



SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Shiv-Vani Oil & Gas Exploration Services Limited will be held on **Friday, the 28th day of September, 2012 at 12.00 Noon** at Khasra No. 193, F-6, Pushpanjali Farms, Bijwassa, New Delhi – 110 061 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Om Prakash Garg, who retires by rotation and, being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Capt. Hiteshi Chander Malik, who retires by rotation and, being eligible, offer himself for re-appointment.
5. To re-appoint Auditors and to fix their remuneration. The retiring Auditors, M/s Vijay Prakash Gupta & Associates, Chartered Accountants, are eligible for re-appointment.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:-
“RESOLVED THAT pursuant to the provisions of Section 314 (1B) read with Director's Relative (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the Shareholders of the Company be and is hereby accorded to increase the remuneration paid / payable to Mr. Prakaash Kumar Chiman Lal Singhee, President of the Company, brother of Mr. Prem Singhee, Chairman and Managing Director and Mr. Padam Singhee, Joint Managing Director to a Basic Salary of Rs. 15,00,000/- p.m. and other perquisites not exceeding to Rs. 5,00,000/- per months as per the terms and conditions of service agreement as may be decided by the Board of Directors from time to time.
RESOLVED FURTHER THAT other perquisites such as house rent allowances (HRA), contribution to the provident fund, gratuity, provision of car, phone shall be paid as per the Company's policy and as may be decided by the Board of Directors from time to time.
RESOLVED FURTHER THAT the above increase in remuneration shall be effective from 1st October, 2012.
RESOLVED FRUTHER THAT subject to the Central Government's approval, the Board of Directors be and is hereby authorized to increase the remuneration of Mr. Prakaash Kumar Chiman Lal Singhee as it may decide from time to time.”

By Order of the Board

September 3, 2012
New Delhi

(Vimal Chadha)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited/ received at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the AGM.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at this AGM is annexed.
3. The corporate members are requested to send to the Registered Office of the Company at Tower 1, 5th Floor, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi – 110 017, a duly certified copy of the Board resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the AGM.
4. The Register of members and Share Transfer Books of the Company will remain closed from Thursday the 27th day of September, 2012 to Friday, the 28th day of September, 2012 (both days inclusive). The names of the shareholders whose

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

share transfer request received in order either at the Registered Office or at the office of Registrar and Share Transfer Agent of the Company i.e. Link Intime India Pvt Limited (Formerly Intime Spectrum Registry Limited) at A-40, 2nd Floor, Naraina Industrial area, Phase-II, Near Batra Banquet Hall, New Delhi-110028 on or before 28th September, 2012, shall be included in the register of Members as on the date of the Annual General Meeting.

- 5 If the dividend on equity shares, as recommended by the Directors, is declared at the meeting, the payment of such dividend will be made to those Members of the Company whose name appear on the Register of Members of the Company as on the date of the Annual General Meeting. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- 6 In order to provide protection against fraudulent encashment of Dividend Warrant(s), shareholders holding shares in physical form are requested to intimate the Company under the signature of the sole/first joint holder, the following information be printed on the dividend warrant(s) :-
 - a. Name of the sole/first joint holder and Folio number;
 - b. Particulars of Bank account viz. name of the bank, Branch address with pin code, Bank account number with account type whether saving or current account.
- 7 Members holding shares in electronic form may kindly note that their Bank details as furnished by the respective depositories to the Company will be printed on their dividend warrant(s), and that the company will not entertain any direct request from such member for deletion of/ change in such bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank account in which they wish to receive dividend, directly to their depository participants.
- 8 Shareholders holding shares in physical form and wish to avail of the ECS facility may authorize the Company with their ECS mandate in the prescribed form, available at the registered office of the Company or at the Registrar i.e. Link Intime India Pvt. Limited (Formerly Intime Spectrum Registry Limited) at A-40, 2nd Floor, Naraina Industrial area, Phase-II, New Delhi-110028.
- 9 Members are requested to:
 - i. Immediately notify any change of address to their Depository Participants (DPs) in respect of their holding in electronic form and to the Company in respect of their holding in physical form.
 - ii. Send their queries, if any, at least 15 days in advance of the meeting at the Company's Registered Office at Tower-1, 5th Floor, NBCC Plaza, Sector-V, Pushp Vihar, Saket, New Delhi-110017 so that the information can be made available at the meeting.
 - iii. Fill the attendance slip for attending the meeting and those who have shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
 - iv. Send shares for dematerialization to the Company's Registrar and Share Transfer Agents, if so far, are not held in dematerialised form, as the Company comes under compulsory demat as per directives issued by the SEBI.
- 10 Members who hold shares in the physical form and wish to make / change nomination in respect of their shareholding in the Company may submit to RTA in the prescribed Form 2B. The Form can be furnished by RTA on request.
- 11 All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 a.m. to 1.30 p.m. on any working day prior to the date of the meeting and also at the meeting.
- 12 Members holding shares in the physical form are requested to notify / send the following to the office of Registrar and Share Transfer Agent (RTA) to facilitate better servicing:-
 - a. any change in their address / mandate / bank details.
 - b. particulars of their bank account, in case the same have not been furnished earlier, and
 - c. share certificates, held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
- 13 The shares of the Company are listed at the Bombay Stock Exchange Ltd. (BSE), P.J. Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Ltd. (NSE), Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 005.

14 The Scrip Code of Equity shares at BSE and NSE are as follows:

Scrip Code at BSE : 522175
Scrip Code at NSE : SHIV-VANI

15 Listing fee for the financial year 2012-13 have been paid to BSE & NSE.

16 Mr. Om Prakash Garg and Capt. Hiteshi Chander Malik, Directors of the Company are due to retire by rotation and being eligible offer themselves for reappointment at the Annual General Meeting.

Information regarding the directors proposed to be appointed/re appointment:

Brief resume and other information with respect to the director(s) seeking appointment / re appointment at the Annual General Meeting, as required under Clause 49(IV) of the Listing Agreement with Stock Exchanges are given below:

Name	Mr. Om Prakash Garg	Capt. Hiteshi Chander Malik
Age	63 years	62 years
Qualification	Bachelor of Commerce	Advance Air Traffic Control Course from CATC, Allahabad.
Experience in specific functional area	He has experience in various industries and especially an exporter and Managing Director of Overseas Carpets Ltd.	He has rich aviation experience with Ministry of Defence, Department of Civil Aviation. He has also worked with the Directorate General of Civil Aviation and worked in the capacity of Advisor to the Ministry of Civil Aviation and continued to advise four Honorable Ministers till August, 2004.
Date of appointment on the Board of the Company	4 th May, 1992	30 th October, 2007
Chairman/ Member of the Committee of the Board of Directors of the Company.	-Audit Committee-Chairman -Share Transfer Committee-Member -Remuneration Committee-Member -Shareholders/Investors Grievance Committee-Membner	-Audit Committee-Member -Remuneration Committee-Member -Shareholders/Investors Grievance Committee-Membner
Name of the other companies in which Directorship held (as per Section 275 and 278 of the Companies Act, 1956).	(i) Overseas Carpets Ltd. (ii) Purvanchal Sez. & Textile Park Ltd. (iii) Shyam Cotsyn India Ltd. (iv) Bangalore Flora Ltd. (v) Travel Overseas India Ltd. (vi) New Link Overseas Finance Ltd (vii) Hey Infrastructure Ltd.	Nil
Name of Committees of other companies in which he holds Membership/ Chairmanship(s) (as per Clause 49 of the Listing Agreement with the Stock Exchanges).	Nil	Nil

By Order of the Board

September 3, 2012
New Delhi

(Vimal Chadha)
Company Secretary

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

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

Item No 6

Mr. Prakaash Kumar Chiman Lal Singhee, brother of Mr. Prem Singhee and Mr. Padam Singhee, was appointed as President of the Company by the Board of Directors in its meeting held on 30th October, 2007 which was approved by the Shareholders of the Company in their Extra-Ordinary General Meeting held on 18th February, 2008. The appointment of Mr. Prakash Kumar Chiman Lal Singhee was also confirmed by the Central Government vide their letter No SRN/A 49945876/3/2009-CL.VII 2nd June, 2009. The last increase in the remuneration of Mr. Prakaash Kumar China Lal Singhee was confirmed by the Central Government vide its letter No.A99461461/2/2011—CL.VII dated 16th May 2011 for an amount not exceeding to Rs. 1,57,12,380/- per annum wef 1st October 2010.

During the last two years Mr. Prakaash Kumar Chiman Lal Singhee has contributed a lot to the Company including the pioneering the new beginning in offshore drilling. Apart from other activities, he is also responsible for all the operations of the company which he is shouldering seamless under his expertise in the field of oil and gas industry.

His performance has been outstanding and Company is getting benefits of his varied experience of the industry domestically and globally as well.

Pursuant to the provisions of Section 314 of the Companies Act, 1956, the proposed increase in his remuneration can only be effected if the same is approved by the Shareholders through Special Resolution and confirmed by the Central Government.

Therefore, your Directors recommend the resolution for approval by the members of the Company. None of the Directors of the Company except Mr. Prem Singhee & Mr. Padam Singhee is in any way concerned or interested in these resolution.

By Order of the Board

September 3, 2012
New Delhi

(Vimal Chadha)
Company Secretary



Annual Report 2011-12

Shiv-Vani Oil & Gas Exploration Services Limited

Zeal To Explore, Drive To Excel

Corporate Information

Board of Directors Prem Singhee, Chairman & Managing Director
Prateep Kumar Lahiri
Om Prakash Garg
Capt. Hiteshi Chander Malik
Dwarka Das Daga
Rajnish Gupta
Sachikanta Mishra, Nominee- IFCI Limited
Padam Singhee, Joint Managing Director

Chief Financial Officer Rajan Gupta

Company Secretary & Compliance Officer Vimal Chadha

Auditors Vijay Prakash Gupta & Associates
Chartered Accountants

Bankers & Financial Institutions State Bank of India
ICICI Bank Limited
Punjab National Bank
Life Insurance Corporation of India Limited
State Bank of Hyderabad
State Bank of Travancore
Yes Bank Limited
Bank of India
Central Bank of India
Indusind Bank Ltd.
IFCI Limited
L&T Infrastructure Finance Company Limited
Exim Bank
Union Bank of India
State Bank of Patiala
Corporation Bank
United Bank of India
UCO Bank
Andhra Bank
Indian Overseas Bank
Oriental Bank of Commerce
Standard Chartered Bank
DBS Bank Limited

Registrar & Share Transfer Agent Link Intime India Private Limited
A-40, 2nd Floor
Naraina Industrial Area
Phase - II, Near Batra Banquet Hall
New Delhi - 110 028
Ph. Nos. - 011-41410592 - 93 - 94
Fax No. - 011 - 41410591
Email Id - delhi@linkintime.co.in

REGISTERED OFFICE Tower No 1, 5th Floor,
NBCC Plaza, Sector-V,
Pushp Vihar, Saket,
New Delhi - 110 017
Ph. No. - 011-29564592
Fax No. - 011-29565082
Email Id - mail@shiv-vani.com
Web Site - www.shiv-vani.com

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DIRECTORS' REPORT

Dear Members,

Your directors present the 21st Annual Report together with audited accounts of your Company for the year ended 31st March, 2012.

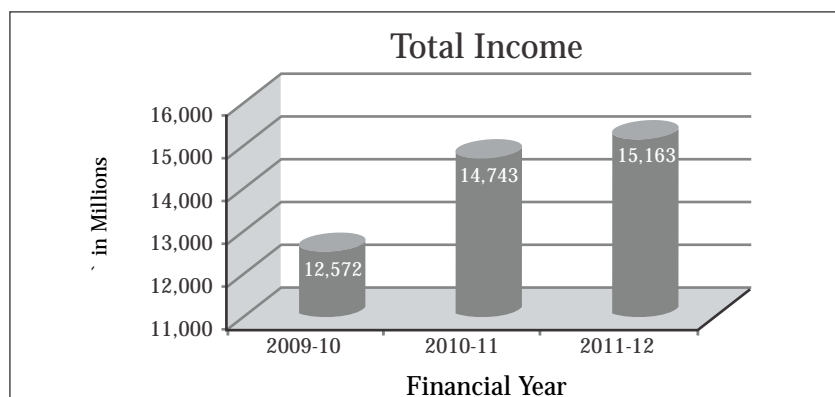
Consolidated Financial Highlights:

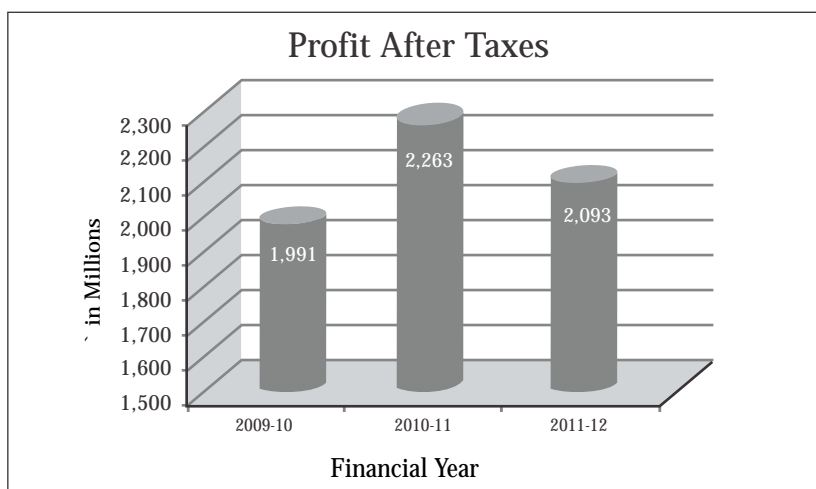
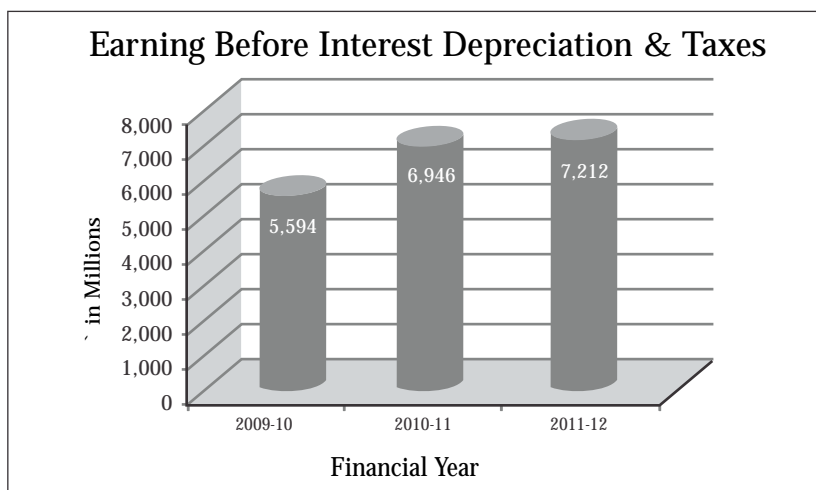
Particulars	(` in Millions)	
	2011-12	2010-11
Operating Income	14,840.32	14,619.48
Other Income	322.53	123.37
Total Income	15,162.85	14,742.86
Profit Before Interest, Depreciation and Taxation	7,211.56	6,946.04
Finance Cost	3,066.20	2,600.24
Depreciation	1,670.46	1,627.85
Profit Before Taxation	2,474.89	2,717.95
Add: Prior Period Adjustments	0.08	8.59
Add: Minority Share in Loss	0.01	0.01
Profit for the Year	2,474.98	2,726.55
Provision for Tax		
- Income Tax Relating to Earlier Years	0.46	0.15
-Income Tax	236.52	191.78
-MAT Credit	(193.61)	(92.38)
-Deferred	338.65	363.56
Net Profit after tax	2,092.97	2,263.45
Add : Surplus as per Last Balance Sheet	8,026.55	5,971
Surplus available for appropriation	10,119.52	8,234.33
Appropriation:		
Transferred to General Reserve	50.00	100.00
Transferred to Debenture Redemption Reserve	2,500.00	-
Proposed Dividend on Equity Shares	46.36	92.72
Dividend Distribution Tax on Proposed Dividend	7.52	15.04
Surplus Carried Forward to The Next Year	7,515.64	8,026.57
Total	10,119.52	8,234.33

The consolidated operating income for the financial year 2011-12 has grown slightly by 1.5% at ` 14,840 millions against ` 14,619 millions in the previous year. Due to increase in the finance cost during the year the profit after tax has declined by 7.5% from ` 2,263 millions in 2010-11 to ` 2,093 millions in 2011-12. However, the EBIDTA margin has been improved at ` 7,212 million (48.59%) in 2011-12 as compared to ` 6,946 millions (47.51%) during the last year 2010-11.

The consolidated net worth of the Company has increased from ` 13,752 millions to ` 15,233 millions while standalone net worth has also grown by ` 490 millions and reached at ` 9,846 millions as on 31st March 2012.

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





Dividend

For the financial year under review your Directors have recommended a dividend of ₹ 1.00 per equity share of ₹ 10.00 each i.e. 10% on paid up share capital of the Company, amounting ₹ 46.36 millions. 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 the close of working hours on 28th September 2012 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

Recently your company has started its foray into the area of offshore drilling by obtaining its maiden contract from Gulf of Suez Petroleum Company (GUPCO) for deployment of an offshore jack up drilling rig in Gulf of Suez, Egypt for an initial period of 2+1 year. GUPCO is a 50-50 joint venture owned by British Petroleum (“BP”) and The Egyptian General Petroleum Company (“EGPC”). This contract will be executed under our Singapore based 100% subsidiary viz. Shiv-Vani Singapore Pte Limited. We have acquired offshore jack up drilling rig “Ocean Heritage” now renamed as “Shiv-Vani Heritage” from Diamond Offshore LLC, an offshore drilling company, of Delaware, USA.

Shiv-Vani Heritage is a self elevating drilling unit registered and flagged in the Marshall Islands. Shiv-Vani Heritage has an outfitted maximum water depth capability of 300ft and a drilling depth capability of 20,000ft. The rig is acquired with all certification including the ABS certificate.

It is a new beginning for your company and has set a strong offshore drilling platform for Shiv-Vani. Acquisition of offshore rig should be considered as an addition to the gamut of services provided by Shiv-Vani.

Shiv-Vani currently owns and operates 40 on-land rigs and 8 seismic crews. We provide onshore E&P services ranging from seismic services, well drilling, work over operations, extraction of methane gas out of coal beds (CBM) to integrated well services with projects all over the country.

While continuing with the contracts of the last year with respect to E & P Services ranging from seismic to well drilling related integrated services, extraction of Methane from coal beds (CBM) we also got the EPC contract for the erection of Coal Handling Plant (CHP) and setting of Solar Power project as per the following:

Other Business Activities

Seismic Services:

We provide services in the collection and interpretation of seismic data. We are capable of acquiring both two-dimensional and three-dimensional seismic data, and have entered into a collaborative agreement with a third-party which gives us the capability to provide shallow water transit zone data services. Seismic data is collected by causing an explosion in the area beneath a shot-hole and then capturing the resulting resonance by a geophone and a telemetry system. Interpretation of the seismic data collected helps in identifying the precise points for well drilling.

During the year we have added two new clients for 3-D Seismic data acquisition for an area of 144 square KM in Gujrat for Sintax Oil and Gas Limited and we are continuing with our services with SNG Russia for GAIL (India) Limited for an area of 605 square KM.

Drilling Operations:

Deep drilling services consist generally of well drilling, well workover and directional drilling services. Your company on consolidated basis has fleet of 40 onshore rigs with drilling capacity up to a maximum depth of 8,000 metres. Out of 40 rigs 80% are brand new in terms of drilling capacity and value with an average age of 3-4 years and residual life of about 35 years.

Your company is successfully running all the contracts with our esteemed clients viz. ONGC, OIL India Limited etc and also obtaining repeat contracts from existing employers.

CBM Operations:

Coal bed methane development exploration and exploitation is gradually gaining importance as it reduces the greenhouse effect and earns carbon credits by further preventing the direct emission of methane gas from operating mines to the atmosphere. India has 247 Billions tonnes of Coal Reserves – 3rd largest in the world. Total Sedimentary area for CBM Exploration in India is 26,000 Sq Km, 36% of which is still unexplored. The DGH expects CBM production to grow to more than 7mmscmd over the next few years from present production of over 2mmscmd. Out of this exploration has been initiated in about 60% area by way of CBM rounds Following are the CBM bidding states:

CBM I	:	7 Offered and 5 awarded
CBM II	:	9 Offered and 8 awarded
CBM III	:	10 offered and 10 awarded
CBM IV	:	10 offered and 7 awarded

Shiv-Vani is pioneer and leading provider of integrated CBM development services in India with ability to provide multilateral in seam, horizontal directional drilling, resulting in significant increase in flow rates and optimises CBM production. Your Company has got an integrated contract of CBM for development, drilling and production testing of 14 horizontal Wells and putting them under production with requisite surface facilities for delivering the Gas at delivery point and Drilling, Completion and Testing of Pilot Wells in four CBM Blocks of Jharkhand.

We have drilled a total of 20 numbers of wells for CBM Project at Bokaro as 3 Horizontal and 17 Vertical with the deployment of five no. of rigs of different capacities as per the requirement of the project.

EPC Projects:

Apart from the existing contracts from ONGC for engineering, construction and pre / post installation of gas gathering station, we have got 2 contracts of Coal handling Plant of about Rs. 200 Cr. each from Mahanadi Coalfields Limited (MCL), a subsidiary of Coal India Limited for Ananta siding V&VI, Jgannath Area of Talcher Coalfields Near Talcher, Orissa. The project is a pre-engineered turnkey assignment for design, supply, construction, erection, commissioning, trial run and

handing over of all the structures, equipment and other sub-systems of the proposed coal transportation and silo loading arrangement at Ananta OCP siding, Talcher coalfields of MCL. The first contract for Rs.198.50 is executable over a period of 2 years and another LOI of about Rs.200 Cr. (executable over a period of 2 years) is expected shortly.

This is an E.P.C. contract. This does not need any capital expenditure. Working capital limits plus mobilization advance from Coal India will be sufficient to execute the project.

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 as such no amount of principal or interest was outstanding on 31st March, 2012.

Change in Capital Structure

During the year under review there was no change in the capital structure of the Company.

The Company has redeemed 6% Redeemable Secured Optionally Convertible Debentures (OCD) amounting to ` 2,500 millions on its maturity.

Listing

The equity shares continue to be listed on the Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). The annual listing fee for the next financial year 2012-13 has been paid to both the Stock Exchanges. The FCCBs are listed with Singapore Exchange.

Directors

During the year, there was no change among the Directors except Mr Sachikanta Mishra has been inducted by IFCI Limited as Nominee Director on the Board of the Company on 13th February, 2012.

In accordance with the provisions of Section 255 and Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr Om Prakash Garg and Capt. Hiteshi Chander Malik, 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.

Human Resource Development

Your company believes that human resources are the main assets of the Company and hence continues to be committed to the skill development and upgradation of its human resources through various training programmes, welfare activities and creating an environment which is conducive for optimum performance.

Corporate Social Responsibility

Shiv-Vani upholds a deep conviction in Corporate Social Responsibility (CSR) while translating of operations and business in reality at ground level. The Initiative and social efforts has fortified the organization in the direction of social responsibilities while working in the remotest corner of the country. In fact it is a unique opportunity in reaching to the far flung areas of our country to meet the business commitments.

In the process we thought of utilizing this opportunity in the benefit of local people, by taking of some proven initiatives so as, atleast they could see the light of development. Our nature of business is such that we have to remain at one place for at least couple of months to meet the contractual requirements.

The following initiatives have been taken up at our working sites under different programmes.

Strengthen the villagers: Under this programme we take up the responsibility of educating our young and old people from the nearby villages along with our crewmembers about the importance of Yoga and Meditation in building up a strong and healthy village population. We know that these people are very close to nature, so if the natural method of strengthening their physical and mental faculties are utilized, then it will bring wonder to our village population. Our ancient Rishis and Saints had been teaching throughout their lives a way of living to safeguard and to provide awakened civilization moving in forward direction in their time. As it has been a proven method and the time tested in centuries, We have taken this initiative to regenerate a strong and resurgence village with a meaningful social outlook.

Blood Donation Camp: We have also organized at times with the help of local health agencies / Red Cross. The blood donation camp, so as our crew and local people could be encouraged to donate the blood for the needy persons. It is a greediness services and this must be cultured and developed as habit with our local villagers. We know that there is no harm in donating blood atleast twice in a year.

Social Forestry: We have taken up this initiative to educate people for maintaining for ecological balance by planting trees wherever it is mercilessly destroyed. The deteriorating areas of Jungles and the denuded mountains are example of environmental and ecological mess committed by our generation. This is the greatest challenge before the modern civilisation, while maintaining its march to development and progress.

We have noted the importance of plantation around our working areas. We goes for plantation in large scale and we also encourage the villagers to go for it. We provide saplings of those plants which could be useful in those areas.

All the above efforts strengthen the organization in establishing the relationship with remote villagers and a dialogue for possible social development gets established.

Internal Control System

Your company believes that internal controls are vital element of management and freedom should be exercised with suitable controls and limitations. Your company left no stone unturned in ensuring an effective internal control environment that provides operational efficiency and appropriate security of its assets. This can be achieved by continuously following the well established and robust processes of internal audit. As such we have adequate internal control systems for business processes across various profit and cost centers with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations etc.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In preparation of the annual accounts for the financial year 2011-12, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (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 Directors have prepared the annual accounts 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 2011-12.

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 reappointment.

The Company has received from M/s Vijay Prakash Gupta & Associates, Chartered Accountants the consent letter for appointment as Statutory Auditors of the Company for the financial year 2012-13, declaration under Section 224(1B) of the Companies Act, 1956 and Peer Review Certificate issued by the Institute of Chartered Accountants of India. They have further declared that they are not disqualified for such appointment/ re-appointment within the meaning of Section 226 of the Companies Act, 1956.

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 2012-13 for shareholders approval.

The observations made in the Auditors' Report are self explanatory and does not call for any further clarifications under Section 217(3) of the Companies act, 1956.

Subsidiary Companies & Consolidated Financial Results

During the year under review Shiv-Vani Infra Limited has been incorporated as wholly owned subsidiary of the Company.

Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, are attached for your reference.

In line with the general exemption granted by the Ministry of Corporate Affairs vide Circular No 2/2011 dated 8th February, 2011, the report and accounts of the subsidiary companies are not required to be attached to the company's accounts. Any shareholder of the Company, who wishes to obtain the report and account of subsidiaries, may send a request in writing to the Company Secretary at the registered office of the Company.

The Annual Accounts of the subsidiary companies are kept open for inspection by any shareholders at the registered office of the Company and of the concerned subsidiary company.

In compliance with the terms of the exemption, summary of financial information for each subsidiary which includes Capital, Reserves, Total Assets, Total Liabilities, Details of Investment, Turnover, Profit before taxation, Provision for taxation, Profit after taxation and proposed dividend has been attached with this annual report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed report on the Corporate Governance system and practices of the company is given in a separate section in this annual report. Additional information for the shareholders is given 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.

Particulars as per Section 217 of the Companies Act, 1956.

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956, is set out in a separate statement attached to this Report and forms part of it.

In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are provided in Annexure-2 attached with this report.

Investor Relations

Investor Relations have been cordial during the year. 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 express their sincere appreciation for the excellent support and cooperation extended by the stakeholders, customers, suppliers, bankers and other business associates including financial institutions, banks, Central & State Government authorities during the year under review.

Your Directors place on record their deep appreciation for the exemplary contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

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

New Delhi
September 3, 2012

(Prem Singhee)
Chairman & Managing Director

ANNEXURE - 1

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

The particulars required under, Sec. 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

(a) 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) Seismic Data Acquisition improvement

The Company owns eight Seismograph with its accessories, Air Gun Shooting, Survey Equipment for data acquisition, on field processing and these all equipment with its accessories are being maintained by experienced & qualified key personnel viz Geoscientists, Electronic Engineers, Surveys, Software Designers etc. The Company is providing in house as well overseas training to our Geophysicists, Electronics Engineers, MESA designer, Surveyor etc. to do more research and development on upcoming technology in the field.

(b) Short hole drilling machinery performance improvement

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

(c) Drill bit modification

The drill bits used for drilling 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 is being carried out to overcome the problem.
2. The sleeves of mud pumps are getting damaged very frequently, efforts are 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	:	₹ 18.5 Millions
Total R & D Expenses	:	₹ 18.5 Millions
As a % of total turnover	:	0.14%

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

(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 imported	SERCEL-428, and Aram System Seismograph with all accessories for channels, Global positioning System Seismic Data Processing System, Seismic Field Designing System.
(b) Year of Import	2008-09
(c) Has technology been fully absorbed	Yes
(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.	March 2012 (₹)	March 2011 (₹)
I	Earnings in foreign currency	
	Contract Revenue(Gross)	364,968,441
	Total	364,968,441
II	Expenditure in Foreign Currency	
	Rig Rental Charges	1,768,002,257
	Interest:	
	-Capital nature	200,661,194
	-Others	128,546,310
	Professional Fees	1,345,839
	Travelling Expenses	7,810,928
	Repair & Maintenance	2,054,996
	Annual Membership Fee & Subscription	332,379
	Business Promotion Expenses	54,928
	Listing Fee	1,030,963
	Contract Expenses	412,404,562
	Dividend	1,086,800
	FCCB Issue Expenses	-
	Total	2,523,331,157
		2,635,172,522

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	54	Chairman & Managing Director	31,202,990	B.Com	26	Since Incorporation	Partner M/s Perfect Tubewel Corp.
2.	Padam Singhee	48	Joint Managing Director	27,328,284	B.Com	22	11-Jan-90	N/A
3.	Prakash Kr Chiman Lal Singhee	47	President	17,621,590	Graduate	19	1-Jul-08	Infotat International (Huston-USA)
4.	MD Ripon Rashid	35	Directional Driller	7,400,589	BE(Electrical & Electronic)	11	1 June 2009	M/s Sperry Drilling & Services

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

Note:

1. All appointments are contractual in nature. The terms and conditions of appointments are governed by Company's policy and rules.
2. 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.
3. 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.
4. None of the above employee except Mr. Prem Singhee, Padam Singhee and Mr. Prakash Kumar Chiman Lal Singhee is relative of any director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

Indian economy was estimated to grow by 6.9% in 2011-12 mainly due to weakening industrial growth, which finally declined to 6.5%, a three-year low as compared to an impressive 8.4% in the previous fiscal. The GDP growth in the January-March quarter, 2011-12, was just 5.3% compared to 9.2% in the same period in 2010-11. The GDP of last quarter of 2011-12 was expected to be around 6.1% on a quarter-on-quarter basis. Fiscal deficit was estimated at 5.9%.

Reflecting slowdown in the economy, the growth rate of eight infrastructure sectors slowed down to 2.2% in April because of poor performance of crude oil, natural gas, petroleum refinery products and fertilizers. The eight core sectors that also include coal, electricity, cement and finished steel, and have a weightage of 37.9% in the Index of Industrial Production (IIP), had grown by 4.2% in April 2011.

The cumulative growth rate of infrastructure industries during 2011-12 also slowed down to 4.4%, from 6.6% in 2010-11, according to the data released by the commerce and industry ministry.

This indicates a slowdown compared not just to the previous two years, when the economy grew by 8.4%, but also from 2003-2011, except 2008-09 economic downturn, when the growth rate was 6.7%. However, the Economic Survey 2011-12 predicts 7.6% GDP growth in 2012-13 and 8.6% in 2013-14.

With agriculture and services continuing to perform well, the slowdown can be attributed almost entirely to weakening industrial growth.

The year witnessed a sharp increase in interest rates that resulted in higher costs of borrowings, and other rising costs affecting profitability and, thereby, internal accruals that could be used to finance investment.

But despite the low growth figures, India remains one of the fastest growing economies of the world as all major countries including the fast growing emerging economies are seeing a significant slowdown. The global economic environment which was tenuous at best throughout the year, turned sharply adverse in September, 2011, owing to the turmoil in the euro-zone countries and question about others, reflected in sharp ratings downgrades of sovereign debt in most major advanced countries.

Socio-Economic Environment

The world economy is passing through a very difficult phase and is expected to grow by 3.5% in 2012. Despite a better than expected recovery shaping in the US, the key reasons for the subdued growth forecast of 1.4% in the Advanced Economies remain the sovereign debt crisis in the euro zone, focus on fiscal consolidation and continued bank deleveraging. Growth in the developing world is forecast to slow down further to 5.7% with the key economies of China, India, Brazil and Russia – all expected to record lower rates of growth.

Industry Scenario in India

Energy is one of the major inputs for the economic development of any country. In the case of the developing countries, the energy sector assumes a critical importance in view of the ever-increasing energy needs requiring huge investments to meet them.

The Indian economy is a net importer of almost all forms of energy. The government is actively seeking private participation in the energy chain and is also promoting acquisition of oil & gas reserves overseas. Back home, the rapidly growing Indian economy requires an investment of around USD 120 to 150 billion over the next five years in the energy sector. Strong private sector participation is required to complement public sector and bring in the required capabilities and technologies. Policies have increasingly recognized the need to promote private investment. Private interest in captive coal mining, oil & gas exploration and power sector has increased significantly and is also envisaged in nuclear sector, after the Indo-US nuclear deal has been concluded.

Oil & Gas

The implementation of the New Exploration Licensing Policy (NELP) in 1999 has not only increased the exploration scenario significantly, but also helped in bringing in the much-needed risk capital and state-of-the-art technology to this sector.

The Hydrocarbon exploration initiatives in India have increased manifold after implementation of NELP. India's conventional Hydrocarbon resources are estimated to be more than 28,000 MMT of which Initial In-Place reserves of more than 10,000 MMT of Oil & Oil Equivalent Gas have been established so far. Since India ranks fourth in the world in Total

Primary Energy consumption, there is an urgent need to accelerate the development of this sector to meet its growth aspirations.

A total of 291 exploration Blocks/ Fields have been awarded, of which 228 are in operation. So far, eight rounds of biddings have been completed under NELP and during the IXth round of bidding, 33 bids have been received out of 34 blocks offered. The whole sedimentary basinal area of India is likely to be covered for exploration activities by 2015. The New Exploration Licensing Policy provides for attracting investments in this important sector of the economy and has significantly boosted the development of E&P sector.

The production of oil is estimated at 38.19 million metric tonnes (MMT) which is an increase of 1.33 per cent, whereas natural gas production during April to December, 2011-12 was 38.19 billion cubic metre (BCM) as compared to 39.68 BCM for the same period in previous year. In vision 2015 it is envisaged to provide piped gas to more than 200 cities across country to cover 75 per cent population with LPG usage. The government is encouraging national oil companies to aggressively pursue oil and gas opportunities overseas.

Demand for oil, comprising of 36 per cent of India's primary energy consumption, is expected to grow both in absolute and percentage terms to 196 MMT in 2011-12 and 250 MMT in 2024-25. To address the growing demand supply gap, the government has stepped up exploration and production efforts through private participation under the NELP, and has also developed a more holistic strategy for acquisition of equity in oil abroad, Other Indian companies like Reliance Industries Ltd. (RIL), Gujarat State Petroleum Corp. Ltd. (GSPC) and Videocon are actively seeking oil & gas blocks across the globe.

During the same period domestic production from existing developed reserves expected to grow at approximately 2.5%. The gap in demand and output will catapult India to one of the largest consumers of crude oil along with China. The two countries will account for 35% of the world's incremental energy demand.

Crude Oil Price

The fiscal year 2011-12 has been an eventful year for the oil & gas sector. Crude oil, also famously known as 'black gold', witnessed heavy action amidst rising political instability in the Middle East and North Africa (MENA) region as well as a slowdown in the developed economies of the US and Europe. After flagging off the year at USD 94 per barrel, Brent crude oil (spot prices) shot up sharply in May 2011 to USD 123 per barrel on the back of rising political tensions in the Arab nations of Libya, Syria, Bahrain, Egypt, etc.

Crude oil price stayed strong all through in FY 12 and averaged US\$ 114.29 /bbl against the average of US\$ 85.52/bbl during FY 2011. The last quarter of FY 12 has been the most volatile and oil price averaged US\$118.81/bbl with a peak of US\$126.40/bbl on 16th March, 12. The major reason for the higher prices has been the perception that US economy is recovering based on the indicator that showed accelerated pace of job creation in US private sector.

However, benchmark crude prices continued to soften through most of April, 2012. Crude oil prices in May, 2012 continued to decline and averaged US\$110.70, almost US\$14/bbl less than the peak price in March, 2012.

The crippling effect of this sharp volatility seen in global crude prices has taken a heavy toll on the Indian economy which depends on imports to meet around 70 per cent of its requirements.

Coupled with this were our very own domestic macro-economic problems like stubbornly high inflation and rising borrowing costs. Blame it on soaring crude oil prices, the sharp rupee depreciation or the high inflation high interest cost scenario, the Indian oil & gas has had a roller-coaster fiscal 2011-12.

While the first half of fiscal 2011-12 saw upstream companies like ONGC and Oil India emerge winners, the recently ended December quarter belonged to the domestic refiners – IOC, BPCL and HPCL. After posting a cumulative loss of around ` 14,000 crore during the April-September 2011 period, the three oil marketers sprung right back into action as they witnessed a significant jump in budgetary support and increased upstream discounts.

However, the domestic refiners continue to post losses on sale of fuel at subsidized rates. As per the latest figures from the oil ministry, the combined daily loss incurred by them on sale of diesel, kerosene and LPG at subsidized rates amount to ` 471 crore. At this rate they are expected to report an annual under-recovery in excess of ` 1 lakh crore.

Outlook

Domestic oil and gas production dipped 5% year on year to 86 million metric tonnes of oil equivalent (MMTOE) in FY 2012 on the back of 9% degrowth in gas production to 47.55 billion cubic metres (BCM) and tepid 1% growth in crude oil production to 38 million metric tonnes (MMT). Oil and Natural Gas Corporation Limited (ONGC) continues to dominate India's exploration and production (E&P) landscape, accounting for approximately 55% of total oil and oil equivalent gas (O+OEG) production while Oil India Limited (OIL) accounts for 8% and various private companies/joint ventures (JVs)

together account for 37% (FY 12). As a result the growth prospects of your Company are tremendous mainly because of the expertise it has gained during the last twenty years, state of the art equipments with an average age of about 3-4 years and low competitions.

Your company recently forayed into the area of offshore drilling by obtaining its maiden contract from Gulf of Suez Petroleum Company (GUPCO) for deployment of an offshore jack up drilling rig in Gulf of Suez, Egypt for an initial period of 2+1 year. This contract will be executed under our Singapore based 100% subsidiary viz. Shiv-Vani Singapore Pte Limited.

Unconventional & alternate source of energy

As per the vision, your company has taken suitable actions for exploration of non conventional and alternate source of energy which has the potential to change the energy business in the country as it is happening in the other parts of the world.

Your Company has been providing services ranging from seismic services, well drilling, workover operations, extraction of methane gas out of coal beds (CBM) to integrated well services with projects all over the country.

We have drilled a total of 20 numbers of wells for CBM project at Bokaro – 3 horizontal and 17 vertical with the development of five rigs of different capacities as per the requirement of the project.

Apart from this, the Company is doing EPC project for pre/post installation of gas gathering stations. The Company is also starting work on two contracts for Coal Handling plant of ` 200 Cr. each from Mahanadi Coal Fields Ltd., a subsidiary of Coal India Ltd.

ONGC is planning to proactively engage leading E&P companies, service firms and technology providers to make alliances for the development of four resource types such as deepwater, shale gas, CBM and HPHT reservoirs. With this development, your Company expects more contracts in these contracts with making joint ventures with the foreign companies and will be able to avail more opportunities.

Opportunities & Threats

Despite the current slow down of GDP growth, which will handsomely beats down the global growth rates, India's demand for energy is expected to continue. This puts great onus on Companies which are engaged in exploration of oil and natural resources. As per the World Energy Outlook 2011, India's total primary energy demand is expected to grow by CAGR of 3.1% in the period 2009-35. Oil demand is expected to grow by 3.1%, gas by 4.5%, renewable (excluding biomass & waste) by 12.2% and nuclear by 9.2%. This sets the road map fairly well for the future strategies of the integrated energy business of major companies like ONGC etc., thus further sub contracts for small companies. It provides opportunities to expand further in these areas and send a signal to further develop the core business of exploration and exploitation of hydrocarbons. In high oil price regime the cost of oil field services, material, equipments etc has also increased resulting in increase in cost of production. In case of under recoveries also, the increase in cost of production is a threat of the companies.

Besides the conventional assets, the non conventional assets have thrown a window of opportunities to expand its focus in such areas too viz. shale gas, tar sands, heavy oil etc. However, ownership rights in oil and gas assets of foreign countries is influenced by geo political factors besides commercial one. Many companies would be struggling for the small pie.

Further with the large track of Indian sedimentary basins still to be explored, it gives another opportunity to discover and develop these unexplored or partly explored areas. As per the Ministry of Petroleum and Natural Gas, roughly around 400,000 sq km of areas would be offered in the next five years for exploration. However, unexplored territories have its own share of risks and rewards with many private and other companies expected to compete for the same.

Country's upstream policies such as the New Exploration Licensing Policy (NELP) are focused at increasing investments in domestic exploration and production (E&P) out to companies activities. Nine rounds of acreage awards have been completed in ten years in which 260 blocks were licensed out to companies. In the coming years, additional rounds of awards are expected to be rolled out for investors to bid. The production share, cost recovery and work programme are biddable. The local NOCs – ONGC, OIL, GAIL, IOC, BPCL AND HPCL have actively participated, and so have the Indian private companies. They compete on equal footing with international investors. However, despite many promising discoveries in the NELP blocks, the policy has had limited success in reducing the dependence on foreign imports. The policies have also not been able to attract oil majors with experience and other technical expertise to invest in India. Experience of operating in deepwater and other difficult environments is critically required in India, if not the investments the international companies can bring in.

In the downstream sector, the government as introduced certain reforms including deregulation of petrol prices. However, with the marketing companies, under the control of Central Government, still set the prices at levels which are more

reflective of the consumer concerns and not markets, the sector represents an extremely risky environment to operate in for private fuel retailers which do not qualify for subsidy dissuading them from using or expanding their retail portfolio.

Risks Associated with Our Business

The Oil & Gas sector in India has come a long way since our independence. There has been significant progress in every sub sector of the Oil & Gas Industry. The sector is teeming with opportunities but at the same time its dealing with some fundamental issues which can hinder its progress and thwart the achievement of its growth objective. Some of these major issues are: -

- 1 Limited participation by foreign companies in the Indian upstream sector – policy.
- 2 Upstream skills, technology and equipment shortage
- 3 Enablers for acquisition of oil & gas assets abroad – Indian oil & gas companies, especially the public sector companies have been competing with aggressive Chinese counter parts and IOCs for acquisitions of assets abroad. However, these companies have to lose out to the competition due to the slow speed of clearances and decision making processes for large investments.
- 4 Indian companies are sometimes also constrained by lack of opportunities tracking resources and networks that can spot opportunities early and pass on to the companies. However, Indian Government has taken many diplomatic relationship building initiatives with countries in regions such as Africa. More initiatives are required for strengthening his network so that Indian companies are not at a disadvantage to the international competition.
- 5 Ambiguity on policies relating to pricing and marketing of domestic gas as well as the gas end user segment policies creating hurdles to gas marketing development.
- 6 Gas sector in India holds tremendous potential but its growth is constrained on account of ambiguity in investor's mind about pricing and marketing policies of the Government with respect to the domestically produced as.

Conclusion

The Oil & Gas industry in India is at the most critical cusp of its journey. Significant reserves have been discovered and India is positioning itself as a major refining hub following Singapore's model. The last decade has been the best in India's hydrocarbon history but a lot more is desired to satisfy our exponential energy needs. Pipeline infrastructure, taxation structure for petroleum products and natural gas supply need immediate addressing. We need more regulatory clarity on fuel pricing and exploration of reserves to truly pave the way for private and foreign participation. With growing inflation, widening fiscal deficit and ballooning import bill becoming a cause for concern, oil and gas sector is where all the answers have to come from.

Cautionary Statement

Statement in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on risks and concerns.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance: Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and to meet its stakeholders aspirations and societal expectations. Good governance practices stem from the culture and mindset of the organisation and at Shiv-Vani, we are committed to meet the aspirations of all our stakeholders, employees, government authorities and lenders.

The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex interrelationship among the board of directors, audit committee, accounting, corporate secretarial team, auditors and Top management.

1. BOARD OF DIRECTORS

(a) Composition

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director. As on March 31, 2012, the Board comprised of Eight Directors. Out of these, two are Executive Directors, including the Chairman & Managing Director and Joint Managing Director who are Promoter Directors.

Of the six Non- Executive Directors & Four are independent Directors and a nominee Director. All Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance, economics, oil & gas exploration and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

As mandated under Clause 49 of the Listing Agreement, the Independent Directors on the Board of the Company:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director;
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- Have not been executive(s) of the Company in immediately preceding three financial years;
- Are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years, of any of the following:
 - ❖ Statutory audit firm or the internal audit firm that is associated with the Company
 - ❖ Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material supplier(s), service provider(s) or customer(s) or lessor(s) or lessee(s) of the Company, which may affect independence of the Director;
- Are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares;
- Are not less than 21 years of age.

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 2012, 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	3	Nil	Nil	947,220
Mr. Prateep Kumar Lahiri ^	Independent Non-Executive Director	2	1	Nil	Nil
Mr. Dwarka Das Daga	Non- 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. Rajnish Gupta	Independent Non-Executive Director	4	Nil	Nil	Nil
Mr. Padam Singhee	Joint Managing Director Executive and Promoter Director	4	Nil	Nil	797,448
Mr. Sachikanta Mishra*	Nominee Director	Nil	Nil	Nil	Nil

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, Mr. Padam Singhee Joint Managing Director and Mr. Sachikanta Mishra, Nominee Director of the Company remaining all other 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.

^ Mr. Prateep Kumar Lahiri is a Chairman in Executive Board of I.S.M. University, Dhanbad.

* Mr. Sachikanta Mishra has appointed as a nominee Director With effect from 13th February, 2012.

Profile of Directors

1. Mr. Prem Singhee is the Chairman and Managing Director of the Company since its inception. He holds a Bachelor's degree in commerce from Osmania University, and has more than twenty six years' of experience in the oil and gas industry. Mr. Singhee is a brother of Mr. Padam Singhee. He is also a son-in-law of Mr. Dwarka Das Daga.
2. Mr. Padam Singhee is a Joint Managing Director of the Company. He has been working with the Company since 1990. He is a graduate in commerce from Osmania University, and has more than twenty two years' of experience in the oil and gas industry.
3. Mr. Prateep Kumar Lahiri has been a Director of the Company since 1995. Mr. Lahiri holds a Master degree in history from Allahabad University (Uttar Pradesh) and is a retired Indian Administrative Service (IAS). He has experience of working in senior positions with various administrative departments of the State and Central Governments. He served as Executive Director on the resident Board of Directors of Asian Development Bank, Manila. He was Secretary to the Government of India, Ministry of Finance, Department

of Revenue. Prior to that he was Secretary to Government of India in the Ministry of Mines. At present, he is also Director of Vishwakriya Housing Finance Limited and Bharat Seats Limited. He is also a Chairman, Governing Council & Executive Board of ISM University, Dhanbad.

4. Captain Hiteshi Chander Malik has been a Director of the Company since October 2007. He has rich aviation experience with the Ministry of Defence, the Department of Civil Aviation. He has also worked with the Directorate General of Civil Aviation and worked in the capacity of Advisor to the Ministry of Civil Aviation and continued to advise four Honorable Ministers till August 2004.
5. Mr. Dwarka Das Daga has been a Director of the Company since 1990. He holds a Bachelor's degree in commerce from Calcutta University and is currently also working as a director of Daga Shipping Agents Pvt. Ltd. Mr. Dwarka Das Daga is the father-in-law of Mr. Prem Singhee.
6. Mr. Rajneesh Gupta joined the Board on 30 January 2009. He holds a B.Sc degree from Allahabad University and completed his Engineering in Electrical (Hon.) from Punjab Engineering College in 1969. He was selected for the All India Engineering Services Examination 1970 and joined the Indian Telecom Services (ITS) in January 1972 in the Department of Telecommunications of the Government of India. He has rich experience of 35 years, worked as Chairman & Managing Director of Mineral Exploration Corporation Ltd. under the Ministry of Mines and worked as Managing Director of Bharat Gold Mines Ltd.
7. Mr. Om Prakash Garg was appointed as a Director of the Company in 1992. He is a graduate in commerce from Maharishi Dayanand University (Haryana) and has experience in various industries. He is a Managing Director of Overseas Carpets Ltd. and a Director of Dwaresh Overseas Construction Pvt. Ltd, Newlink Overseas Finance Ltd. and various other organizations/ companies.
8. Mr. Sachikanta Mishra was appointed as a nominee Director of the Company on 13th February, 2012. He is Post Graduate in Mathematical Economic with about 12 years experience macro modeling, strategy, research, financial and management consulting etc. Currently working as Vice president in IFCI, Managing the Corporate Advisory Group.

(b) Board Meetings

During the financial year ended on 31st March 2012 the Board of Directors met for Six times on 06/04/2011, 13/05/2011, 11/08/2011, 31/08/2011, 14/11/2011, and 13/02/2012. The difference between any two board meetings was not more than four months.

The Company follows a structured process of decision making by the Board and its Committees. The Dates of Board meetings are fixed in advance and agenda papers are circulated to Directors in advance containing all the relevant information. The Board is also free to recommend inclusion of any other matter in the agenda for discussion.

The Board has complete access to all relevant information of the Company. The Quantum and quantity of information supplied by the management to the Board goes beyond the minimum of Clause 49 of Listing Agreement.

Directors' attendance at Board Meetings and Annual General Meeting during the year ended 31st March 2012.

Name of the Director	No. of Board Meetings attended		Whether attended the AGM held on 29 th September 2011
	Held	Attended	
Mr. Prem Singhee	06	06	No
Mr. Prateep Kumar Lahiri	06	05	No
Mr. Dwarka Das Daga	06	06	Yes
Mr. Om Prakash Garg	06	04	Yes
Captain Hiteshi Chander Malik	06	05	No
Mr. Rajnish Gupta	06	05	Yes
Mr. Padam Singhee	06	06	Yes
Mr. Sachikanta Mishra*	01	01	No

* Mr. Sachikanta Mishra was appointed as a nominee Director wef 13th February, 2012.

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.

2. 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.

The maximum time gap between any two consecutive meetings did not exceed four months. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in hereunder.

Composition

The Audit Committee has five members, out of which Four are Non-Executive Directors viz. Mr Om Prakash Garg, Mr Dwarka Das Daga, Capt. Hiteshi Chander Malik, Mr. Rajnish Gupta and Mr Padam Singhee. Mr Om Prakash Garg is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Attendance

During the Financial Year ended on 31st March 2012, the member of audit committee met for five times on 13/05/2011, 11/08/2011, 31/08/2011, 14/11/2011 and 13/02/2012. The 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	3
Captain Hiteshi Chander Malik	Member	Independent Non-Executive Director	5	4
Mr. Padam Singhee	Member	Executive and Promoter Director	5	4
Mr. Dwarka Das Daga	Member	Non- Independent Non-Executive Director	5	2
Mr. Rajnish Gupta	Member	Independent Non-Executive Director	5	4

The Chairman of the Audit Committee was present at the Annual General Meeting (AGM) of the Company held on 29th September, 2011 to answer shareholder queries. The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (II) (D) of the Listing Agreement and Section 292A of the Companies Act, 1956. Further the Audit Committee has been granted powers as prescribed under Clause 49 (II) (C) of the Listing Agreement.

The terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required as part of the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing with the Management, quarterly and half yearly financial statements before submission to the Board for approval.
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any areas of concern.
- To look into the reasons for substantial defaults ,if any, with regard to payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.
- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if considered necessary;

Further, the Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;

- The appointment, removal and terms of remuneration of the Internal Auditor;
- The uses/applications of funds raised through an issue (public issue, rights issue, preferential issue etc.) by major category (Capital expenditure, Working Capital etc.) as a part of the review of the quarterly financial statements;
- If applicable, on an annual basis, statements duly certified by statutory auditors, regarding utilization of funds for purposes other than those stated in the offer document/prospectus/notice issued for raising funds through public issue, rights issue, preferential issue etc. and shall recommend to the Board appropriate steps to be taken up in this matter;

In addition, the Audit Committee also reviews the financial statements in particular, the investments made by the unlisted subsidiary companies.

The Audit Committee is also appraised on information with regard to related party transactions and periodically presented with the following statements/details:

- Statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties, which are not in the ordinary course of business, if any.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis, if any, together with Management's justification for the same.

All the members of the Audit Committee are financially literate with knowledge in finance and accounts.

The Head of Finance and Head of Internal Audit 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.

(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, Shri 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 2012, one meeting of the Remuneration Committee was held i.e. on 13th May, 2011 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.

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The non-executive and independent directors are paid sitting fee at the rate of Rs 10,000/- for attending each meeting of the Board and Rs 10,000/- for attending each meeting of the Committee thereof. While deciding on the remuneration for Directors, the said Committee considers the performance of the Company, the current trends in the industry and other relevant factors.

Name of the Director	Sitting Fees(₹)	Salary(₹)	Perquisites(₹)	Total(₹)
Mr. Prem Singhee	-	26,500,000	4,702,990	31,202,990
Mr. Padam Singhee	-	23,000,000	4,328,284	27,328,284
Mr. Dwarka Das Daga	230,000	-	-	230,000
Mr. Om Prakash Garg	270,000	-	-	270,000
Mr. Prateep Kumar Lahiri	50,000	-	-	50,000
Captain Hiteshi Chander Malik	130,000	-	-	130,000
Mr. Rajnish Gupta	90,000	-	-	90,000
Mr. Sachikanta Mishra	10,000	-	-	10,000

* Mr. Sachikanta Mishra was appointed as a nominee director wef 13th February 2012.

+ None of non-executive director holds 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 Shri Om Prakash Garg and one executive director viz. Shri 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 ended 31st March 2012, four meetings of the Shareholders/ Investors' Grievance Committee were held on 30/06/2011, 31/08/2011, 29/12/2011 and 31/03/2012

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Padam Singhee	Chairman	Executive and Promoter Director	4
Mr. Om Prakash Garg	Member	Independent Non-Executive Director	3
Captain Hiteshi Chander Malik	Member	Independent Non-Executive Director	4

(d) Shareholders' Complaints

The Company attends to Shareholder / Investor complaints, queries and other correspondence generally within a period as specified by SEBI Act except where constrained by disputes or legal impediments. There are some pending cases relating to disputes over title to shares in which the Company has been made a party.

During the year ended 31st March, 2012, only Seventeen complaints were received from shareholders. All the complaints were attended promptly and resolved satisfactorily. Also no valid transfer/ transmission of shares were pending as on 31st March, 2012.

(iv) Share Transfer Committee

(a) Terms of reference

The Shareholders'/Investors' Grievance Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- To issue duplicate shares, replacement of torn out shares etc.
- Monitors redressal of queries/complaints received from shareholders relating to transfers, non-receipt of Annual Report, dividend etc.

Others matters related to Shares.

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. Shri Padam Singhee, a Executive Director , Shri Om Prakash Garg and Shri Dwarka Das Daga, a Non-Executive Director, and also the Chairman of the Committee.

(c) Attendance

During the financial year ended on 31st March 2012, Fifteen meetings of the Share Transfer Committee were held on 15/04/2011, 30/04/2011, 17/05/2011, 30/06/2011, 15/07/2011, 16/08/2011, 30/08/2011, 15/09/2011, 15/10/2011, 15/11/2011, 30/11/2011, 15/12/2011, 15/02/2012, 29/02/2012 and 15/03/2012.

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Dwarka Das Daga	Chairman	Non-Independent Non-Executive Director	11
Mr. Padam Singhee	Member	Executive and Promoter Director	15
Mr. Om Prakash Garg	Member	Independent Non-Executive Director	15

(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.

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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 2012, thirteen meetings of the Routine Transaction Committee were held on 11/04/2011, 18/05/2011, 15/06/2011, 22/07/2011, 18/08/2011, 06/09/2011, 19/10/2011, 05/12/2011, 15/12/2011, 03/01/2012, 27/01/2012, 13/02/2012 and 01/03/2012.

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Padam Singhee	Chairman	Executive and Promoter Director	13
Mr. Prem Singhee	Member	Executive and Promoter Director	0
Mr. Dwarka Das Daga	Member	Non Independent Non-Executive Director	13

(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 five directors viz. Shri Padam Singhee, Shri Rajnish Gupta, Shri Dwarka Das Daga, Capt. Hiteshi Chander Malik and Shri Om Prakash Garg. The Company Secretary acts as a Secretary of the Company.

(c) Attendance

There is no Allotment Committee Meeting during the Financial Year 2011-2012.

3. GENERAL BODY MEETINGS

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

I. Annual General Meeting

Year	Date	Day	Time	Venue	Special Resolutions Passed
2011	29-09-2011	Thursday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	None
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	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.

II. Extra – Ordinary General Meetings Held during FY 2011-12

Year	Date	Day	Time	Venue	Special Resolutions Passed
2011	11-05-2011	Wednesday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	Authorization to the Board of Directors to offer, issue & allot eligible securities including equity shares, non convertible debt instruments along with warrants through Qualified Institution Placement (QIP) for an aggregate amount not exceeding to ` 500 Cr.

Postal Ballot Detail:

Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956 to enable the Company to transfer the participating interest of the company in two oil blocks viz. MZ-ONN-2004/1 situated at Mizoram and AA-ONN-2004/1 at Amguri (Assam).

Total Ballots received:	381
Less: Rejected	20
Total valid Ballots received	361

Particulars	Number of Ballot Papers	Number of Votes	Percentage
For	353	27808218	99.99
Against	8	653	0.01
Total	361	27808871	100.00

The Company has appointed Mr. D. P. Gupta, a practicing Company Secretary an independent Company Secretary as a scrutinizer for conducting the Postal Ballot process in fair and transparent manner;

The aforesaid resolutions were passed as Ordinary Resolutions with requisite majority;

Following was the procedure adopted by the company for the purpose of conducting the postal ballot:

S No	Particulars	Date
01	Obtain consent of Scrutinizer	12-02-2012
02	Hold Board Meeting to - announce stock exchanges - approve documents - appoint Scrutiniser - Give authorizations for responsibility for Completing postal ballot - Approve calendar of events	13-02-2012

S No	Particulars	Date
03	Forward copy of resolution to ROC	20-02-2012
04	Print notice, postal ballot forms and self address envelops	05-03-2012
05	Complete dispatch of notices, postal ballots	10-03-2012
06	Release of Advertisement giving date of completion of dispatch and last date of receipt of postal ballot form (within 30 days from the date of dispatch)	12-03-2012
07	Date by which request for issue of duplicate postal ballot form will be entertained.	24-03-2012
08	Last date of receipt of Postal ballot forms upto the Close of working hours i.e. 6.00 p.m.	09-04-2012
09	Keep in safe custody	10-04-2012
10	Meeting with the Scrutiniser and authorized persons to discuss matters for conducting postal ballot in a fair and transparent manner.	12-04-2012
11	Preparation of scrutinizer's report and submission to Chairman	16-04-2012
12	Declaration of results	17-04-2012
13	Result to be displaced on Notice Board and release in newspaper	17-04-2012
14	Filing of resolution with ROC, Delhi	20-04-2012
15	Last date for signing of minutes	25-04-2012

4. 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, 2012 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, 2012.

New Delhi
September 3, 2012

Sd/-
Prem Singhee
(Chairman & Managing Director)

5. 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, 2012 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.

Sd/-
Prem Singhee
(Chairman & Managing Director)

Sd/-
Rajan Gupta
(Chief Financial Officer)

New Delhi
03rd September, 2012.

6. 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 Notes to Accounts of enclosed.

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.

7. 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. Financial Express (English);
 - c. Navbharat Times (Hindi);
 - 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.

8. GENERAL SHAREHOLDERS INFORMATION

(i) 21st Annual General Meeting

The 21st Annual General Meeting shall be held as under

Day : Friday
Date : 28th September 2012.
Time : 12.00 Noon
Venue : Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi

(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 (1st April, 2011 to 31st March, 2012)

For the Year ended March 31, 2012 results were announced on

- First Quarter –11th August, 2011.
- Second Quarter –14th November, 2011.
- Third Quarter –13th February, 2012.
- Fourth Quarter –15th May, 2012.
- Annual –3rd September, 2012.

For the Year ended March 31, 2013 the Financial Calendar will be:

- First Quarter –14th August, 2012.
- Second Quarter –Second Week of November, 2012.
- Third Quarter –Second Week of February, 2013.
- Fourth Quarter –Second Week of May, 2013.

(iv) Book Closure Dates:

For the purpose of payment of dividend the book closure dates are from Thursday, the 27th September 2012 to Friday, 28th September 2012 (both days inclusive).

(v) Dividend Payment Date

The Board of Directors of the Company in their meeting held on 3rd September 2012 has recommended a dividend @ 10% i.e. of ` 1.00 per Equity Share of ` 10 each in the Company subject to approval of shareholders of the Company at the ensuing Annual General Meeting. The dividend, if approved by the shareholders, will be paid on and after 28th September 2012.

(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 2012-13 have been paid.

Stock Code

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

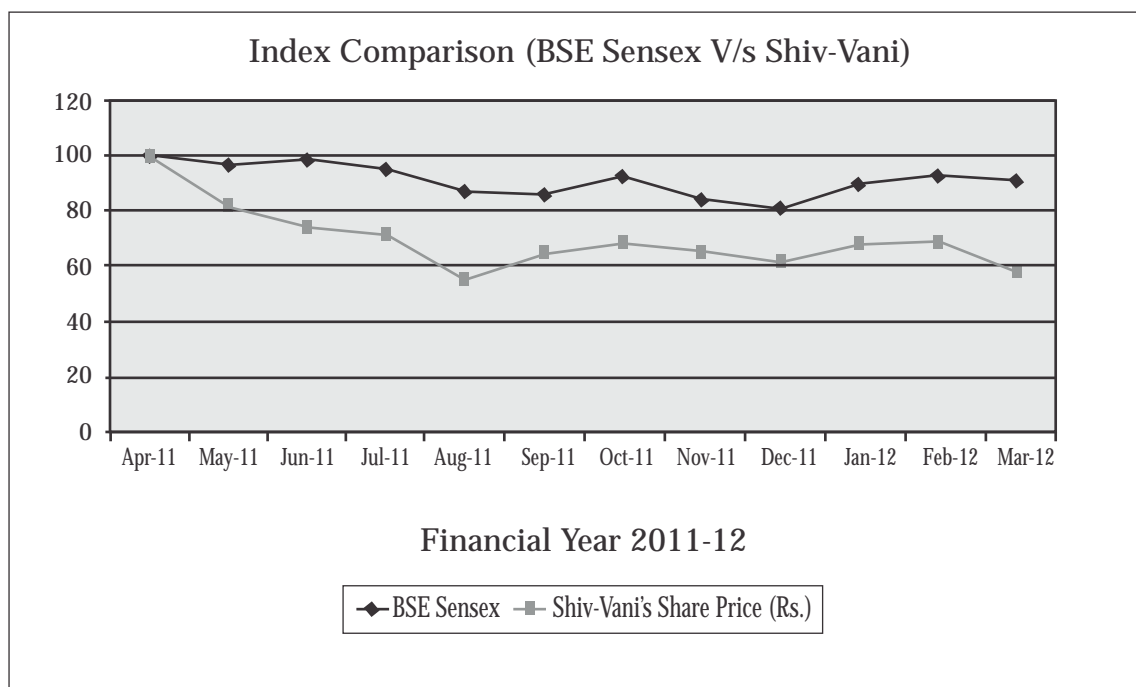
(vii) History of Equity Capital of the Company Since incorporation

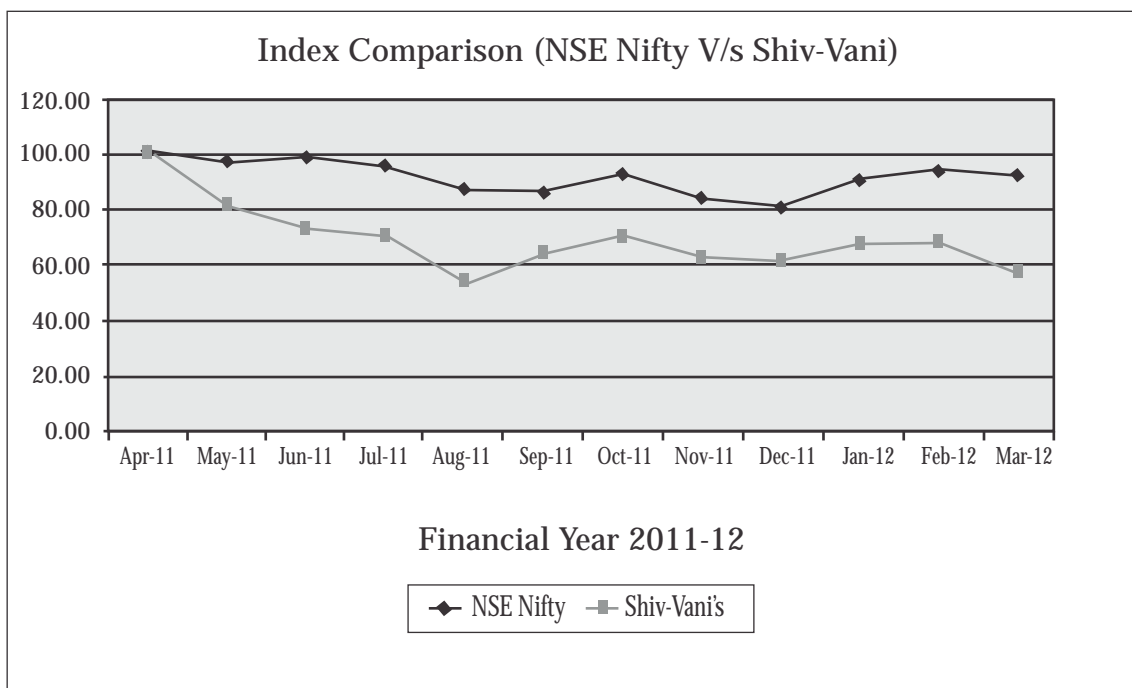
Date	Particulars	Shares		Balance
		Issued	Cancelled / forfeited	
05.12.1989	Issued to promoters at Incorporation	200	-	200
21.01.1992	Issued to promoters	435,000	-	435,200
03.02.1992	Issued to promoters	2,000	-	437,200
25.03.1992	Issued to promoters	98,000	-	535,200
15.11.1993	Preferential Allotment 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
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

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

(viii) Market Price Data of Shares of Company

Month	Share Price at Bombay Stock Exchange (Rs)		Share Prices at National Stock Exchange (Rs)	
	High	Low	High	Low
April 2011	339.90	292.25	340.00	298.40
May 2011	321.25	242.05	307.50	248.25
June 2011	258.35	206.30	258.00	221.00
July 2011	235.80	208.00	235.00	217.05
August 2011	216.80	161.10	218.00	168.90
September 2011	205.30	165.30	209.85	171.95
October 2011	213.70	187.00	214.70	191.70
November 2011	218.45	187.30	218.00	209.95
December 2011	195.00	170.05	198.60	184.00
January 2012	215.00	179.00	216.00	186.95
February 2012	224.95	200.00	224.80	210.50
March 2012	216.00	167.00	218.00	174.85





(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, 2012**

The distribution of shareholding and shareholding pattern as on 31st March 2012 were as follows:

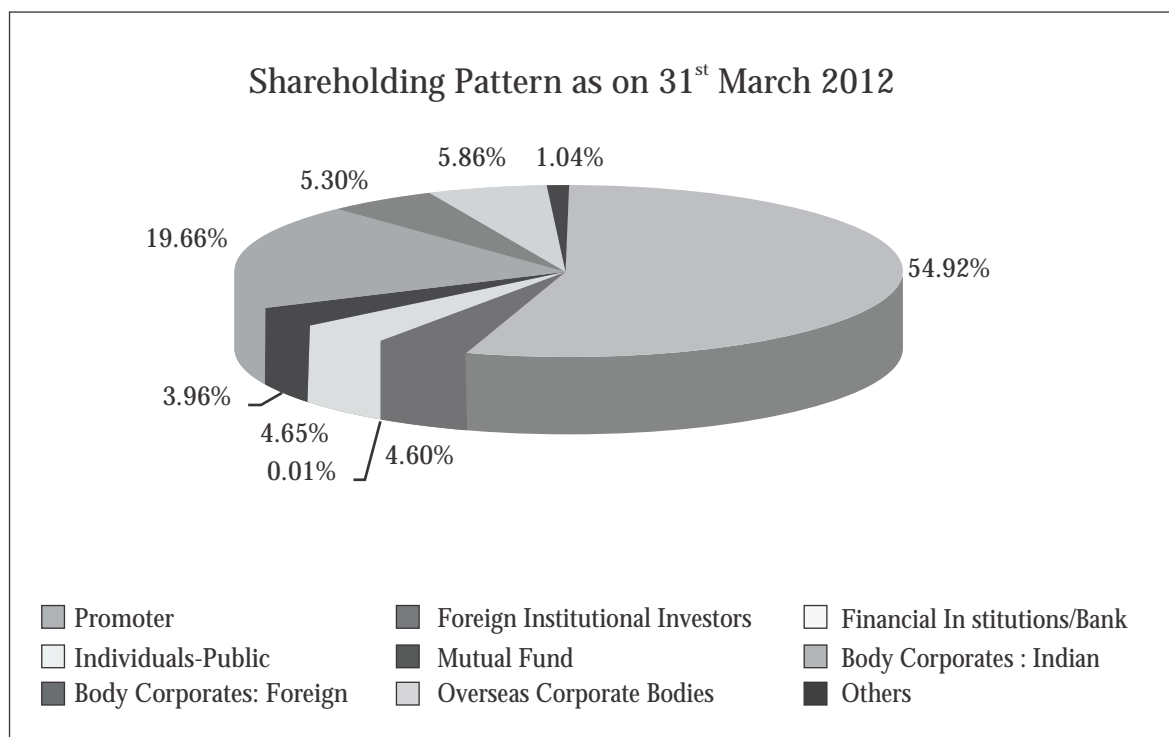
a. **Distribution of Shareholding by size:**

No of Shares Held	Shareholders		Shares	
	Number	As a Percentage of Total	Number	As a Percentage of Total
Upto - 500	19404	96.44 %	15,77,286	3.40 %
501 - 1000	386	1.92 %	3,05,156	0.66 %
1001 - 2000	127	0.63 %	1,91,382	0.41 %
2001 - 3000	41	0.20 %	1,05,585	0.23 %
3001 - 4000	22	0.11 %	78,834	0.17 %
4001 - 5000	11	0.05 %	50,378	0.11 %
5001 - 10000	25	0.12 %	1,81,184	0.39 %
10001 and above	106	0.53 %	4,38,70,696	94.63 %
Total	20,122	100.00%	4,63,60,501	100.00%

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

b. Distribution of Shareholding by Category:

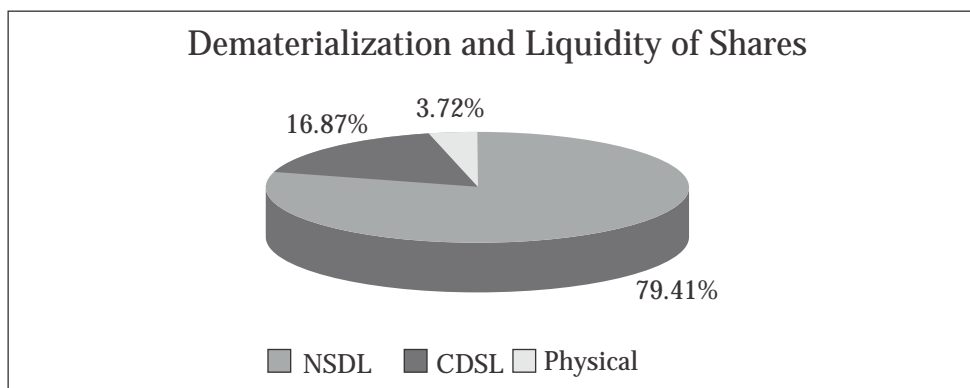
Category	No. of shareholders	No. of Shares held	% of Total Shares
Promoter Group:			
Individual	9	5,095,795	10.99%
Body Corporate	49	18,572,245	40.06%
OCB	1	1,250,000	2.70%
Foreign Company	1	543,400	1.17%
Sub Total (A)	60	25,461,440	54.92%
Public			
Individual	18952	2,153,508	4.65%
Mutual Fund	3	1,834,736	3.96%
Foreign institutional Investors	22	2,132,348	4.60%
Financial Institutions/banks	2	5,900	0.01%
Overseas Corporate Body	2	2,718,934	5.86%
Domestic Companies	418	9,113,418	19.66%
Foreign Companies	1	2,457,895	5.30%
Others	662	482,322	1.04%
Sub Total (B)	20,062	20,899,061	45.08%
Total (A+B)	20,122	46,360,501	100.00%



(xi) Dematerialization and Liquidity of Shares

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of NSDL & CDSL. As on 31st March 2012 the 96.28% Share Capital of the Company had been dematerialized.

Segment	No. of Shares	% of Shareholding
Physical (A)	1723652	3.72 %
Demat:-		
NSDL	36816482	79.41 %
CDSL	7820367	16.87 %
Total (B)	44619154	96.28 %
Grand Total (A+B)	46360501	100.00%



(xii) 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 & investors@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

(xiii) Investor Safeguards and other Information

Dematerialization of Shares: Shareholders are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

Revalidation of Dividend Warrants: In respect of shareholders who have either not opted for NECS/ECS mandate or do not have such a facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF): Pursuant to Section 205A of the Companies Act, 1956 any amount of dividend which remains unclaimed /unpaid for a period of seven years

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

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 are given in the table below.

Financial Year	Interim/ Final	Date of Declaration	Dividend Rate	Due date of Transfer to IEPF
2008-09	Final	7 th September 2009	10 %	14 th October 2016
2009-10	Final	30 th September 2010	10 %	6 th November 2017
2010-11	Final	29 th September 2011	20 %	5 th November 2018

Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents M/s. Link Intime India Private Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account. Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

Update Address/ E-Mail Address/Bank Details: To receive all communications/corporate actions promptly, shareholders holding shares in dematerialised form are requested to please update their address/e-mail address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

CONSOLIDATE MULTIPLE FOLIOS (IN RESPECT OF PHYSICAL SHAREHOLDING): Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/corporate benefits could then be sent to the consolidated folio.

REGISTER NOMINATION(S): Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed Form 2B from/with the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

DEALINGS OF SECURITIES WITH REGISTERED INTERMEDIARIES: In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

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 2012, 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
Firm Reg. No. : 005570N

New Delhi
September 3, 2012

Vikas Varshney
Partner
Membership No.510929

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 March 31, 2012, 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 March31,2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March31, 2012 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 principles accepted in India:
 - i. in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - 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 Reg. No. : 005570N

Vikas Varshney
Partner
Membership No.510929

New Delhi
September 3, 2012

ANNEXURE TO THE AUDITORS REPORT 31ST MARCH 2012

(Referred to in paragraph 3 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 Rs.117236082.
 - 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 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 Rs. 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 records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Work Contract Tax, Tax Deducted at Sources, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no un disputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable except Tax Deducted at Source dues aggregating to Rs. 26231877 and Service Tax dues aggregating to Rs.49328118 were payable at the year end.
- b) Following are the details of disputed statutory due that have not been paid to the concerned authorities.

Name of the Statute pending	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Service tax	Demand	479531062	2007-08	Service Tax Appellate Tribunal
Central Excise	Penal Proceeding	1250000	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 in few cases the payment to Bank, Financial institutions was delayed.
- 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 has not issued any debentures during the year; however, first pari passu charge on fixed Assets of the company was created for Optional Convertible Debentures (OCD) of Rs. 2500000000 issued last year.
- 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 Reg. No. : 005570N

New Delhi
September 3, 2012

Vikas Varshney
Partner
Membership No.510929

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	463,605,010	463,605,010
(b) Reserves and Surplus	3	9,514,006,158	9,081,402,179
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	15,710,572,167	18,629,600,016
(b) Deferred Tax Liabilities (Net)	5	1,676,658,503	1,338,007,491
(c) Other Long Term Liabilities	6	4,589,464	5,463,452
(d) Long Term Provisions	7	58,879,284	5,065,305
(3) Current Liabilities			
(a) Short-Term Borrowings	8	2,397,023,423	2,029,991,131
(b) Trade Payables	9	1,927,402,729	2,189,685,122
(c) Other Current Liabilities	10	8,231,749,872	3,625,317,894
(d) Short-Term Provisions	11	1,094,050,939	775,171,311
Total Equity & Liabilities		<u>41,078,537,549</u>	<u>38,143,308,911</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		19,138,441,755	19,697,637,454
(ii) Capital Work in progress		3,777,148,255	333,251,668
(b) Non-Current Investments	13	568,793,189	568,267,189
(c) Long term Loans and Advances	14	3,839,087,991	2,294,727,242
(d) Other Non-Current Assets	15	585,877,679	449,944,126
(2) Current Assets			
(a) Inventories	16	2,197,049,253	1,990,752,569
(b) Trade Receivables	17	5,873,594,282	6,410,465,586
(c) Cash and Cash Equivalents	18	898,511,050	2,454,192,756
(d) Short-Term Loans and Advances	19	2,254,917,603	2,568,744,999
(e) Other Current Assets	20	1,945,116,492	1,375,325,322
Total Assets		<u>41,078,537,549</u>	<u>38,143,308,911</u>
Significant Accounting Policies	1		

As per our report of even date
for Vijay Prakash Gupta & Associates
Chartered Accountants
Firm Reg.No. : 005570N

Vikas Varshney
Partner
M.No. 510929

New Delhi
September 3, 2012

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 STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Note	For the year ended March 31, 2012 (₹)	For the year ended March 31, 2011 (₹)
I Revenue from operations	21	12,593,176,365	12,221,262,024
II Other Income	22	289,538,569	114,439,940
III Total Revenue (I +II)		<u>12,882,714,934</u>	<u>12,335,701,964</u>
IV <u>Expenses:</u>			
Cost of materials consumed	23	2183884657	1,923,009,510
Operational Expenses	24	4511064897	4,852,029,130
Employee Benefit Expense	25	735,475,213	680,273,468
Financial Cost	26	2,689,852,766	2,241,508,691
Depreciation and Amortization Expenses	27	1,122,777,109	1,121,667,209
Other Expenses	28	593,099,487	670,664,278
Total Expenses (IV)		<u>11,836,154,129</u>	<u>11,489,152,286</u>
V Profit before exceptional and extraordinary items and tax		<u>1,046,560,805</u>	<u>846,549,678</u>
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V - VI)		<u>1,046,560,805</u>	<u>846,549,678</u>
VIII Extraordinary Items		-	-
IX Profit before Tax (VII - VIII)		<u>1,046,560,805</u>	<u>846,549,678</u>
X <u>Tax Expenses</u>			
(1) Tax relating to previous years		457,232	154,120
(2) Current Tax		209,400,000	168,700,000
Less : Minimum Alternate Tax (MAT credit)		(193,613,749)	(92,378,942)
(3) Deferred Tax		338,651,012	363,559,016
XI Profit for the year from continuing operations		<u>691,666,310</u>	<u>406,515,484</u>
XII Profit from discontinuing operations		-	-
XIII Tax expenses of discounting operations		-	-
XIV Profit from Discontinuing operations (XII - XIII)		-	-
XV Profit for the year (XI + XIV)		<u>691,666,310</u>	<u>406,515,484</u>
XVI Earning per equity share:			
(1) Basic		14.92	8.77
(2) Diluted		13.67	7.89

As per our report of even date
for Vijay Prakash Gupta & Associates
Chartered Accountants
Firm Reg.No. : 005570N

Vikas Varshney
Partner
M.No. 510929

New Delhi
September 3, 2012

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	March 31, 2012 (₹)	March 31, 2011 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	1,046,560,805	846,549,678
Adjustment for:		
1. Depreciation	1,065,096,913	1,063,987,014
2. Deferred Revenue Expenditure	57,680,196	57,680,195
3. Investments (Interest Income)	(43,437,223)	(490,480)
4. Interest Expenditure	(2,572,866,103)	2,226,012,268
5. (Profit) / Loss on Sale of Fixed Assets	2,532,121	(48,144,960)
6. Fixed Assets w/off.	-	10,421,598
Operating Profit before Working Capital Charges	(444,433,290)	4,156,015,313
1. Trade & Other Receivables	(994,010,141)	(3,745,471,441)
2. Inventories	(206,296,685)	(1,260,715,497)
3. Trade Payable & Provisions	4,247,506,873	159,071,034
Cash Generation From Operations	2,602,766,757	(691,100,592)
1. Interest paid	2,572,866,103	(2,226,012,268)
2. Direct Taxes Paid	(269,443,073)	(549,551,227)
	4,906,189,787	(3,466,664,086)
Cash Flow Before Extra Ordinary Items		
1. Extraordinary items	(457,232)	(154,120)
Net cash From Operating Activities	4,905,732,555	(3,466,818,206)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (net)	(3,985,065,097)	(865,430,828)
Sale of fixed assets	32,735,170	456,506,666
Interest Received	43,437,223	490,480
Purchase of Investments	(526,000)	(500,000)
Net Cash From Investing Activities	(3,909,418,704)	(408,933,682)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long and short term borrowings	(2,551,995,556)	5,979,510,017
Misc Expenditure	-	(79,757,363)

Net cash flow from financing activities	(2,551,995,556)	5,899,752,654
Net Increase In cash and Cash Equivalents	(1,555,681,705)	2,024,000,766
Cash and cash equivalents at the beginning	2,454,192,756	430,191,990
Cash and cash equivalents at the closing	898,511,051	2,454,192,756

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, 2012. 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
Chartered Accountants
Firm Reg.No. : 005570N

(Vikas Varshney)
Partner
M.No. 510929

New Delhi
September 3, 2012

Notes Forming Part of financial statements

1 Significant Accounting Policies:

1. Basis of preparation of financial statements

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle to be less than 12 months.

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 exceed 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 the basis of Gross value of work done.

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 Rs. 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 except in case of long term liabilities, where they related to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

9. Taxes

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

Income tax is accrued in the same period when 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 reason 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 estimates 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 2012 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.

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
2	Share Capital		
	(a) Authorized :		
	7,00,00,000 (Previous Year 7,00,00,000) Equity shares of Rs. 10/- each	700,000,000	700,000,000
	5,00,000 (Previous Year 5,00,000) 11% Redeemable Non Convertible Preference shares of Rs. 100/- each	50,000,000	50,000,000
		<u>750,000,000</u>	<u>750,000,000</u>
	(b) Issued, Subscribed & Paid-up		
	4,63,60,501 Equity shares (Previous Year - 4,63,60,501) of Rs. 10/- each fully paid	463,605,010	463,605,010
		<u>463,605,010</u>	<u>463,605,010</u>
	(c) Terms / Rights attached to shares		
	The company has only one class of Equity Shares having face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of Directors is subject to the approval of shareholders. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount in proportion to their shareholding.		
	(d) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period		
	Particulars	2011 - 12	2010 - 11
	Shares as on 1st April	46,360,501	46,360,501
	Add : Shares issued during the year	-	-
	Less : Shares forfeited/bought back during the year	-	-
	Shares as on 31st March	46,360,501	46,360,501
	(e) 4,29,000 (Previous Year - 4,29,000) Equity shares of Rs. 10/- each are held by M/s. Shiv Vani Oil Services Limited (a wholly owned subsidiary company). This forms part of promoters holding.		
	(f) Details of shares held by share holders holding more than 5% of the aggregate shares in the company		
	Name of share holder	As at 31st March 2012	As at 31st March 2011
		No of shares held & % of holding	No of shares held & % of holding
	Templeton Strategic Emerging Markets Fund III LDC	37,07,895 8% holding	24,57,895 5.30% holding
	ICICI Securities Ltd Constituents Beneficiary Account	-	23,65,453 5.10% holding
	(g) Information regarding issue of shares in the last five years		
	(a) The Company has not issued any shares without payment received in cash		
	(b) The Company has not issued any bonus shares		
	(c) The Company has not undertaken any buy back of shares		

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
3	Reserves & Surplus		
	a) General Reserve		
	Balance as per last account	410,000,000	310,000,000
	Add : Transferred from surplus	50,000,000	100,000,000
		<u>460,000,000</u>	<u>410,000,000</u>
	b) Securities Premium Account		
	Balance as per last account	4,580,207,331	4,580,207,331
	Less : Premium for redemption of Debentures	(151,661,104)	-
	Less : Premium for redemption of FCCB	(53,519,894)	-
		<u>4,375,026,333</u>	<u>4,580,207,331</u>
	c) Capital Redemption Reserve		
	Balance as per last account	50,000,000	50,000,000
	d) Capital Reserve (On Equity Shares & Warrants Forfeiture)		
	Balance as per last account	396,025,500	396,025,500
	e) Debenture Redemption Reserve		
	Balance as per last account	-	-
	Add : Transferred from surplus	2,500,000,000	-
		<u>2,500,000,000</u>	<u>-</u>
	f) Surplus as per statement of Profit & Loss		
	Balance brought forward	3,645,169,348	3,446,416,531
	Add : Profit after tax for the year	691,666,310	406,515,484
	Less : Transferred to General reserve	(50,000,000)	(100,000,000)
	Less : Transferred to Debenture Redemption Reserve	(2,500,000,000)	-
	Less : Proposed Dividend #	(46,360,501)	(92,721,002)
	Less : Tax on Proposed Dividend	(7,520,832)	(15,041,665)
		<u>1,732,954,325</u>	<u>3,645,169,348</u>
	Total (a+b+c+d+e+f)	<u>9,514,006,158</u>	<u>9,081,402,179</u>
	# Dividend proposed to be distributed to equity shareholders is Re.1/- (Previous year-Rs. 2/-) per equity share		
4	Long Term Borrowings		
	<u>Secured</u>		
	<u>Debentures</u>		
	Privately placed 6% Optional Convertible Debentures are secured by 1st pari passu charge over Movable Fixed Assets of the company. The same are to be redeemed / converted by 10th August 2012		
	Less : Current Maturities	2,500,000,000	2,500,000,000
		<u>2,500,000,000</u>	<u>-</u>
	Sub-total (a)	<u>-</u>	<u>2,500,000,000</u>

Note	Particulars	As at 31st March	
		2012 ()	2011 ()
	<u>Long Term Borrowings (Contd...)</u>		
	<u>Term Loans</u>		
	From Banks (Rupee Loan)	9,478,203,667	8,356,613,183
	From Banks (Foreign Currency Loan)	2,346,221,560	2,345,975,755
	From Other Parties	3,002,679,432	3,287,404,849
		<u>14,827,104,659</u>	<u>13,989,993,787</u>
	Less : Current Maturities	3,261,640,000	2,432,300,000
	Sub-total (b)	<u>11,565,464,659</u>	<u>11,557,693,787</u>
	Unsecured		
	Bonds		
	80,000 Bonds (P.Y. 80,000 Bonds) 5% Foreign Currency		
	Convertible Bonds of USD 1000 each	3,728,742,500	3,728,742,500
	Add : Currency Translation	363,777,500	(156,742,500)
		<u>4,092,520,000</u>	<u>3,572,000,000</u>
	Term Loan		
	From Bank		
	(Rate of Interest is floating in nature @ 12% at the time of sanction & repayable as bullet payment upto August 2013 additional secured by pledge of 33,41,000 equity shares being part of promoters stake)	52,587,508	999,906,229
	Sub-total (c)	<u>4,145,107,508</u>	<u>4,571,906,229</u>
	Total (a + b + c)	<u>15,710,572,167</u>	<u>18,629,600,016</u>

Nature of Security and terms of repayment of Long Term Secured Loans

Nature of Security	In Millions		
	Banks	Financial Institution	Total
Exclusive Charge on Plant & Machinery and Specific Assets financed	1,483.50	-	1,483.50
Pari passu first Charge created / to be created on the entire Fixed Assets of the Company **	10,340.90	3,002.70	13,343.60
Total***	11,824.40	3,002.70	14,827.10

** Includes Loans aggregating to Rs. 2917.60 Millions also secured by way of pledge of 1,15,75,000 shares being part of Promoters stake

***All the above borrowings from Banks & Financials institutions are further secured by personal guarantees of promoter directors.

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Terms of Repayment of Secured Term loans

Particulars	Rate of Interest *	In Millions				
		1-2 Years	2-3 Years	3-4 Years	Beyond 4 years	Total
Rupee term Loans from banks	11.60% - 15%	2441.70	2114.50	1215.15	1239.21	7010.55
Foreign Currency term Loans from banks	3.75% - 6.45%	583.80	643.90	314.30	375.30	1917.30
Rupee term loan from Financial Institutions	12.75% - 13.25%	826.30	890.60	787.10	133.60	2637.60
Total		3851.80	3649.00	2316.55	1748.11	11565.45

* Rate of Interest is floating in nature and is as per sanction letter as amended from time to time.

Nature of Security and terms of repayment of Long Term Unsecured Loan

- During the year ended 31st March 2011, the company has issued 5% Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating to US \$ 80 million. These bonds are convertible at the option of the Bond Holders into equity shares of Rs.10 each fully paid up at the conversion price of Rs. 515.60 per share calculated at a fixed rate of exchange of Rs. 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 subject to adjustments upon occurrence of certain events. 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, 2012 was 101.31% (Previous year - 100.53%).
- Pending utilization of the issue proceeds of Foreign Currency Convertible Bonds (FCCB), an amount of Rs. 6.10 Millions (Previous Year Rs. 1720.50 Millions) is lying in Foreign Currency Current and Deposit Accounts. During the current year, out of issue proceeds, Rs.1856.30 Millions (Previous Year - Rs.1049.30 Millions) have been utilized for financing capital expenditure and Rs. 35.80 Millions (Previous year Rs.573 Millions) for Loans to Subsidiary Companies for repayment of foreign currency loans availed them.

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
5	Deferred Tax Liabilities (Net)		
	Deferred Tax liability for the period ended March 31, 2012 has been provided on the estimated tax computation for the year.		
	As per last account	1,338,007,491	974,448,475
	Add : Transfer from statement of profit & loss	338,651,012	363,559,016
	Closing Balance	<u>1,676,658,503</u>	<u>1,338,007,491</u>
6	Other Long Term Liabilities		
	Retention Money	2,857,926	2,241,359
	Deposits from parties	1,731,538	3,222,093
		<u>4,589,464</u>	<u>5,463,452</u>
7	Long term Provisions		
	Employee Benefit	5,359,390	5,065,305
	Redemption Premium (Bonds)	53,519,894	-
		<u>58,879,284</u>	<u>5,065,305</u>

Note	Particulars	As at 31st March	
		2012 (`)	2011 (`)
8	<u>Short term borrowings</u>		
	<u>Secured</u>		
	Cash Credit Loans - Working Capital from Banks	2,114,127,978	2,029,991,131
	<u>Unsecured</u>		
	From Banks repayable on demand (Rate of Interest - 14.45%)	282,895,445	-
		<u>2,397,023,423</u>	<u>2,029,991,131</u>
	<u>Disclosure of Security on Secured borrowings</u>		
	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 IIInd charge on Plant & Machinery except on specific Plant & Machinery of Rs. 2.09 crores exclusively charged to State Bank of India. These working Capital Loans are further secured against pledge of 2,759,400 Equity share of the Company being part of Promoters Stake.		
9	<u>Trade & Other Payables</u>		
	Total outstanding due to :		
	Micro, Small & Medium Enterprises *	-	-
	Others **	1,927,402,729	2,189,685,122
		<u>1,927,402,729</u>	<u>2,189,685,122</u>
	* As per information available with the company		
	** Includes Rs. 2 Crores (Previous Year -NIL) due to Directors & Rs. 45.37 Crores (Previous Year Rs. 29.58 Crores) due to Subsidiaries.		
10	<u>Other Current Liabilities</u>		
	Current Maturities of Debentures	2,500,000,000	-
	Current Maturities of Long Term loans	3,261,640,000	2,432,300,000
	Interest accrued on borrowings	322,010,949	205,716,228
	Unpaid Dividend	2,507,919	642,276
	Other Payables **	2,145,591,004	986,659,390
		<u>8,231,749,872</u>	<u>3,625,317,894</u>
	** Includes Rs. 2,00,00,000/- Due to Directors (Previous Year - Nil)		
11	<u>Short Term Provisions</u>		
	Gratuity (Funded)	37,068,502	25,368,644
	Redemption Premium (Debentures)	151,661,104	-
	Proposed Dividend	46,360,501	92,721,002
	Dividend Distribution tax on proposed dividend	7,520,832	15,041,665
	Income Tax	851,440,000	642,040,000
		<u>1,094,050,939</u>	<u>775,171,311</u>

12 FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block		
	Cost As at 01.04.2011 ()	Additions ()	Deductions / Adjustments ()	Cost as at 31.03.2012 ()	Upto 31.03.2011 ()	For the year ()	Deductions / Adjustments ()	As at 31.03.2012 ()	As at 31.03.2011 ()
Tangible Assets									
Building	213,876,295	-	-	213,876,295	7,834,115	3,495,691	-	202,546,489	206,042,180
Plant & Machinery	22,668,776,728	530,881,924	35,534,400	23,164,124,252	3,317,915,135	1,040,883,039	846,254	18,806,172,332	19,350,861,595
Furniture & Fixtures	42,274,698	900,643	-	43,175,341	8,704,486	2,304,508	-	32,166,347	33,570,214
Computers	60,064,554	3,382,455	-	63,447,009	29,222,806	9,959,792	-	24,264,411	30,841,747
Vehicles	88,773,304	2,800	1,842,485	86,933,619	68,844,322	5,180,393	1,263,340	14,172,244	19,928,982
Office Equipments	65,767,792	6,000,688	-	71,768,480	9,375,058	3,273,490	-	59,119,932	56,392,736
Capital work in Progress	333,251,668	3,443,896,587	-	3,777,148,255	-	-	-	3,777,148,255	333,251,668
Total	23,472,785,039	3,985,065,097	37,376,885	27,420,473,251	3,441,895,922	1,065,096,913	2,109,594	4,504,883,241	20,030,889,122
Previous Year	23,090,718,087	2,947,443,686	2,565,376,728	23,472,785,045	2,442,489,476	1,063,987,014	64,580,567	20,030,889,122	

13 Non-current investments

	As at 31st March							
	2012				2011			
<u>In Equity shares - Unquoted - Trade</u>	Face Value	Paid up	Nos.	Amount in INR	Face Value	Paid up	Nos.	Amount in INR
a) Investment in Subsidiaries (At Cost)								
Shiv Vani Oil & Gas Co. LLC, Oman	OMR 1	Fully	495,000	57,795,111	OMR 1	Fully	495,000	57,795,111
Oriental Oil & Natural Gas Ltd., Mauritius	USD 1	Fully	34,000	1,536,150	USD 1	Fully	34,000	1,536,150
Natural Oil & Gas Services Ltd., Mauritius	USD 1	Fully	1	51	USD 1	Fully	1	51
Shiv Vani Singapore PTE Ltd., Singapore	SGD 1	Fully	100	3,103	SGD 1	Fully	100	3,103
Shiv Vani Oil Services Ltd., India	Rs. 10	Fully	1,000,000	10,000,000	Rs. 10	Fully	1,000,000	10,000,000
TNG Shiv Geo Services Ltd., India	Rs. 10	Fully	25,500	255,000	Rs. 10	Fully	25,500	255,000
Shiv Vani Energy Ltd., India	Rs. 10	Fully	50,000	500,000	Rs. 10	Fully	50,000	500,000
Shiv Vani Infra Ltd., India	Rs. 10	Fully	50,000	500,000	-	-	-	-
Total (A)				70,589,415				70,089,415
b) Investment in Other (At Cost)								
Equipment Conductors & Cables Ltd., India	Rs. 10	Fully	4,300	43,000	Rs. 10	Fully	4,300	43,000
Neutral Engineers Ltd., India	Rs. 10	Fully	110,000	1,100,000	Rs. 10	Fully	110,000	1,100,000
Parasram Puria Synthetics Ltd., India **	Rs. 10	Partly	5,000	25,000	Rs. 10	Partly	5,000	25,000
Om Shivay Real Estate Pvt. Ltd., India	Rs. 10	Fully	180,000	1,800,000	Rs. 10	Fully	180,000	1,800,000
Immortal Vintrade Pvt. Ltd., India	Rs. 10	Fully	2,600	26,000	-	-	-	-
Total (B)				2,994,000				2,968,000
** The shares are partly paid-up of Rs. 5/- each								
Total of investment in equity shares (C)			(A + B)	73,583,415				73,057,415
<u>In Redeemable Preference shares - Unquoted - Trade</u>								
<u>Investment in Subsidiary (At Cost)</u>								
Natural Oil & Gas Services Ltd., Mauritius	USD 1	Fully	1,140,000	492,709,774	USD 1	Fully	1,140,000	492,709,774
Total of investment in preference shares (D)				492,709,774				492,709,774
<u>In Units of Mutual Funds - Quoted - Trade</u>								
SBI Infrastructure Fund (at Cost)	Rs. 10	Fully	200,000	2,000,000	Rs. 10	Fully	200,000	2,000,000
** SBI SHF Ultra Short Term Fund (at Cost)	-	-	-	-	Rs. 10	Fully	42,723.36	500,000
** SBI SHF Ultra Short Term Fund (at Cost)	Rs. 10	Fully	427.23	500,000	-	-	-	-
Total of investments in Mutual funds (E)				2,500,000				2,500,000
Total Non Current Investments			(C + D + E)	568,793,189				568,267,189
		Book value	Market Value			Book value	Market Value	
Aggregate of Quoted Investments		2,500,000	2,151,164			2,500,000	2,420,927	
Aggregate of Unquoted Investments		566,293,189	-			565,767,189	-	
		568,793,189	2,151,164			568,267,189	2,420,927	

** Change in Face value of the fund due to switch out and switch in between the funds

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
14	<u>Long-term Loans and Advances</u>		
	a) <u>Capital Advances</u>		
	Unsecured - considered good	3,098,331,481	1,049,275,000
	b) <u>Security Deposits</u>		
	Unsecured - considered good	93,488,875	121,528,892
	c) <u>Loans & Advances</u>		
	To Subsidiaries - Unsecured - considered good	647,267,635	1,123,923,350
		<u>3,839,087,991</u>	<u>2,294,727,242</u>
15	<u>Other Non-Current assets</u>		
	Credit Entitlement of Minimum Alternate Tax (MAT)	440,873,571	247,259,822
	Others	145,004,108	202,684,304
		<u>585,877,679</u>	<u>449,944,126</u>
16	<u>Inventories</u>		
	Stores, Spares, Consumables & Chemicals - At cost	2,172,469,859	1,702,340,648
	Scrap - At realisable value	6,364,300	6,591,978
	Goods in Transit - At cost	18,215,094	281,819,943
		<u>2,197,049,253</u>	<u>1,990,752,569</u>
17	<u>Trade Receivables</u>		
	(Unsecured - Considered good)		
	Outstanding for a period exceeding six months	1,247,509,486	1,803,257,873
	Others	4,626,084,796	4,607,207,713
		<u>5,873,594,282</u>	<u>6,410,465,586</u>
18	<u>Cash & Bank Balances</u>		
a)	Cash & Cash Equivalents		
	Cash in Hand	5,392,123	4,254,622
	Current accounts with banks in Indian Rupees	300,301,109	86,633,688
	Current accounts with banks in Foreign Currency	5,028,685	17,544,457
	Bank deposits with maturity less than 3 months at inception **	207,600,751	201,971,369
	Bank deposits with maturity less than 3 months at inception in Foreign Currency	-	105,209,433
	Sub - total (a)	<u>518,322,668</u>	<u>415,613,570</u>

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
b)	Other Bank Balances		
	Earmarked balances with banks	9,161,623	79,035,899
	Unclaimed dividend account	2,508,919	643,276
	Bank deposits with maturity more than 3 months but less than 12 months at inception **	51,044,074	55,655,334
	Bank deposits with maturity more than 3 months but less than 12 months at inception - Foreign Currency	1,058,182	1,603,309,585
	Bank deposits with maturity more than 12 months at inception **	316,415,584	299,935,093
	Sub - total (b)	<u>380,188,382</u>	<u>2,038,579,187</u>
	Total (a + b)	<u>898,511,050</u>	<u>2,454,192,756</u>
	** Includes deposits of Rs. 343,416,648/- (P.Y 338,320,043) are under lien being margin on bank guarantee.		
19	Short Term Loans & Advances		
	<u>Secured</u>		
	Advances and other Receivables recoverable	10,789,613	-
	<u>Unsecured - considered good</u>		
	Advances and other Receivables recoverable **	1,126,890,854	1,543,902,198
	Others	1,117,237,136	1,024,842,801
		<u>2,254,917,603</u>	<u>2,568,744,999</u>
	** Includes Rs. Nil (P.Y. - Rs. 34,004/-) Due from a Director & officer of the company		
20	Other Current Assets		
	Income tax deducted at Source & taxes paid	1,296,566,975	1,027,123,902
	Works Contract Tax	26,648,530	832,226
	Prepaid Expenses	40,850,201	90,872,482
	Others	581,050,786	256,496,712
		<u>1,945,116,492</u>	<u>1,375,325,322</u>

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Note	Particulars	For the year ended on	
		31st March, 2012 (₹)	31st March, 2011 (₹)
21	<u>Revenue from Operations</u>		
	Operating Revenue	12,593,176,365	12,221,262,024
		<u>12,593,176,365</u>	<u>12,221,262,024</u>
22	<u>Other Income</u>		
	Interest Income	43,437,223	22,845,572
	Profit on sale of fixed assets	-	48,144,960
	Exchange Gain - net (other than considered as finance cost)	39,756,436	5,031,830
	Insurance claim received	-	33,000
	Other non operating income	206,344,910	38,384,578
		<u>289,538,569</u>	<u>114,439,940</u>
23	<u>Cost of Material Consumed</u>		
	Stores, Spares, Consumables & Chemicals	1,405,531,212	1,134,181,960
	Oils & Lubricants	778,353,445	788,827,550
		<u>2,183,884,657</u>	<u>1,923,009,510</u>
24	<u>Operational Expenses</u>		
	Rigs Rental to Subsidiary Companies	1,768,002,257	1,993,740,729
	Repairs & Maintenance (Plant & Machinery)	37,529,085	195,163,527
	Other Operation Expenses	2,705,533,555	2,663,124,874
		<u>4,511,064,897</u>	<u>4,852,029,130</u>
25	<u>Employment Benefit Expenses</u>		
	Salaries, Wages, Remuneration, Bonus, Gratuity, other benefits etc.	684,540,872	638,900,468
	Contribution to Provident fund and other funds	28,032,094	17,983,284
	Workmen & Staff welfare expenses	22,902,247	23,389,716
		<u>735,475,213</u>	<u>680,273,468</u>
26	<u>Finance Cost</u>		
	Interest Expenses	2,393,798,964	2,076,240,067
	Others	179,067,139	165,917,215
	Applicable net gain/loss on foreign currency transactions and translation	116,986,663	(648,591)
		<u>2,689,852,766</u>	<u>2,241,508,691</u>
27	<u>Depreciation and Amortization Expenses</u>		
	Depreciation on assets	1,065,096,913	1,063,987,014
	Amortization	57,680,196	57,680,195
		<u>1,122,777,109</u>	<u>1,121,667,209</u>

Note	Particulars	For the year ended on	
		31st March, 2012 (`)	31st March, 2011 (`)
28	<u>Other Expenses</u>		
	Rent	41,586,316	66,658,398
	Repair & Maintenance - Others	27,882,600	36,510,931
	Insurance	28,212,268	21,694,459
	Rates & Taxes	10,496,112	5,419,680
	Legal & Professional charges	79,076,137	151,667,599
	Travelling & Conveyance	116,175,662	126,470,001
	Charity & Donations	1,962,261	3,737,643
	Director's Fees	780,000	580,000
	<u>Auditors Remuneration</u>		
	For Statutory Audit fee	3,750,000	3,750,000
	For Consolidated Audit fee	50,000	50,000
	For Tax Audit fee	250,000	250,000
	For Other Matters	1,797,485	4,352,505
	Miscellaneous Expenditure	281,080,646	249,523,062
		<u>593,099,487</u>	<u>670,664,278</u>
29	Contingent Liabilities not provided for in respect of	Amount in (`)	
		31st March-12	31st March-11
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 Guarantess Issued by the Company's bankers to Oil & Natural Gas Corpn. Ltd (ONGC), Oil India Ltd (OIL) & others. (Against pledge of 9,02,500 shares of the company held by director and a third party)	2,615,096,225	2,423,805,481
3	Un-expired letters of credit	131,053,680	316,594,477
4	Corporate Gurantess given to Financial Institutions / Banks for securing financial assistance for a Subsidiary Company	1,984,827,686	1,791,244,112
5	Estimated Value of Capital commitments (Net of advances)	3,441,553,538	3,147,825,000
6	Disputed claims/levies (excluding interest if any) in respect of:		
	a Sales Tax demands (*)	1,240,768	1,240,768
	* To be adjusted against refund granted for Rs.133.86 lacs.		
	b Custom Duty	1,250,000	1,250,000
	c Service Tax Demand	479,531,062	549,531,062
7	Other Commitment	4,159,341,655	6,395,702,883
8	Case Pending in Court	3,924,000	3,924,000

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

		Amount in (`)	
		31st March-12	31st March-11
30	External Commercial Borrowings		
	The External Commercial Borrowings [ECBs] outstanding :		
	ICICI (44 M) US\$	28,998,304	35,996,608
31	C.I.F Value of Imports		
	Stores, Spares & Chemicals	619,512,278	639,764,736
	Capital Goods	44,110,146	692,558,029
	Goods in Transit	14,698,852	67,361,087
32	Expenditure in Foreign Currency		
	Rig Rental Charges	1,768,002,257	1,993,740,729
	Interest		
	- Capital nature	200,661,194	106,238,031
	- Others	128,546,310	133,222,633
	Professional Fees	1,345,839	93,915
	Travelling Expenses	7,810,928	5,825,618
	Repair & Maintenance	2,054,996	1,197,678
	Annual Membership Fee & Subscription	332,379	291,366
	Business Promotion Expenses	54,928	467,250
	Listing Fee	1,030,963	843,250
	Contract Expenses	412,404,562	312,847,149
	Dividend	1,086,800	2,908,853
	FCCB Issue Expenses	Nil	77,496,050
33	Earnings in Foreign Currency		
	Contract Revenue (Gross)	364,968,441	523,196,472

34 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 schedules

Name of Company	Amount in (`)			
	31st March-12		31st March-11	
	Amount Due(Net)	Max. Amount during the year	Amount Due(Net)	Max. Amount during the year
Shiv-Vani Oil & Gas Co. LLC, Oman	7,819,255	480,114,738	480,114,738	647,743,580
Shiv-Vani Singapore Pte Ltd., Singapore	25,972,717	25,972,717	22,669,295	22,669,295
Shiv-Vani Oil Services Ltd., India	32,025	32,025	4,875	4,875
TNG Shiv Geo Services Ltd., India	21,026	21,026	9,142	9,142
Shiv-Vani Energy Ltd., India	598,396,222	651,193,929	621,125,300	621,125,300
Shiv-Vani Infra Ltd., India	15,026,392	15,026,392	Nil	Nil

35 Remittance in Foreign Currency on account of Dividend to Equity Share holders:

Description	Amount in (`)	
	2010-11	2009-10
Year to which dividend relates	2010-11	2009-10
Number of Non Resident Shareholders whom dividend is remitted in Foreign Currency	1	2
No. of equity shares held by them	543,400	2,908,853
Amount Remitted (`)	1,086,800	2,908,853

36 RELATED PARTY DISCLOSURE

The following is the list of related parties & the relationship therewith:

Subsidiary

Shiv-Vani Oil & Gas Co. LLC, Oman

Oriental Oil & Gas Services Ltd, Mauritius

Shiv-Vani Oil Services Ltd., India

TNG Shiv Geo Services Ltd., India

Shiv-Vani Singapore PTE. Ltd., Singapore

Natural Oil & Gas Services Ltd., Mauritius

Shiv-Vani Energy Limited, India

Shiv-Vani Infra Ltd., India

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

37 The Company has the following transactions with related parties

Name of Party	Description of Transaction	Amount in (`)	
		March-12	March-11
Shiv-Vani Oil & Gas Co. LLC, Oman	Loan (Loan Repayment)	(516,469,856)	4,851,453
Shiv-Vani Oil & Gas Co. LLC, Oman	Sale of Spare & Equipment	Nil	126,980
Shiv-Vani Oil & Gas Co. LLC, Oman	Purchase of Spare	Nil	(2,515)
Oriental Oil & Natural Gas Ltd., Mauritius	Loan (Loan Repayment)	(136,971,500)	(1,265,394,334)
Oriental Oil & Natural Gas Ltd., Mauritius	Lease Rent	559,908,485	778,091,098
Natural Oil & Gas Services Ltd., Mauritius	Loan (Loan Repayment)	(90,805,410)	(933,845,848)
Natural Oil & Gas Services Ltd., Mauritius	Lease Rent	1,208,093,772	1,215,649,632
Shiv-Vani Oil Services Ltd., India	Advances	27,150	4,875
TNG Shiv Geo Services Ltd., India	Advances	11,884	9,142
Shiv-Vani Energy Ltd., India	(Loan Repayment)	(22,729,078)	621,625,300
Shiv-Vani Infra Ltd., India	Advances	15,026,392	Nil
Prakash Singhee	Salary	16,011,590	7,650,000
Mayank Singhee	Salary	2,144,600	540,000

38 OTHERS

1. Loss on insurance claims are accounted for at the time of receipt.
2. 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.
3. Expenses include ` 6,884,579/- (Previous Year ` 556,678/-) relating to earlier years.
4. Premium on redemption of bonds / debentures are adjusted against the Securities Premium Account.
5. The registration of Lease hold building acquired is in process.
6. The company has during the year imported machinery worth ` Nil (Previous year ` 80,016,233/-) and stores, spares & chemicals ` 582,121,400/- (Previous year ` 630,633,267/-) under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty.
7. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to ` Nil (Previous Year ` 24,066,869/-) has been reduced from the gross block.
8. 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.
9. There are no amounts due and outstanding to be credit to Investor's Education and Protection Fund.
10. 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.
11. Balance appearing in Sundry Debtors / Creditors and Loans & Advances are subject to confirmation.
12. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above included is, as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year.
13. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

39 Earning per share

BASIC EARNING PER SHARE

Particulars

a) Numerator

Net Profit after taxation as per Profit & Loss Statement

b) Denominator

Weighted average of No. of equity shares outstanding

Basic earning per share

Face value per equity share

Amount in (`)

2011-12

2010-11

691,666,310

406,515,484

46,360,501

46,360,501

14.92

8.77

10

10

DILUTED EARNING PER SHARE

Particulars	Amount in (`)	
	2011-12	2010-11
a) Numerator		
Adjusted Profit after taxation	793,276,433	406,515,484
b) Denominator		
Weighted average of No. of equity shares outstanding	58,013,215	51,531,058
Basic earning per share	13.67	7.89
Face value per equity share	10	10

As per our report of even date
for Vijay Prakash Gupta & Associates
Chartered Accountants
Firm Reg.No. : 005570N

Vikas Varshney
Partner
M.No. 510929

New Delhi
September 3, 2012

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 Financial Statements

2011-2012

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 2012 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 management of Shiv-Vani Oil & Gas Exploration Services Ltd. 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 financial statements reflects total assets of Rs.16229412985 as at 31st March, 2012 and total revenue of Rs.4284109316 for the year ended on that date (these figures include intra-group transactions eliminated on consolidation). These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar 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 statement 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 31 (i) regarding higher provision of depreciation by Rs.4937564, 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,2012;
- (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 Reg. No. : 005570N

New Delhi
September 3, 2012

Vikas Varshney
Partner
Membership No.510929

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	463,605,010	463,605,010
(b) Reserves and Surplus	3	14,905,516,365	13,722,152,104
Minority Interest		169,930	178,726
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	20,583,785,384	23,892,679,304
(b) Deferred Tax Liabilities (Net)	5	1,676,658,503	1,338,007,491
(c) Other Long Term Liabilities	6	4,589,464	5,463,452
(d) Long Term Provisions	7	75,333,838	16,327,541
(3) Current Liabilities			
(a) Short-Term Borrowings	8	2,397,023,423	2,029,991,131
(b) Trade Payables	9	1,919,753,438	2,275,213,734
(c) Other Current Liabilities	10	9,509,888,030	4,837,376,994
(d) Short-Term Provisions	11	1,123,725,000	798,805,977
Total Equity & Liabilities		52,660,048,385	49,379,801,464
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		28,828,592,320	29,931,059,933
(ii) Capital Work in progress		3,988,258,261	334,094,246
(b) Non-Current Investments	13	15,244,000	15,218,000
(c) Long term Loans and Advances	14	3,767,298,569	1,781,157,570
(d) Other Non-Current Assets	15	586,188,780	450,225,541
(2) Current Assets			
(a) Inventories	16	2,242,587,530	2,028,723,839
(b) Trade Receivables	17	6,695,648,317	7,467,567,739
(c) Cash and Cash Equivalents	18	1,624,302,048	3,252,344,558
(d) Short-Term Loans and Advances	19	2,879,269,938	2,670,624,490
(e) Other Current Assets	20	2,032,658,622	1,448,785,548
Total Assets		52,660,048,385	49,379,801,464
Significant Accounting Policies	1		

As per our report of even date
for Vijay Prakash Gupta & Associates
Chartered Accountants
Firm Reg.No. : 005570N

Vikas Varshney
Partner
M.No. 510929

New Delhi
September 3, 2012

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 STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Note	For the year ended March 31, 2012 (₹)	For the year ended March 31, 2011 (₹)
I Revenue from operations	21	14,840,316,541	14,619,483,407
II Other Income	22	322,530,798	123,372,836
III III. Total Revenue (I +II)		15,162,847,339	14,742,856,243
IV <u>Expenses:</u>			
Cost of materials consumed	23	2,270,773,036	2,004,311,586
Operational Expenses	24	3,871,137,140	3,963,123,650
Employee Benefit Expense	25	1,045,260,360	923,558,339
Financial Cost	26	3,066,199,402	2,600,237,728
Depreciation and Amortization Expenses	27	1,670,463,030	1,627,849,118
Other Expenses	28	764,120,136	905,821,338
Total Expenses (IV)		12,687,953,104	12,024,901,759
V Profit before exceptional and extraordinary items and tax		2,474,894,235	2,717,954,484
VI Exceptional Items - Prior period adjustments		75,037	8,587,562
VII Profit before extraordinary items and tax (V + VI)		2,474,969,272	2,726,542,046
VIII Extraordinary Items - Minority's share in loss		(8,796)	(9,494)
IX Profit before Tax (VII - VIII)		2,474,978,068	2,726,551,540
X <u>Tax Expenses:</u>			
(1) Tax relating to previous years		457,232	154,120
(2) Current Tax		236,516,121	191,780,956
Less : Minimum Alternate Tax (MAT credit)		(193,613,749)	(92,378,942)
(3) Deferred Tax		338,651,012	363,559,016
XI Profit for the year from continuing operations		2,092,967,452	2,263,436,390
XII Profit from discontinuing operations		-	-
XIII Tax expenses of discounting operations		-	-
XIV Profit from Discontinuing operations (XII - XIII)		-	-
XV Profit for the year (XI + XIV)		2,092,967,452	2,263,436,390
XVI Earning per equity share:			
(1) Basic		45.15	48.82
(2) Diluted		37.83	43.92

As per our report of even date
for Vijay Prakash Gupta & Associates
Chartered Accountants
Firm Reg.No. : 005570N

Vikas Varshney
Partner
M.No. 510929

New Delhi
September 3, 2012

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	March 31, 2012 (₹)	March 31, 2011 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	2,474,978,068	2,726,551,540
Adjustment for:		
1. Depreciation	1,612,782,834	1,570,168,923
2. Deferred Revenue Expenditure	57,680,196	57,680,195
3. Investments (Interest Income)	(43,438,756)	(22,361,343)
4. Interest Expenditure	2,949,212,739	2,584,741,305
5. (Profit) / Loss on Sale of Fixed Assets	2,483,091	(47,518,432)
6. Fixed Assets w/off.	-	10,421,598
Operating Profit before Working Capital Charges	7,053,698,172	6,879,683,785
1. Trade & Other Receivables	(1,737,232,327)	(5,119,872,239)
2. Inventories	(213,863,691)	(1,260,380,658)
3. Trade Payable & Provisions	4,225,600,346	(178,060,180)
Cash Generation From Operations	9,328,202,499	321,370,709
1. Interest paid	(2,949,212,739)	(2,584,741,305)
2. Direct Taxes Paid	(290,584,494)	(568,208,773)
	6,088,405,267	(2,831,579,368)
Cash Flow Before Extra Ordinary Items		
1. Extraordinary items	(650,998,092)	35,105,749
Net cash From Operating Activities	5,437,407,174	(2,796,473,619)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (net)	(4,200,773,306)	(925,559,997)
Sale of fixed assets	33,810,976	458,338,178
Interest Received	43,438,756	22,361,343
Purchase of Investments	(26,000)	-
Net Cash From Investing Activities	(4,123,549,574)	(444,860,476)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long and short term borrowings	(2,941,861,627)	5,973,412,235
Change in Minority Interest	(8,796)	(9,494)

Misc Expenditure	(29,686)	(79,779,623)
Net cash flow from financing activities	(2,941,900,109)	5,893,623,118
Net Increase In cash and Cash Equivalents	(1,628,042,509)	2,652,289,023
Cash and cash equivalents at the beginning	3,252,344,557	600,055,534
Cash and cash equivalents at the closing	1,624,302,048	3,252,344,557

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, 2012. 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
Chartered Accountants
Firm Reg.No. : 005570N

(Vikas Varshney)
Partner
M.No. 510929

New Delhi
September 3, 2012

Notes Forming Part of Consolidated financial statements

1. Significant Accounting Policies

(a) 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.	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	Shiv-vani Infra Limited	India	--Do--	100%	Infrastructure Activity
9	Oil Blocks Holdings Ltd. (Fellow subsidiary)	Cyprus	Oriental Oil & Gas Services Ltd., Mauritius	100%	Exploration, Extraction, Refining and other allied ancillary
10	SV Videsh Ltd. (Fellow subsidiary)	Cyprus	Oriental Oil & Gas Services Ltd., Mauritius	100%	Exploration, Extraction, Refining and 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, 2012
- 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.

Minority Interest's share of net liabilities of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(b) 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 the basis of gross value of work done .

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 assets / 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 Rs. 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.

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 estimates 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 when 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 reasons 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.

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
2	Share Capital		
	(a) Authorized :		
	7,00,00,000 (Previous Year 7,00,00,000) Equity shares of Rs. 10/- each	700,000,000	700,000,000
	5,00,00,000 (Previous Year 5,00,00,000) 11% Redeemable Non Convertible Preference shares of Rs. 100/- each	50,000,000	50,000,000
		<u>750,000,000</u>	<u>750,000,000</u>
	(b) Issued, Subscribed & Paid-up		
	4,63,60,501 Equity shares (Previous Year - 4,63,60,501) of Rs. 10/- each fully paid	463,605,010	463,605,010
		<u>463,605,010</u>	<u>463,605,010</u>
	(c) Terms / Rights attached to shares		
	The company has only one class of Equity Shares having face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of Directors is subject to the approval of shareholders. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholding.		
	(d) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period		
	Particulars	2011 - 12	2010 - 11
	Shares as on 1st April	46,360,501	46,360,501
	Add : Shares issued during the year	-	-
	Less : Shares forfeited/bought back during the year	-	-
	Shares as on 31st March	46,360,501	46,360,501
	(e) 4,29,000 (Previous Year - 4,29,000) Equity shares of Rs. 10/- each are held by M/s. Shiv Vani Oil Services Limited (a wholly owned subsidiary company). This forms part of promoters holding.		
	(f) Details of shares held by share holders holding more than 5% of the aggregate shares in the company		
	Name of share holder	As at 31st March 2012	As at 31st March 2011
		No of shares held & % of holding	No of shares held & % of holding
	Templeton Strategic Emerging Markets Fund III LDC	37,07,895 8% holding	24,57,895 5.30% holding
	ICICI Securities Ltd Constituents Beneficiary Account	-	23,65,453 5.10% holding
	(g) Information regarding issue of shares in the last five years		
	(a) The Company has not issued any shares without payment received in cash		
	(b) The Company has not issued any bonus shares		
	(c) The Company has not undertaken any buy back of shares		

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
3	Reserves & Surplus		
	a) General Reserve		
	Balance as per last account	410,000,000	310,000,000
	Add : Transferred from surplus	50,000,000	100,000,000
		<u>460,000,000</u>	<u>410,000,000</u>
	b) Securities Premium Account		
	Balance as per last account	4,580,207,331	4,580,207,331
	Less : Premium for redemption of Debentures	(151,661,104)	-
	Less : Premium for redemption of FCCB	(53,519,894)	-
		<u>4,375,026,333</u>	<u>4,580,207,331</u>
	c) Capital Redemption Reserve		
	Balance as per last account	50,000,000	50,000,000
	d) Capital Reserve (On Equity Shares & Warrants Forfeiture)		
	Balance as per last account	396,025,500	396,025,500
	e) Debenture Redemption Reserve		
	Balance as per last account	-	-
	Add : Transferred from surplus	2,500,000,000	-
		<u>2,500,000,000</u>	<u>-</u>
	f) Legal Reserve		
	Balance as per last account	19,443,864	19,443,864
	g) Foreign Currency Translation Reserve		
	Balance as per last account	239,922,705	246,408,134
	Add / (Less) : On Consolidation	(650,540,860)	(6,485,429)
		<u>(410,618,155)</u>	<u>239,922,705</u>
	h) Surplus as per statement of Profit & Loss		
	Balance brought forward	8,026,552,704	5,970,878,981
	Add : Profit after tax for the year	2,092,967,452	2,263,436,390
	Less : Transferred to General reserve	(50,000,000)	(100,000,000)
	Less : Transferred to Debenture Redemption Reserve	(2,500,000,000)	-
	Less : Proposed Dividend #	(46,360,501)	(92,721,002)
	Less : Tax on Proposed Dividend	(7,520,832)	(15,041,665)
		<u>7,515,638,823</u>	<u>8,026,552,704</u>

Dividend proposed to be distributed to equity shareholders is Re. 1/- (Previous year-Rs. 2/-) per equity share

4	Long Term Borrowings		
	<u>Secured</u>		
	<u>Debentures</u>		
	Privately placed 6% Optional Convertible Debentures are secured by 1st pari passu charge over Movable Fixed Assets of the company. The same are to be redeemed / converted by 10th August 2012		
	Less : Current Maturities	2,500,000,000	2,500,000,000
	Sub-total (a)	<u>2,500,000,000</u>	<u>-</u>
		-	<u>2,500,000,000</u>

Note	Particulars	As at 31st March	
		2012 ()	2011 ()
4	<u>Long Term Borrowings (Contd...)</u>		
	<u>Term Loans</u>		
	From Banks (Rupee Loan)	9,644,988,817	8,356,613,183
	From Banks (Foreign Currency Loan)	8,242,250,781	8,789,206,029
	From Other Parties	3,002,679,432	3,287,404,849
		<u>20,889,919,030</u>	<u>20,433,224,061</u>
	Less : Current Maturities	4,451,241,154	3,612,450,986
	Sub-total (b)	<u>16,438,677,876</u>	<u>16,820,773,075</u>
	Unsecured		
	Bonds		
	80,000 Bonds (P.Y. 80,000 Bonds) 5% Foreign Currency		
	Convertible Bonds of USD 1000 each	3,728,742,500	3,728,742,500
	Add : Currency Translation	363,777,500	(156,742,500)
		<u>4,092,520,000</u>	<u>3,572,000,000</u>
	Term Loan		
	From Bank		
	(Rate of Interest is floating in nature @ 12% at the time of sanction & repayable as bullet payment upto August 2013 additional secured by pledge of 33,41,000 equity shares being part of promoters stake)	52,587,508	999,906,229
	Sub-total (c)	<u>4,145,107,508</u>	<u>4,571,906,229</u>
	Total (a + b + c)	<u>20,583,785,384</u>	<u>23,892,679,304</u>

Nature of Security and terms of repayment of Long Term Secured Loans

Nature of Security	In Millions		
	Banks	Financial Institution	Total
Exclusive Charge on Plant & Machinery and Specific Assets financed	3,468.33	-	3,468.33
Pari passu first Charge created / to be created on the entire Fixed Assets of the Company **	14,418.89	3,002.70	17,421.59
Total***	17,887.22	3,002.70	20,889.92

** Includes Loans aggregating to Rs. 2917.60 Millions also secured by way of pledge of 1,15,75,000 shares being part of Promoters stake

***All the above borrowings from Banks & Financials institutions are further secured by personal guarantees of promoter directors.

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Terms of Repayment of Secured Term loans

Particulars	Rate of Interest *	In Millions				
		1-2 Years	2-3 Years	3-4 Years	Beyond 4 years	Total
Rupee term Loans from banks	11.60% - 15%	2544.70	2114.50	1215.15	1239.21	7113.55
Foreign Currency term Loans from banks	3.75% - 6.45%	2174.80	2060.40	2043.73	408.60	6687.53
Rupee term loan from Financial Institutions	12.75% - 13.25%	826.30	890.60	787.10	133.60	2637.60
Total		5545.80	5065.50	4045.98	1781.41	16438.68

* Rate of Interest is floating in nature and is as per sanction letter as amended from time to time.

Nature of Security and terms of repayment of Long Term Unsecured Loan

- a) During the year ended 31st March 2011, the company has issued 5% Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating to US \$ 80 million. These bonds are convertible at the option of the Bond Holders into equity shares of Rs.10 each fully paid up at the conversion price of Rs. 515.60 per share calculated at a fixed rate of exchange of Rs. 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 subject to adjustments upon occurrence of certain events.

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, 2012 was 101.31% (Previous year - 100.53%).

- b) Pending utilization of the issue proceeds of Foreign Currency Convertible Bonds (FCCB), an amount of Rs. 6.10 Millions (Previous Year Rs. 1720.50 Millions) is lying in Foreign Currency Current and Deposit Accounts. During the current year, out of issue proceeds, Rs.1856.30 Millions (Previous Year - Rs.1049.30 Millions) have been utilized for financing capital expenditure and Rs. 35.80 Millions (Previous year Rs.573 Millions) for Loans to Subsidiary Companies for repayment of foreign currency loans availed them.

Note	Particulars	As at 31st March	
		2012 ()	2011 ()
5	Deferred Tax Liabilities (Net)		
	Deferred Tax liability for the period ended March 31, 2012 has been provided on the estimated tax computation for the year.		
	As per last account	1,338,007,491	974,448,475
	Add : Transfer from statement of profit & loss	338,651,012	363,559,016
	Closing Balance	<u>1,676,658,503</u>	<u>1,338,007,491</u>
6	Other Long Term Liabilities		
	Retention Money	2,857,926	2,241,359
	Deposits from parties	1,731,538	3,222,093
		<u>4,589,464</u>	<u>5,463,452</u>
7	Long term Provisions		
	Employee Benefit	21,813,944	16,327,541
	Redemption Premium (Bonds)	53,519,894	-
		<u>75,333,838</u>	<u>16,327,541</u>

Note	Particulars	As at 31st March	
		2012 (`)	2011 (`)
8	<u>Short term borrowings</u>		
	<u>Secured</u>		
	Cash Credit Loans - Working Capital from Banks	2,114,127,978	2,029,991,131
	<u>Unsecured</u>		
	From Banks repayable on demand (Rate of Interest - 14.45%)	282,895,445	-
		<u>2,397,023,423</u>	<u>2,029,991,131</u>
	<u>Disclosure of Security on Secured borrowings</u>		
	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 Rs. 2.09 Crores exclusively charged to State Bank of India. These Working Capital Loans are further secured against pledge of 27,59,400 Equity Shares of the Company being part of Promoters stake.		
9	<u>Trade & Other Payables</u>		
	Total outstanding due to :		
	Micro, Small & Medium Enterprises *	-	-
	Others Payables**	1,919,753,438	2,275,213,734
		<u>1,919,753,438</u>	<u>2,275,213,734</u>
	* As per information available with the company		
	** Includes Rs. 2 Crores (Previous Year - NIL) due to directors		
10	<u>Other Current Liabilities</u>		
	Current Maturities of Debentures	2,500,000,000	-
	Current Maturities of Long Term loans from banks & others	4,451,241,154	3,612,450,986
	Interest accrued on borrowings	371,263,595	205,716,228
	Unpaid Dividend	2,507,919	642,276
	Other Liabilities	2,184,875,362	1,018,567,504
		<u>9,509,888,030</u>	<u>4,837,376,994</u>
11	<u>Short Term Provisions</u>		
	Gratuity (Funded)	37,068,502	25,368,644
	Redemption Premium (Debentures)	151,661,104	-
	Proposed Dividend	46,360,501	92,721,002
	Dividend Distribution tax on proposed dividend	7,520,832	15,041,665
	Income Tax	881,114,061	665,674,666
		<u>1,123,725,000</u>	<u>798,805,977</u>

12 FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block		
	Cost As at 01.04.2011 ()	Additions	Deductions/ Adjustments	Cost as at 31.03.2012 ()	Upto 31.03.2011 ()	For the year ()	Deductions/ Adjustments ()	As at 31.03.2012 ()	As at 31.03.2011 ()
Tangible Assets									
Building	213,876,295	-	-	213,876,295	7,834,115	3,495,691	-	202,546,489	206,042,180
Plant & Machinery	33,740,894,283	535,988,481	36,789,723	34,240,093,041	4,247,820,466	1,566,771,529	1,074,801	28,426,575,847	29,493,073,821
Furniture & Fixtures	45,424,266	958,302	-	46,382,568	10,131,772	2,478,876	-	33,771,920	35,292,494
Computers	63,296,410	3,609,356	-	66,905,766	31,411,828	10,298,088	-	25,195,850	31,884,582
Veehicles	211,334,548	2,800	1,842,485	209,494,863	130,318,902	16,823,711	1,263,340	63,615,590	81,015,646
Office Equipments	69,409,514	6,050,353	-	75,459,866	10,318,194	3,475,170	-	61,666,503	59,091,320
Tents	83,463,916	-	-	83,463,916	58,804,026	9,439,769	-	15,220,121	24,659,890
Capital work in Progress	334,094,246	3,654,962,218	798,203	3,988,258,261	-	-	-	3,988,258,261	334,094,246
Total	34,761,793,478	4,201,571,510	39,430,411	38,923,934,576	4,496,639,303	1,612,782,834	2,338,141	6,107,083,995	30,265,154,179
Previous Year	34,323,801,850	5,980,936,227	5,542,944,594	34,761,793,483	2,992,793,399	1,570,168,923	66,323,020	30,265,154,181	

13 Non-Current Investments

	As at 31st March							
	2012				2011			
<u>In Equity shares</u>	Face Value	Paid up	Nos.	Amount in INR	Face Value	Paid up	Nos.	Amount in INR
<u>Quoted - Trade (At Cost)</u>								
a) Shiv Vani Oil & Gas Exploration Services Ltd	Rs. 10	Fully	429,000	9,750,000	Rs. 10	Fully	429,000	9,750,000
Total (A)				9,750,000				9,750,000
<u>Unquoted - Trade (At Cost)</u>								
Equipment Conductors & Cables Ltd., India	Rs. 10	Fully	4,300	43,000	Rs. 10	Fully	4,300	43,000
Neutral Engineers Ltd., India	Rs. 10	Fully	110,000	1,100,000	Rs. 10	Fully	110,000	1,100,000
Parasram Puria Synthetics Ltd., India **	Rs. 10	Partly	5,000	25,000	Rs. 10	Partly	5,000	25,000
Om Shivay Real Estate Pvt. Ltd., India	Rs. 10	Fully	180,000	1,800,000	Rs. 10	Fully	180,000	1,800,000
Immortal Vintrade Pvt. Ltd., India	Rs. 10	Fully	2,600	26,000	-	-	-	-
Total (B)				2,994,000				2,968,000
** The shares are partly paid-up of Rs. 5/- each								
Total of investment in equity shares (C)			(A + B)	12,744,000				12,718,000
<u>In Units of Mutual Funds - Quoted - Trade (At Cost)</u>								
SBI Infrastructure Fund (at Cost)	Rs. 10	Fully	200,000	2,000,000	Rs. 10	Fully	200,000	2,000,000
** SBI SHF Ultra Short Term Fund (at Cost)	-	-	-	-	Rs. 10	Fully	42,723.36	500,000
** SBI SHF Ultra Short Term Fund (at Cost)	Rs. 10	Fully	427.23	500,000	-	-	-	-
Total of investments in Mutual funds (E)				2,500,000				2,500,000
Total Non Current Investments			(C + D)	15,244,000				15,218,000
		Book value	Market Value		Book value	Market Value		
Aggregate of Quoted Investments ***		2,500,000	2,151,164		2,500,000	2,420,927		
Aggregate of Unquoted Investments		2,994,000	-		2,968,000	-		
Other		9,750,000			9,750,000			
		15,244,000	2,151,164		15,218,000	2,420,927		

** Change in Face value of the fund due to switch out and switch in between the funds.

*** Market value of quoted equity shares is not considered since the shares of parent company is hold by a subsidiary.

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
14	<u>Long-term Loans and Advances</u>		
	a) <u>Capital Advances</u>		
	Unsecured - considered good	3,098,331,481	1,049,275,000
	b) <u>Security Deposits</u>		
	Unsecured - considered good	93,967,088	121,882,570
	c) <u>Loans & Advances</u>		
	Unsecured - considered good	575,000,000	610,000,000
		<u>3,767,298,569</u>	<u>1,781,157,570</u>
15	<u>Other Non-Current assets</u>		
	Credit Entitlement of Minimum Alternate Tax (MAT)	440,873,571	247,259,822
	Others	145,315,209	202,965,719
		<u>586,188,780</u>	<u>450,225,541</u>
16	<u>Inventories</u>		
	Stores, Spares, Consumables & Chemicals - At cost	2,213,640,084	1,736,968,310
	Scrap - At realisable value	6,364,300	6,591,978
	Goods in Transit - At cost	22,583,146	285,163,551
		<u>2,242,587,530</u>	<u>2,028,723,839</u>
17	<u>Trade Receivables</u>		
	(Unsecured - Considered good)		
	Outstanding for a period exceeding six months	1,247,509,486	1,803,257,873
	Others	5,448,138,831	5,664,309,866
		<u>6,695,648,317</u>	<u>7,467,567,739</u>
18	<u>Cash & Bank Balances</u>		
a)	<u>Cash & Cash Equivalents</u>		
	Cash in Hand	5,995,022	5,673,925
	Current accounts with banks in Indian Rupees	303,319,047	87,680,026
	Current accounts with banks in Foreign Currency	101,791,410	277,302,515
	Bank deposits with maturity less than 3 months at inception **	207,600,751	201,971,369
	Bank deposits with maturity less than 3 months at inception in Foreign Currency	-	105,209,433
	Sub - total (a)	<u>618,706,230</u>	<u>677,837,268</u>

Note	Particulars	As at 31st March	
		2012 (₹)	2011 (₹)
b)	Other Bank Balances		
	Earmarked balances with banks	9,161,624	79,035,899
	Unclaimed dividend account	2,508,919	643,276
	Bank deposits with maturity more than 3 months but less than 12 months at inception **	51044074	55,655,334
	Bank deposits with maturity more than 3 months but less than 12 months at inception - Foreign Currency	1,058,182	1,603,309,585
	Bank deposits with maturity more than 12 months at inception **	325,219,048	310,320,963
	Bank deposits with maturity more than 12 months in at inception - Foreign Currency	616,603,971	525,542,233
	Sub - total (b)	<u>1,005,595,817</u>	<u>2574507290</u>
	Total (a + b)	<u>1,624,302,048</u>	<u>3,252,344,558</u>
	** Includes deposits of Rs. 343,416,648 (P.Y. Rs. 338,320,043/-) are under lien being margin on bank guarantees.		
19	Short Term Loans & Advances		
	<u>Secured</u>		
	Advances and other Receivables recoverable	10,789,613	-
	<u>Unsecured - considered good</u>		
	Advances and other Receivables recoverable **	1,136,925,470	1,543,902,198
	Others	1,731,554,855	1,126,722,292
		<u>2,879,269,938</u>	<u>2,670,624,490</u>
	** Includes Rs. Nil (P.Y. - Rs. 34,004/-) Due from a Director & officer of the company		
20	Other Current Assets		
	Income tax deducted at Source & taxes paid	1,296,681,946	1,027,174,178
	Works Contract Tax	26,648,530	832,226
	Prepaid Expenses	49,171,179	95,237,637
	Others	660,156,967	325,541,507
		<u>2,032,658,622</u>	<u>1,448,785,548</u>

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

Note	Particulars	For the year ended on	
		31st March, 2012 (₹)	31st March, 2011 (₹)
21	<u>Revenue from Operations</u>		
	Operating Revenue	14,840,316,541	14,619,483,407
		<u>14,840,316,541</u>	<u>14,619,483,407</u>
22	<u>Other Income</u>		
	Interest Income	43,438,756	22,851,823
	Profit on sale of fixed assets	-	47,518,432
	Exchange Gain / (loss) - net (other than considered as finance cost)	66,210,134	(1,724,139)
	Insurance claim received	-	33,000
	Other non operating income	212,881,908	54,693,720
		<u>322,530,798</u>	<u>123,372,836</u>
23	<u>Cost of Material Consumed</u>		
	Stores, Spares, Consumables & Chemicals	1,463,410,720	1,193,310,764
	Oils & Lubricants	807,362,316	811,000,822
		<u>2,270,773,036</u>	<u>2,004,311,586</u>
24	<u>Operational Expenses</u>		
	Repairs & Maintenance (Plant & Machinery)	64,625,885	299,718,296
	Other Operation Expenses	3,806,511,255	3,663,405,354
		<u>3,871,137,140</u>	<u>3,963,123,650</u>
25	<u>Employment Benefit Expenses</u>		
	Salaries, Wages, Remuneration, Bonus, Gratuity, other benefits etc.	984,235,549	873,664,222
	Contribution to Provident fund and other funds	28,032,094	17,983,284
	Workmen & Staff welfare expenses	32,992,717	31,910,833
		<u>1,045,260,360</u>	<u>923,558,339</u>
26	<u>Finance Cost</u>		
	Interest Expenses	2,770,001,840	2,434,714,346
	Others	179,210,899	166,171,973
	Applicable net gain/loss on foreign currency transactions and translation	116,986,663	(648,591)
		<u>3,066,199,402</u>	<u>2,600,237,728</u>
27	<u>Depreciation and Amortization Expenses</u>		
	Depreciation on assets	1,612,782,834	1,570,168,923
	Amortization	57,680,196	57,680,195
		<u>1,670,463,030</u>	<u>1,627,849,118</u>

Note	Particulars	For the year ended on	
		31st March, 2012 (₹)	31st March, 2011 (₹)
28	<u>Other Expenses</u>		
	Rent	92,965,285	112,614,640
	Repair & Maintenance - Others	28,386,295	37,253,632
	Insurance	85,110,878	69,857,356
	Rates & Taxes	10,496,112	5,419,680
	Legal & Professional charges	104,443,285	256,306,906
	Travelling & Conveyance	133,064,202	142,309,656
	Charity & Donations	1,962,261	3,737,643
	Director's Fees	780,000	580,000
	<u>Auditors Remuneration</u>	-	-
	For Statutory Audit fee	3,761,030	3,761,030
	For Consolidated Audit fee	50,000	50,000
	For Tax Audit fee	250,000	250,000
	For Other Matters	1,797,485	4,352,505
	Miscellaneous Expenditure	301,053,303	269,328,290
		<u>764,120,136</u>	<u>905,821,338</u>
29	Contingent Liabilities not provided for in respect of	Amount in (₹)	
		March-12	March-11
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 Guarantess Issued by the Company's bankers to Oil & Natural Gas Corpn. Ltd (ONGC), Oil India Ltd (OIL) & others. (against pledge of 9,02,500 shares of the company held by director and a third party)	2,623,096,225	2,433,805,481
3	Un-expired letters of credit	131,053,680	316,594,477
4	Estimated Value of Capital commitments (Net of advances)	3,472,053,538	3,147,825,000
5	Disputed claims/levies (excluding interest if any) in respect of:		
	a Sales Tax demands (*)	1,240,768	1,240,768
	* To be adjusted against refund granted for Rs.133.86 lacs.		
	b Custom Duty	1,250,000	1,250,000
	c Service Tax Demand	479,531,062	549,531,062
6	Other Commitment	4,159,341,655	6,395,702,883
7	Case Pending in Court	3,924,000	3,924,000

SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

		Amount in (`)	
		31st March-12	31st March-11
30	External Commercial Borrowings The External Commercial Borrowings [ECBs] outstanding : ICICI (44 M) US\$	28,998,304	35,996,608

31. OTHERS:

i. DEPRECIATION:

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 ` 4,937,564/- (Previous Year lower by ` 901,107 /-) to the Consolidated Profit & Loss Account.
 2. The profit in the consolidated accounts is lower by ` 4,937,564/- (Previous Year profit higher of ` 901,107/-) and
 3. The fixed assets in consolidated accounts have been stated lower by ` 4,937,564 (Previous Year higher by ` 901,107/-)
- ii. The registration of Leasehold building acquired is in process.
- iii. 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
- iv. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to ` NIL (Previous Year ` 24,066,869/-) has been reduced from the gross block.
- v. Premium on redemption of bonds / debentures are adjusted against the Securities Premium Account.
- vi. The company has during the year imported machinery worth ` NIL (Previous year ` 80,016,233/-) and stores, spares & chemicals ` 582,121,400/- (Previous year ` 630,633,267/-) under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty.
- vii. 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.
- viii. 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.
- ix. 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.
- x. There are no amounts due and outstanding to be credit to Investor' Education and Protection Fund.
- xi. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above included is as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year.
- xii. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

32 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

Prakash Singhee

Mayank Singhee

The Company has the following transactions with related parties

Name of Party	Description of Transaction	Amount in (`)	
		March-12	March-11
Prakash Singhee	Salary	16,011,590	7,650,000
Mayank Singhee	Salary	2,144,600	540,000

33 Earning per share
BASIC EARNING PER SHARE

Particulars	Amount in (`)	
	2011-12	2010-11
a) Numerator		
Net Profit after taxation as per Profit & Loss statement	2,092,967,452	2,263,436,390
b) Denominator		
Weighted average of No. of equity shares outstanding	46,360,501	46,360,501
Basic earning per share	45.15	48.82
Face value per equity share	10	10

DILUTED EARNING PER SHARE

Particulars	Amount in (`)	
	2011-12	2010-11
a) Numerator		
Adjusted profit after taxation	2,194,577,575	2,263,436,390
b) Denominator		
Weighted average of No. of equity shares outstanding	58,013,215	51,531,058
Basic earning per share	37.83	43.92
Face value per equity share	10	10

As per our report of even date
for Vijay Prakash Gupta & Associates
Chartered Accountants
Firm Reg.No. : 005570N

Vikas Varshney
Partner
M.No. 510929

New Delhi
September 3, 2012

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

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 AS AT 31.03.2012

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	In reporting Currency
Shiv Vani Oil Services Limited	India	Rupees	10,000,000	10,000,000	1,629,106	1,629,106	11,697,411	66,305	9,750,000	-	858,000	-	825,335	-	825,335	-	-	-	-	825,335	-
TNG Shiv Geo Services Limited	India	Rupees	500,000	500,000	(153,205)	(153,205)	379,403	32,608	-	-	-	-	(17,951)	-	(17,951)	-	-	-	-	(17,951)	-
Shiv Vani Energy Limited	India	Rupees	500,000	500,000	-	-	792,472,784	791,972,784	-	-	-	-	-	-	-	-	-	-	-	-	-
Shiv Vani Infra Limited	India	Rupees	500,000	500,000	-	-	15,529,686	15,029,686	-	-	-	-	-	-	-	-	-	-	-	-	-
Shiv Vani Oil & Gas Co. LLC.	Oman	Omani Rial	500,000	67,145,000	6,644,613	892,305,080	3,234,977,075	16,944,873	2,275,526,995	-	7,237,975	-	1,707,755	229,334,419	217,545	29,214,118	1,490,210	200,120,301	1,490,210	200,120,301	
Oriental Oil & Natural Gas Ltd	Mauritius	US Dollar	34,000	1,739,321	73,582,517	3,764,224,031	93,746,183	4,796,852,057	20,151,666	1,030,888,705	16,146	825,973	28,151,032	1,440,108,261	632,066,402	-	12,355,544	-	12,355,544	632,066,402	
SV Videsh Limited	Cyprus	US Dollar	1,573	80,469	(21,751)	(1,112,705)	363,792	1,396,028	27,289	1,396,028	-	-	-	(4,667)	(238,751)	-	(4,667)	-	(4,667)	(238,751)	
Oil Blocks Holdings Limited	Cyprus	US Dollar	1,573	80,469	(21,840)	(1,117,283)	363,792	1,400,605	27,379	1,400,605	-	-	-	(4,667)	(238,747)	-	(4,667)	-	(4,667)	(238,747)	
Natural Oil & Gas Services Limited	Mauritius	US Dollar	11,400,001	583,184,151	30,739,031	1,572,501,243	7,390,157,043	102,322,709	5,234,471,649	-	-	-	36,593,852	1,872,013,392	11,782,444	602,748,600	-	11,782,444	602,748,600		
Shiv Vani Singapore PTE Ltd.	Singapore	US Dollar	71	3,632	(623,985)	(31,920,893)	14,226,443	902,011	46,143,704	-	-	-	(4,682)	(239,494)	-	(4,682)	-	(4,682)	(239,494)		

The Foreign currency figures of Shiv Vani Oil & Gas Co. LLC, Oman, Oriental Oil & Natural Gas Ltd., Mauritius, Natural Oil & Gas Services Ltd., Mauritius and Shiv Vani Singapore Pte Ltd., Singapore have been converted into Indian Rupees on the basis of appropriate exchange rates. Exchange rate as on 31st March, 2012*: 1 Omani Rial = Rs. 134,290; 1 USD = Rs. 51.1565

Schedules referred to above form an integral part of the accounts

As per our report of even date

for VIJAY PRAKASH GUPTA & ASSOCIATES

Chartered Accountants

Firm Reg. No. : 005570N

Vikas Varshney

Partner

M.No. 510929

New Delhi

September 3, 2012

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



SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

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

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE. Joint shareholders may obtain additional Attendance Slip on request.

ATTENDANCE SLIP

DP.Id *	
Client. Id. *	

Regd. Folio No.	
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NAME AND ADDRESS OF THE SHAREHOLDER

No. of share(s) held :

I hereby record my presence at the 21st Annual General Meeting of the Company at Khasra No. 193, F-6, Pushpanjali Farms, Bijwassan, New Delhi – 110 061 at 12:00 noon on Friday, the 28th day of September 2012.

Signature of the Shareholder or proxy holder

* Applicable for investors holding shares in electronic form.

.....TEAR HERE.....



SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

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

PROXY SLIP

DP.Id *	
Client. Id. *	

Regd. Folio No.	
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I/We.....of
..... being a member/members of Shiv-Vani Oil & Gas Exploration Services Ltd.
hereby appoint.....of.....or failing him
.....of.....as
my/our proxy to vote for me/us and on my/our behalf at the 21st Annual General Meeting to be held on Friday, the 28th day of September 2012 at 12.00 Noon or at any adjournment thereof.

Signed day of 2012..

* Applicable for investors holding shares in electronic form.



Note :-

1. The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
2. No gift etc. will be distributed at the A. G. M.