managing Director

ALPHAGEO (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Philosophy on Corporate Governance

The Board of Directors and Management of **ALPHAGEO (INDIA) LIMITED** believe in good Corporate Governance imbuing transparency, empowerment, accountability and integrity in its operations.

This philosophy is the guiding force in the functioning of the Company.

2. Board of Directors

I. The Board of Directors of the company as on March 31st, 2006 consisted of

a) Non Executive Directors

- i.) Mr. Z.P.Marshall - Independent Director
- ii.) Mr. B. R. Krishna - Independent Director
- iii.) Mr. S.Ravula Reddy - Independent Director
- iv.) Mr. P.K.Reddy - Independent Director (Alternate Director to Mr.S.Ravula Reddy)
- v.) Mr.A.Rajesh - Promoter - Director

b) Executive Director

- i.) Mr.A.Dinesh - Promoter – Director and Managing Director

II. Attendance at Board Meeting and Last Annual General Meeting and details of memberships of Directors in other Boards and Board Committees.;

Seven meetings of the Board were held during the financial year ended 31st March 2006 on 30th June 2005, 28th July 2005, 19th September 2005, 19th October 2005, 31st October 2005, 3rd November 2005 and 25th January 2006.

The last Annual General Meeting was held on 19th September, 2005

S. No.	Name of the Director	No. of Board Meetings attended	Whether attended last AGM	Memberships as on 31 st March, 2006	
				Other Boards	Board Committees
(i)	Mr .A. DINESH	6	Yes	---	--
(ii)	Mr. Z.P.MARSHALL	7	Yes	---	3
(iii)	Mr .A. RAJESH	3	No	3	3
(iv)	Mr .S. RAVULAREDDY	1	No	1	--
(v)	Mr. B. R. KRISHNA	7	Yes	---	3
(vi)	Mr. P.K.REDDY	6	Yes	2	1

ALPHAGEO (INDIA) LIMITED

3. BOARD LEVEL COMMITTEES

a) Audit Committee

I). Constitution: As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted as Sub-Committee to the Board.

II). Composition, Names of members and chairperson:

The Composition of the Audit Committee is as follows:

S. No.	Name	Category	Designation
1	Sri Z P Marshall	Independent Director	Chairman
2	Sri B R Krishna	Independent Director	Member
3	Sri A. Rajesh	Promoter- Director	Member

III). The Role of Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, if required, the replacement or removal of the statutory auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit findings.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Disclosure of any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
5. Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
6. Reviewing the company's financial and risk management policies.
7. 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.

ALPHAGEO (INDIA) LIMITED

8. It Shall Have Full Access to Information Contained in records of the company and external professional advice if necessary.
9. The recommendations of the audit committee on any matter relating to Financial Management including Audit Report shall be binding on the Board.
10. Reviewing the findings of any internal investigations by the internal auditors in to matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

iv) During the year under review, the Audit Committee met 4 times on 30th June 2005, 28th July 2005, 31st October 2005 and on 25th January 2006 and the members were present as given in the following table:

S.NO	NAME OF THE DIRECTOR	No. of meetings attended
1	Sri Z. P. Marshall , Chairman	4
2	Sri A. Rajesh	2
3	Sri B. R. Krishna	4

The meetings of the Audit Committee were also attended by the representatives of the Statutory Auditors as invitees. The Quarterly Financial Statements and Annual audited financial statements of the Company were reviewed by the Audit Committee before consideration and approval of the Board of Directors. The Audit Committee has access to all personnel of the company and also no personnel has denied access to the audit committee.

b) Remuneration Committee:

i) **Constitution:** The Remuneration Committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement. The Committee's objective is to evaluate compensation and other benefits for executive Directors subject to the approval of Board of Directors and members, wherever necessary.

ii). Composition, Names of Members and Chairperson:

The composition of the Remuneration Committee is as follows:

S. No.	Name	Category	Designation	Remarks
1	Sri Z P Marshall	Independent Director	Chairman	-
2	Sri B R Krishna	Independent Director	Member	-
3	Sri A. Rajesh	Promoter- Director	Member	-
4	Sri. P.K. Reddy	Independent – Director	Member	Appointed w.e.f 30.06.2005

As there was no proposal to change the Remuneration Policy of the Company during the year, the Committee has not met during the year.

ALPHAGEO (INDIA) LIMITED

iii) Remuneration Policy:

- a) Sitting fees of Rs. 2,000/- per meeting of the Board and Rs.500/- per meeting of the Audit Committee plus reimbursement of actual travel and out of pocket expenses incurred for attending such meetings will be paid non-executive directors.
- b) There is at present no other remuneration component payable to non-executive directors except sitting fees.
- c) The Executive Director is being remunerated as approved by the Members from time to time.

iv) The details of remuneration paid to the Directors for the year 2005- 2006 are:

- a) Non-executive Director(s):

	Name	Sitting fee (Rs.)	No. of Shares held as on 31.03.2006
(i)	Mr. Z.P.MARSHALL	16,000	NIL
(ii)	Mr.A. RAJESH	7,000	209567
(iii)	Mr. B.R.KRISHNA	16,000	NIL
(iv)	Mr. S. RAVULA REDDY	2,000	NIL
(v)	Mr .P.K.REDDY	12,000	NIL

- i) Executive Director (s) :

The details of remuneration to Mr.A.Dinesh, Managing Director for the year 2005-06 is:

S.No.	Particulars	Amount Rs.
1.	Salary and other allowances	8,16,774
2.	Perquisites	4,59,239
3.	Contribution to provident fund	98,013
4.	Commission	21,96,988
	Total	35,71,014

Note: The remuneration to the Managing Director for the year 2005-06 is as approved by members at the Annual General Meeting held on 28.09.2001.

c) Share Holders / Investors Grievance Committee:

- i) **Constitution:** The shareholders grievance committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement. The function of the committee is to specifically look into the redressal of investor's grievances pertaining to:

ALPHAGEO (INDIA) LIMITED

- a. transfer /transmission of shares
- b. dividends
- c. demat /remat of shares
- d. replacement of lost /stolen/mutilated share certificates
- e. non receipt of rights /bonus/split share certificates
- f. other related issues

ii) Composition, Names of Members And Chairperson :

The composition of the Shareholders/Investors Grievances Committee is as follows:

S. No.	Name	Category	Designation
1	Sri Z P Marshall	Independent Director	Chairman
2	Sri B R Krishna	Independent Director	Member
3	Sri A. Rajesh	Promoter - Director	Member

iii) Complaints / grievances received and attended:

The Company has received 22 complaints during the year and has taken necessary action for resolving the complaints. There was no pending share transfers unresolved from the companies end.

The shareholders grievance committee looks into the investor grievance and coordinates with the registrar and transfer agents, M/s Sathguru Management Consultants (P) Ltd. for redressal of grievances.

The shareholders grievance committee of the company met 24 times on 15.04.2005, 30.04.2005, 16.05.2005, 31.05.2005, 15.06.2005, 30.06.2005, 15.07.2005, 01.08.2005, 16.08.2005, 31.08.2005, 12.09.2005, 30.09.2005, 15.10.2005, 31.10.2005, 15.11.2005, 30.11.2005, 15.12.2005, 31.12.2005, 16.01.2006, 31.01.2006, 15.02.2006, 28.02.2006, 16.03.2006 and 27.03.2006 and was attended by all members of the committee.

4. Code of Conduct:

The Board at its meeting held on 30.06.2005 has adopted the code of conduct for all Board Members and Senior Management of the Company. The code is comprehensive in nature and applicable to all executive as well as non-executive directors and to the Senior Management of the Company.

The company is in the process of posting the code of conduct on its website.

The code has been circulated among the Directors and Senior Management and the compliance of the same has been affirmed by them.

The declaration of Managing Director is given below.

I here by declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct as adopted by the Board of Directors.	
Hyderabad 30.08.2006	A. Dinesh Managing Director

ALPHAGEO (INDIA) LIMITED

5. General Body Meetings

- a. Details of Location and Time of holding the last three Annual General Meetings.

Year	Location	Date and time
16 TH AGM	Sundarayya Vignana kendram Baghlingampally, Hyderabad.	19-09-03, 11:00 A.M
17 TH AGM	Sundarayya Vignana kendram Baghlingampally, Hyderabad	30-09-04, 11:00 A.M
18 TH AGM	Sundarayya Vignana kendram Baghlingampally, Hyderabad	19-09-05, 11:00 A.M

- b. No Special Resolutions have been passed at 16th and 17th Annual General Meeting of the Company. At 18th Annual General Meeting, a special resolution has been passed authorising the voluntary delisting of shares from The Madras Stock Exchange, The Hyderabad Stock Exchange and Delhi Stock Exchanges.
- c. There was no requirement of passing resolutions by way of postal ballot so far, since the company has not considered the matters which require passing of resolution through postal ballot, under the provisions of Companies Act 1956.

6. (i). Materially Significant Related Party Transactions:

The details of related Party transactions are given at item No. 8 of Schedule No. 20 Notes to Accounts for the year ended on 31st March 2006.

(ii) . Cases of non –compliance /penalties:

The Company has received a letter dated 29th November 2004 for violation of take over regulations 6(2), 6(4) and 8(3) and the company has replied to SEBI vide its letter dated 3rd January 2005.

However there have been no other instances of Non compliances, by the company on any matter related to capital markets during last 3 years.

(iii) Compliance of mandatory requirements:

The company is comply with mandatory requirements of clause 49 of the listing agreement and certificate from Mr. P.V.R.K NAGESWARA RAO & Co., Chartered Accountants, Auditors of the Company is given separately in this report.

(iv) Compliance with non-mandatory requirements of Clause 49:

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the Listing Agreement.

(a) Remuneration Committee:

The remuneration committee is in presence since 24.02.2003 and at present comprises of 3 non-executive independent directors and one non-executive promoter director of the company.

ALPHAGEO (INDIA) LIMITED

(b) Whistle blower policy:

The company is in the process of developing the whistle blower policy

(c) As on the date, the company has not adopted the other non mandatory requirements mentioned in Clause 49 of the listing agreement.

(v) Risk Management:

The company has been addressing various risks impacting the company. The policy of the company on risk management is provided in management discussion analysis report provided elsewhere in this annual report.

(vi) Management Discussion and Analysis

The Management Discussion and Analysis Report is included as a part of the Annual Report

(vii) CEO/CFO Certifications:

The required certification in pursuance of Clause 49 of listing agreement from Sri. A. Dinesh, Managing Director and Mr. S. Purushotham, Manager Finance & Accounts, who is looking after finance function of the company, is given at the end this report.

7. Means of Communication:

(i) The Quarterly, half- yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in prominent English and Telugu newspapers.

(ii) Website:

The Company is in the process of hosting its official website

(iii) Email id: info@alphageoindia.com

8. General Shareholder's information :

a. Annual General Meeting

DATE : 28.09.2006
TIME : 11.00 A.M
VENUE : SUNDARAYYA VIGNANA KENDRAM,
BAGH LINGAMPALLY, HYDERABAD

b. Financial Calendar for the year 2006-07 (tentative)

Results for Quarter ending June, 2006 - Last Week Of July, 2006
Results for Quarter ending September, 2006 - Last Week Of October, 2006
Results for Quarter ending December, 2006 - Last Week Of January, 2007
Results for Quarter ending March, 2007 - Last Week Of June, 2007

c. Book Closure Date

22.09.2006 to 28.09.2006 (both days inclusive)

d. Dividend payment date : on or before 27.10.2006

ALPHAGEO (INDIA) LIMITED

e. Listing of equity shares and stock code:

(i) The equity shares of the Company are listed at the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI- 400 001 and the listing fee for 2006-07 has already been paid.

ii) Stock Code- BSE SCRIP CODE – 526397

iii) ISIN – INE 137C01018

f. Stock Market Data- The Stock Exchange, Mumbai

The Stock Market data of shares of the Company and of the Exchange for the period from April, 2005 to March, 2006 is as given below:

Month	Share price		BSE Sensex	
	High	Low	High	Low
	Rs. Ps	Rs. Ps		
April, 2005	115.60	80.10	6,649.42	6,118.42
May, 2005	107.50	78.50	6,772.74	6,140.97
June, 2005	104.00	85.35	7,228.21	6,647.36
July, 2005	96.50	80.25	7,708.59	7,123.11
August, 2005	102.00	84.50	7,921.39	7,537.50
September, 2005	106.00	74.00	8,722.17	7,818.90
October, 2005	84.00	58.10	8,821.84	7,656.15
November, 2005	80.40	60.10	9,033.99	7,891.23
December, 2005	98.50	74.00	9,442.98	8,769.56
January, 2006	114.00	88.00	9,945.19	9,158.44
February, 2006	109.70	89.00	10,422.65	9,713.51
March, 2006	138.70	100.00	11,356.95	10,344.26

g. Depository Registrar and Transfer Agents

M/s Sathguru Management Consultants Pvt. Ltd. Plot No. 15, Hindi Nagar Colony, Behind Sri Sai Baba Temple, Punjagutta, Hyderabad – 500 034.

h. Share Transfer System:

The power to approve transfer of shares in physical form has been delegated by the Board to the Share Transfer Committee. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialisation of the physical shares. Physical shares are dematerialized and electronic credit is given to those shareholders who opt for dematerialisation and in respect of other shareholders who have not opted for dematerialisation, share certificates are dispatched by Registered post.

ALPHAGEO (INDIA) LIMITED

i. Distribution of Shareholding As On 31st March 2006.

No of shares	Shareholders		No of shares	
	Number	%	Number	%
UPTO 5000	6529	89.46	968468	19.59
5001-10000	355	4.86	303051	6.13
10001-20000	193	2.64	315018	6.37
20001-30000	71	0.97	185276	3.75
30001-40000	32	0.44	115740	2.34
40001-50000	30	0.41	142202	2.88
50001-100000	44	0.60	349436	7.07
100001 & above	44	0.60	2565743	51.89
TOTAL	7298	100.00	4944934	100.00

j. Pattern Of Shareholding As On 31st March 2006

Sl.No	Category	No of Share holders	No of shares	%
1.	Promoters	12	13,84,298	27.99
2.	Foreign promoters	1	3,46,667	7.01
3.	Financial Institutions & Banks	2	700	0.01
4.	Foreign Institutional Investors	2	3000	0.06
5.	Non-Resident Indians/OCBs	180	51,044	1.03
6.	Corporate Bodies	228	5,14,810	10.41
7.	Mutual Funds & UTI	9	14,100	0.29
8.	Others	6864	26,30,315	53.19
	Total	7298	49,44,934	100.00

k. Dematerialisation Of Shares And Liquidity

Shares of the company can be held and traded in Electronic form. SEBI has stipulated the shares of the company for compulsory delivery in dematerialized form only, by all investors from 21/10/2001; 70.19% of the shareholding have been dematerialized.

The Company 's depository registrar promptly intimates the DP in the event of any deficiency and the shareholder is also kept abreast. The pending demat requests in the records of the depositories, if any, are continually reviewed and appropriate action initiated. Shares of the Company are actively traded in the Stock Exchange, Mumbai and hence have liquidity.

l. Address For Correspondence

For all matters relating to Shares and Annual Reports

Mr. S. Purushotham
ALPHAGEO (INDIA) LIMITED
PLOT NO# 317/A, ROAD NO.12
M.L.A.COLONY,
BANJARA HILLS
HYDERABAD – 500 034

Tel: 040-23320502 / 503

ALPHAGEO (INDIA) LIMITED

CERTIFICATION OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To
The Board of Directors of
ALPHAGEO (INDIA) LIMITED

We, A. Dinesh, Managing Director and S. Purushotham, Manager, Finance & Accounts, to the best of our knowledge and belief, certify and state that:

- a. We have reviewed the balance sheet and profit and loss account and all its schedules and Notes on accounts as well as the cash flow statements and the directors' report and these statements / reports
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. together 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. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which 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 during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad
30.08.2006

A. Dinesh
Managing Director

S. Purushotham
Manager Finance & Accounts

C E R T I F I C A T E

To

The Members of
ALPHAGEO (INDIA) LIMITED

We have examined the compliance of the conditions of corporate governance by **ALPHAGEO (INDIA) LIMITED**, for the year ended on 31st March, 2007, as stipulated in clause 49 of the Listing Agreements of the said Company with Stock Exchange.

The compliance of the 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 the 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:

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

For P.V.R.K. NAGESWARA RAO & CO.,
Chartered Accountants

HYDERABAD
20.08.2007

P V R K NAGESWARA RAO
Partner
Membership No. 18840

AUDIT REPORT

To
The Members of
ALPHAGEO (INDIA) LIMITED

- 1 We have audited the attached Balance Sheet of **ALPHAGEO (INDIA) LIMITED** (“ the Company”) as at 31st March, 2006, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditors' Report) Order, 2003 (“ the Order”) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of these books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
 - v) On the basis of the written representations received from the directors, as on 31.03.2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 st March, 2006 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the notes and accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2006;
- b) in the case of Profit and Loss Account of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For P V R K NAGESWARA RAO & CO.,
Chartered Accountants**

**HYDERABAD
30.06.2006**

**P V R K NAGESWARA RAO
Partner
Membership No. 18840**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE
ON THE ACCOUNTS OF ALPHAGEO (INDIA) LIMITED FOR THE YEAR ENDED
31ST MARCH 2006**

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme designed to cover all the fixed assets on rotation basis. In respect of fixed assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification.
 - (c) In our opinion, the fixed assets disposed off during the year do not represent substantial part of fixed assets of the company, which will affect the going concern status of the Company.
- 2 (a) As explained to us, the inventories of the company have been physically verified at reasonable intervals during the year by the Management.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the books of account.
- 3 (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of Clause 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable to the Company.
 - (b) The Company has taken unsecured loan from five parties covered in the register maintained under section 301 of the Companies Act, 1956 to the extent of Rs. 187.55 Lakhs and repaid to two parties to the extent of Rs. 48.00 Lakhs.
 - (c) In our opinion the rate of interest and other terms and conditions of loans taken from five parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interests of the company.
 - (d) The Company is regular in repayment, where applicable, of principal amount and interest on unsecured loans taken from five parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of seismic survey and other related services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls with regard to purchase of inventory, fixed assets and for the sale of seismic survey and other related services.

- 5 (a) According to the information and explanations given to us and as confirmed by the Managing Director of the Company, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, in respect of deposits accepted from public, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable and no order has been issued by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal to the Company in this regard to be complied with.
- 7 As per the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- 9 (a) According to the records of the Company and as per the information and explanations given to us, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employee State Insurance, Investor Education and Protection Fund, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it except Income Tax, with appropriate authorities and in respect of these statutory dues, there are no outstanding dues as on 31.3.2006 which are outstanding for a period of more than six months from the date they become payable. The Company is not regular in depositing undisputed Income tax dues and the estimated arrears of undisputed dues representing advance income tax and advance fringe benefit tax payable for the year ended 31.3.2006 and the arrears as on 31.3.2006 is Rs. 48.75 Lakhs.
- (b) According to the records of the Company and as per the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute as on 31.3.2006.
- 10 As per the information and explanations given to us and on an overall examination of the financial statements of the company for the current and immediately preceding financial year, we report that the Company does not have any accumulated losses at the end of the current financial year nor incurred cash losses in the current and immediately preceding financial year.

- 11 According to records of the Company, during the year the Company has not defaulted in repayment of dues to financial institution or bank or debenture holders.
- 12 As per the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities to any body during the year.
- 13 In our opinion, as the Company is not a chit fund or a nidhi or mutual benefit fund or society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company for this year.
- 14 In our opinion, as the Company is not dealing in or trading in shares, securities, debentures and other investments, the provisions of Clause 4(xiv) of the Order are not applicable to the Company for this year.
- 15 As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or financial institutions.
- 16 According to the records of the Company the term loans raised during the year have been applied for the purposes for which they were raised.
- 17 As per the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, the funds raised on short term basis during the year have not been used for long term investment purposes.
- 18 As per the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year, which requires the creation of security or charge.
- 20 During the year the Company has not made any public issues for which the management has to disclose the end use of money raised through that public issue.
- 21 As per the representation given by the Company and relied on by us, no fraud on or by the Company has been noticed or reported during the year.

For P V R K NAGESWARA RAO & CO.,
Chartered Accountants

HYDERABAD
30.06.2006

P V R K NAGESWARA RAO
Partner
Membership No.18840

ALPHAGEO (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2006

	Schedule No.	As at 31st March, 2006		As at 31st March, 2005	
		Rs.	Rs.	Rs.	Rs.
<u>SOURCES OF FUNDS :</u>					
<u>SHAREHOLDERS' FUNDS :</u>					
Share Capital	1	49585340		49585340	
Reserves and Surplus	2	<u>166446558</u>	216031898	<u>129864537</u>	179449877
<u>LOAN FUNDS :</u>					
Secured Loans	3	281478482		10927278	
Unsecured Loans	4	<u>14955133</u>	296433615	<u>11725000</u>	22652278
DEFERRED TAX LIABILITY (NET)	5		31686776		30564068
TOTAL			<u>544152289</u>		<u>232666223</u>
<u>APPLICATION OF FUNDS :</u>					
<u>FIXED ASSETS :</u>					
Gross Block	6	681405926		256353141	
Less : Depreciation		<u>150257667</u>		<u>114132129</u>	
Net Block		531148259		142221012	
Capital work in progress		<u>99632</u>	531247891	<u>--</u>	142221012
<u>NET CURRENT ASSETS :</u>					
<u>CURRENT ASSETS,</u>					
<u>LOANS AND ADVANCES :</u>					
Inventories	7	1273470		217092	
Sundry Debtors	8	100105407		100659210	
Cash and Bank Balances	9	28621576		15910886	
Other Current Assets	10	518741		296705	
Loans and Advances	11	<u>6542700</u>		<u>4269753</u>	
		<u>137061894</u>		<u>121353646</u>	
<u>CURRENT LIABILITIES AND</u>					
<u>PROVISIONS:</u>					
CURRENT LIABILITIES	12	112335603		24465687	
PROVISIONS	13	<u>11821893</u>		<u>6442748</u>	
		<u>124157496</u>		<u>30908435</u>	
NET CURRENT ASSETS	(A-B)		12904398		90445211
TOTAL			<u>544152289</u>		<u>232666223</u>
SIGNIFICANT ACCOUNTING POLICIES	19				
NOTES TO ACCOUNTS	20				

Per Our Report of Even Date
For P.V.R.K.NAGESWARA RAO & CO.,
Chartered Accountants

Sd/-

Sd/-

Sd/-

HYDERABAD
24.10.2006

P.V.R.K.NAGESWARA RAO
PARTNER

Z.P.MARSHALL
DIRECTOR

A.DINESH
MANAGING DIRECTOR

ALPHAGEO (INDIA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

	Schedule No.	For the Year Ended 31st March, 2006	For the Year Ended 31st March, 2005
		Rs.	Rs.
I INCOME :			
Seismic Survey and other related service charges		238665270	230964712
Other Income	14	<u>5099007</u>	<u>4763459</u>
		<u>243764277</u>	<u>235728171</u>
II EXPENDITURE :			
Survey Expenses	15	103079639	140301380
Salaries, Wages and other allowances to staff	16	7970134	7019023
Other expenses	17	15784605	17547616
Finance Charges	18	12971907	4737839
Depreciation		36125638	17387855
		<u>175931923</u>	<u>186993713</u>
III PROFIT FOR THE YEAR		67832354	48734458
Less : <u>Provision for Taxation</u>			
- Current Tax		13430000	12000000
- Deferred Tax		1122708	3991951
- Income tax adjustments of earlier years.		<u>10389163</u>	36835
		24941871	16028786
- Fringe benefit tax		<u>670000</u>	--
		25611871	16028786
PROFIT AFTER TAX		42220483	32705672
Add: Profit brought forward from last year		<u>39472037</u>	<u>12404256</u>
		81692520	45109928
Less: <u>Transfer to:</u>			
Proposed Dividend		4944934	4944434
Corporate Dividend Tax		<u>693528</u>	<u>693457</u>
		5638462	5637891
Balance carried to Balance sheet		<u>76054058</u>	<u>39472037</u>
IV BASIC/DILUTED EARNINGS PER SHARE (Rs.)		8.54	6.61
Face Value of Share Rs.10/- each			
SIGNIFICANT ACCOUNTING POLICIES	19		
NOTES TO ACCOUNTS	20		

Per Our Report of Even Date
For P.V.R.K.NAGESWARA RAO & CO.,
Chartered Accountants
Sd/-

HYDERABAD 24.10.2006 P.V.R.K.NAGESWARA RAO
PARTNER

Sd/-
Z.P.MARSHALL
DIRECTOR

Sd/-
A.DINESH
MANAGING DIRECTOR

ALPHAGEO (INDIA) LIMITED

S.No.	SCHEDULES	As at 31st March, 2006		As at 31st March, 2005	
		Rs.	Rs.	Rs.	Rs.
1	<u>SHARE CAPITAL :</u>				
	<u>Authorised :</u>				
	75,00,000 Equity Shares of Rs.10/- each		75000000		75000000
	<u>Issued and Subscribed:</u>				
	49,56,334 Equity Shares of Rs.10/- each		49563340		49563340
	<u>Paid-up :</u>				
	49,44,934 Equity Shares of Rs.10/- each fully paid up		49449340		49449340
	(Of the above, 4,23,334/- Equity Shares have been allotted as fully paid-up shares by way of Bonus Shares)				
	Add : Forfeited shares		136000		136000
			<u>49585340</u>		<u>49585340</u>
2	<u>RESERVES AND SURPLUS :</u>				
	Share Premium		80392500		80392500
	General Reserve		10000000		10000000
	Profit and Loss Account (SURPLUS)		76054058		39472037
			<u>166446558</u>		<u>129864537</u>
3	<u>SECURED LOANS :</u>				
	<u>Term Loans :</u>				
	From State Bank of India: (Secured by hypothecation of fixed assets of the Company and guaranteed by two Directors of the Company)		281350588		10306000
	From ICICI Bank Ltd (Secured by hypothecation of relevant vehicle acquired against the loan)		127894		621278
			<u>281478482</u>		<u>10927278</u>
4	<u>UNSECURED LOANS:</u>				
	From Public		14955133		11725000
			<u>14955133</u>		<u>11725000</u>
5	<u>DEFERRED TAX LIABILITY (NET) :</u>				
	Balance brought forward		30564068		26572117
	Add : Adjustments for the year (Refer Note No.12 of Schedule 20 of Notes to Accounts)		1122708		3991951
			<u>31686776</u>		<u>30564068</u>
6	<u>FIXED ASSETS :</u> Enclosed				
7	<u>INVENTORIES :</u>				
	(As taken, valued and certified by the Management)				
	Stores and Spares : At cost		1273470		217092
			<u>1273470</u>		<u>217092</u>

ALPHAGEO (INDIA) LIMITED

S.No.	SCHEDULES	As at		As at	
		31st March, 2006		31st March, 2005	
		Rs.	Rs.	Rs.	Rs.
8	<u>SUNDRY DEBTORS :</u> (Unsecured, Considered Good) Outstanding for a period exceeding Six months Others		5058677 95046730 <u>100105407</u>		15715791 84943419 <u>100659210</u>
9	<u>CASH AND BANK BALANCES :</u> Cash on hand <u>Cash at Scheduled Banks :</u> In Current Accounts In Term deposit accounts (Out of the above deposits of Rs.16443657/- (Previous year 5964306/-) have been pledged towards guarantees issued by Bank)		513289 9279188 18829099 <u>28621576</u>		249672 7424028 8237186 <u>15910886</u>
10	<u>OTHER CURRENT ASSETS :</u> Interest accrued on Deposits		518741		296705
11	<u>LOANS AND ADVANCES :</u> (Unsecured, considered good, recoverable in cash or in kind for value to be received) Deposits recoverable Prepaid expenses Other Advances and Receivables Prepaid Taxes (Net of Provision)		1552020 4348215 642465 -- <u>6542700</u>		374409 985944 496278 2413122 <u>4269753</u>
12	<u>CURRENT LIABILITIES:</u> <u>Sundry Creditors for Capital works:</u> Small Scale Industrial Undertakings Others <u>Sundry Creditors:</u> Small Scale Industrial Undertakings Others Advances from Customers Interest accrued but not due Unclaimed Dividend (Note: There is no amount due and outstanding to be credited to Investor Education and Protection Fund)	-- <u>53276739</u>	53276739	-- 10474 <u>22284322</u>	10474 22284322 -- 2170891 -- <u>24465687</u>
13	<u>PROVISIONS:</u> Provision for gratuity and earned leave encashment Provision for Fringe benefit tax (Net of Tax paid) Provision for Income Tax (Net of Tax paid) Proposed Dividend Corporate Dividend Tax		1308456 249250 4625725 4944934 693528 <u>11821893</u>		804857 -- -- 4944434 693457 <u>6442748</u>

ALPHAGEO (INDIA) LIMITED

6. FIXED ASSETS

SL. NO.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS AT 01.04.2005	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL COST AS AT 31.03.2006	UPTO 31.03.2005	FOR THE YEAR	ON DEDUCTIONS	UPTO 31.03.2006	AS AT 31.03.2006	AS AT 31.03.2005
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	PLANT AND MACHINERY	240129136	421812355	100	661941391	103601160	35095076	100	138696136	523245255	136527976
2	ELECTRICAL FITTINGS	16876	-	-	16876	13714	482	-	14196	2680	3162
3	OTHER EQUIPMENT	2168318	2537890	-	4706208	696340	217162	-	913502	3792706	1471978
4	FURNITURE AND FIXTURES	823657	-	-	823657	671611	33706	-	705317	118340	152046
5	VEHICLES	8958973	-	-	8958973	7216647	317328	-	7533975	1424998	1742326
6	DATA PROCESSING EQUIPMENT	3051127	702640	-	3753767	1846878	347404	-	2194282	1559485	1204249
7	<u>ASSETS ACQUIRED UNDER FINANCE LEASE:</u> VEHICLES	1205054	-	-	1205054	85779	114480	-	200259	1004795	1119275
	TOTAL	<u>256353141</u>	<u>425052885</u>	<u>100</u>	<u>681405926</u>	<u>114132129</u>	<u>36125638</u>	<u>100</u>	<u>150257667</u>	<u>531148259</u>	<u>142221012</u>
	PREVIOUS YEAR TOTAL	<u>238995229</u>	<u>17813761</u>	<u>455849</u>	<u>256353141</u>	<u>97172148</u>	<u>17387855</u>	<u>427874</u>	<u>114132129</u>	<u>142221012</u>	<u>141823081</u>

ALPHAGEO (INDIA) LIMITED

S.No.	SCHEDULES	For the Year ended 31st March, 2006 Rs.	For the Year ended 31st March, 2005 Rs.
14	<u>OTHER INCOME :</u>		
	Interest earned (Gross)	1431983	1217971
	(TDS of Rs.3,09,761/-.(Previous year Rs.2,24,313/-)		
	Profit on Sale of assets	36100	52866
	Gain on Foreign Exchange fluctuation	-	1426228
	Machinery Hire Charges	1885536	160000
	Miscellaneous Income	1745388	1906394
		<u>5099007</u>	<u>4763459</u>
15	<u>SURVEY EXPENSES:</u>		
	Stores Consumed	7584332	6494746
	Labour Charges	16618471	9417259
	Survey and Drilling charges	53845650	47518973
	Fuel	4446201	13213945
	Equipment Hire Charges	248900	28401383
	Vehicle Hire charges	5367945	8072709
	Technical Consultancy Charges	1284301	2917271
	Repairs and Maintenance to Machinery	1178176	6956870
	Camp Rental Charges	437950	455765
	Camp Expenses	10738142	7562869
	Transport and Handling Charges	1239251	8750226
	Other Survey Expenses	90320	539364
		<u>103079639</u>	<u>140301380</u>
16	<u>SALARIES, WAGES AND OTHER ALLOWANCES TO STAFF:</u>		
	Salaries, Wages and other benefits to staff	7466437	6493117
	Contribution to Provident Fund and ESI	327829	362372
	Workmen and Staff Welfare expenses	175868	163534
		<u>7970134</u>	<u>7019023</u>
17	<u>OTHER EXPENSES</u>		
	Managerial Remuneration	3571014	2564928
	Directors' Sitting Fee	53000	51500
	Rent	560100	574400
	Printing and Stationery	714143	616646
	Communication Expenses	784440	783122
	Travelling and Conveyance	4629159	3329918

ALPHAGEO (INDIA) LIMITED

S.No.	SCHEDULES	For the	
		Year ended	Year ended
		31st March, 2006	31st March, 2005
		Rs.	Rs.
	Payment to Auditors	262100	198670
	Legal and Professional Charges	129024	118961
	Insurance	1454469	1421744
	Advertisement	153307	246572
	Software Expenses	420295	411598
	Taxes and licences	534640	741815
	Repairs and Maintenance to Other Assets	266473	101869
	Vehicle Maintenance	436593	392067
	Donations	65931	121469
	General Expenses	1499342	1554286
	Loss on Forex Fluctuations	109505	
	Assets discarded	-	541
	Bad debts written off	141070	15988943
	Less: Provision for bad and doubtful debts written back	- 141070	11671433 4317510
	Advances not recoverable written off	-	5064540
	Less: Provision for bad and doubtful advances written back	- -	5064540 -
		<u>15784605</u>	<u>17547616</u>
18	<u>FINANCE CHARGES :</u>		
	Interest on Fixed Loans	5233172	1920403
	Interest to others	2159292	1784778
	Bank charges and commission	5579443	1032658
		<u>12971907</u>	<u>4737839</u>

ALPHAGEO (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

	For the year ended 31st March' 2006		For the year ended 31st March' 2005	
	Rs.	Rs.	Rs.	Rs.
I. <u>CASH FLOW FROM OPERATING ACTIVITIES :</u>				
Net Profit Before Tax		67832354		48734458
<u>Add/Less: Adjustments for :</u>				
Depreciation	36125638		17387855	
Interest Earned	(1431983)		(1217971)	
Interest Paid	7392464		3705181	
Loss / (Gain) on Foreign Exchange Fluctuations	109505		(1426228)	
Provision for Doubtful Debts written back	-		(11671433)	
Assets Discarded	-		541	
Advances not recoverable written off	-		5064540	
Provision for bad and doubtful advances written back	-		(5064540)	
Bad Debts written off	141070		15988943	
(Profit) on Sale of Assets	(36100)	42300594	(52866)	22714022
Operating Profit Before Working Capital Changes		110132948		71448480
<u>Less: Adjustments for Working Capital Changes:</u>				
Trade and Other Receivables	(14995303)		(39984991)	
Inventories	(1056378)		1278779	
Trade Payables	33494278	17442597	7688626	(31017586)
Cash generated from Operations		127575545		40430894
Less: Direct Taxes Paid		17201066		13522759
Net Cash Flow from Operating Activities	I	<u>110374479</u>		<u>26908135</u>
II. <u>CASH (USED IN) INVESTING ACTIVITIES :</u>				
Purchase of Fixed Assets		(367856081)		(17813761)
Sale of Fixed Assets		36100		80300
Interest Received		1209947		1102379
Net Cash Used in Investing Activities	II	<u>(366610034)</u>		<u>(16631082)</u>
III. <u>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES:</u>				
Dividend paid		(4944434)		-
Corporate Dividend Tax paid		(693457)		-
Proceeds from Long Term Borrowings		272450136		974000
Repayments of Long Term Borrowings		(1898932)		(7876007)
Proceeds from Short Term Borrowings		7800000		-
Repayment of Short Term Borrowings		(4800000)		-
Interest Paid		(9809663)		(2891338)
Net Cash Flow from / (Used in) Financing Activities		<u>258103650</u>		<u>(9793345)</u>

ALPHAGEO (INDIA) LIMITED

	For the year ended 31st March, 2006		For the year ended 31st March, 2005	
	Rs.	Rs.	Rs.	Rs.
IV. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III)		1868095		483708
V. Foreign Exchange Gain		<u>120628</u>		<u>1300268</u>
Total Increase in Cash and Cash Equivalents		1988723		1783976
VI. Cash and Cash equivalents as at beginning of the year		9946580		8162604
VII. Cash and cash equivalents as at end of the year **		<u><u>11935303</u></u>		<u><u>9946580</u></u>

** Note : <u>Cash and Cash Equivalents as at end of the year :</u>	<u>2005-06</u>	<u>2004-05</u>
Cash and Bank balances as per Balance Sheet	28621576	15910886
Less : Deposits pledged towards margin money against bank guarantees and other designated accounts dealt in operating activity	16686273	5964306
	<u><u>11935303</u></u>	<u><u>9946580</u></u>

- 1 The above cash flow statement has been prepared pursuant to Clause 32 of Listing Agreements with Stock Exchanges and under the indirect method set out in AS-3 issued by the institute of Chartered Accounts of India.
- 2 Significant Accounting Policies (Schedule 19) and other Notes to Accounts (Schedule 20) form an integral part of the Cash Flow Statement.
- 3 Previous year figures have been regrouped/reclassified to confirm to current year classification

For and on behalf of the Board

Per Our Report of Even Date
For P.V.R.K.NAGESWARA RAO &CO.
Chartered Accountants

HYDERABAD
30.06.2006

P.V.R.K. NAGESWARA RAO
PARTNER

Z.P.MARSHALL
DIRECTOR

A.DINESH
MANAGING DIRECTOR

ALPHAGEO (INDIA) LIMITED

19. SIGNIFICANT ACCOUNTING POLICIES:

a. FIXED ASSETS AND DEPRECIATION:

- i) Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties and taxes and incidental expenses related to acquisition.
- ii) Gain or loss on translation and reduced gain or loss on foreign exchange transactions in respect of liabilities incurred to acquire fixed assets are adjusted to carrying cost of fixed assets.
- iii) Depreciation on Fixed Assets is being provided under Straight Line Method prorata at the rates mentioned below:
 - a) Machinery in the nature of Hydraulic Man Portable Drilling Rigs and MRX Boxes @31.67% per annum.
 - b) Machinery in the nature of Geophone strings and cables @ 19.00% per annum.
 - c) Machinery in the nature equipment used for 3D Seismic Survey @ 19.00% per annum
 - d) In case of all other assets at the rates specified in Schedule XIV of the Companies Act, 1956.

b. FOREIGN EXCHANGE TRANSACTIONS:

Transactions in foreign exchange, other than those covered by forward contracts, are accounted for at the exchange rate prevailing on the date of transactions. Assets and Liabilities remaining unsettled at the end of the year other than those covered by forward contracts are translated at the year end rates. Realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the Profit and Loss account. Gain or Loss on translation and reduced gain or loss in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying cost of fixed assets.

c. RETIREMENT BENEFITS:

- i) Accruing liability towards Gratuity of continuing employees is provided on the basis of actuarial valuation made by an independent actuary.
- ii) Contribution to provident fund and statutory funds are being accounted on accrual basis.
- iii) Liability towards Leave encashment benefits is provided in the books as per Company's rules on actual basis.

ALPHAGEO (INDIA) LIMITED

d. INVENTORIES:

- i. Cost of stores and spares is determined on the basis of First in First Out Method (FIFO).
- ii. Stationery, Medical, Mess and Stores Expenses are charged off to the revenue at the time of purchase.

e. PROPOSED DIVIDEND:

To provide for Dividend as proposed by the Directors in the books of account, pending approval at the Annual General Meeting.

f. TAXATION:

Tax Expense is the aggregate of current year income tax, deferred income tax and fringe benefits tax charged to the Profit and Loss Account for the year.

(i) Current year charge

The provision for taxation is made based on an estimate of assessable income determined by the company under the Income Tax Act, 1961.

(ii) Deferred Tax

Deferred Income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(iii) Fringe benefits Tax:

The Provision for fringe benefits tax has been made in respect of employee benefits and other specified expenses as per the provisions of Income Tax Act, 1961.

g. ACCOUNTING CONVENTION:

The financial statements are prepared under historical cost convention on an accrual basis.

ALPHAGEO (INDIA) LIMITED

20. NOTES TO ACCOUNTS

1. Previous year figures have been regrouped wherever necessary and the figures have been rounded off to the nearest rupee.
2. Contingent Liabilities:

	<u>2005-2006</u> Rs.	<u>2004-2005</u> Rs.
(i) Towards Guarantees issued by Bank	6,64,82,176	2,38,84,450
(ii) Towards claims not acknowledged as debts by the Company	4,87,387	4,87,397

3. There are no dues to the Small Scale Industrial undertakings as on 31.03.2006.
4. Expenditure under the following heads of account include prior period expenses as detailed below:

	<u>2005-2006</u> Rs.	<u>2004-2005</u> Rs.
Salaries, Wages and other benefits	-	7,500
Communication Expenses	-	9,161
Software Expenses	-	2,20,906
General Expenses	-	3,103
Bank Charges and Commission	-	940
	<hr/>	<hr/>
	-	2,41,610

5. Details of Payments to Auditors:

	<u>2005-2006</u> Rs.	<u>2004-2005</u> Rs.
As Auditors	100,000	80,000
For Tax Audit	50,000	30,000
For Income tax matters	50,000	25,000
For Other Services	59,000	57,620
Out of Pocket Expenses	3,100	6,050
	<hr/>	<hr/>
	2,62,100	1,98,670

6. Managerial Remuneration:

	<u>2005-2006</u> Rs.	<u>2004-2005</u> Rs.
(i) Managing Director's Remuneration:		
Salary and Allowances	8,16,774	7,56,774
Commission	21,96,988	12,73,132
Perquisites	4,59,239	4,44,209
Contribution to Provident Fund	98,013	90,813
	<hr/>	<hr/>
	35,71,014	25,64,928

ALPHAGEO (INDIA) LIMITED

(ii) Calculation of Commission :

Computation of Net Profit in accordance with Section 349 read with Section 198 of the Companies Act, 1956 with relevant details of calculation of commission payable by way of percentage of such profits to Managing Director for the year ending 31 st March, 2006:

	Rs.	Rs.
Profit as per Profit and Loss Account		6,78,32,354
Less : Profit on sale of Assets		36,100
Profits under section 349		6,77,96,254
Add : Managerial Remuneration	35,71,014	
Directors Sitting Fees	53,000	36,24,014
Profits under section 198		7,14,20,268
Commission being @ 5% of the above		35,71,014
Commission payable limited to		21,96,988

7. Segmental Reporting:

As the Company's business consists of one reportable business and geographical segment of Seismic Data Acquisition and its related services within India, no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities and Capital Employed are given.

8. As per Accounting Standards (AS-18) on Related Party disclosures issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party as defined in the Accounting Standard during the year are as given below:

(i) List of Related Parties with whom transactions have taken place and nature of relationships:

S.No	Name of the Party	Nature of Relationship
1	A.Dinesh	Key Management Personnel
2	Smt.A. Hemavathi	} Relatives of the Key Management Personnel
3	Sri R. Gopinath Reddy	
4	Smt A. Kamala	
5	Smt A.Savita	
5	Sri A. Rajesh	
6	Aquila Drilling Private Limited	Companies in which Relative of the Key Management Personnel has Substantial Interest
7	IIC Techonologies Private Limited	

ALPHAGEO (INDIA) LIMITED

(ii) Details of Transactions:

S. No	Nature of Relation/ Nature of Transactions	2005-2006		2004-2005	
		Amount of Transaction Rs.	Amount outstanding as on 31.03.2006 Rs.	Amount of Transaction Rs.	Amount outstanding as on 31.03.2005 Rs.
1	<u>Key Management Personnel:</u> Remuneration Interest On Deposit Acceptance Of Deposit Repayment Of Deposit	35,71,014 21,443 6,00,000 6,00,000	22,75,937 -- -- --	25,64,928 -- -- --	13,25,728 -- -- --
2	<u>Relatives of the Key Management Personnel:</u> Rent Acceptance of Deposits Repayment of Deposits Interest on Deposits Sitting Fees	86,400 20,00,000 NIL 20,25,845 7,000	-- 1,39,55,133 -- 37,53,984 --	74,400 - - 17,45,594 13,500	1,800 1,17,25,000 -- 21,70,891 --
3	<u>Companies in which Relative of the Key Management Personnel has Substantial Interest:</u> Drilling Charges Acceptance Of Deposit Repayment Of Deposit Interest On Deposit	4,03,08,406 42,00,000 42,00,000 55,069	1,29,90,020 -- -- --	3,04,64,435 -- -- --	38,02,451 -- -- --

9. Information on Leases as per Accounting Standard -19 on "Accounting for Leases":

- (i) The Company has various operating Leases for Equipments and for Office and other premises that are renewable on a periodic basis by mutual consent on mutually agreeable terms and cancellable at its option. Rental / lease expenses for operating leases recognised in the Profit and Loss Account for the year is Rs.8,09,000/- (Previous Year Rs.2,85,70,183/-)
- (ii) The Company has taken certain Vehicles under Finance lease under non-cancellable terms. The details of the leases are :

Nature of the Asset	Vehicles	
	2005-06 Rs.	2004-05 Rs.
Present Value of the Lease	1,27,894	6,21,278
Total outstanding Minimum Lease payments	1,28,655	6,43,275
- Not later than one year	1,28,655	5,14,620
- Later than one year and not later than five years	NIL	1,28,655
- Later than five years	NIL	NIL

ALPHAGEO (INDIA) LIMITED

10. Earnings per Share (EPS): - The Numerator and denominator used to calculate Earnings Per Share:

	2005-06	2004-05
	Rs.	Rs.
Profit attributable to Equity Shareholders (Rs.) (A)	4,22,20,483	3,27,05,672
Basic/Weighted average number of Equity share outstanding during the year (B)	49,44,934	49,44,934
Nominal Value of Equity Share (Rs.)	10	10/-
Earnings Per Share (Rs.) (A) / (B)	8.54	6.61

11. The movement of Provision for Deferred Tax for the year ended 31.03.2006 is as given below:

Particulars	As at 01.04.2005	Charges/ (Credit) For the year	As at 31.03.2006
	Rs.	Rs.	Rs.
<u>DEFERRED TAX LIABILITY:</u>			
a) Depreciation on Assets	3,08,14,153	(12,92,219)	3,21,06,372
TOTAL A:	3,08,14,153	(12,92,219)	3,21,06,372
<u>DEFERRED TAX ASSETS:</u>			
Expenses allowable on the basis of Payment	(2,50,085)	(1,69,511)	4,19,596
TOTAL B:	(2,50,085)	(1,69,511)	4,19,596
TOTAL (A-B)	3,05,64,068	11,22,708	3,16,86,776

12. Additional information pursuant to the provisions of part – II of Schedule VI of the Companies Act, 1956:

A. Details of Capacities and Production:

	<u>2005-2006</u>	<u>2004-2005</u>
Licenced Capacity	N.A	N.A
Installed Capacity:		
For 2D Seismic Survey	1400 GLK	1400 GLK
For 3D Seismic Survey	500 Sq.Kms	--
(As certified by the Management but not verified by the Auditors being technical matter)		
Actual Production:		
2D-Seismic Survey Operations	372.68 GLK	1395.86 GLK
3D-Seismic Survey Operations	114.45 Sq.kms	---

ALPHAGEO (INDIA) LIMITED

		<u>2005-2006</u>		<u>2004-2005</u>	
B.	Turnover:	<u>QTY</u>	<u>Amount</u>	<u>QTY</u>	<u>Amount</u>
			Rs.		Rs.
	2D Seismic Survey and Other Charges (GLK)	372.68	11,17,25,486	1395.86	19,63,60,805
	3D Seismic Survey and Other Charges (Sq.kms)	114.45	10,44,01,318	--	--
	Survey Related Service Charges	---	2,25,38,466	---	3,46,03,907
			-----		-----
			23,86,65,270		23,09,64,712
			=====		=====
C.	C.I.F. Value of Imports:		Rs.		Rs.
	Equipment		41,35,83,180		1,59,09,675
	Stores and Spares		8,92,240		45,50,578
	Computer Software and service charges		2,39,819		5,68,512
D.	Expenditure in Foreign currency: (On accrual basis)				
	Equipment Lease and Maintenance Charges (Net of TDS)		--		2,72,21,154
	Transport and Handling charges		--		45,28,569
	Technical Consultancy and Service charges (Net of TDS)		--		7,77,337
	Traveling Expenses		10,13,378		3,57,400
	Interest on Deposits (Net of TDS)		14,96,179		13,53,883
	Others		--		16,266
E.	Earnings in Foreign Exchange:				
	Seismic Survey and other related Services		5,03,22,386		19,63,60,805
F.	Remittance of Dividend in Foreign Currency::				
	No.of Shareholders		01		--
	No.of shares-held (Equity shares of Rs.10/- each)		3,46,667		--
	Amount of Dividend(Net of Tax)		3,46,667		--

13.Additional information pursuant to the provisions of Part-IV of the Schedule-VI of the Companies Act, 1956 is given in the Annexure.

Signatures to Schedules 1 to 20

Per Our Report of Even Date
For P.V.R.K. NAGESWARA RAO & CO.,
Chartered Accountants

HYDERABAD
30.06.2006

P.V.R.K. NAGESWARA RAO
PARTNER

Z.P.MARSHALL
DIRECTOR

A . DINESH
MANAGING DIRECTOR

ALPHAGEO (INDIA) LIMITED

ANNEXURE TO SCHEDULE 19 - NOTES TO ACCOUNTS:

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT, 1956:

(i) Registration Details		
Registration No.	:	7580
State Code	:	01
Balance Sheet Date	:	31.03.2006
(ii) Capital raised during the year		(Rs. '000)
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
(iii) Position of Mobilisation and Deployment of funds		
Total Liabilities	:	544152
Total Assets	:	544152
Sources of Funds:		
a) Paid up Capital	:	49585
b) Reserves & Surplus	:	166446
c) Secured Loans	:	281479
d) Unsecured Loans	:	14955
e) Deffered Tax Liability	:	31687
Application of Funds		
a) Net Fixed Assets	:	531248
b) Investments	:	NIL
c) Net Current Assets	:	12904
d) Miscellaneous Expenditure	:	NIL
e) Accumulated Losses	:	NIL
Performance of the company		
a) Turnover	:	243764
b) Total Expenditure	:	175932
c) Profit before tax	:	67832
d) Profit after tax	:	42220
e) Earnings per share (Rs.)	:	8.54
f) Dividend Rate (%)	:	10%
General Names of three Principal Products/services of Company		
a) Item Code	:	---
b) Product Description	:	SEISMIC SURVEY OPERATIONS AND SURVEY RELATED SERVICES