



ANNUAL REPORT 2010-11



Shiv-Vani Oil & Gas Exploration Services Limited

Zeal To Explore, Drive To Excel

Corporate information

Board of Directors Mr. Prem Singhee, *Chairman & Managing Director*
Mr. Prateep Kumar Lahiri
Mr. Om Prakash Garg
Capt. Hiteshi Chander Malik
Mr. Dwarka Das Daga
Mr. Rajneesh Gupta
Mr. Padam Singhee, *Joint Managing Director*

Chief Financial Officer Mr. Rajan Gupta

Company Secretary & Compliance Officer Mr. Vimal Chadha

Auditors M/s Vijay Prakash Gupta & Associates
Chartered Accountants

Bankers & Financial Institutions State Bank of India
ICICI Bank Limited
Punjab National Bank
Standard Chartered Bank
DBS Bank Limited
Life Insurance Corporation of India Limited
State Bank of Hyderabad
Yes Bank Limited
Bank of India
Union Bank of India
State Bank of Patiala
Corporation Bank Limited
United Bank of India
UCO Bank

Registrar & Share Transfer Agent Link Intime India Private Limited
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Contents

	Page No.
Directors' Report	1
Management Discussion and Analysis.....	9
Report on Corporate Governance	12
Auditors' Report	27
Balance Sheet	30
Profit & Loss Account	31
Schedules to	
- Balance Sheet.....	32
- Profit and Loss Account	36
Notes to Accounts.....	38
Cash Flow Statement	46
Balance Sheet Abstracts & Company's General Business Profile	48
Consolidated Financial Statements	49
Summarized Financial Statements of Subsidiaries.....	67

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 20th Annual Report on the business and operations together with the annual accounts of the Company for the financial year ended 31st March, 2011.

Consolidated Financial Highlights:

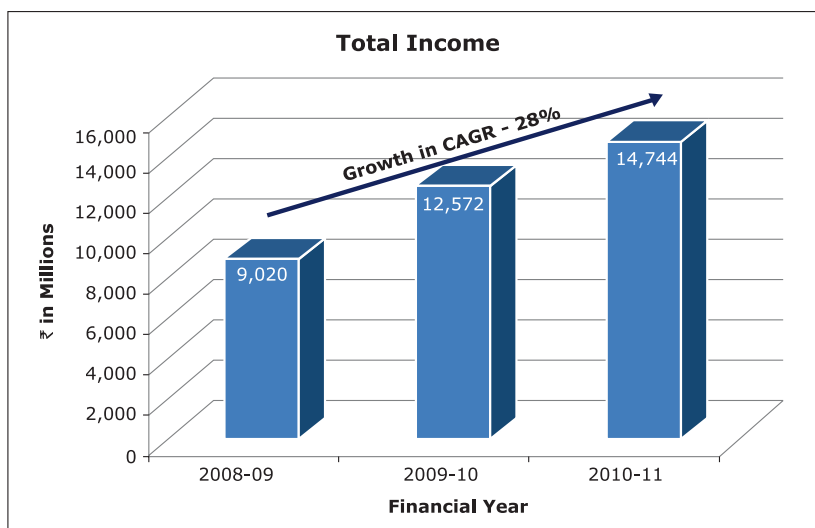
(₹ in Millions)

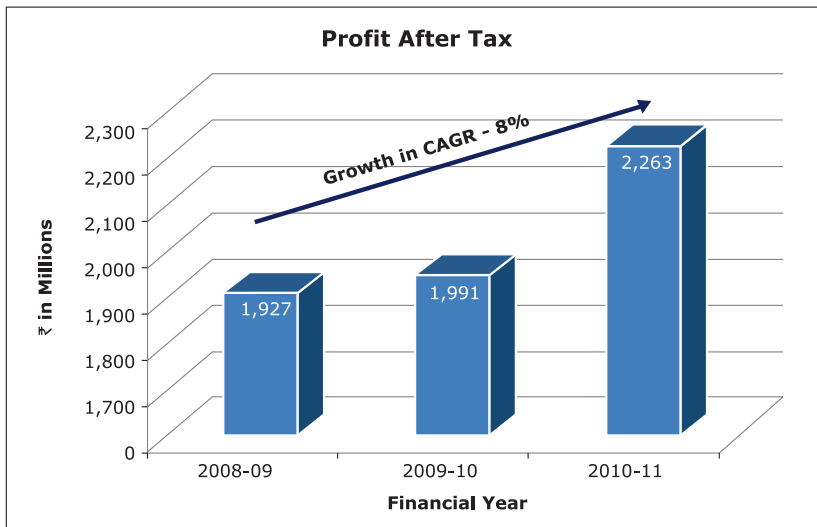
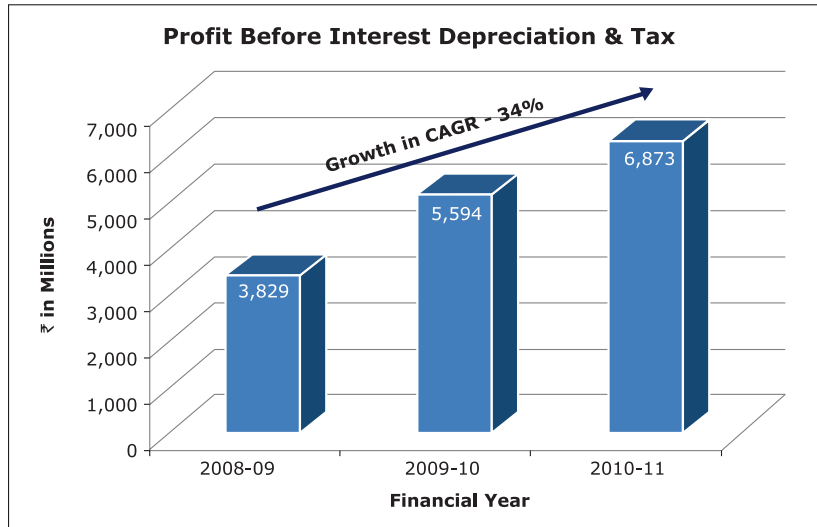
Particulars	FY 2010-11	FY 2009-10
Operating and Other Income	14,744.42	12,571.68
Profit before Interest, Depreciation and Taxation	6,872.86	5,593.97
Interest	2,584.74	1,920.44
Depreciation	1,570.17	1,071.61
Profit Before Taxation	2,717.95	2,601.92
Add: Prior Period Adjustments	8.59	-
Add: Minority Interest in Loss	0.01	0.01
Profit for the Year	2,726.55	2,601.93
Provision for Taxes:		
- Income Tax Relating To Earlier years	0.15	49.03
- Income Tax	191.78	274.87
- Deferred	363.56	441.76
- Mat Credit	(92.38)	(154.88)
Net Profit after tax	2,263.44	1,991.15
Add : Surplus as per Last Balance Sheet	5,970.88	4,092.70
Surplus available for appropriation	8,234.32	6,083.85
Appropriation:		
Transferred to General Reserve	100.00	50.00
Transferred to Legal Reserve	-	8.91
Proposed Dividend on Equity Shares	92.72	46.36
Dividend Distribution Tax on Proposed Dividend	15.04	7.70
Surplus carried forward to the next year	8,026.56	5,970.88
Total	8,234.32	6,083.85

On consolidated basis the operating income for the year under review grew by 16.77% at ₹ 14,619.83 millions against ₹ 12,520.09 millions in the previous year. Profit before tax has also increased from ₹ 2,601.92 millions in 2009-10 to ₹ 2,717.95 millions in 2010-11.

The consolidated net worth of the Company has increased from ₹ 11,581 millions to ₹ 13,706 millions while standalone net worth has also grown by ₹ 277 millions and reached at ₹ 9,356 millions as on 31st March 2011.

The comparison of the Company's performance for the last 3 years is shown in the following graphs:





Dividend

Your directors are pleased to recommend a dividend of ₹ 2/- per equity share of ₹ 10/- each (i.e. 20%) for the financial year 2010-11 (previous year it was 10%). The dividend, if approved at the ensuing Annual General Meeting, will be paid to those members whose names appear in the Register of Members as on 27th September, 2011 and in respect of shares held in dematerialized form it will be paid to the members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Limited as beneficial owners.

The dividend would be tax free in the hands of shareholders.

Review of Operations

Our business consists of wide range of integrated services including onshore E&P services ranging from seismic services, well drilling, work over operation, extraction of methane gas out of coal beds (CBM) to integrated well services with projects spread across over 36 sites in India and Oman (Middle East) providing cost and time advantage. Our total drilling / workover fleet consists of 40 Drilling Rigs, out of which 15 Rigs (14 brand new state of the art equipments) have capacity to drill wells up to a depth of 6000 meters, while one Rig of 3000 HP can drill up to 8000 meters. We also have 8 sets of Seismic equipments to carry out operations in varied terrains ranging from mountains to dense forests. Other than oil & gas service activities in Oman, substantially all of our revenues are derived from our business activities in India. As on 31st March, 2011, we have 33 operative sites throughout India.

During the year under review the Company has secured one contract from ONGC for engineering, construction and pre/post installation of Gas Gathering Station & Pipeline (10.50 KM of 10" diameter and 30 KM of 20" diameter) at Sonamura, Tripura. The work on the project has commenced during the current year.

In addition, during the year the Company has also started operations on its Seismic Contract in Transit Zone at KG Basin, Andhra Pradesh - a new line of operation. We are the only company in India, which is doing Seismic Data acquisition activity in Transit Zone by using own Marine Energy Source (Air Gun).

The detail of High capacity Drilling Rigs deployment chart is stated below:

S. No.	Location	No of Rigs Deployed	Capacity
1	Sibsagar (Asam)	1	3000 HP Rig
2	Sibsagar (Asam)	3	2000 HP Rig
3	Agartala (Tripura)	2	2000 HP Rig
4	Rajhamundry (AP)	2	2000 HP Rig
5	Ankleshwar (Gujrat)	2	2000 HP Rig
6	Duliajan (Asam)	2	2000 HP Rig
7	Jabalpur (MP)	1	2000 HP Rig
8	Duliajan (Asam)	2	1500 HP Rig

Fixed Deposits

During the period under review, your Company has not accepted any fixed deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 and hence no amount of principal or interest was outstanding on 31st March, 2011.

Change in Capital Structure

During the year under review there is no change in the authorized and paid up equity share capital of the Company. However, the Company has allotted Foreign Currency Convertible Bonds (FCCB) for USD 80,000,000, which has been listed on Singapore Stock Exchange. During the year under review the Company has also allotted 6% Redeemable, Secured, Optionally Convertible Debentures (OCD) amounting to ₹ 2,500 millions for a term not exceeding to 18 months.

Listing

The equity shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), while the FCCB are listed on Singapore Stock Exchange. The annual listing fee for the financial year 2010-11 has been paid to BSE & NSE both.

Directors

During the year, there was no change in the composition of the Board of Directors.

In accordance with the provisions of Section 255 and Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Prateep Kumar Lahiri and Mr. Rajneesh Gupta, the Directors of the Company, who retires by rotation, at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of the companies in which they hold directorship and membership/ Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement are provided in the Notice for ensuing Annual General Meeting.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is confirmed that:

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

- (i) In preparation of the annual accounts for the financial year 2010-11, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2010-11 and of the profit of the Company for the year under review;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts of the Company for the financial year ended 31st March, 2011 have been prepared on a going concern basis.

CEO / CFO Certification

Pursuant to the requirement of clause 49 of the Listing Agreement CEO and CFO certification is attached with Annual Report. CEO and CFO also submits their certificates while placing the financial results before the Board.

Code of conduct for Directors and senior management personnel

The code of conducts has been placed on the web site of the Company. All the directors and senior management personnel have affirmed the compliances with these codes during the financial year 2010-11.

Auditors and their Report

M/s Vijay Prakash Gupta & Associates, Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

M/s Vijay Prakash Gupta & Associates, Chartered Accountants have confirmed their eligibility and willingness to accept office of the Statutory Auditors of the Company for the financial year 2011-12, if re-appointed.

The Audit Committee and the Board of Directors recommend appointment of M/s Vijay Prakash Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2011-12 for shareholders approval.

The observations made in the Auditors' Report are self explanatory and do not call for any further clarifications.

Internal Control System

The Company has a proper and adequate Internal Control System devised through its extensive experience that ensures control over various functions of its business. These control systems ensures the timely and accurate recording of financial transactions and adherence to applicable accounting standards, proper utilization and safety of its assets, strict compliances with various corporate laws, regulations and management policies, effective management information system etc. Periodic audits conducted by Internal Auditors and Statutory Auditors provide means whereby any weakness, whether financial or otherwise, is identified and rectified in time.

Subsidiary Companies

The Company has nine subsidiaries as on March 31, 2011. During the year Shiv-Vani Energy Limited became the wholly owned subsidiary company. Out of these nine subsidiaries two are step down while seven are direct subsidiary companies.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Profit & Loss Account, Auditors' Report and other documents of our subsidiaries to our annual report. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February 2011 has provided an exemption to companies from complying with section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly, the financial statements and other documents of our subsidiaries are not being attached with the annual report 2010-11 of the Company. The audited annual accounts and other related documents & information of our subsidiaries, where applicable, will be made available for inspection during business hour at our registered office in New Delhi, India and the same will also be provided to any member of the Company who is interested in obtaining the same.

The consolidated financial statements, in terms of Clause 32 of the Listing Agreement and prepared in accordance with Accounting Standard 21 as specified in Companies (Accounting Standards) Rules, 2006 also form part of this annual report.

A statement in respect of each of the subsidiaries, giving the details of capital, reserves, total assets and liabilities, investments, turnover, profits, provision for taxation, proposed dividend, if any, etc. is attached to this annual report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement a detailed report on the Corporate Governance systems and practices of the Company are given in a separate section in this annual report. Additional information for the shareholders is provided in Additional Shareholders' Information section.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this report.

Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is presented separately forming part of this report.

Conservation of energy, technology, absorption and foreign exchange earnings and outgo

The particulars regarding conservation of energy, technology, absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars) in the Report of the Board of Directors Rules, 1988 are given in annexure-1 to this report.

Statement of Employees' Particulars

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in the annexure-2 to the this Report.

Investor Relations

As a part of compliance, the Company has an Investor Grievance Committee to redress the issues relating to investors. The details of the Committee are provided in the Corporate Governance Report forming part of the Annual Report.

Acknowledgement

Your Directors take this opportunity to thank the vendors, stakeholders including financial institutions, banks, Central & State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review.

Your Directors are thankful to the shareholders and customers for their continued patronage. Your Directors wish to place on record their appreciation for the significant contribution made by the employees at all levels.

For and on behalf of the Board
Shiv-Vani Oil & Gas Exploration Services Limited

New Delhi
August 31, 2011

(Prem Singhee)
Chairman & Managing Director

ANNEXURE - 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars required under Section 217(1)(e) of the Companies Act. 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are appended hereto and forms part of the report:-

(A) CONSERVATION OF ENERGY

Energy conservation is on going process and there is a continuous programme to create awareness at various sites and motivate the employees to conserve energy. The various measures taken by the Company are as under:-

1. Engines and motors have been replaced with efficient ones for the economic running.
2. Rigs are maintained properly to keep the fuel consumption minimal and efficient operations.
3. Energy consumption is controlled by locating the working crew closer to work spot by optimizing allocation of people on sites.

(B) TECHNOLOGY ABSORPTION

(a) RESEARCH & DEVELOPMENT

(i) Specific areas in which R & D carried out by the Company :

(a) Shot hole drilling machinery performance improvement

The Company owns a huge quantity of Jacro Rigs with accessories such as Mud Pumps etc for Shot hole drilling. The impeller of pumps is made of cast iron, leading to erosion of the blades very soon.

(b) Drill bit modification

The drill bits used for drilling hard surface has three blades, which is good for drilling in rocks. But most of the present operational area consists of semi hard soils thus clogs the drill bits and hence effectiveness of those bits with 3 blades reduces.

(ii) Benefits derived as a result of R & D

- (a) Our team of engineers and technicians developed SS impellers in our work shop which resulted in improvement of life of those impellers by 4 times
- (b) Our team of engineers with experiments found that drill bits with 2 blades are suitable for these types of soils and modified the three blade bits to two blade bits. The drilling time has been reduced by half.

(iii) Future Plan and Action

1. Presently in the hilly area lot of difficulties are faced to provide water for drilling, research are carried out to over come the problem using our own resources.
2. The sleeves of mud pumps are getting damaged very frequently, efforts is made to use different material for manufacture of sleeves to arrest the down time due to damage of sleeves.

(iv) Expenditure as R & D

Capital	:	Nil
Recurring	:	₹ 32.8 Millions
Total R & D Expenses	:	₹ 32.8 Millions
As a % of total turnover	:	0.22%

(b) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

(i) Efforts made towards technology, adaption & innovation

(a) Tractor mounted drilling rigs

The man portable Jacro rigs are quite heavy and requires around 10 persons to carry those and the prime movers being petrol engines the operational cost is also very high. The team of our

engineers with research developed a drilling rig which was installed on the tractor and draws power from PTO of tractor.

- (b) Mud Pumps have been modified to lift water to greater heights for drilling at high altitude.
- (ii) Benefits derived as a result of the above efforts e.g. productivity improvement, cost reduction, product development, import substitution etc.
- (a) Benefits derived as a result of above efforts: This development has reduced the operational cost by half and one rig drills 10 holes a day.
- (iii) In case of imported technology following information may be furnished : -
- (a) Technology : Nil
- (b) Year of Import : N/A
- (c) Has technology been fully absorbed : N/A
- (d) If not fully absorbed, areas where this has not taken place & reason & future plans of actions : N/A

(C) FOREIGN EXCHANGE EARNING & OUTGO

S. No.	Particulars	2010-11	2009-10
I	Foreign Exchange Earnings:		
	Contract Revenue	502,310,299	848,200,862
	Interest on FDR	31,080,614	-
	Other	-	24,391
	Total	533,390,913	848,225,253
II	Foreign Exchange Outgoings:		
	Rig Rental charges	1,993,740,729	908,794,730
	Interest:		
	-Capital nature	106,238,031	-
	-Others	133,222,633	112,471,059
	Professional Fees	93,915	8,121,041
	Travelling Expenses	5,825,618	5,588,184
	Telephone Expenses	-	9,440
	Repairs & Maintenance	1,197,678	18,956
	Annual Membership Fee & Subscription	291,366	297,598
	Business Promotion Expenses	467,250	-
	Listing Fee	843,250	-
	Contract Expenses	312,847,149	296,764,111
	Dividend	2,908,853	543,400
	FCCB Issue Expenses	77,496,050	-
		2,635,172,522	1,332,608,519

ANNEXURE 2

Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975

A. Employed for the full year and in receipt of remuneration more than ₹ 60 Lac per annum.

S. No.	Name of the Employee	Age	Designation	Gross Remuneration (In ₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Last employment & designation
1.	Prem Kumar Singhee	53	Chairman & Managing Director	20,049,143	B.Com	25	Since Incorporation	Partner M/s Perfect Tubewel Corp.
2.	Padam Singhee	47	Joint Managing Director	16,365,424	B.Com	21	11-Jan-90	N/A
3.	Praakash Kumar Chiman Lal Singhee	46	President	9,267,600	Graduate	18	1-Jul-08	Infotat International (Huston-USA)
4.	Md. Ripon Rashid	34	Directional Driller	9,756,000	B.E.(Electrical & Electronic)	10	01-Jun-09	M/s Sperry Drilling & Services

Notes:

- All appointments are contractual in nature. The terms and conditions of appointments are governed by Company's policy and rules.
- Remuneration comprises salary, allowances, monetary value of perquisites of actual cost as per Income Tax Act, 1956 (wherever applicable), commission paid, if any, and company's contribution to the Provident fund.
- There is no employee who is in receipt of remuneration in terms of the provisions of Section 217(2A)(a)(iii) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.
- None of the above employee except Mr. Prem Singhee, Padam Singhee and Mr. Prakaash Kumar Chiman Lal Singhee is relative of any director of the Company.

B. Employed for part of the year and in receipt of average remuneration above ₹ 5 Lac per month - Nil

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Scenario in India

The overall growth of gross domestic product (GDP) was 8.5 per cent in 2010-11, representing an increase from the revised growth of 8 per cent during 2009-10, according to the monthly economic report released for the month of July 2011 by the Ministry of Finance. The index of industrial production (IIP) rose to 8.8 per cent in June 2011, year-on-year (y-o-y), on back of manufacturing and within that, the capital goods sub-segment. During April-June 2011-12, the IIP growth was registered at 6.8 per cent as compared to 9.6 per cent during 2010-11.

The inflation situation in the economy continues to be a cause for concern. Despite large scale tightening of the monetary policy by the RBI and other steps taken by the Government, inflation continues to remain close to the double digit mark.

In May 2011, Whole sale Price Index (WPI) inflation stood at 9.1%. This is higher than 8.7% inflation recorded in April 2011. Core inflation too has moved up from 8% in April 2011 to 8.6% in May, 2011.

High international oil prices, likely decontrol of diesel prices, high global food prices and hike in minimum support prices for the upcoming agriculture season are some of the factors that constitute the upside risks to inflation.

Foreign Investments in 2010-2011 flows into India saw a dip of about 17% over the previous year. Further this dip is largely on account of a slowdown seen in case of FDI.

In 2009-10, the FDI inflows into India was US\$ 37.7 billion, in 2010-11 this figure came down to US\$ 27 billion. Sectors like services, construction, housing and real estate, telecommunication and agricultural services are the ones where investment flow have slowed down considerably.

In the fourth quarter of fiscal 2010-11, corporate India turned out a good performance both in terms of sales and profits. Such a performance is particularly noteworthy as it came at a time when overall expenses are going up at a fast slip.

Industry Scenario in India

Over the last decade (2000-09) oil and gas consumption in India grew at a 5% CAGR to reach to 184 million metric tonnes. This is projected to reach 368 mmt by 2025. To meet supply gaps, the Government of India is adopting new strategies for the resource characterization of varied energy inputs, and provides the best possible technological infrastructure to the industry involved in exploration and exploitation of conventional and non-conventional fossil fuels. Accordingly, the Government of India has enacted various policies (such as New Exploration Licensing Policy (NELP) and Coal-Bed Methane (CBM) Policy) to encourage investment across the industry's value chain. India's natural gas production is likely to increase to 63.23 BCM by 2011-12.

Coal bed methane, an unconventional source of natural gas from the coal beds is now considered as an alternative source for supplementing the country's energy resources. Earlier, in the absence of proper administrative, fiscal and legal regime, CBM Exploration and Production activities were confined to research and development only. The characteristic environmental, technical and economic advantages have made Coal Bed Methane not only an opportunity fuel in Combined Heat & Power (CHP) technology but also a global fuel of choice. India being the 4th largest proven coal reserves and being the third largest coal producer in the world holds significant prospects for commercial recovery of CBM.

The increasing energy 'demand vs supply' gap has also increased the focus on developing all other possible sources of energy. Unconventional gas resources, including shale gas has the potential to contribute significantly in reducing the gap between the demand and supply of energy. In terms of its chemical composition, shale gas is typically a dry gas primarily composed of methane. In January 2011, the Oil & Natural Gas Corporation (ONGC) has discovered the country's first shale gas reserve at Durgapur in Burdwan district of West Bengal. The gas reserve spread over 12,000 square km in the Durgapur-Ranigunj area - is the world's third shale gas find. As per the initial studies, many shale sequences in well explored basins are found to be promising like Damodar, Cambay, and Krishna Godavari and Cauvery basins. The potentiality of these basins was also vetted by international expert. As a part of the plan to bridge the energy deficit, India is ready to begin its foray into shale gas. India plans to open up the shale gas exploration acreages by the end of 2011. The recent MoU with USA on shale gas is likely to help in reserve assessment

of certain shale basins in India. Shiv-Vani being the leading private sector company in oil and gas field may look for the opportunity in shale gas exploration relating services.

OUTLOOK

The present scenario of rapidly increasing demand of CBM is highly encouraging. For the year 2006-2007 the demand was of 231 MMSCMD while the supply was only of 95 MMSCMD. During the year 2011-12 the supply of CBM is of 168 MMSCMD against the demand of 313 MMSCMD only and in the year 2024-25 supply would be 170 MMSCMD while demand is expected to grow upto 391 MMSCMD (DGH,2006).

NELP IX licensing round was announced in October 2010 which was closed in March 2011 with most blocks being awarded to local firms, particularly ONGC. With an increased exploration activity in India post NELP, we are likely to witness increased demand for oil and gas allied services in India, particularly given the focus on deep water blocks and frontier basins. As a result Indian service providers will be scaling up their activities and capabilities, enhancing their fleet size and widen their portfolio by offering different specialized services and developing their manpower. Some of the local players might also aim to offer their services to other E&P firm across the world. On the other hand, few overseas players are likely to find the market for their services in India continues to grow.

With the commencement of production from RIL's KG basin fields and the potential development of the discoveries announced by GSPC and ONGC, E&P sector is poised to see considerable activity in near future. This would mean an increased interest in exploring India's hydrocarbon potential by foreign players. However, the recent economic downturn as well as perceived government intervention on freedom to market gas could serve as a dampener. On the other hand, the promise offered by certain acreages, particularly off India's east coast, means that the prospects for the growth of the upstream sector remains bright with an expected positive spin-off effect on the provision of off-shore services. The Government has also shown positive intent in terms of monetizing.

Opportunities

1. Considerable seismic data acquisition and drilling of wells committed by NELP license awardees will result in new discoveries would trigger an additional requirement of drilling services, technology & other oilfield services and thus would provide additional business opportunities for oil field service providers. The Company having expertise to provide oilfield services like drilling, cementing, oil field management, seismic data acquisition and processing would have good opportunity and welcome to provide these services.
2. India could enhance the competitiveness of local industry through further liberalization and deregulation. Indian Government is eager to reform the banking sector to global crude oil prices.
3. Growing demand supply mismatch provide huge opportunities for investment in exploration and production of crude oil, natural gas and CBM.
4. Crude and refined product pipeline infrastructure across the country would need to grow as refinery capacities grow. Finding of gas in KG basin on the eastern coast is expected to be monetised between 2008 and 2011, for which additional pipeline investment is expected. This requirement of increase in the pipeline infrastructure in the country provide opportunities for the Company.

Risks & Threats

1. The oil industry is easily influenced by economic and political conditions worldwide. Demand shocks triggered as a result of such global economic crises viz Iran issue, can have huge impact on bottom lines.
2. Centralization of business with key customers mainly being PSUs are directly controlled by the government, change in the government or its policy relating to may affect us adversely.
3. Fluctuations in crude oil and natural gas prices may adversely affect the demand for our services.
4. Financial instability in other countries, particularly with emerging markets, could disrupt Indian markets and our business and cause the trading price of the shares and the bonds to decrease.
5. Indian Government policy relating to oil & gas sector could adversely affect our business.
6. Our business being capital intensive, the increase in interest rate may materially impact our business, results of operation and prospects.

Internal Control Systems And Their Adequacy

SHIV-VANI has in-built control systems in functional/ operational areas and the transactions/ processes are guided by delegation of powers and by documented policies, guideline and manuals. Its organizational structure is well-defined in terms of structured authority/ responsibility at particular levels of the hierarchy.

SHIV-VANI has an independent and a full fledged Internal Audit Department at the corporate office and internal audit wings at all the sites, which are staffed with qualified and experienced people who carry out audits at regular intervals. A summary of the Audit Observations and Action Taken Report are placed before the Audit Committee. The recommendations and directors of the Audit Committee are carried out accordingly.

Cautionary Statement

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statement being based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finished goods prices, changes in Government regulations and tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. **Company's Philosophy on Corporate Governance :** The Company's philosophy on Corporate Governance envisages attainment of high level of transparency, accountability and equity in all areas of its operations and interactions with customers, shareholders, investors, employees, government authorities and lenders.

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors is comprised of seven directors, of whom two directors viz. Mr. Prem Singhee and Mr. Padam Singhee are Executive Directors and remaining five directors viz. Mr. Prateep Kumar Lahiri, Mr. Om Prakash Garg, Captain Hiteshi Chander Malik, Mr. Rajneesh Gupta and Mr. Dwarka Das Daga are Non Executive and Independent Directors.

The Non executive directors are only entitled to sitting fees, within the limit prescribed by the Companies Act, 1956, for Meeting of Board of Directors of the Company or any committee thereof.

During the Financial Year ending on 31st March 2011, the constitution of Board of Directors of the Company was as follows:

Name of the Director	Category	Number of Directorships held in other Companies	Committee position in other Companies		Number of Equity Shares held
			Chairmanship	Membership	
Mr. Prem Singhee	Chairman & Managing Director Executive and Promoter Director	2	Nil	Nil	947,220
Mr. Prateep Kumar Lahiri	Independent Non-Executive Director	3	1	2	Nil
Mr. Dwarka Das Daga	Independent Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Om Prakash Garg	Independent Non-Executive Director	8	Nil	Nil	Nil
Captain Hiteshi Chander Malik	Independent Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Rajneesh Gupta	Independent Non-Executive Director	2	Nil	Nil	Nil
Mr. Padam Singhee	Joint Managing Director Executive and Promoter Director	2	Nil	Nil	797,448

Notes:

1. Pursuant to the Clause 49, other directorship of only public limited companies have been considered.
2. Except Mr. Prem Singhee (Chairman and Managing Director) and Mr. Padam Singhee (Joint Managing Director) remaining all other five Directors are liable to retire by rotation.
3. For the purpose of reckoning the limits regarding chairmanship / membership of committee of board, only two committees namely Audit Committee and Investors'/Shareholders' Grievance Committee have been considered pursuant to Clause 49.
4. None of Director of the Board is a Member of more than 10 Committees and holding the position of Chairmanship in more than five Committees.

(b) Board Meetings

During the financial year ended on 31st March 2011 the Board of Directors has met for six times i.e. on 13th May 2010, 13th August 2010, 1st September 2010, 12th November 2010, 24th December 2010 and 14th February 2011, wherein the difference between two board meeting does not exceeded 4 Months.

Dates of Board meetings are fixed in advance and agenda papers are circulated to Directors in advance containing all the relevant information's.

Attendance of Directors at Board Meetings and at the Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings attended		Whether attended the AGM held on 30th September 2010
	Held	Attended	
Mr. Prem Singhee	6	6	No
Mr. Prateep Kumar Lahiri	6	6	No
Mr. Dwarka Das Daga	6	6	Yes
Mr. Om Prakash Garg	6	6	No
Captain Hiteshi Chander Malik	6	6	No
Mr. Rajneesh Gupta	6	5	Yes
Mr. Padam Singhee	6	4	Yes

(c) Brief profile of the Directors proposed for re-appointment

- (i) Mr Prateep Kumar Lahiri is an independent Director of the Company. He is retired IAS of 1959 batch. He has more than 35 years experience of administration in the Indian Government and has held many prestigious positions in the administration. He has also held the position of Director in the Asian Development Bank during 1991 to 1995. He has also been Secretary to the Government of India, Ministry of Finance Department of Economic Affairs and Department of Revenue, Secretary to the Government of India, Ministry of Mines, Principal Secretary to the Government of Madhya Pradesh, Public Health and family Welfare Department, Joint Secretary to the Govt. of India, Ministry of Coal, Chairman of the Gwalior Development Authority and also served as Collector and District Magistrate in various district of Madhya Pradesh.

During his association as with Govt. of India as Secretary and Additional Secretary he has also acted as Govt. nominee Director on the Board of Coal India limited, Neyvell Lignite Corporation, Eastern Coal Fields Limited, Mineral Exploration Corporation Ltd, Hindustan Zinc Ltd, Bharat Gold Mines Ltd, Bharat earth Movers Ltd, British India Corporation and Elgin Mills Ltd.

- (ii) Mr Rajneesh Gupta is an Independent and non Executive Director. He joined Indian telecom Services in 1972 in the Department of Telecommunication, Govt. of India. He has rich experience of more than 35 years. In his various positions he has worked as Chairman & Managing Director of Mineral Exploration Corporation Ltd, under Ministry of Mines, Govt. of India and Managing Director, Bharat Gold Mines Limited. He has also been Director (Network) in Videsh Sanchar Nigam Limited, under Department of Telecommunication, Govt. of India. Mr. Rajneesh Gupta was also the Director Technical Education, Department of Education, Ministry of Human resource development, Govt. of India. During his above tenure in various positions his major responsibilities were general administration and implementation of policies.

Code of Conduct

In pursuance of Clause 49 of the Listing Agreement, the Board approved the `Code of Conduct for Board of Directors and Senior Management and the same was circulated and posted on the Company's website. The Directors and Senior Management personnel have given their declarations confirming compliance of provisions of above Code of Conduct.

3. COMMITTEES OF THE BOARD

(i) Audit Committee

The terms of reference of the Audit Committee include the powers and roles as set out in Clause 49 II (C) and Clause 49 II (D) of the Listing Agreement. Among others, the Audit Committee reviews related party transactions, internal control systems, financial statements and investments made by unlisted subsidiaries; use and application of funds raised through issue of shares, business plans; and Management Discussion and Analysis of financial condition and results of operations.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), the Board approved `Code of Conduct for Prevention of Insider Trading (Code) and authorized the Audit Committee to implement and monitor various requirements as set out in the Code.

Minutes of meetings of the Audit Committee are circulated to Members of the Committee for their approval in subsequent Meeting and to the Board of Directors for their noting.

(a) Composition

The Audit Committee has four members, out of which three are Independent Non-Executive Directors viz. Mr. Om Prakash Garg, Mr. Dwarka Das Daga, Capt. Hiteshi Chander Malik and Mr. Padam Singhee. Mr. Om Prakash Garg is the Chairman of the Committee.

(b) Attendance

During the Financial Year ended on 31st March 2011, the Directors of the Audit Committee has met five times on 14th May 2010, 13th August 2010, 1st September 2010, 12th November 2010 & 14th February 2011, composition of Audit Committee and attendance during the year were as under: -

Name of the Member	Designation in Committee	Status	No. of Meetings	
			Held	Attended
Mr. Om Prakash Garg,	Chairman	Independent Non-Executive Director	5	4
Captain Hiteshi Chander Malik	Member	Independent Non-Executive Director	5	5
Mr. Padam Singhee	Member	Executive and Promoter Director	5	3
Mr. Dwarka Das Daga	Member	Independent Non-Executive Director	5	5

All the members of the Audit Committee are financially literate with knowledge in Finance and Accounts.

The Business Heads, Head of Finance, Head of Internal Audit and Internal Auditors attend meetings of the Audit committee as invitees.

The Statutory Auditors remain present during discussion and review of quarterly results and annual accounts, as invitees in meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

(ii) Remuneration Committee**(a) Terms of reference**

1. To consider and approve remuneration/ compensation of managerial personnel of the Company as per the requirement of the Companies Act, 1956 and to perform such acts and assignments as may be assigned to the committee by the Board of Directors from time to time.
2. To work under the control & supervision of the Board of Directors.

(b) Composition

The Committee consists of three independent and non executive directors viz. Mr. Om Prakash Garg, Chairman, Capt. Hiteshi Chander Malik, Mr. Dwarka Das Daga and one executive Director Mr. Padam Singhee, Joint Managing Director of the Company. The Company Secretary acts as Secretary for the Committee.

Minutes of meetings of the Remuneration Committee are circulated to members of the Committee and the Board.

(c) Attendance

During the financial year ended on 31st March 2011, one meeting of the Remuneration Committee was held on 1st September 2010 which was attended by all the members.

(d) Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on periodical basis.

The remuneration policy is in consonance with the existing industry practice.

The tenure of office of the Chairman & Managing Director and Joint Managing Director is for certain period from their respective dates of appointment and can be terminated by either party by giving proper notice in writing.

The non-executive and independent directors are paid sitting fee at the rate of ₹ 10,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of the Committee thereof.

(Figures in ₹)

Name of the Director	Sitting Fees	Salary	Perquisites	Total
Mr. Prem Singhee	-	16,800,000	3,249,143	20,049,143
Mr. Padam Singhee	-	13,500,000	2,865,424	16,365,424
Mr. Dwarka Das Daga	150,000	-	-	-
Mr. Om Prakash Garg	130,000	-	-	-
Mr. Prateep Kumar Lahiri	60,000	-	-	-
Captain Hiteshi Chander Malik	160,000	-	-	-
Mr. Rajneesh Gupta	80,000	-	-	-

*None of non-executive directors do not hold any equity shares in the Company.

(iii) Shareholders/ Investors' Grievance Committee

(a) Terms of reference

- To consider and review the queries/complaints received from shareholders.
- To take steps to redress queries /complaints and ensure speedy satisfaction to shareholders/ investors.
- To perform such acts and assignments as may be assigned to the Committee by the Board of Directors from time to time.
- To work under the control & supervision of the Board of Directors.

(b) Composition

The Committee comprises of two non executive Directors viz. Capt. Hiteshi Chander Malik and Mr. Om Prakash Garg and one executive director viz. Mr. Padam Singhee, the Chairman of the Committee. The Company Secretary acts as a Secretary of the meeting and is also the Compliance Officer of the Company.

(c) Meeting and attendance during the year

During the financial year ending on 31st March 2011, three meetings of the Shareholders/ Investors' Grievance Committee were held on 29th June 2010, 30th September 2010 and 31st March 2011.

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Padam Singhee	Chairman	Executive and Promoter Director	2
Mr. Om Prakash Garg	Member	Independent Non-Executive Director	1
Captain Hiteshi Chander Malik	Member	Independent Non-Executive Director	3

(d) Shareholders' Complaints

During the year ended 31st March, 2011, only twenty three complaints were received from shareholders. All the complaints were attended promptly and resolved satisfactorily. No complaint was pending at the end of the year. Also no valid transfer/ transmission of shares were pending as on 31st March, 2011.

(iv) Share Transfer Committee**(a) Terms of reference**

- (i) To enquire into all matters relating to transfer of shares, transmission of shares and other matters relating to transfer of shares, dematerialization and re-materialisation of shares.
- (ii) To issue duplicate shares, replacement of torn out shares etc.

Minutes of meetings of the Share Transfer Committee are circulated to members of the Committee and the Board.

Company Secretary of the Company acts as the Secretary of the Share Transfer Committee Meetings.

(b) Composition

The Share Transfer Committee consists of three Members, viz. Mr. Padam Singhee, Executive & Promoter Director, Mr. Om Prakash Garg and Mr. Dwarka Das Daga, an Independent Non-Executive Director, and also the Chairman of the Committee.

(c) Attendance

During the financial year ended on 31st March 2011 twenty meetings of the Share Transfer Committee were held on (30/04/2010, 15/5/2010, 31/05/2010, 15/06/2010, 30/06/2010, 15/07/2010, 31/07/2010, 16/08/2010, 31/08/2010, 15/09/2010, 28/09/2010, 15/10/2010, 30/10/2010, 15/11/2010, 30/11/2010, 15/12/2010, 31/12/2010, 15/01/2011, 17/2/2011 and 16/3/2010).

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Dwarka Das Daga	Chairman	Independent Non-Executive Director	4
Mr. Padam Singhee	Member	Executive and Promoter Director	20
Mr. Om Prakash Garg	Member	Independent Non-Executive Director	16

(v) Other Committees

The Company is having following other Committees formed to speed up the routine matters and to comply with other statutory formalities: -

(i) Routine Transactions Committee**(a) Terms of reference**

Committee is empowered to do all such acts, things and deeds as may be considered necessary for carrying on ordinary course of business of the Company, including but not restricted to:

- (a) Applying for the tender in the name or on behalf of the Company;
- (b) Opening or closing of company's bank account(s);
- (c) Making application to or representation before any statutory, legislative or judicial authority or government department;
- (d) Appointment of agents or authorize any person to discharge their obligation(s) or duty(ies) or to exercise their right(s) and power.

Minutes of meetings of the Routine Transaction Committee are circulated to members of the Committee and the Board. The Company Secretary of the Company acts as the Secretary of the Routine Transaction Committee

(b) Composition

The Committee for routine transaction consists of three Members viz. Mr. Padam Singhee, Mr Prem Singhee and Mr Dwarka Das Daga, Directors and is chaired by Mr. Padam Singhee, Executive and Promoter Director of the Company.

(c) Attendance

During the financial year ended on 31st March 2011, eight meetings of the Routine Transaction Committee were held on 17/4/2010, 28/06/2010, 10/07/2010, 27/7/2010, 25/10/2010, 03/12/2010, 25/01/2011 and 08/02/2011.

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Padam Singhee	Chairman	Executive and Promoter Director	8
Mr. Prem Singhee	Member	Executive and Promoter Director	1
Mr. Dwarka Das Daga	Member	Independent Non-Executive Director	8

(ii) Allotment Committee

(a) Terms of Reference

- a. To discuss the terms of issuance of shares on Preferential basis;
- b. To issue and allot shares on preferential basis.

(b) Composition

The Committee consists of three directors viz. Mr. Padam Singhee, Mr. Rajneesh Gupta, Mr. Dwarka Das Daga, Capt. Hiteshi Chander Malik and Mr. Om Prakash Garg. The Company Secretary acts as a Secretary of the Company.

(c) Attendance

During the year ended 31st March, 2011, four meetings of the Committee were held on 8th July 2010, 16th July 2010, 12th August 2010 and 11th February, 2011.

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Padam Singhee	Chairman	Executive and Promoter Director	2
Capt. Hiteshi Chander Malik	Member	Independent Non-Executive Director	1
Mr. Rajneesh Gupta	Member	Independent Non-Executive Director	3
Mr. Dwarka Das Daga	Member	Independent Non-Executive Director	3
Mr. Om Prakash Garg	Member	Independent Non-Executive Director	1

4. GENERAL BODY MEETINGS

Details of the Annual General Meetings held in the last three years.

I. Annual General Meeting

Year	Date	Day	Time	Venue	Special Resolutions Passed
2010	30-09-2010	Thursday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	<ol style="list-style-type: none"> 1. Alternation of Articles of Association of the Company 2. To Increase the remuneration paid to Mr. Prakaash Singhee, President of the Company. 3. To Increase the remuneration paid to Mr. Mayank Singhee, son of Mr. Prem Singhee, Chairman & Managing Director of the Company.
2009	07-09-2009	Monday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	<ol style="list-style-type: none"> 1. Alternation of Article 3 of Articles of Association of the Company with respect to increase of Authorised Share Capital of the Company. 2. To enhance the limit of FFIs to invest in the Company from 24% to 49% of the paid up share capital.
2008	30-09-2008	Tuesday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	Nil

II. Extra - Ordinary General Meetings Held during FY 2010-11

Year	Date	Day	Time	Venue	Special Resolutions Passed
2011	27-01-2011	Thursday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	To Issue 2500 Secured Redeemable Optionally Convertible Debentures having face value of ₹ 1,000,000/- each, aggregating to ₹ 250 Crores to ICICI Bank Ltd. on preferential basis at convertible price of ₹575/- per Equity Shares.
2010	10-07-2010	Friday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	Further issuance of Shares for an amount not exceeding ₹ 600 Crores through depository receipts including ADR, GDR, FCCBs and or any other instrument or securities to any eligible persons including QIB (Qualified Institutional Buyer) including foreign institutional investors by way of QIP.

5. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel of the Company. All Board members and senior management have, on March 31, 2011 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CEO is annexed and forms part of the report.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the Financial Year ended on 31st March, 2011.

New Delhi
August 31, 2011

Prem Singhee
(Chairman & Managing Director)

6. CERTIFICATE FROM CEO AND CFO

To
The Board of Directors
Shiv-Vani Oil & Gas Exploration Services Limited
New Delhi,

We, Prem Singhee, Chairman and Managing Director and Rajan Gupta, Chief Financial Officer, of the Company do hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2011 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements 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) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we 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 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 or financial reporting.

Prem Singhee
(Chairman & Managing Director)
New Delhi
August 31, 2011

Rajan Gupta
(Chief Financial Officer)

7. DISCLOSURES

A. Related Party Transactions

The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interests of the Company and all the related party transactions (if any) has been

placed before Audit Committee from time to time. Further details in respect to related party transactions are fully stated in Clause I of Notes to Accounts of stand alone financials for the financial year 2010-11.

B. Whistle Blower Policy

The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. The existence of the mechanism has been appropriately communicated within the organization.

C. Risk Management

The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures has been periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

D. Secretarial Audit

Mr. D.P Gupta , an Independent Practicing Company Secretary (C. P. 1509) carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of shares held in physical form and in dematerialized form held with NSDL and CDSL.

E. Compliance by the Company

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

The Company has complied with all the mandatory requirements and has endeavoring to incorporate non-mandatory requirements to ensure better corporate governance and transparency in the functioning of the Company's management such as:

1. Company is moving toward the regime of unqualified financial statement.
2. Company has established and encouraged whistle blower policy in order to discourage, prevent and detect fraud and other material irregularities.
3. The remuneration committee has been empowered to take decisions independently and according to the remuneration policy of the Company to commensurate the remuneration of a director with his/ her performance and contribution in the growth and prosperity of Company.

8. MEANS OF COMMUNICATION

1. At present, Quarterly Financial results are sent to National Stock Exchange of India Limited and Bombay Stock Exchange Limited as per the requirement of Listing Agreement but are not sent to each of shareholder separately.
2. Quarterly Results and other notices issued by the company to its shareholder are normally published in following news papers:
 - a. The Economics Times (English);
 - b. Navbharat Times (Hindi)
 - c. Financial Express (English)
 - d. Jansatta (Hindi);
3. Quarterly results, shareholding pattern, notices and other relevant information's are displayed on Company's website at www.shiv-vani.com and www.shiv-vani.co.in
4. Management Discussion and analysis report forms part of this annual report.

9. GENERAL SHAREHOLDERS INFORMATION

(i) 20th Annual General Meeting

The 20th Annual General Meeting shall be held as under

Day	: Thursday
Date	: 29th September 2011.
Time	: 12.00 Noon
Venue	: Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061

(ii) Financial Year

Financial Year of Company is of 12 Months, commencing from 1st April of a calendar year to 31 March of subsequent calendar year

(iii) Financial Calendar (April 1 to March 31)

For the Year Ended March 31, 2011, results were announced on:

- First quarter – 13th August 2010.
- Second quarter – 12th November 2010
- Third quarter – 14th February 2011
- Fourth quarter – 13th May 2011
- Annual – 31st August 2011

(iv) Book Closure Dates

For the purpose of payment of dividend the book closure dates are from Wednesday, 28th September 2011 to Thursday, 29th September 2011 (both days inclusive).

(v) Dividend Payment Date

The Board of Directors of the Company in their meeting held on 31st August, 2011 has recommend the dividend of ₹ 2/- per Equity Share (Face Value of ₹ 10/- each) in the Company, which is subject to approval of members of the Company at the ensuing Annual General Meeting. The same, if approved by the members, will be paid on and after 29th September 2011.

(vi) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The annual listing fees for the year 2010-11 have been paid.

Stock Code

Bombay Stock Exchange Limited	-	522175
National Stock Exchange of India Limited	-	SHIV-VANI
ISIN No.	-	INE756B01017

(vii) History of Equity Capital of the Company Since incorporation

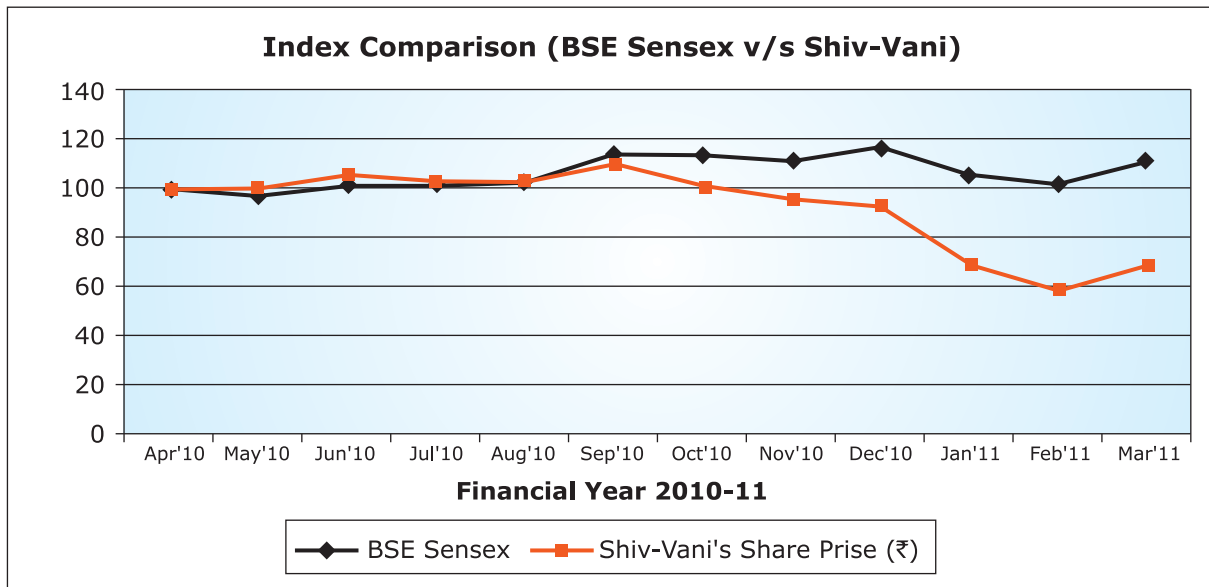
Date	Particulars	Shares		Cumulative
		Issued	Cancelled/ forfeited	
05.12.1989	Issued to promoters at Incorporation	200	-	200
21.01.1992	Issued to promoters	435,000	-	435,200
03.02.1992	Issued to promoters	2,000	-	437,200
25.03.1992	Issued to promoters	98,000	-	535,200
15.11.1993	Preferential Allotment to promoters	2,021,700	-	2,556,900
19.01.1994	Public Issue	5,920,000	-	8,476,900
30.06.1996	Preferential Allotment to promoters	1,250,000	-	9,726,900
03.10.1997	Preferential Allotment to promoters	300,000	-	10,026,900

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

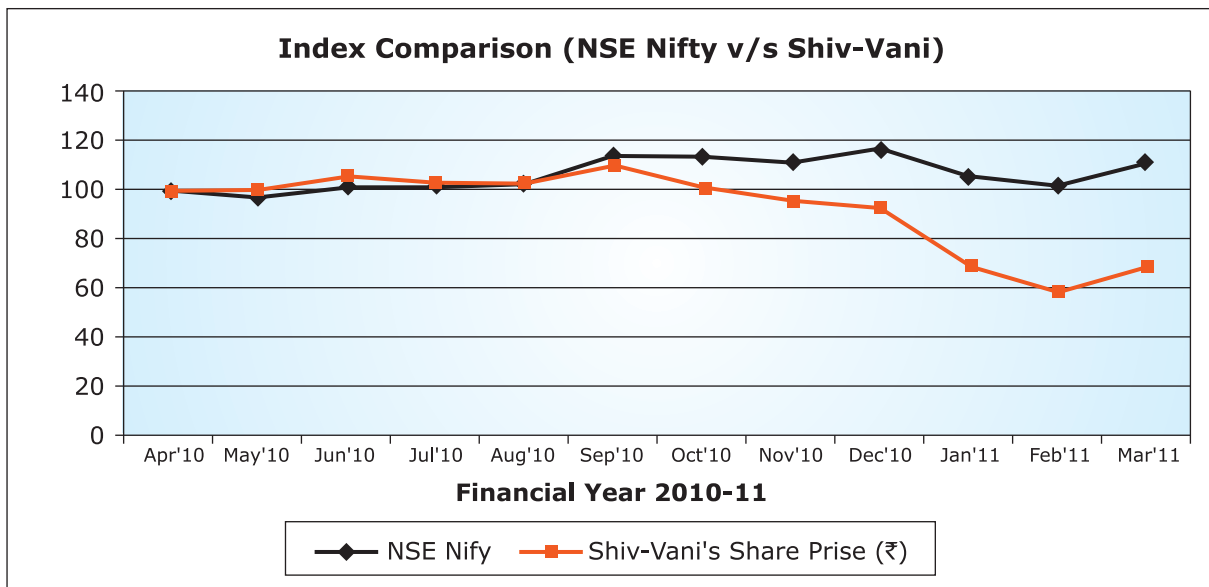
Date	Particulars	Shares		Cummulative
		Issued	Cancelled/ forfeited	
26.06.1998	Preferential Allotment to promoters	6,000,000	-	16,026,900
15.03.2002	Preferential Allotment to promoters	4,000,000	-	20,026,900
23.03.2004	Preferential Allotment to promoters	1,600,000	-	21,626,900
30.10.2006	Allotment pursuant to merger of SVUL Projects Ltd.	10,339,120	-	31,966,020
05.12.2007	Allotment upon conversion of FCCB	506,880	-	32,472,900
24.02.2007	Allotment upon conversion of FCCB	963,076	-	33,435,976
08.03.2007	Allotment upon conversion of FCCB	675,843	-	34,111,819
15.05.2007	Allotment upon conversion of FCCB	726,531	-	34,838,350
01.06.2007	Allotment upon conversion of FCCB	253,440	-	35,091,790
18.06.2007	Allotment upon conversion of FCCB	67,584	-	35,159,374
03.08.2007	Allotment upon conversion of FCCB	168,960	-	35,328,334
14.08.2007	Preferential Allotment to Citi Group	2,733,330	-	38,061,664
16.10.2007	Allotment upon conversion of FCCB	321,024	-	38,382,688
17.11.2007	Allotment upon conversion of FCCB	33,792	-	38,416,480
14.12.2007	Allotment upon conversion of FCCB	168,960	-	38,585,440
10.01.2008	Allotment upon conversion of FCCB	1,774,089	-	40,359,529
19.03.2008	Allotment upon conversion of FCCB	3,548,177	-	43,907,706
05.09.2008	Forfeiture of shares due to non-payment of call money	-	5,100	43,902,606
23.03.2010	Preferential allotment to Templeton Strategic Emerging Markets Fund LDC-III	2,457,895	-	46,360,501

(viii) Market Price Data of Shares of Company

Month	Share Price at Bombay Stock Exchange (₹)		Share Prices at National Stock Exchange (₹)	
	High	Low	High	Low
April 2010	496.00	420.00	496.00	420.15
May 2010	433.95	400.50	433.95	401.00
June 2010	454.00	415.05	449.00	411.55
July 2010	494.00	409.90	488.00	431.35
August 2010	467.90	427.00	484.90	425.10
September 2010	477.00	434.00	478.80	435.00
October 2010	476.50	423.05	487.30	424.25
November 2010	461.90	373.00	461.90	371.35
December 2010	423.85	381.65	419.00	383.00
January 2011	401.00	284.00	401.00	283.15
February 2011	292.95	237.00	296.00	235.50
March 2011	303.00	245.00	308.00	242.05



Shiv-Vani Share Price & BSE Sensex are indexed to 100 as on 1st April 2010



Shiv-Vani Share Price & NSE Nifty are indexed to 100 as on 1st April 2010

(ix) SHARE TRANSFER SYSTEM

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to Share Transfer Committee. The shares for transfers received in physical form are transferred expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders. Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL expeditiously.

(x) Distribution of Shareholding as on 31st March, 2011

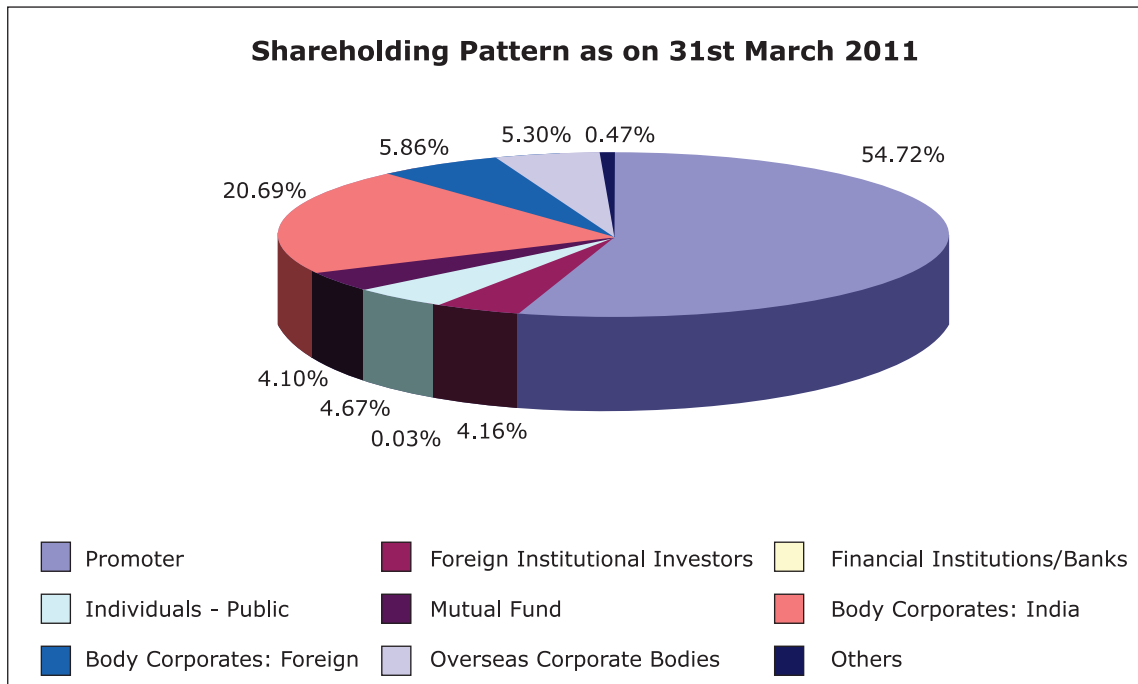
The distribution of shareholding and shareholding pattern as on 31st March 2011 were as follows:

a. Distribution of Shareholding by size:

No of Shares Held	Shareholders		Shares	
	Number	As a Percentage of Total	Number	As a Percentage of Total
Upto - 500	20,175	96.57 %	1,618,722	3.49 %
501 - 1000	370	1.77 %	297,634	0.64 %
1001 - 2000	121	0.58 %	181,092	0.39 %
2001 - 3000	40	0.19 %	101,728	0.22 %
3001 - 4000	26	0.12 %	93,272	0.20 %
4001 - 5000	16	0.08 %	74,763	0.16 %
5001 - 10000	25	0.12 %	183,486	0.40 %
10001 and above	120	0.57 %	43,809,804	94.50 %
Total	20,893	100.00%	46,360,501	100.00 %

b. Distribution of Shareholding by Category:

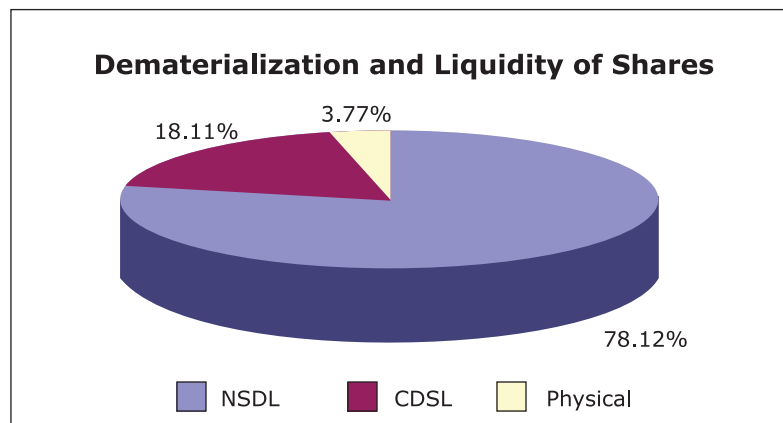
Category	No. of shareholders	No. of Shares held	% of Total Shares
Promoter Group:			
Individual	9	5,025,996	10.84
Body Corporate	46	18,546,745	40.01
OCB	1	1,250,000	2.70
Foreign Company	1	543,400	1.17
Sub Total (A)	57	25,366,141	54.72
Public			
Individual	19310	2,163,787	4.67
Mutual Fund	6	1,901,594	4.10
Foreign institutional Investors	35	1,929,285	4.16
Financial Institutions/ banks	3	13,690	0.03
Overseas Corporate Body	1	2,457,895	5.30
Domestic Companies	482	9,589,499	20.69
Foreign Companies	2	2,718,934	5.86
Others	985	219,676	0.47
Sub Total (B)	20,824	20,994,360	45.28
Total (A+B)	20,881	46,360,501	100.00



(xii) Dematerialization and Liquidity of Shares

The Shares of the Company are in compulsory demat segment and are available for trading in the in the depository systems of NSDL & CDSL. As on 31st March 2011 the 90.84 % Share Capital of the Company had been dematerialized.

Segment	No. of Shares	% of Shareholding
Physical (A)	1,741,347	3.77 %
Demat:-		
NSDL	36,223,328	78.12 %
CDSL	8,395,826	18.11 %
Total (B)	44,619,154	96.23 %
Grand Total (A+B)	46,360,501	100.00%



(xiii) Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956 any amount of dividend which remains unclaimed / unpaid for a period of seven years from the date it is transferred to the dividend unpaid account shall be deposited with Investors Education & Protection Fund (IEPF) maintained by the Central Government in pursuance of section 205C of the Companies Act, 1956, thereafter there shall lie no claim against such unpaid dividend. Hence, all the shareholders, whose dividend is lying un-paid, are advised to claim at the earliest.

Financial Year	Interim/Final	Date of Declaration	Dividend Rate	Due date of Transfer to IEPF
2008-09	Final	7th September 2009	10 %	14th October 2016
2009-10	Final	30th September 2010	10 %	6th November 2017

(xiv) Investor Correspondence Address

The works of the Company vary from place to place, depending upon the contracts being executed from time to time.

Company

Mr. Vimal Chadha
Company Secretary
Shiv-Vani Oil & Gas Exploration Services Limited
Tower-1, 5th Floor, NBCC Plaza, Sector V,
Pushp Vihar, Saket, New Delhi-110017
Telephone: 011- 2952 1585, 2956 4592
Fax : 011- 2952 1587
Email: vimal.chadha@shiv-vani.com

Registrar and Transfer Agent

Link Intime India Private Limited
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028
Phone: 011-41410592/ 93/ 94
Telefax: 011-41410591
E-mail: delhi@linkintime.co.in

Auditors' certificate on compliance with the conditions of corporate governance under Clause 49 of the listing agreements

To the Members of
Shiv-Vani Oil & Gas Exploration Services Limited

We have examined the compliance of conditions of corporate governance by Shiv-Vani Oil & Gas Exploration Services Limited ("the Company") for the year ended on 31st March 2011, as stipulated in clause 49 of the listing agreements of the Company with the Bombay Stock Exchange and National Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned listing agreements.

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

For **Vijay Prakash Gupta & Associates**
Chartered Accountants

Vikas Varshney
Partner

Membership No.510929

New Delhi
August 31, 2011

AUDITORS REPORT

To the Members of Shiv-Vani Oil Gas Exploration Services Ltd.

1. We have audited the attached Balance Sheet of Shiv-Vani Oil & Gas Exploration Services Ltd. at 31st March, 2011, the Profit and Loss Accounts and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company 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 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 (Auditor Report) Order, 2003 ("the order") issued by central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), 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:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) 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 those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956.
 - e) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting policies and other notes 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 principals accepted in India:
 - i. in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Vijay Prakash Gupta & Associates**
Chartered Accountants
Firm Registration No: 05577N

New Delhi
August 31, 2011

Vikas Varshney
Partner
Membership No: 510929

**ANNEXURE TO THE AUDITORS REPORT 31ST MARCH 2011
ANNEXURE REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF EVEN DATE**

- I. In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets, no material discrepancies were noticed on such physical verification.
 - c) In our opinion the company has not disposed of a substantial part of its fixed assets during the year and therefore, the going concern status of the Company is not affected.
- II. In respect of its inventories:
- a) As explained to us, the inventory of store & Spare parts, except goods in transit, lying at different sites, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the company and the nature of the company and the nature of its business.
 - b) In our opinion and according to the information and explanations given to us, 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 inventory. as explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records
- III. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firm or other parties in the register maintained under Section 301 of the Companies Act, 1956;
- a) The Company has given interest bearings loan to corporate/interest free to its subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year is ₹ 5,052.20 millions.
 - b) In our opinion and according to the information and explanations given to us, the terms and conditions of interest free loans are not prima facie prejudicial to interest of the company.
 - c) The said interest free loan given to a wholly owned subsidiary of the Company are repayable on demand and there is no repayment schedule.
 - d) In respect of the loan given by the Company to the corporate, the same is repayable on demand the question of overdue amount does not arise.
 - e) The Company has taken new loans during the year.
- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed and continuing failure to correct major weaknesses in internal control systems.
- V. In respect of the contracts or arrangements referred to Section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed 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, there are certain transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act,1956 aggregating during the year to ₹500,000/- (Rupees Five Lakhs only) or more in respect of any party in the said financial year. The prices at which these have been made reasonable having to the prevailing prices at that time.
- VI. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore the provision of Clause (vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- VII. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- VIII. Maintenance of cost records has not been prescribed by central government under Section 209(1)(d) of the Companies Act, 1956.

IX. In respect of statutory dues:

- a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, subject to Note no. 11 of Notes to Accounts (Schedule G), the Company has been generally regular in depositing the undisputed statutory dues including provident fund, tax deducted at source, Investor Education and Protection fund, Employee's state insurance, Income Tax, sales tax/Vat, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) Following are the details of disputed statutory due that have not Paid to the concerned authorities.

Name of the Statute pending	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Demand	549,531,062	2007-08	Service Tax Appellate Tribunal
Central Excise	Penal Proceeding	1,250,000	2007-08	High Court & Custom

- X. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered of dues to financial year.
- XI. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, Bank or debenture holders.
- XII. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund /society. Therefore, the provisions of clause (xiii) of the Companies (Auditor Report) Order,2003 are not applicable to the Company
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments as such the provision of the clause are not applicable to the Company.
- XV. According to the information and explanation given to us, the company has given counter guarantee against the guarantees issued by the company's bankers.
- XVI. As per information and explanation given to us, term loans raised during the year by the company have been applied for the purpose for which said loans were raised.
- XVII. According to the information and explanations given to us and as per books and records examined by us, as on the date of balance sheet ,no funds raised on short-term basis used for long term investment. Similarly, no funds raised on long-term basis have been used for short-term investment.
- XVIII. 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. According to the information and explanation given to us and as per the books and records examined by us, the price at which shares have been issued is not prejudicial to the interest of the company.
- XIX. The Company had issued Optional Convertible debentures for ₹ 2,500 Millions during the year and created 1st pari passu charge of Assets.(Refer note no B (a) of notes to Accounts).
- XX. The company has not raised any monies by way of public issues during the year.
- XXI. According to the information and explanation given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India. We have not come across any such instance of fraud on or by the company have been noticed or reported during the course of our audit.

For **Vijay Prakash Gupta & Associates**
Chartered Accountants
Firm Registration No: 05577N

New Delhi
August 31, 2011

Vikas Varshney
Partner
Membership No: 510929

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	Schedule	As At 31.03.2011 (₹)		As At 31.03.2010 (₹)	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	463,605,010		463,605,010	
Reserves and Surplus	2	9,081,402,179	9,545,007,189	8,782,649,362	9,246,254,372
DEFERRED TAX LIABILITY	3		1,338,007,491		974,448,475
LOAN FUNDS					
Secured Loans	4	18,684,610,008		16,777,020,619	
Unsecured Loans	5	4,582,647,290	23,267,257,298	510,726,663	17,287,747,281
TOTAL			34,150,271,978		27,508,450,128
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	6	23,139,533,377		20,847,411,489	
Less : Depreciation		3,441,895,923		2,442,489,476	
Net Block		19,697,637,454		18,404,922,013	
Capital Work-in-progress		1,382,526,668	21,080,164,122	2,243,306,598	20,648,228,611
INVESTMENTS	7		568,267,189		567,767,189
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	1,990,752,569		730,037,072	
Sundry Debtors	9	6,410,465,586		2,689,619,536	
Cash & Bank Balances	10	2,454,192,756		430,191,990	
Loans & Advances	11	5,916,980,724		6,299,700,166	
		16,772,391,635		10,149,548,764	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	12a	3,704,675,052		3,448,702,174	
Provisions	12b	754,867,972		575,307,149	
		4,459,543,024		4,024,009,323	
			12,312,848,611		6,125,539,440
MISCELLANEOUS EXPENDITURE (To the extent not Written Off or Adjusted)					
Deferred Revenue Expenditure		188,992,056	188,992,056	166,914,888	166,914,888
TOTAL			34,150,271,978		27,508,450,128
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 19					

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee

Chairman & Managing Director

Padam Singhee

Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

Particulars	Schedule	2010 - 2011 (₹)	2009 - 2010 (₹)
TOTAL INCOME			
Operative Income	13	12,221,262,024	10,718,027,870
Other Income (Gross)	14	114,926,292	169,966,015
		12,336,188,316	1 0,887,993,885
EXPENDITURE			
Operational & Other Direct Expenses	15	6,833,243,595	5,533,727,005
Personnel Expenses	16	680,273,468	541,907,767
Administrative & Other Expenses	17	686,122,293	733,276,218
Interest & Finance Charges	18	2,226,012,268	1,757,254,328
Depreciation	6	1,063,987,014	817,196,087
		11,489,638,638	9,383,361,404
PROFIT FOR THE YEAR		846,549,678	1,504,632,480
LESS : PROVISION FOR TAXES			
- Income Tax Relating To Earlier Years		154,120	41,986,372
- Income Tax		168,700,000	255,710,000
- Mat Credit Entitlement		(92,378,942)	(154,880,880)
- Deferred Tax		363,559,016	441,759,234
PROFIT AFTER TAX		406,515,484	920,057,754
Surplus As Per Last Balance Sheet		3,446,416,531	2,630,419,177
PROFIT AVAILABLE FOR APPROPRIATIONS		3,852,932,015	3,550,476,932
APPROPRIATIONS			
Transfer To General Reserve		100,000,000	50,000,000
Proposed Dividend on Equity Shares		92,721,002	46,360,501
Dividend Distribution Tax on Proposed Dividend		15,041,665	7,699,900
Balance Carried Forward To Balance Sheet		3,645,169,348	3,446,416,531
TOTAL		3,852,932,015	3,550,476,932
Earning Per Share - Basic		8.77	20.93
- Diluted		7.89	20.93
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee Chairman & Managing Director
Padam Singhee Joint Managing Director
Rajan Gupta Chief Financial Officer
Vimal Chadha Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
70,000,000 (Previous year 70,000,000) Equity Shares of ₹10/- each	700,000,000	700,000,000
500,000 (Previous year 500,000) 11% Redeemable Non-Convertible Preference Shares of ₹100/- each	50,000,000	50,000,000
	750,000,000	750,000,000
Issued, Subscribed & Paid Up		
46,360,501 Equity Share (Previous year 46,360,501) of ₹10/- each fully paid up	463,605,010	463,605,010
	463,605,010	463,605,010
SCHEDULE - 2 RESERVES AND SURPLUS		
General Reserve		
As per last Balance sheet	310,000,000	2 60,000,000
Add : Transferred from Profit & Loss A/c.	100,000,000	50,000,000
	410,000,000	310,000,000
Securities Premium Account		
As per last Balance sheet	4,580,207,331	3,670,786,181
Add : Received during the year	–	909,421,150
	4,580,207,331	4,580,207,331
Capital Redemption Reserve		
As per last Balance sheet	50,000,000	50,000,000
Capital Reserve (On Equity Share Forfeiture)		
As per last Balance sheet	25,500	25,500
Capital Reserve (On Equity Share Warrant Forfeiture)		
As per last Balance sheet	396,000,000	–
Add: Adjustment during the year	–	396,000,000
	396,000,000	396,000,000
Profit & Loss Account		
As per Profit & Loss Account	3,645,169,348	3,446,416,531
	9,081,402,179	8,782,649,362

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31.03.2011 (₹)		As at 31.03.2010 (₹)	
SCHEDULE-3 DEFERRED TAX (NET)				
Deferred Tax				
As per last Balance Sheet	974,448,475		532,689,241	
Add: Transferred from Profit & Loss A/c.	363,559,016	1,338,007,491	441,759,234	974,448,475
		1,338,007,491		974,448,475
 SCHEDULE - 4 SECURED LOANS				
(a) Term Loans				
From Financial Institutions / Banks				
State Bank of India	1,830,008,005		2,734,812,637	
ICICI Bank Ltd	1,687,542,499		1,907,866,865	
Punjab National Bank	-		48,317,217	
State Bank of Hyderabad	413,551,941		505,232,139	
Yes Bank Ltd.	962,552,721		700,667,397	
Bank of India	353,000,000		473,374,377	
Exim Bank Ltd.	-		1,527,370,824	
State Bank of Travancore	757,220,539		-	
Union Bank of India	455,437,501		1,024,139,034	
State Bank of Patiala	442,495,312		666,058,100	
Bank of Baroda	-		948,717,634	
Corporation Bank Ltd.	775,335,237		774,234,973	
United Bank of India	1,011,563,123		1,010,248,490	
UCO Bank	1,011,021,243		1,000,000,000	
Central Bank of India	567,485,906		-	
Indusind Bank Ltd.	600,000,001		-	
Life Insurance Corporation of India	437,404,849		556,232,506	
L&T Infrastructure Finance Limited	1,000,000,000		1,004,832,876	
L&T Infrastructure Limited	500,000,000		502,416,448	
IFCI Limited	1,350,000,000		-	
		14,154,618,877		15,384,521,518
(b) Debentures				
6% Optional Convertible Debentures	2,500,000,000		-	
(c) Working Capital Loans				
Cash Credit Loans from Banks	2,029,991,131		1,392,499,101	
		18,684,610,008		16,777,020,619
 SCHEDULE-5 UNSECURED LOANS				
From Bank	1,010,647,290		504,266,180	
5% Foreign Currency Convertible Bonds	3,572,000,000		-	
From Others	-		6,460,483	
		4,582,647,290		510,726,663

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULE - 6 FIXED ASSETS

Particular of Assets	Gross block			Cost as at 31.03.2011 (₹)	Depreciation			NET BLOCK		
	Cost as at 01.04.2010 (₹)	Additions (₹)	Sales/ Transfer/ Adjustments (₹)		Upto 31.03.2010 (₹)	For the year (₹)	Sales/ Adjustments (₹)	Upto 31.03.2011 (₹)	As At 31.03.2011 (₹)	As At 31.03.2010 (₹)
Building	213,876,295	-	-	213,876,295	3,486,140	-	4,347,975	7,834,115	206,042,180	209,528,320
Plant & Machinery	20,384,378,211	2,757,850,686	473,452,165	22,668,776,732	1,039,155,010	59,628,716	2,338,388,841	3,317,915,135	19,350,861,596	18,045,989,369
Office Equipments	62,040,344	5,372,716	1,645,266	65,767,794	3,447,454	461,038	6,388,642	9,375,058	56,392,736	55,651,702
Computers	61,292,902	5,572,000	6,800,349	60,064,553	9,219,295	4,394,138	24,397,649	29,222,806	30,841,747	36,895,253
Vehicles	88,767,911	5,393	-	88,773,304	5,221,483	-	63,622,839	68,844,322	19,928,982	25,145,072
Furnitures & Fixtures	36,951,829	5,510,068	187,197	42,274,700	3,457,632	71,278	5,318,132	8,704,486	33,570,214	31,633,697
Tent	103,998	-	103,998	-	-	25,397	25,397	-	-	78,601
Total	20,847,411,489	2,774,310,863	482,188,975	23,139,533,377	1,063,987,014	64,580,567	2,442,489,476	3,441,895,923	19,697,637,454	18,404,922,013
Capital Work in progress	2,243,306,598	1,222,407,823	2,083,187,753	1,382,526,668	-	-	-	-	1,382,526,668	2,243,306,598
GRAND TOTAL	23,090,718,087	3,996,718,686	2,565,376,728	24,522,060,045	1,063,987,014	64,580,567	2,442,489,476	3,441,895,923	21,080,164,122	20,648,228,611
Previous Year	16,955,746,002	10,198,160,310	4,063,188,225	23,090,718,087	817,196,087	36,824,776	1,662,118,165	2,442,489,476	20,648,228,611	14,802,566,541

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
SCHEDULE - 7 INVESTMENTS (At cost)		
LONG TERM INVESTMENTS		
In Equity Shares - Unquoted : Trade		
495,000 equity shares of Shiv Vani Oil & Gas Co LLC, Oman of Omani Rial 1/- each fully paid up (Previous year 495,000)	5 7,795,111	57,795,111
34,000 equity shares of SV Oil & Natural Gas Ltd, Mauritius of US Dollar 1/- each fully paid up (Previous Year 34,000)	1,536,150	1,536,150
100 equity shares of Shiv Vani Singapore PTE Ltd., Singapore of Singapore Dollar 1/- each fully paid up (Previous Year 100)	3,103	3,103
1 equity shares of Natural Oil & Gas Services Ltd., Mauritius of US Dollar 1/- each fully paid up (Previous Year Nil)	51	51
1,000,000 equity shares of Shiv Vani Oil Services Limited, New Delhi of ₹ 10/- each fully paid up (Previous year 1,000,000)	10,000,000	10,000,000
25,500 equity shares of TNG Shiv Geo Services Limited, New Delhi of ₹ 10/- each fully paid up (Previous year 25,500)	255,000	255,000
50,000 equity shares of Shiv vani Energy Limited, New Delhi of ₹ 10/- each fully paid up (Previous year - Nil)	500,000	-
4,300 equity Shares of Equipment Conductors & Cables Ltd of ₹ 10/- each fully paid up (Previous Year 4,300)	43,000	43,000
5,000 equity shares of Parasram Puria Synthetics Ltd of ₹ 10 each at a premium of ₹ 10/- per share (₹ 5 paid up) (Previous Year 5,000)	25,000	25,000
110,000 equity shares of Neutral Enginners Ltd of ₹ 10 each fully paid up. (Previous year 110,000)	1,100,000	1,100,000
180,000 equity Shares of Om Shivay Real Estate (P) Ltd of ₹ 10/- each fully paid up (Previous Year 180,000)	1,800,000	1,800,000
In Preference Shares - Unquoted : Trade - Subsidiary		
1,140,000 redeemable preference shares of Natural Oil & Gas Services Ltd., Mauritius of US Dollar 10/- each fully paid up (Previous year 1,140,000 shares)	492,709,774	492,709,774
In Mutual Funds - Quoted : Trade		
200,000 Units of SBI Infrastructure Fund (Previous Year - 200,000 units of ₹ 10/- per unit (Market value - ₹ 1,874,000)	2,000,000	2,000,000
42,723.358 Units of SBI SHDF Ultra Short Term Fund (Previous Year - 42,723.358 units) of ₹ 10/- per unit (Market value - ₹ 546,927/-)	500,000	500,000
	568,267,189	567,767,189
SCHEDULE-8 INVENTORIES		
(At lower of cost or net realisable value as valued and certified by the Management)		
Inventory for		
Spare parts of Capital Goods	525,569,153	-
Stores, Spares, Consumables & Chemicals	1,176,771,495	619,603,812
Goods In Transit	281,819,943	103,402,190
Scrap	6,591,978	7,031,070
	1,990,752,569	730,037,072
SCHEDULE-9 SUNDRY DEBTORS		
(Unsecured - Considered good)		
Debts outstanding for a period exceeding six month	1,803,257,873	915,460,176
Others	4,607,207,713	1,774,159,360
	6,410,465,586	2,689,619,536

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Particulars	As At 31.03.2011 (₹)		As At 31.03.2010 (₹)	
SCHEDULE-10 CASH AND BANK BALANCES				
Cash and Cheques in Hand		4,254,622		6,413,404
Balances with Scheduled Banks				
In Current Accounts - Domestic	166,312,862		147,081,706	
- Overseas	17,544,457	183,857,320	2,432,816	149,514,521
In Margin Money Account - Domestic		-		931,474
In Deposit Accounts - Domestic	557,561,796		267,065,215	
- Overseas	1,708,519,018	2,266,080,814	6,267,376	273,332,591
		<u>2,454,192,756</u>		<u>430,191,990</u>
SCHEDULE - 11 LOANS & ADVANCES (Unsecured - Considered good unless otherwise stated)				
Advances & Other amounts recoverable in cash or in kind for which value is to be received		2,930,638,667		2,489,609,762
Loans to subsidiary companies		1,590,429,441		3,161,063,451
Income Tax Paid		393,573,036		44,447,203
Tax deducted at source		633,550,866		433,125,472
MAT Credit Entitlement		247,259,822		154,880,880
Security Deposits		121,528,892		16,573,398
		<u>5,916,980,724</u>		<u>6,299,700,166</u>
SCHEDULE - 12 CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Sundry Creditors				
Micro, Small & Medium Enterprises	-		-	
Others	2,524,956,080	2,524,956,080	2,393,331,121	2,393,331,121
Other Current Liabilities		1,179,076,696		1,055,040,593
Dividend Payable		642,276		330,460
		<u>3,704,675,052</u>		<u>3,448,702,174</u>
B. Provisions				
Income Tax		642,040,000		473,340,000
Fringe Benefit Tax		-		380,573
Leave encashment		5,065,305		4,179,324
Gratuity		-		43,346,851
Proposed Dividend on Equity Shares		92,721,002		46,360,501
Dividend Distribution Tax on Proposed Dividend		15,041,665		7,699,900
		<u>754,867,972</u>		<u>575,307,149</u>
Particulars		2010-11 (₹)		2009-10 (₹)
SCHEDULE-13 OPERATIVE INCOME				
Contracts Revenue		12,221,262,024		10,718,027,870
		<u>12,221,262,024</u>		<u>10,718,027,870</u>
SCHEDULE - 14 OTHER INCOME				
Interest on Fixed Deposits (TDS - ₹2,231,897/- P.Y. - ₹ 2,311,008/-)		22,355,092		13,904,385
Interest - Others		490,480		126,642
Gain on Currency Fluctuation		5,680,421		123,938,441
Miscellaneous Income		86,400,299		31,996,547
		<u>114,926,292</u>		<u>169,966,015</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	2010-11 (₹)	2009-10(₹)
SCHEDULE - 15 OPERATIONAL & OTHER DIRECT EXPENSES		
Stores, Spares, Consumables & Chemicals	1,165,725,459	1,035,201,690
Oils & Lubricants	788,827,550	667,704,155
Other Operational Expenses	2,570,412,327	2,585,251,816
Hiring Charges	97,679,544	102,218,255
Insurance	21,694,459	19,052,694
Repairs to Plant & Machinery	195,163,527	179,809,097
Rig Rental Charges	1,993,740,729	944,489,298
	6,833,243,595	5,533,727,005
SCHEDULE - 16 PERSONNEL EXPENSES		
Payments to & Provison for Employees		
Salaries, Wages, Bonus, Gratuity etc.	611,252,345	503,273,566
Staff Welfare	23,389,716	8,078,892
Contribution to Provident Fund	12,688,346	9,837,299
Contribution to ESI	18,606	24,718
Contribution to EDLI	145,888	-
Directors Remuneration	32,778,567	20,693,292
	680,273,468	541,907,767
SCHEDULE - 17 ADMINISTRATIVE & OTHER EXPENSES		
Rent	30,147,903	28,886,765
Rates & Taxes	4,036,674	5,060,133
Advertisement	1,762,959	1,487,129
Travelling & Conveyance Expenses	126,470,001	118,357,261
Vehicle Repair & Maintenance Expenses	23,746,828	29,348,312
Repair & Maintenance to others	35,651,746	39,749,255
Telephone Expenses	11,369,077	13,486,447
Legal & Professional Charges	151,667,599	150,207,634
Charity & Donation	3,737,643	268,980
Fees & Subscription	1,541,336	1,221,897
Directors Sitting Fees	580,000	528,000
Miscellaneous Expenses	197,183,746	205,662,979
Payment to Auditors		
For Statutory Audit Fees	3,750,000	2,250,000
For Consolidated Audit Fees	50,000	50,000
For Tax Audit Fees	250,000	250,000
For Other Matters	4,352,505	1,510,000
Bad Debts Written Off	5,577,469	10,855,536
Insurance Claim Written off	-	38,442,395
Deferred Revenue Written Off	57,680,195	4 1,728,722
Assets Written Off	10,421,598	30,992,272
Loss on Forward Contracts	16,145,015	12,932,500
	686,122,293	733,276,218
SCHEDULE - 18 INTEREST & BANK CHARGES		
Interest on Term Loans	1,829,357,097	1,466,959,178
Interest on Cash Credits	192,421,937	115,759,991
Interest to others	54,461,033	11,187,693
Bank & Financial Charges	149,772,200	163,347,466
	2,226,012,268	1,757,254,328

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

SCHEDULE – 19 NOTES TO THE ACCOUNTS

A. Significant Accounting Policies:

1. Basis of preparation of financial statement

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities & Exchange Board of India.

2. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets & liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of change in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, if material, their effects are disclosed in the notes to the financial statements.

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization).

3. Revenue Recognition

Revenue is primarily derived from oil & gas exploitation and other allied services. The same is accounted for by the Company on work done basis.

Profit on sale of fixed assets / investments are recorded on transfer of title from the company and are determined as the difference between the sale price and carrying value of the fixed asset / investments.

Interest is recognized using the time-proportion method based on rates implicit in the transaction.

4. Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle obligation. Provisions are determined by the best estimate of the outflow benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

5. Fixed Assets and Capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Capital work-in-progress comprises outstanding advance paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date.

6. Depreciation and amortization

Depreciation on fixed assets is provided on the straight-line method at the rate prescribed under Schedule XIV to the Companies Act, 1956. Depreciation for assets purchased / sold, impaired or discarded during a period is

proportionately charged. Individual low cost assets (acquired for less than ₹ 5000/-) are depreciated fully in the year of purchase.

7. Retirement & Other benefits to employees

Gratuity : In accordance with the Payment of Gratuity Act, 1972, the company provides for gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company subject to conditions specified in aforesaid act.

Provident Fund : Eligible employees receive benefits of provident fund, which is a defined benefit plan. Both the employee and the Company makes monthly contribution to the provident fund plan equal to a specified percentage of the covered employee's salary. The rate at which the annual interest is payable to the beneficiaries is being administered by the government.

Compensated Absence : The employees of the Company are entitled to compensate absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is measured based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expenses on non-accumulating compensated absences are recognized in the period in which the absences occur.

8. Foreign Currency Transactions

Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions in foreign currencies are recorded at the rates prevailing on the date of transaction.

Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date. Exchange difference arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

9. Taxes

Tax expense comprises of current tax, related to earlier years & deferred tax.

Income tax is accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances & exemption. Provisions are recorded when it is estimated that a liability due to disallowances or other is probable.

The difference that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of aggregate amount of timing difference. The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit is recognized in respect of Minimum Alternate Tax ('MAT') as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and is reviewed at each Balance Sheet date. The MAT credit is recognized as an asset in accordance with the recommendation provided in the Guidance Note issued by the Institute of Chartered Accountants of India.

10. Earning per Share

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

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

11. Investments

Investments are classified as long term based on Management's intention at the time of purchase. Cost for overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long-term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

12. Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimated the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that if a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historic cost.

13. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax and extra ordinary items are adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of present or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

14. Inventories

Stores, spares (consumable & capital) parts & other consumables are valued at cost on First-in-first-out basis.

15. Segment Data

The company considers its principal activity of providing oil and natural gas exploitation services to be a complete segment and all revenues for the year ended 31st March 2011 have been derived from this segment.

16. Borrowing Costs

Borrowing Cost that are directly attributable to the acquisition, construction or production of a qualifying asset, is capitalized as part of the cost of that asset in accordance with the Accounting Standard 16 on "Borrowing Costs". Other borrowing costs are charged to revenue.

17. Events occurring after the Balance sheet date

Where material, events occurring after the date of the Balance Sheet are considered upto the date of approval of accounts by the Board of Directors.

B. SECURED LOANS**a) Debentures -**

During the year the company had issued Optional Convertible Debentures of ₹ 2,500 millions (Previous Year - ₹ Nil) at a coupon rate of 6%.

Each Debenture will be converted into equity shares of ₹ 10 each at fixed conversion rate of ₹ 575/- per share at the end of 18 months from the date of allotment of debentures. In case of non conversion of debentures the company will have to make the redemption to enable the subscriber to get yield to maturity of 11.57%.

These debentures were fully subscribed and are secured by 1st Pari Passu charge over movable fixed assets of the company. These debentures shall be redeemed after 18 months from the date of allotment out of the proceeds of sanctioned loan amount of ₹ 2,500 millions from ICICI Bank Ltd. still to be disbursed.

b) Term Loans / Working Capital Loans -

- a. Rupee Term Loan from Union Bank of India of ₹ 455.44 millions (Previous year ₹ 606.79 millions) is secured by first pari passu charge on movable fixed assets & further collateral secured by way of pledge of 1,00,000 shares of the company being part of promoters stake.
- b. Foreign Currency Term Loan ICICI Bank Ltd. of ₹1,592.94 millions (Previous year - ₹ 1,769.90 millions) is secured by first charge over respective present and future fixed assets acquired from such loans & receivables of the contracts for which the loans have been obtained.
- c. All other term loans from Financial Institutions / Banks except above are secured by way of 1st charge on pari passu basis on all movable & immovable assets of the company (save and except book debts) machinery, machinery spares, tools and accessories present and future except on which another bank is having an exclusive first charge for loan granted to the company.
- d. All working capital loans from banks are secured by way of hypothecation of stocks of consumable stores and spares and book debts of the company, both present and future and also IInd charge on Plant & Machinery except on specific plant & machinery of ₹ 20.90 millions exclusively charged to State Bank of India. Further These Working Capital Loans are further secured against pledge of 2,759,400 equity shares of the company (being part of promoters stake) respectively.

- e. Secured loans amounting to ₹ 2,292.50 millions respectively are further secured by way of pledge of 10,270,000 equity shares of the Company being part of promoters state.
- f. All Term loans & Working capital loans are also personally guaranteed by Shri Prem Singhee, Chairman and Managing Director and Shri Padam Singhee, Joint Managing Director.
- g. Amount repayable (term loans) within one year ₹ 2,432.30 millions (previous year ₹ 1,768.70 millions).

C. UNSECURED LOANS

Foreign Currency Convertible Bonds (FCCB)

- a) The Company has issued 5% Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating to US \$ 80 million during the year. These bonds are convertible at the option of the Bond Holders into equity shares of ₹10 each fully paid up at the conversion price of ₹ 515.60 per share calculated at a fixed rate of exchange of ₹ 47.08 for US \$ 1 prior to the close of the business hours on 07th July 2015.

As on the date of balance sheet FCCB for US \$ 80 Million were outstanding.

Upon conversion of all the bonds into equity shares, the share capital of the company will increase by 73,04,888 shares.

Unless previously converted, the bonds shall be redeemable on or before 07th July 2015 at 104.22% of their principal amount. The redemption value of these bonds as on 31st March, 2011 was 100.53%. However in view of uncertainty, no provision has been made for redemption premium of ₹18,805,747/- payable for the period from 16th August 2010 to 31st March 2011.

- b) Pending utilization of the issue proceeds of Foreign Currency Convertible Bonds (FCCB), an amount of ₹1,720,499,425/- is lying in Foreign Currency Current and Deposit Accounts. During the current year out of issue proceeds ₹1,049,275,000/- have been utilized for financing capital expenditure and ₹572,986,574/- have been utilized for loans to subsidiary companies for repayment of foreign currency loans availed by the subsidiary companies.
- c) Unsecured loans amounting to ₹1,010.65 millions are against pledge of 5,146,000 equity shares of the Company being part of promoters' stake.

D. Fixed Assets

- a) The registration of leasehold Building acquired is in process.
- b) Capital work-in-progress includes advances for capital goods and pre-operative expenditure of ₹ 1,085,707,397/- (previous year ₹ 26,417,847/-).

E. Contingent Liabilities not provided for in respect of

	MARCH 2011 (₹)	MARCH 2010 (₹)
1. Amount unpaid on investment in shares: - - 5,000 Equity Shares of Parasrampuriah Synthetics Ltd.	35,000	35,000
2. Counter Guarantees given in respect of Guarantees Issued by the company's bankers to Oil & Natural Gas Corpn. Ltd (ONGC) and Oil India Ltd (OIL) (Includes ₹47.00 crores for guarantees issued against pledge of 9,02,500 shares of the company held by directors and a third party).	2,423,805,481	2,542,111,774
3. Un -expired letters of credit	316,594,477	251,265,002
4. Corporate Guarantees given to Financial Institutions/ Banks for securing financial assistance for a subsidiary Company & other Company.	2,557,869,544	2,344,037,361
5. Estimated Value of capital commitments (Net of advances)	3,147,825,000	313,000,000
6. Sales Tax demands (*) *To be adjusted against refund granted for ₹133.86 lacs.	1,240,768	1,240,768
7. Customs Duty	1,250,000	1,250,000
8. Service Tax Demand	549,531,062	549,531,062
9. Premium against Redemption of - Optional Convertible Debenture (OCD)	18,693,836	-
Foreign Currency Convertible Bonds (FCCB)	18,805,747	-

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

F. External Commercial Borrowings

The External Commercial Borrowings [ECBs] outstanding :

	MARCH 2011	MARCH 2010
ICICI (44 M) US\$	35,996,608	39,998,304
Exim Bank (55 M) US\$	Nil	33,661,281

G. Others

- The company had entered into forward contracts for hedging of foreign currency risk, the difference between forward rate and exchange rate at the inception of the contract is recognized as income or expenses at the termination of contract. Further, the exchange differences arising on such contracts are recognized as income or expenses along with the exchange difference on the underlying assets / liabilities.

- Managerial Remuneration*

	MARCH 2011 (₹)	MARCH 2010 (₹)
Salary	30,300,000	17,900,000
Accommodation		
- for rent	1,800,000	1,800,000
- for expenses	678,567	993,293
Contribution to Provident Fund	3,636,000	2,148,000
Total	36,414,567	22,841,293

*Exclusive of provision for future liabilities in respect of Gratuity. The above Remuneration has been paid to the Chairman & Managing Director and Joint Managing Director in accordance with schedule XIII read with section 198 & 309 of the Companies Act, 1956.

- C.I.F. Value of Imports:

	MARCH 2011 (₹)	MARCH 2010 (₹)
- Stores & Spares	1,588,117,111	414,179,491
- Capital Goods	692,558,029	337,026,058

- Foreign traveling expenses for ₹ 18,604,435/- (Previous year ₹ 11,075,899/-) includes ₹ 5,825,618/- (previous year ₹ 5,588,184/-) incurred in foreign currency during the year.

- Expenditure in foreign currency

	MARCH 2011 (₹)	MARCH 2010 (₹)
Rig Rental charges	1,993,740,729	908,794,730
Interest		
- Capital nature	106,238,031	Nil
- Others	133,222,633	112,471,059
Professional Fees	93,915	8,121,041
Travelling Expenses	5,825,618	5,588,184
Telephone Expenses	Nil	9,440
Repairs & Maintenance	1,197,678	18,956
Annual Membership Fee & subscription	291,366	297,598
Business Promotion Expenses	467,250	Nil
Listing Fee	843,250	Nil
Contract Expenses	312,847,149	296,764,111
Dividend	2,908,853	543,400
FCCB Issue Expenses	77,496,050	Nil

6. Earnings in foreign currency

	MARCH 2011 (₹)	MARCH 2010 (₹)
Contract Revenue	502,310,299	848,200,862
Interest on FDR		
- Capital nature	31,080,614	Nil
Other	Nil	24,391

7. A sum of ₹843.72 lakhs was deducted by M/s. Oil India Ltd. In 1998-99 towards liquidated damages and other penalties arbitrarily against which the Company invoked the arbitration clause as per contract. An amount of ₹ 76,998/- (previous year ₹ 337,583/-) incurred during the year for the same, has been debited to Miscellaneous Expenses. The clause has since been settled at ₹ 491 Lacs. The difference between the two has been charged as an expense.

8. Information pursuant to clause 32 of the listing agreement with Stock Exchanges

Details of Loans & advances in the nature of interest free loan to wholly owned subsidiary companies with no specified payment schedule.

	MARCH 2011		MARCH 2010	
	Amount Due (₹)	Max. Amount during the year (₹)	Amount Due (₹)	Max. Amount during the year (₹)
Shiv-Vani Oil & Gas Co. LLC, Muscat -Oman	480,114,738	647,743,580	492,029,380	535,103,165
Oriental Oil & Natural Gas Ltd, Mauritius	98,293,837	1,676,004,767	1,363,688,595	1,363,688,595
Natural Oil & Gas Services.Ltd., Mauritius	368,212,253	2,084,671,039	1,282,427,400	1,577,459,000
Shiv-Vani Singapore Pte Ltd, Singapore	22,669,295	22,669,295	22,918,074	25,867,875
Shiv-Vani Oil Services Ltd, New Delhi Guwahati	4,875	4,875	Nil	42,382
TNG Shiv Geo Services Ltd., New Delhi	9,142	9,142	Nil	87,274
Shiv-Vani Energy Ltd., New Delhi	621,625,300	621,625,300	Nil	Nil

9. Fixed Deposits of ₹ 3,495.80 Lakhs (Previous year ₹ 2,670.70 Lakhs) are under lien in respect of guarantees / Letters of credit issued by the banks.

10. Loss on insurance claims filed if any are accounted for at the time of receipt of claims.

11. The payment of Provident Fund Dues amounting to ₹ 7,569,528/- (₹ 6,560,365/-), ESI amounting ₹ 11,562 /- (₹ NIL), Tax deducted at Source amounting to ₹ 115,495,186/- (₹ 66,099,897/-) Service Tax ₹ 542,986,011/- (₹ 746,938,289/-), VAT ₹ 24,698,856/- (₹ 15,537,418/-) was delayed. These amounts were later deposited with the appropriate authorities. (Figures mentioned in brackets are of previous year)

12. The company has adopted an approved plan for the payment of gratuity based on actual valuation carried by Life Insurance Corporation of India. The liability towards the same has been accounted for accordingly.

13. Expenses include ₹ 556,678/- (Previous Year ₹ 3,184,471/-) relating to earlier years.

14. Interest on Finance Charges includes ₹ 28,232,240/- (Previous Year ₹ 57,988,228/-) paid on account of difference in rates of foreign currency for hedging of interest on ECB.

15. The previous years figures have been regrouped / rearranged wherever found necessary. The figures have been rounded off to the nearest rupee.

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

16. Travelling and Conveyance Expenses include ₹ 4,099,946/- (Previous year ₹ 7,358,649/-) incurred for directors travelling.
17. The company has during the year imported machinery worth ₹ 8,00,16,233/- and stores ₹ 630,633,267/- (Previous year ₹ 326,079,752/-) under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty.
18. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to ₹ 24,066,869/- (Previous Year ₹ 64,364,466/-) has been reduced from the gross block.
19. Remittance in Foreign Currency on account of Dividend to Equity Share holders:

Description	Current Year	Previous year
Year to which dividend relates	2009-10	2008 - 09
Number of Non-resident Shareholders	2	1
Number of Equity Shares held by them	2,908,853	543,400
Amount remitted (₹)	2,908,853	543,400

20. The company has not received any intimation from 'Suppliers' regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence no disclosure as required by Schedule VI of the Companies Act, 1956 has been provided.
21. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
22. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance of the provisions of section 212 of the Companies Act, 1956, subject to fulfillment of certain conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circulars and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
23. Balance appearing in Sundry Debtors / Creditors and Loans & Advances are subject to confirmation.

H. RELATED PARTY DISCLOSURE

- a) The following is the listing of related parties & the relationship therewith:

Subsidiary

1. Shiv-Vani Oil & Gas Co. LLC, OMAN
2. Oriental Oil & Gas Services Ltd, MAURITIUS
3. Shiv-Vani Oil Services Ltd. INDIA
4. TNG Shiv Geo Services Ltd. INDIA
5. Shiv-Vani Singapore PTE. Ltd. SINGAPORE
6. Natural Oil & Gas Services Ltd. MAURITIUS
7. Shiv-Vani Energy Limited INDIA

- b) Relative of Key Management Persons having control or significant influence over the company by reason of voting power

Name of Key Persons

- Prakash Singhee
- Mayank Singhee

a) The company has the following transactions with related parties:

Description of Transaction		Value (In ₹) MARCH 2011	Value (In ₹) MARCH 2010
Shiv-Vani Oil & Gas Co. LLC,	Loans	4,851,453	191,314,250
Shiv-Vani Oil & Gas Co. LLC.	Sale of Spare & Equipment	126,980	1,788,320
	Purchase of Spares	(2,515)	Nil
Oriental Oil & Gas Services Ltd	Loan	(1,265,394,334)	426,812,311
	Lease Rent	778,091,098	492,798,876
Shiv-Vani Oil Services Ltd.	Advances	4,875	(42,382)
TNG Shiv Geo Services Ltd.	Advance	9,142	(83,074)
Natural Oil & Gas Services	Loans	(933,845,848)	(112,886,300)
	Lease Rent	1,215,649,632	456,000,861
Shiv-Vani Energy Ltd.	Advances	621,625,300	-
Prakash Singhee	Salary	7,650,000	7,050,000
Mayank Singhee	Salary	540,000	540,000

I. Earning per share

BASIC EARNING PER SHARE

(Amount in ₹)

Particulars

	2010-11	2009-10
a) Numerator		
Net Profit after taxation as per profit & loss a/c	406,515,484	920,057,754
b) Denominator		
No. of Equity Shares outstanding	46,360,501	43,963,212
Weighted average of No. of equity shares outstanding	8.77	20.93
Basic (EPS of face value of ₹10 each)		

DILUTED EARNING PER SHARE

(Amount in ₹)

Particulars

	2010-11	2009-10
a) Numerator		
Net Profit after taxation as per profit & loss a/c	406,515,484	920,057,754
b) Denominator		
No. of Equity Shares outstanding	51,531,058	43,963,212
Weighted average of No. of equity shares outstanding	7.89	20.93
Diluted (EPS of face value of ₹10 each)		

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee Chairman & Managing Director
Padam Singhee Joint Managing Director
Rajan Gupta Chief Financial Officer
Vimal Chadha Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

	31 March 2011 (₹)	31 March 2010 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	846,549,678	1,504,632,480
Adjustment for:		
1. Depreciation	1,063,987,014	817,196,087
2. Deferred Revenue Expenditure	57,680,195	41,728,722
3. Investments (Interest Income)	(490,480)	(126,642)
4. Interest Expenditure	2,226,012,268	1,766,904,323
5. Profit on Sale of Fixed Assets	(48,144,960)	(6,901,456)
6. Fixed Assets w/off.	10,421,598	30,992,272
Operating Profit before Working Capital Charges	4,156,015,313	4,154,425,787
1. Trade & Other Receivables	(4,266,830,449)	(1,752,878,433)
2. Inventories	(1,260,715,497)	120,947,952
3. Trade Payable & Provisions	159,071,034	1,520,646,050
Cash Generation From Operations	(1,212,459,600)	4,043,141,355
1. Interest paid	(2,226,012,268)	(1,766,904,323)
2. Direct Taxes Paid	(549,551,227)	(434,369,803)
	(3,988,023,095)	1,841,867,229
Cash Flow Before Extra Ordinary Items		
1. Extraordinary items	(154,120)	(41,986,372)
Net cash From Operating Activities	(3,988,177,215)	1,799,880,857
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (net)	(1,914,705,828)	(6,233,594,153)
Sale of fixed assets	456,506,666	37,706,476
Interest Received	490,480	126,642
Advances to Subsidiary Companies	1,570,634,009	(338,902,239)
Purchase of Investments	(500,000)	(500,000)
Net Cash From Investing Activities	112,425,327	(6,535,163,274)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from long and short term borrowings	5,979,510,017	3,521,864,964
Increase in Share Capital	-	24,578,950
Premium on issue of equity shares	-	909,421,150
Misc Expenditure	(79,757,364)	(100,000,000)
Net cash flow from financing activities	5,899,752,653	4,355,865,064
Net Increase In cash and Cash Equivalents	2,024,000,766	(379,417,354)
Cash and cash equivalents at the beginning	430,191,990	809,609,344
Cash and cash equivalents at the closing	2,454,192,756	430,191,990

For and on behalf of the Board

Prem Singhee Chairman & Managing Director

Padam Singhee Joint Managing Director

Rajan Gupta Chief Financial Officer

Vimal Chadha Company Secretary

Auditors' certificate

We have examined the attached cash flow statement of Shiv Vani Oil & Gas Exploration Services Ltd for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of the listing agreement clause 32 with the stock exchanges and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi
August 31, 2011

**STATEMENT PURSUANT TO PART - IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration Details	L74899DL1989PLC038542		
Balance Sheet Date	31	03	2011
	Date Month Year		
II Capital raised During the year			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private issue	NIL
III Position of Mobilisation and Deployment of Funds			
Total Liabilities	34,150,271,978	Total Assets	34,150,271,978
Source of Fund			
Paid- Up Capital	463,605,010	Reserves & Surplus	9,081,402,179
Equity Share Warrants	NIL	Deferred Tax Liability	1,338,007,491
Secured Loan	18,684,610,008	Unsecured Loans	4,582,647,290
Share application money pending allotment	NIL		
Application of Funds			
Net Fixed Assets	21,080,164,122	Investment	568,267,189
Net Current Assets	12,312,848,611	Miscellaneous Expenditure	188,992,056
IV Performance of Company			
Turnover (including other income)	12,336,188,316	Total Expenditure	11,489,638,638
Profit /Loss Before Tax	846,549,678	Exceptional Items	154,120
Profit /Loss After Tax	406,515,484	Earnings Per Share (Weighted Average - Basic)	8.77
Dividend Rate %	20%		
V Generic Names of Three Principal Product/Services of the Company (as per monetary term)			
Item Code No. (ITC Code)	9 8 0 1 0 0 0 5		
Product Description	PROJECT FOR EXPLORATION OF OIL		

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee	Chairman & Managing Director
Padam Singhee	Joint Managing Director
Rajan Gupta	Chief Financial Officer
Vimal Chadha	Company Secretary

REPORT OF AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the board of directors SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD

We have audited the attached consolidated Balance Sheet of SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD. and its Subsidiaries as at 31st March, 2011 and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto (together referred to as consolidated Financial Statements). These financial statements are the responsibility of the Shiv-Vani Oil & Gas Exploration Services Ltd. Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principals 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.

We did not audit the financial statement of the subsidiaries whose reflects total assets of ₹ 14,655 Millions as at 31st March, 2011 and total revenue of ₹ 4,330 Millions for the year ended on that date (these figures include intragroup transactions eliminated on consolidation). These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of the Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Shiv-Vani Oil & Gas Exploration Services Ltd. and its subsidiaries and subject to note no 3 & 4 of Schedule No 19 regarding higher provision of depreciation by ₹1.00 Millions, we are of the opinion that:

- (a) in the case of the Consolidated Balances Sheet, of the state of affairs of the Group as at 31st March, 2011;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow statement, of the cash flows of the Group for the year ended on that date.

For **Vijay Prakash Gupta & Associates**
Chartered Accountants
Firm Registration No: 05577N

New Delhi
August 31, 2011

Vikas Varshney
Partner
Membership No: 510929

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	Schedule	As At 31.03.2011		As At 31.03.2010	
		(₹)		(₹)	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	463,605,010		463,605,010	
Reserves And Surplus	2	13,771,475,055	14,235,080,065	11,572,963,810	12,036,568,820
MINORITY INTEREST			178,726		190,978
DEFERRED TAX LIABILITY			1,338,007,491		974,448,475
LOAN FUNDS					
Secured Loans	4	25,127,840,282		23,148,967,402	
Unsecured Loans	5	4,582,647,290	29,710,487,572	588,107,936	23,737,075,338
TOTAL			45,283,753,854		36,748,283,611
APPLICATION OF FUNDS					
GOODWILL					
		41,745,298		133,688,666	
Less : Capital Reserve Adjusted on Consolidation		-		91,943,368	
Add: Due to Consolidation		7,577,652	49,322,950	-	41,745,298
FIXED ASSETS					
Gross Block	6	34,427,699,238		29,150,194,200	
Less : Depreciation		4,496,639,302		2,992,793,399	
Net Block		29,931,059,936		26,157,400,801	
Capital Work-in-progress		1,382,526,667	31,313,586,603	5,173,607,650	31,331,008,451
INVESTMENTS			15,218,000		15,218,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	2,028,723,839		768,343,181	
Sundry Debtors	9	7,467,567,739		3,616,146,426	
Cash & Bank Balances	10	3,251,958,687		600,055,533	
Loans & Advances	11	5,112,630,548		4,251,088,307	
		17,860,880,813		9,235,633,447	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	12a	3,355,605,687		3,438,679,948	
Provisions	12b	789,764,874		603,814,439	
		4,145,370,561		4,042,494,387	
			13,715,510,252		5,193,139,060
MISCELLANEOUS EXPENDITURE					
(To The Extent Not Written Off or Adjusted)					
Preliminary Expenses		150,816		127,316	
Pre-operative Expenses		852,144		9,566	
Deferred Revenue Expenditure		189,113,089	190,116,049	167,035,920	167,172,802
TOTAL			45,283,753,854		36,748,283,611
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 19					

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee Chairman & Managing Director

Padam Singhee Joint Managing Director

Rajan Gupta Chief Financial Officer

Vimal Chadha Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

Particulars	Schedule	2010 – 2011 (₹)	2009 – 2010 (₹)
TOTAL INCOME			
Operative Income	13	14,619,483,407	12,520,091,646
Other Income (Gross)	14	124,934,735	51,587,763
		14,744,418,142	12,571,679,409
EXPENDITURE			
Operational & Other Direct Expenses	15	6,116,464,271	5,307,844,833
Personnel Expenses	16	923,558,339	815,558,432
Administrative & Other Expenses	17	831,530,821	854,301,358
Interest & Finance Charges	18	2,584,741,305	1,920,440,380
Depreciation	6	1,570,168,923	1,071,609,443
		12,026,463,659	9,969,754,446
PROFIT FOR THE YEAR		2,717,954,484	2,601,924,963
Add : Prior Period Adjustments		8,587,562	–
		2,726,542,046	2,601,924,963
Add : Minority Interest In Loss		9,494	6,684
		2,726,551,540	2,601,931,647
LESS :PROVISION FOR TAX			
- Income Tax Relating To Earlier Years		154,120	49,029,912
- Income Tax		191,780,956	274,870,980
- Mat Credit Entitlement		(92,378,942)	(154,880,880)
- Deferred Tax		363,559,016	441,759,234
PROFIT AFTER TAX		2,263,436,390	1,991,152,401
Surplus As Per Last Balance Sheet		5,970,878,981	4,092,704,498
PROFIT AVAILABLE FOR APPROPRIATIONS		8,234,315,371	6,083,856,899
APPROPRIATIONS			
Transfer To General Reserve		100,000,000	50,000,000
Transfer To Legal Reserve		–	8,917,517
Proposed Dividend On Equity Shares		92,721,002	46,360,501
Dividend Distribution Tax On Proposed Dividend		15,041,665	7,699,900
Balance Carried Forward To Balance Sheet		8,026,552,704	5,970,878,981
TOTAL		8,234,315,371	6,083,856,899
Earning Per Share - Basic		48.82	45.29
- Diluted		43.92	45.29
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee Chairman & Managing Director
Padam Singhee Joint Managing Director
Rajan Gupta Chief Financial Officer
Vimal Chadha Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31.03.2011 (₹)		As at 31.03.2010 (₹)	
SCHEDULE - 1 SHARE CAPITAL				
Authorised				
70,000,000 (Previous year 70,000,000) Equity Shares of ₹ 10/- each	700,000,000		700,000,000	
500,000 (Previous year 500,000) 11% Redeemable Non-Convertible Preference Shares of ₹ 100/- each	50,000,000		50,000,000	
	750,000,000		750,000,000	
Issued, Subscribed & Paid Up				
46,360,501 Equity Share(Previous year 46,360,501) of ₹ 10/- each fully paid up	463,605,010		463,605,010	
	463,605,010		463,605,010	
SCHEDULE - 2 RESERVES AND SURPLUS				
General Reserve				
As per last Balance sheet	310,000,000		260,000,000	
Add : Transferred from Profit & Loss A/c.	100,000,000		50,000,000	
	410,000,000		310,000,000	
Securities Premium Account				
As per last Balance sheet	4,580,207,331		3,670,786,181	
Add : Received during the year	–		909,421,150	
	4,580,207,331		4,580,207,331	
Capital Redemption Reserve				
As per last Balance sheet	50,000,000		50,000,000	
Capital Reserve (On Equity Share Forfeiture)				
As per last Balance sheet	25,500		25,500	
Capital Reserve (On Equity Share Warrant Forfeiture)				
As per last Balance sheet	396,000,000		–	
Add : Transferred during the year	–		396,000,000	
	396,000,000		396,000,000	
Foreign Currency Translation Reserve (Due to Consolidation)				
As per last Balance sheet	246,408,134		92,498,461	
Add : Due to Consolidation	42,837,521		153,909,673	
	289,245,655		246,408,134	
Legal Reserve				
As per last Balance sheet	19,443,864		10,526,347	
Add: Adjustment during the year	–		8,917,517	
	19,443,864		19,443,864	
Profit & Loss Account				
As per Profit & Loss Account	8,026,552,704		5,970,878,981	
	13,771,475,054		11,572,963,810	

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
SCHEDULE-3 DEFERRED TAX (NET)		
Deferred Tax		
As per last Balance Sheet	974,448,475	532,689,241
Add: Transferred from Profit & Loss A/c.	363,559,016	441,759,234
	1,338,007,491	974,448,475
	1,338,007,491	974,448,475
SCHEDULE - 4 SECURED LOANS		
(a) Term Loans		
From Financial Institutions / Banks		
State Bank of India	1,830,008,005	2,734,812,637
ICICI Bank Ltd	3,903,416,446	4,833,473,503
Punjab National Bank	-	48,317,217
State Bank of Hyderabad	413,551,941	505,232,139
Yes Bank Ltd.	962,552,721	700,667,397
Bank of India	353,000,000	473,374,377
Exim Bank Ltd.	-	1,527,370,824
State Bank of Travancore	757,220,539	-
Union Bank of India	455,437,501	1,024,139,034
State Bank of Patiala	442,495,312	666,058,100
Bank of Baroda	-	948,717,634
Corporation bank Ltd	775,335,237	774,234,973
United Bank of India	1,011,563,123	1,010,248,490
UCO Bank	1,011,021,243	1,000,000,000
Central Bank of India	567,485,906	-
Indusind Bank Ltd.	600,000,001	-
Life Insurance Corporation of India	437,404,849	556,232,506
L&T Infrastructure Finance Limited	1,000,000,000	1,004,832,876
L&T Infrastructure Limited	500,000,000	502,416,448
IFCI Limited	1,350,000,000	-
DBS Bank	1,012,893,510	1,309,060,000
Bank Muscat SAOG	-	121,535,370
ICICI Bank UK Plc	1,790,954,942	-
Standard Chartered Bank	1,423,218,705	2,014,372,452
	20,597,559,981	21,755,095,978
(b) Debentures		
6% Optional Convertible Debentures	2,500,000,000	-
(c) Working Capital Loans		
Cash Credit Loans from Banks	2,029,991,131	1,392,499,101
	25,127,551,112	23,147,595,079
(d) Deferred Creditors		
	289,170	1,372,323
	25,127,840,282	23,148,967,402
SCHEDULE-5 UNSECURED LOANS		
From Bank	1,010,647,290	581,647,453
5% Foreign Currency Convertible Bonds	3,572,000,000	-
From Others	-	6,460,483
	4,582,647,290	588,107,936

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011
SCHEDULE - 6 FIXED ASSETS

Particular of Assets	Gross block			Depreciation			NET BLOCK			
	Cost as at 01.04.2010 (₹)	Additions (₹)	Sales/ Transfer/ Adjustments (₹)	Cost as at 31.03.2011 (₹)	Upto 31.03.2010 (₹)	For the year (₹)	Sales/ Adjustments (₹)	Upto 31.03.2011 (₹)	As At 31.03.2011 (₹)	As At 31.03.2010 (₹)
Building	213,876,295	-	-	213,876,295	4,347,975	3,486,140	-	7,834,115	206,042,180	209,528,320
Plant & Machinery	28,483,128,394	5,731,218,058	473,452,165	33,740,894,287	2,783,130,285	1,524,318,897	59,628,716	4,247,820,466	29,493,073,821	25,699,998,108
Office Equipments	65,682,065	5,372,716	1,645,266	69,409,515	7,158,969	3,620,263	461,038	10,318,194	59,091,322	58,523,097
Computers	64,431,133	5,665,625	6,800,349	63,296,409	26,068,515	9,737,451	4,394,138	31,411,828	31,884,581	38,362,618
Vehicles	199,428,849	16,106,191	4,200,493	211,334,548	116,150,497	15,910,858	1,742,453	130,318,902	81,015,646	83,278,353
Furnitures & Fixtures	40,079,549	5,531,916	187,197	45,424,268	6,547,504	3,655,545	71,278	10,131,771	35,292,496	33,532,045
Tent	83,567,914	-	103,998	83,463,916	49,389,654	9,439,769	25,397	58,804,026	24,659,890	34,178,260
Total	29,150,194,200	5,763,894,506	486,389,468	34,427,699,238	2,992,793,399	1,570,168,923	66,323,020	4,496,639,302	29,931,059,936	26,157,400,801
Capital Work in progress	5,173,607,650	1,265,474,143	5,056,555,126	1,382,526,667	-	-	-	-	1,382,526,667	5,173,607,650
GRAND TOTAL	34,323,801,850	7,029,368,649	5,542,944,594	35,810,225,905	2,992,793,399	1,570,168,923	66,323,020	4,496,639,302	31,313,586,603	31,331,008,451
Previous Year	27,642,016,373	17,498,476,163	10,816,690,686	34,323,801,850	1,959,227,594	1,071,609,443	38,043,637	2,992,793,399	31,331,008,451	16,194,905,252

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
SCHEDULE - 7 INVESTMENTS (At cost)		
LONG TERM INVESTMENTS		
In Equity Shares - Quoted : Trade		
429,000 equity shares of Shiv Vani Oil & Gas Exploration Services Ltd. of ₹ 10/- each fully paid up (Previous year 429,000)	9,750,000	9,750,000
In Equity Shares - Unquoted : Trade		
4,300 equity Shares of Equipment Conductors & Cables Ltd of ₹ 10/- each fully paid up (Previous Year 4,300)	43,000	43,000
5,000 equity shares of Parasram Puria Synthetics Ltd. of ₹10/- each at a premium of ₹ 10/- per share (₹ 5 paid up) (Previous Year 5,000)	25,000	25,000
110,000 equity shares of Neutral Enginners Ltd of ₹ 10 each fully paid up. (Previous year 110,000)	1,100,000	1,100,000
180,000 equity Shares of Om Shivay Real Estate (P) Ltd of ₹ 10/- each fully paid up (Previous Year 180,000)	1,800,000	1,800,000
In Mutual Funds - Quoted : Trade		
200,000 Units of SBI Infrastructure Fund (Previous Year - 200,000 units of ₹ 10/- per unit (Market Value - ₹ 1,874,000/-)	2,000,000	2,000,000
42,723.358 Units of SBI SHF Ultra Short Term Fund (Previous Year - 42,723.358 units) of ₹ 10/- per unit (Market Value - ₹ 546,927/-)	500,000	500,000
	15,218,000	15,218,000
SCHEDULE-8 INVENTORIES		
(At lower of cost or net realisable value as valued and certified by the Management)		
Inventory for		
Spare parts of Capital Goods	525,569,153	-
Stores, Spares, Consumables & Chemicals	1,211,399,157	653,933,495
Goods In Transit	285,163,551	107,378,616
Scrap	6,591,978	7,031,070
	2,028,723,839	768,343,181
SCHEDULE-9 SUNDRY DEBTORS		
(Unsecured - Considered good)		
Debts outstanding for a period exceeding six month	1,803,257,873	915,460,176
Others	5,664,309,866	2,700,686,250
	7,467,567,739	3,616,146,426

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Particulars	As At 31.03.2011 (₹)		As At 31.03.2010 (₹)	
SCHEDULE-10 CASH AND BANK BALANCES				
Cash and Cheques in Hand		5,673,880		7,033,460
Balances with Scheduled Banks				
In Current Accounts - Domestic	167,359,200		147,673,651	
- Overseas	277,302,559	444,661,760	40,298,637	187,972,287
In Margin Money Account - Domestic		-		931,474
In Deposit Accounts - Domestic	567,561,796		267,065,215	
- Overseas	2,234,061,251	2,801,623,047	137,053,097	404,118,312
		3,251,958,687		600,055,533
SCHEDULE - 11 LOANS & ADVANCES (Unsecured - Considered good unless otherwise stated)				
Advances & Other amounts recoverable in cash or in kind for which value is to be received		3,716,313,978		3,601,707,941
Income Tax Paid		393,573,036		44,447,203
Tax deducted at source		633,601,142		433,125,472
MAT Credit Entitlement		247,259,822		154,880,880
Security Deposits		121,882,570		16,926,811
		5,112,630,548		4,251,088,307
SCHEDULE - 12 CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Sundry Creditors				
Micro, Small & Medium Enterprises		-		-
Others	1,880,442,915	1,880,442,915	2,332,614,978	2,332,614,978
Other Current Liabilities		1,474,520,496		1,105,734,510
Dividend Payable		642,276		330,460
		3,355,605,687		3,438,679,948
B. Provisions				
Income Tax		665,674,666		492,500,980
Fringe Benefit Tax		-		380,573
Leave encashment		16,327,541		13,525,634
Gratuity		-		43,346,851
Proposed Dividend on Equity Shares		92,721,002		46,360,501
Dividend Distribution Tax on Proposed Dividend		15,041,665		7,699,900
		789,764,874		603,814,439
Particulars				
		2010-11 (₹)		2009-10 (₹)
SCHEDULE-13 OPERATIVE INCOME				
Contracts Revenue		14,619,483,407		12,520,091,646
		14,619,483,407		12,520,091,646
SCHEDULE - 14 OTHER INCOME				
Interest on Fixed Deposits (TDS. ₹2,231,897/- Previous year - ₹2,311,008/-)		22,361,343		13,904,385
Interest - Others		490,480		132,797
Gain on Currency Fluctuation		-		-
Miscellaneous Income		102,082,912		37,550,581
		124,934,735		51,587,763

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	2010-11 (₹)	2009-10(₹)
SCHEDULE - 15 OPERATIONAL & OTHER DIRECT EXPENSES		
Stores, Spares, Consumables & Chemicals	1,224,854,263	1,077,773,876
Oils & Lubricants	811,000,822	695,328,433
Other Operational Expenses	3,570,692,807	3,137,301,798
Hiring Charges	140,340,727	158,904,724
Insurance	69,857,356	42,994,446
Repairs to Plant & Machinery	299,718,296	195,541,556
	6,116,464,271	5,307,844,833
SCHEDULE - 16 PERSONNEL EXPENSES		
Payments to & Provison for Employees		
Salaries, Wages, Bonus, Gratuity etc.	846,016,099	767,404,561
Staff Welfare	31,910,833	17,598,562
Contribution to Provident Fund	12,688,346	9,837,299
Contribution to ESI	18,606	24,718
Contribution to EDLI	145,888	-
Directors Remuneration	32,778,567	20,693,292
	923,558,339	815,558,432
SCHEDULE - 17 ADMINISTRATIVE & OTHER EXPENSES		
Rent	33,442,962	33,682,233
Rates & Taxes	4,036,674	5,060,133
Advertisement	1,762,959	1,487,129
Travelling & Conveyance Expenses	142,309,654	132,882,746
Vehicle Repair & Maintenance Expenses	28,554,793	32,738,541
Repair & Maintenance to others	36,394,447	40,723,071
Telephone Expenses	13,772,553	15,879,311
Legal & Professional Charges	255,842,092	218,804,354
Charity & Donation	3,737,643	268,980
Fees & Subscription	2,027,303	1,242,365
Directors Sitting Fees	580,000	528,000
Miscellaneous Expenses	209,756,382	217,647,383
Payment to Auditors		
For Statutory Audit Fees	3,761,030	2,261,030
For Consolidated Audit Fees	50,000	50,000
For Tax Audit Fees	250,000	250,000
For Other Matters	4,352,505	1,510,000
Bad Debts Written Off	5,577,469	15,624,988
Insurance Claim Written off	-	38,442,395
Deferred Revenue Written Off	57,680,195	41,728,722
Assets Written Off	10,421,598	30,992,272
Loss due Currency Fluctuation	1,075,548	9,565,205
Loss on Forward Contracts	16,145,015	12,932,500
	831,530,821	854,301,358
SCHEDULE - 18 INTEREST & BANK CHARGES		
Interest on Term Loans	2,187,573,632	1,620,371,026
Interest on Cash Credits	192,421,937	115,759,991
Interest to others	54,461,033	14,906,348
Bank & Financial Charges	150,284,702	169,403,015
	2,584,741,304	1,920,440,380

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

SCHEDULE – 19 NOTES ON CONSOLIDATED ACCOUNTS

1. BASIS OF CONSOLIDATION

- i. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
- ii. The Financial Statements of the Parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra group balances/transactions, resulting in unrealized profits or losses.
- iii. The excess of cost to the company of its investments in a subsidiary company over the company's portion of equity of the subsidiary at the date, on which investment in subsidiary/subsidiary of subsidiary is made, is recognized in the financial statement as goodwill.
- iv. The details of subsidiary companies whose financial statements are consolidated are as under:

S. No.	Name of Subsidiary	Country of Incorporation	Name of Parent Company	Percentage of ownership	Main Activity of the Subsidiary
1	Shiv-Vani Oil & Gas Co. LLC	Oman	Shiv-Vani Oil & Gas Exploration Services Ltd. New Delhi India	99%*	Drilling & Workover Operations in oil field
*2	Oriental Oil & Gas Services Ltd.	Mauritius	-Do-	100%	Oil & Gas Exploration Services
3	Shiv-Vani Oil Services Ltd.	India	-Do-	100%	Provide services to Oil, Gas & Petroleum Industries
4	TNG Shiv Geo Services Ltd.	India	-Do-	51%	Provide services to Oil, Gas & Petroleum Industries
5	Shiv-Vani Singapore PTE. Ltd.	Singapore	-Do-	100%	Drilling & Workover Operations in oil field
6	Natural Oil & Gas Services Ltd.	Mauritius	-Do-	100%	Oil & Gas Exploration Services
7	Shiv-Vani Energy Limited	India	-Do-	100%	Electrical Energy
8	Oil Blocks Holdings Ltd. (Fellow subsidiary)	Cyprus	Oriental Oil & Gas Services Ltd., Mauritius	100%	Exploration, Extraction, Refining any other allied ancillary
9	SV Videsh Ltd. (Fellow Subsidiary)	Cyprus	Oriental Oil & Gas Services Ltd., Mauritius	100%	Exploration, Extraction, Refining any other allied ancillary

*Balance 1% ownership is held by Oriental Oil & Gas Services Ltd. Mauritius, a subsidiary of the parent company.

- v. The consolidated financial statements are based, in so far as they relate to Audited accounts included in respect of subsidiaries (audited by the auditors of their country) for the year ended 31st March, 2011.
- vi. Minority interest's share being loss for the year is identified and adjusted against the income in the profit & loss account in order to arrive at the net income attributable to shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Revenue Recognition

Revenue is primarily derived from oil & gas exploration and other allied services. The same is accounted for by the Company on work done basis.

Profit on sale of fixed assets / investments are recorded on transfer of title from the company and are determined as the difference between the sale price and carrying value of the fixed asset / investments.

Interest is recognized using the time-proportion method based on rates implicit in the transaction.

ii. Fixed Assets and Capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Capital work-in-progress comprises outstanding advance paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date.

iii. Depreciation and amortization

Depreciation on fixed assets is provided on the straight-line method at the rate prescribed under Schedule XIV to the Companies Act, 1956. Depreciation for assets purchased / sold, impaired or discarded during a period is proportionately charged. Individual low cost assets (acquired for less than ₹ 5000/-) are depreciated fully in the year of purchase.

In case of depreciation on fixed assets of a subsidiary company in Oman, the same is calculated on straight line method at the following rates.

Rigs & Equipments	4.75%
Camps & Caravans	15%
Vehicles	33.33%
Furniture Fixtures	33.33%
Computers	15%
Office Equipment	15%

iv. Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimated the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that if a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historic cost.

v. Investments

Investments are classified as long term based on Management's intention at the time of purchase. Cost for overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long-term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

vi. Inventories

Stores, spare parts & other consumables are valued at cost on First-in-first-out basis.

vii. Foreign Currency Transactions

Exchange difference arising on repayment of foreign exchange liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are adjusted in the carrying amount of the respective fixed assets.

The carrying amount of such fixed assets against which the liabilities in any foreign currency are outstanding is also adjusted to account for any increase or decrease in such liability by applying the closing rate or the rate as per forward exchange contract, if any. However, in case of the subsidiary company in Oman, the same is recognized in the income statement.

In case of any profit or loss arising on cancellation or renewal of a forward exchange contract relating to liabilities incurred for acquiring fixed assets, such profit or loss is adjusted in the carrying amount of the respective fixed assets.

Exchange difference arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets in Indian Company, are recognized as income or expenses for the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognized as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.

viii. Retirement & Other benefits to employees

Gratuity : In accordance with the Payment of Gratuity Act, 1972, the company provides for gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company subject to conditions specified in aforesaid act.

Provident Fund : Eligible employees receive benefits of provident fund, which is a defined benefit plan. Both the employee and the Company makes monthly contribution to the provident fund plan equal to a specified percentage of the covered employee's salary. The rate at which the annual interest is payable to the beneficiaries is being administered by the government.

Compensated Absence : The employees of the Company are entitled to compensate absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is measured based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expenses on non-accumulating compensated absences are recognized in the period in which the absences occur.

ix. Borrowing Costs

Borrowing cost that is directly attributable to the acquisition of assets has been capitalized as part of the cost of that asset upto the date of such asset is ready for its intended use. All other borrowing cost is charged to revenue in the period when they are incurred.

x. Taxes

Tax expense comprises of current tax, related to earlier years & deferred tax.

Income tax is accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances & exemption. Provisions are recorded when it is estimated that a liability due to disallowances or other is probable.

The difference that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of aggregate amount of timing difference. The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit is recognized in respect of Minimum Alternate Tax ('MAT') as per the provisions of Section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and is reviewed at each Balance Sheet date. The MAT credit is recognized as an asset in accordance with the recommendation provided in the Guidance Note issued by the Institute of Chartered Accountants of India

xi. Earning per share

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

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

3. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

	MARCH 2011 (₹)	MARCH 2010 (₹)
i. Amount unpaid on investment in shares: - 5,000 Equity Shares of Parasrampuriah Synthetics Ltd.	35,000	35,000
ii. Counter Guarantees given in respect of Guarantees Issued by the company's bankers to Oil & Natural Gas Corpn. Ltd (ONGC) and Oil India Ltd (OIL) (Includes ₹47.00 crores for guarantees issued against pledge of 902,500 shares of the Company held by directors and a third party).	2,433,805,481	2,542,111,774
iii. Un-expired letters of credit	316,594,477	251,265,002
iv. Corporate Guarantees given to Financial Institutions/ Banks for securing financial assistance for a subsidiary Company and other Company.	448,157,044	189,829,667
v. Estimated Value of capital commitments (Net of advances)	3,147,825,000	313,000,000
vi. Sales Tax demands (*) (* To be adjusted against refund granted for ₹133.86 lacs.	1,240,768	1,240,768
vii. Customs Duty	1,250,000	1,250,000
viii. Service Tax Demand	549,531,062	549,531,062
ix. Premium on Redemption of - Optional Convertible Debenture (OCD)	18,693,836	Nil
Foreign Currency Convertible Bonds (FCCB)	18,805,747	Nil

4. DEPRECIATION:

- a) Depreciation on Fixed Assets in the case of subsidiary company has been provided at lower rates than the rates provided in the financial statement of Shiv-Vani Oil & Gas Co. LLC - Oman. This has resulted in the following:
1. The depreciation has been higher by ₹ 901,107/- (Previous Year lower by ₹ 1,177,002/-) to the Consolidated Profit & Loss Account.
 2. The profit in the consolidated accounts is lower by ₹ 901,107/- (Previous Year profit higher of ₹ 1,177,002/-) and
 3. The fixed assets in consolidated accounts have been stated lower by ₹ 901,107/- (Previous Year higher by ₹ 1,177,002/-)

5. The External Commercial Borrowings [ECBs] outstanding :

	March, 2011	March, 2010
ICICI (44 M) US\$	35,996,608	39,998,304
Exim Bank (55 M) US\$	Nil	33,661,281

6. Fixed Assets

1. The registration of leasehold Building acquired is in process.
2. Capital work-in-progress includes advances for capital goods and pre operative expenditure of ₹ 1,085,707,397/- (previous year ₹ 26,417,847/-).

7. Secured Loans

a) Debentures -

During the year the company had issued Optional Convertible Debentures of ₹ 2,500 millions (Previous Year - ₹ Nil) at a coupon rate of 6%.

Each Debenture will be converted into equity shares of ₹ 10 each at fixed conversion rate of ₹ 575/- per share at the end of 18 months from the date of allotment of debentures. In case of non conversion of debentures the company will have to make the redemption to enable the subscriber to get yield to maturity of 11.57%.

These debentures were fully subscribed and are secured by 1st Pari Passu charge over movable fixed assets of the company. These debentures shall be redeemed after 18 months from the date of allotment out of the proceeds of sanctioned loan amount of ₹ 2,500 millions from ICICI Bank Ltd. still to be disbursed.

b) Term Loans / Working Capital Loans

- a. Rupee Term Loan from Union Bank of India of ₹ 455.44 millions (Previous year ₹ 606.79 millions) is secured by first pari passu charge on movable fixed assets & further collateral secured by way of pledge of 1,00,000 shares of the company being part of promoters stake.
- b. Foreign Currency Term Loan ICICI Bank Ltd. of ₹1,592.94 millions (Previous year - ₹ 1,769.90 millions) is secured by first charge over respective present and future fixed assets acquired from such loans & receivables of the contracts for which the loans have been obtained.
- c. All other term loans from Financial Institutions / Banks except above are secured by way of 1st charge on pari passu basis on all movable & immovable assets of the company (save and except book debts) machinery, machinery spares, tools and accessories present and future except on which another bank is having an exclusive first charge for loan granted to the company.
- d. All working capital loans from banks are secured by way of hypothecation of stocks of consumable stores and spares and book debts of the company, both present and future and also 1st charge on Plant & Machinery except on specific plant & machinery of ₹ 20.90 millions exclusively charged to State Bank of India. Further these Working Capital Loans are further secured against pledge of 2,759,400 equity shares of the company (being part of promoters stake) respectively.
- e. Secured loans amounting to ₹ 2,292.50 millions respectively are further secured by way of pledge of 10,270,000 equity shares of the Company being part of promoters state.
- f. All Term loans & Working capital loans of parent company are also personally guaranteed by Shri Prem Singhee, Chairman and Managing Director and Shri Padam Singhee, Joint Managing Director.
- g. Amount repayable (term loans) within one year ₹ 4,949.28 millions (previous year ₹ 3,418.70 millions).
- h. Loan in foreign currency ₹ 1,790.95 millions (Previous year ₹ 121.54 millions) : Term loan from ICICI Bank UK (Bank Muscat SAOG) secured by way of exclusive first charge on the entire property, Plant and Machinery acquired out of the loan, Assignment of receivables under contract No.C31/0312 with Petroleum Development Oman LLC., Assignment of insurance policies over Property, Plant and Equipments, Corporate Guarantee and Undertaking from Shiv-vani Oil & Gas Exploration Services Ltd. (Parent company)
- i. Loan in foreign currency ₹1,423.22 millions (Previous year ₹ 2,014.37 millions) : Term loan from Standard Chartered Bank is secured by way 1st Fixed & Floating Charges on all assets of Oriental Oil & Gas Services Ltd. Mauritius.
- j. Loan in foreign currency ₹ 2,215.87 millions (Previous year ₹ 2,925.60 millions) : Term loan from ICICI Bank Ltd. is secured by first pari passu basis on all assets of Natural Oil & Gas Services Ltd. Mauritius.
- k. Loan in foreign currency ₹ 1,012.90 millions (Previous year ₹ 1,309.06 millions) : Term loan from DBS Bank Ltd is secured by first pari passu basis on all assets of Natural Oil & Gas Services Ltd. Mauritius.

8. Unsecured Loans**Foreign Currency Convertible Bonds (FCCB)**

- a) The Company has issued 5% Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating to US \$ 80 million during the year. These bonds are convertible at the option of the Bond Holders into equity shares of ₹10 each fully paid up at the conversion price of ₹ 515.60 per share calculated at a fixed rate of exchange of ₹ 47.08 for US \$ 1 prior to the close of the business hours on 07th July 2015.

As on the date of balance sheet FCCB for US \$ 80 Million were outstanding.

Upon conversion of all the bonds into equity shares, the share capital of the company will increase by 7,304,888 shares.

Unless previously converted, the bonds shall be redeemable on or before 07th July 2015 at 104.22% of their principal amount. The redemption value of these bonds as on 31st March 2011 was 100.53%. However in view of uncertainty, no provision has been made for redemption premium of ₹18,805,747/- payable for the period from 16th August 2010 to 31st March 2011.

- b) Pending utilization of the issue proceeds of Foreign Currency Convertible Bonds (FCCB), an amount of ₹1,720,499,425/- is lying in Foreign Currency Current and Deposit Accounts. During the current year out of issue proceeds ₹1,049,275,000/- have been utilized for financing capital expenditure and ₹572,986,574/- have been utilized for loans to subsidiary companies for repayment of foreign currency loans availed by the subsidiary companies.
- c) Unsecured loans amounting to ₹1,010.65 millions are against pledge of 5,146,000 equity shares of the Company being part of promoters' stake.

9. Others

- i. The company had entered into forward contracts for hedging of foreign currency risk, the difference between forward rate and exchange rate at the inception of the contract is recognized as income or expenses at the termination of contract. Further, the exchange differences arising on such contracts are recognized as income or expenses along with the exchange difference on the underlying assets / liabilities.
- ii. The company has not received any intimation from 'suppliers' regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 could not be provided.
- iii. The payment of Provident Fund Dues amounting to ₹7,569,528/- (₹ 6,560,365/-), ESI amounting ₹ 11,562 /- (₹ NIL), Tax deducted at Source amounting to ₹115,495,186/- (₹ 66,099,897/-) Service Tax ₹ 542,986,011/- (₹ 746,938,289/-), VAT ₹ 24,698,856/- (₹ 15,537,418/-) was delayed. These amounts were later deposited with the appropriate authorities. (Figures mentioned in brackets are of previous year)
- iv. Fixed Deposits of ₹ 359.97 millions (Previous year ₹ 267.07 millions) are under lien in respect of guarantees/ Letters of credit issued by the banks.
- v. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to ₹ 24,066,869/- (Previous Year ₹ 64,364,466/-) has been reduced from the gross block.
- vi. Interest on Finance Charges includes ₹ 28,232,540/- (Previous Year - ₹ 57,988,228 /-) paid on account of difference in rates of foreign currency for hedging of interest on ECB.
- vii. Managerial Remuneration*

	MARCH 2011 (₹)	MARCH 2010 (₹)
Salary	30,300,000	17,900,000
Accommodation		
- for rent	1,800,000	1,800,000
- for expenses	678,567	993,293
Contribution to Provident Fund	3,636,000	2,148,000
Total	32,778,567	22,841,293

*Exclusive of provision for future liabilities in respect of Gratuity. The above Remuneration has been paid to the Chairman & Managing Director and Joint Managing Director in accordance with schedule XIII read with section 198 & 309 of the Companies Act, 1956.

- viii. The company has during the year imported machinery worth ₹80,016,233/- and stores ₹ 630,633,267/- (Previous year ₹ 326,079,752/-) under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty.
- ix. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance of the provisions of Section 212 of the Companies Act, 1956, subject to fulfillment of certain conditions stipulated in the circulars. The Company has satisfied the conditions stipulated in the circulars and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

- x. The Company has adopted an approved plan for the payment of gratuity based on actual valuation carried by Life Insurance Corporation of India. The liability towards the same has been accounted for accordingly.
- xi. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
- xii. There are no amounts due and outstanding to be credit to Investor' Education and Protection Fund.

10. RELATED PARTY DISCLOSURE

Relative of Key Management Persons having control or significant influence over the company by reason of voting power

Name of Key Persons

1. Prakash Singhee
2. Mayank Singhee

The Company has the following transactions with Key Persons:

	Description of Transaction	March 2011 Value (in ₹)	March 2010 Value (in ₹)
Prakash Singhee	Salary	7,650,00	7,050,00
Mayank Singhee	Salary	540,000	540,000

11. Earning per share

BASIC EARNING PER SHARE

(Amount in ₹)

Particulars

	2010-11	2009-10
a) Numerator		
Net Profit after taxation as per profit & loss a/c	2,263,436,390	1,991,152,401
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	46,360,501	43,963,212
Basic (EPS of face value of ` 10 each)	48.82	45.29

DILUTED EARNING PER SHARE

(Amount in ₹)

Particulars

	2010-11	2009-10
a) Numerator		
Net Profit after taxation as per profit & loss a/c	2,263,436,390	1,991,152,401
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	51,531,058	43,963,212
Diluted (EPS of face value of ` 10 each)	43.92	45.29

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**
Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

For and on behalf of the Board

Prem Singhee Chairman & Managing Director
Padam Singhee Joint Managing Director
Rajan Gupta Chief Financial Officer
Vimal Chadha Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

	31 March 2011 (₹)	31 March 2010 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	2,726,551,540	2,601,931,647
Adjustment for:		
1. Depreciation	1,570,168,923	1,071,609,443
2. Deferred Revenue Expenditure	57,680,195	41,728,722
3. Investments (Interest Income)	(22,361,343)	(13,904,385)
4. Interest Expenditure	2,584,741,305	1,930,090,375
5. Profit on Sale of Fixed Assets (Net)	(47,518,432)	(6,441,353)
6. Fixed Assets w/off.	10,421,598	30,992,272
Operating Profit before Working Capital Charges	6,879,683,785	5,656,006,721
1. Trade & Other Receivables	(4,070,983,109)	(2,371,882,667)
2. Inventories	(1,260,380,658)	109,678,354
3. Trade Payable & Provisions	(178,060,180)	1,231,007,258
Cash Generation From Operations	1,370,259,839	4,624,809,665
1. Interest paid	(2,584,741,305)	(1,930,090,375)
2. Direct Taxes Paid	(568,208,773)	(453,530,783)
	(1,782,690,239)	2,241,188,506
Cash Flow Before Extra Ordinary Items		
1. Extraordinary items	35,105,749	196,823,129
Net cash From Operating Activities	(1,747,584,490)	2,438,011,635
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (net)	(1,973,992,419)	(6,783,179,759)
Sale of fixed assets	458,338,178	38,799,726
Interest Received	22,361,343	13,904,385
Purchase of Investments	-	(500,000)
Net Cash From Investing Activities	(1,493,292,898)	(6,730,975,648)

SHIV-VANI OIL & GAS EXPLORATION SERVICES LTD.

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from long and short term borrowings	5,973,412,235	3,025,394,860
Increase in Share Capital	-	24,578,950
Premium on issue of equity shares	-	909,421,150
Change in Minority Interest	(9,494)	(6,684)
Change in Misc Expenditure	(80,622,201)	(100,000,000)
Net cash flow from financing activities	5,892,780,540	3,859,388,276
Net Increase In cash and Cash Equivalents	2,651,903,154	(433,575,736)
Cash and cash equivalents at the beginning	600,055,533	1,033,631,270
Cash and cash equivalents at the closing	3,251,958,687	600,055,533

For and on behalf of the Board

Prem Singhee Chairman & Managing Director

Padam Singhee Joint Managing Director

Rajan Gupta Chief Financial Officer

Vimal Chadha Company Secretary

Auditors' certificate

We have examined the attached cash flow statement of Shiv Vani Oil & Gas Exploration Services Ltd for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of the listing agreement clause 32 with the stock exchanges and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N
Chartered Accountants

(Vikas Varshney)

Partner
M.No. 510929

New Delhi
August 31, 2011

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 AS AT 31.03.2011

Name of Subsidiary Company	Country	Reporting Currency	Share Capital		Reserves & Surplus		Total Assets		Total Liabilities		Investments (included in Total Assets)		Total Income		Profit/(loss) before Tax		Provision for Income Tax		Profit/(loss) after Tax	
			In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR	In reporting Currency	Converted in INR
Shiv Yari Oil Services Limited	India	Rupees		9,750,000		809,771		10,809,646		-	4,875		9,750,000		429,000		415,485		-	415,485
TNG Shiv Geo Services Limited	India	Rupees		500,000		(135,254)		373,888		-	9,142		-		-		(21,972)		-	(21,972)
Shiv Yari Energy Limited	India	Rupees		500,000		-		612,625,300		-	612,125,300		-		-		-		151,269	-
Shiv Yari Oil & Gas Co. LLC.	Oman	Omani Rial	500,000	58,750,500	5,321,070	625,231,046	3,101,995,387	20,578,615	2,418,007,841	34,996,166	1,562,578,812	13,000	580,450	6,253,973	793,598,581	1,557,951	183,060,800	196,432	23,080,956	1,361,519
Oriental Oil & Natural Gas Ltd	Mauritius	US Dollar	34,000	1,518,100	61,180,321	2,731,701,333	96,210,487	4,295,798,245	1,562,578,812	22,322	996,877	-	-	52,556,008	2,337,695,757	24,145,273	1,078,086,439	-	-	24,145,273
SV Videsh Limited	Cyprus	US Dollar	1,573	70,234	(17,084)	(782,801)	6,811	304,111	304,111	22,411	1,000,651	-	-	-	-	(3,699)	(165,160)	-	-	(3,699)
Oil Blocks Holdings Limited	Cyprus	US Dollar	1,573	70,234	(17,173)	(766,774)	6,811	304,111	304,111	22,411	1,000,651	-	-	-	-	(3,699)	(165,160)	-	-	(3,699)
Natural Oil & Gas Services Limited	Mauritius	US Dollar	11,400,001	509,010,045	18,955,588	846,411,654	148,255,070	6,619,588,876	117,898,481	5,264,167,177	-	-	26,831,598	1,198,030,851	13,494,309	602,520,897	-	-	13,494,309	602,520,897
Shiv Yari Singapore PTE Ltd.	Singapore	US Dollar	71	3,170	(619,304)	(27,651,924)	285,928	12,766,685	905,161	40,415,438	-	-	-	-	(5,590)	(249,594)	-	-	(5,590)	(249,594)

The Foreign currency figures of Shiv Yari Oil & Gas Co. LLC, Oman, Oriental Oil & Natural Gas Ltd., Mauritius, Natural Oil & Gas Services Ltd., Mauritius and Shiv Yari Singapore Pte Ltd., Singapore have been converted into Indian Rupees on the basis of appropriate exchange rates. Exchange rate as on 31st March, 2011*: 1 Omani Rial = ₹117.501; 1 USD = ₹ 44.65

Schedules referred to above form an integral part of the accounts as per our report of even date

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

August 31, 2011

For and on behalf of the Board

Prem Singhee

Chairman & Managing Director

Padam Singhee

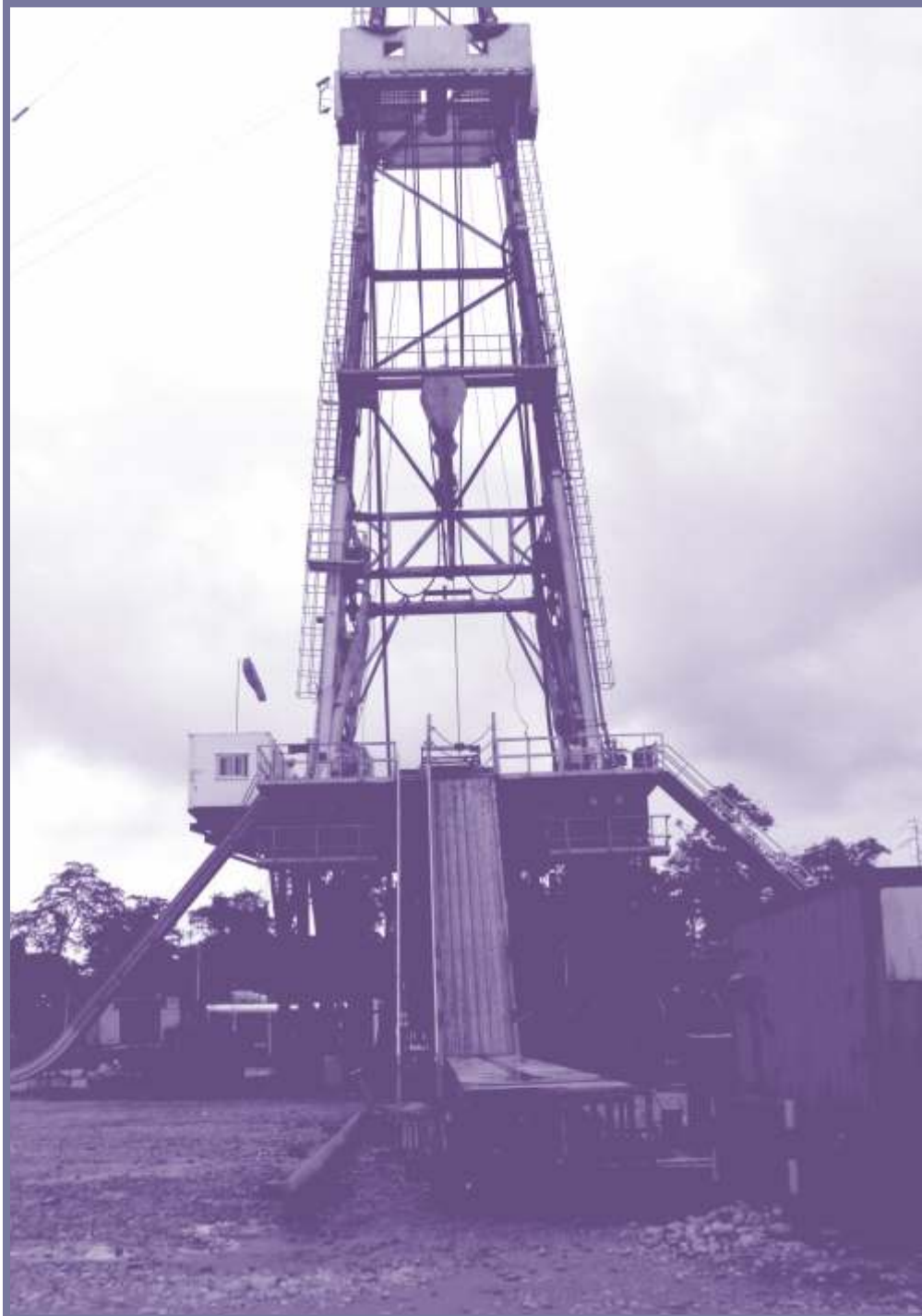
Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary



Shiv-Vani Oil & Gas Exploration Services Limited

Registered Office : Tower 1, 5th Floor, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi-110017