

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Shiv-Vani Oil & Gas Exploration Services Limited will be held on Thursday, the 30th September, 2010 at 12.00 Noon at Khasra No. 193, F-6, Pushpanjali Farms, Bijwassan, New Delhi- 110061 for the transaction of the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the Financial Year ended 31st March, 2010, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the Financial Year ended 31st March, 2010.
4. To appoint a Director in place of Mr. Dwarka Das Daga, who retires by rotation, and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Capt. Hiteshi Chander Malik, who retires by rotation, and being eligible, offer himself for re-appointment.
6. 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

7. 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 31 of the Companies Act, 1956 the Articles of Association of the Company be altered by inserting the various articles in following manner:

1. The following terms shall be added in clause 1 after the term "Regulation"

"Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly, by that Person, any entity that controls, directly or indirectly, that Person, or any entity under common control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such Person. For the purpose of this definition:

- (i) control means the power to direct the management and policies of an entity whether through the ownership of voting capital, through the right to appoint a majority of directors to the board of an entity, by contract or otherwise (and the terms "controlled" and "controlling" shall be construed accordingly unless repugnant to the context), and
- (ii) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity;

"SSHA" means Share Subscription cum Shareholders Agreement dated 19 March 2010 executed between the Company, its Promoters and the Investor, together with its Schedules and Annexures;

"Board" means the board of directors of the Company or any duly appointed committee thereof from time to time;

"Business Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in New Delhi, India for the transaction of normal banking business;

"Completion Date" means the date on which all the Completion activities takes place as set out in the SSHA;

"Deed of Adherence" means the deed of adherence, a format of which is set out in the SSHA;

"Dilution Instrument" means any Equity Shares, or any rights, options, warrants, appreciation rights or instruments entitling the holder to receive any Equity Shares of the Company or any options to purchase or rights to subscribe for Securities by their terms convertible into, or exchangeable for, Equity Shares;

"Encumbrance" means any encumbrance or restriction on transferability including, without limitation, any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), public right, common right, any provisional or executorial attachment and any other interest held by a third party and the term "Encumber" shall be construed accordingly;

"Equity Shares" means the equity shares of the Company having a par/ nominal value of INR 10/-;

"Exchanges" means The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;

"Investor" shall mean Templeton Strategic Emerging Markets Fund III, L.D.C;

"Law" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government Authority and, if applicable, international (whether bilateral or multi-lateral) treaties, conventions and regulations having the force of law;

"Lock-in Period" shall mean the period inclusive of and commencing from the Completion Date and ending on the first anniversary of the Completion Date at twelve midnight (12:00);

"Person(s)" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, society, Government Authority or trust or any other entity or organization;

"Promoters" shall have the same meaning set out in the SSHA;

"Securities" has the meaning given to such term in the Securities Contracts (Regulation) Act, 1956;

"Subscription Price" shall mean INR 380/- (Indian Rupees Three Hundred and Eighty only) per Equity Share;

"Subscription Shares" shall mean 2,457,895 (Two Million Four Hundred and Fifty Seven Thousand Eight Hundred and Ninety Five) Equity Shares subscribed by the Investor pursuant to the SSHA;

"Subsidiary" or "Subsidiaries" has the meaning given to such term in the Act and shall include any subsidiaries incorporated/ set up after the date of the SSHA. For the avoidance of any doubt, Subsidiary shall include any subsidiary incorporated outside India and shall include subsidiaries of such subsidiaries;

"Transfer" includes any transfer, assignment, sale, disposal, lease or Encumbrance;

2. Following new Clauses 4B, 4C, 33A, 33B, 33C, 33D, 33E, 33F, 77A, 100A, 133A, 143 and 144 shall be inserted after existing clauses 4A, 33, 77, 100, 133 and 142 respectively:

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| 4B | <p>(a) The Company and/or its Subsidiaries shall not, for a period of 1 (one) year from the Completion Date, issue any equity shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options), save and except issue of the Equity Shares on a Qualified Institutional Placement basis by the Company on or before a period of 6 (six) months from the Completion Date subject to the price protection rights of the Investor under Article 4C, without the prior written consent of the Investor</p> <p>(b) If the Company and/or its Subsidiaries decide to issue additional equity shares and/ or other equity linked instruments (after obtaining the prior written consent of the Investor as required under Article 4B(a) in case of issuance occurring within 1 (one) year from the Completion Date), the Investor shall have the first right to participate on a pro-rata basis, in proportion to its then shareholding percentage in the Company (and in relation to the Subsidiaries, in proportion to its indirect shareholding percentage), in such future issue on the same terms and conditions (including price) as granted to any other new or existing shareholder. The Investor shall be entitled to assign in whole or in part the right to subscribe to fresh equity shares to their respective Affiliate/s, provided that such Affiliate/s shall execute a Deed of Adherence agreeing to be bound by the terms of the SSHA at the time of such issuance. If any issuance and allotment of new equity shares pursuant to acceptance by any of the offerees is not consummated within a period of 15 (fifteen) days from the date on which the offer was accepted, the Company and/or the Subsidiaries (as the case may be) may not issue any equity shares and/ or other equity linked instruments without complying anew with the provisions of this Article 4B(b) For the purposes of this Article 46A(b), the Investor shall mean and include any transferees and holders of any of the Investor Shares, having executed a Deed of Adherence in accordance with the provisions of these Articles and the SSHA.</p> | Further
Issue
of Shares |
| 4C | <p>(a) The Company and the Promoters further agree and undertake that the Company shall not, for a period of 1 (one) year from the Completion Date, issue the Equity Shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options) to any Person, (save and except issue of the Equity Shares on a Qualified Institutional Placement basis on or before a period of 6 (six) months from the Completion Date subject to the price protection rights of the Investor under Article 4C(c)), at a valuation which, results in a price lower than the Subscription Price per Equity Share.</p> | Anti Dilution
Rights |

- (b) The Company and the Promoters further agree and undertake that the Company shall not, during the subsistence of these Articles and the SSHA, issue the Equity Shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options) to any Promoter, at a valuation which, results in a price lower than the Subscription Price per Equity Share.
 - (c) Without prejudice to the foregoing, in the event that the Company issues any Dilution Instrument at any time during the period of 1 (one) year from the Completion Date after complying with its obligation of securing the Investor's consent, at a price (whether as issue price or conversion price) lesser than the Subscription Price computed for each Subscription Share then, the Investor shall be entitled to subscribe to such number of Dilution Instruments at par value or the lowest price permissible by Law, as would be required to equate the Investor's cost per Subscription Shares to the new price at which the Company has issued the Dilution Instruments to any Person.
 - (d) Notwithstanding anything contained in these Articles and the SSHA, in the event if the Company is unable to issue and allot the Equity Shares to the Investor at such lower price, then at the option of the Investor, the Promoters shall sell and transfer to the Investor (or at the option of the Investor to any of its Affiliates or nominees) such number of Equity Shares held by them, for the lowest price permissible by Law, as would be required to equate the Investor's cost per Subscription Shares to the new price at which the Company has issued the Equity Shares to any Person through an off-market sale.
 - (e) Notwithstanding anything contained in these Articles and the SSHA, in the event the Investor desires to acquire any fresh shares or requires the Company to issue and allot to it further Equity Shares pursuant to this Article, but is unable to do so due to any restrictions under Law or any requirement, directive, decree or otherwise of any Governmental Authority or for any other reason beyond the control of the Investor, the Parties agree that the Investor shall be entitled to nominate any Person (not bound by any such restriction or limitation) to acquire such fresh shares or additional shares, as the case may be.
 - (f) The Company agrees and undertakes that it shall not issue any Equity Shares and/or the Dilution Instrument in contravention of the provisions of this Article.
 - (g) In the event that the Investor subscribes to any Equity Shares pursuant to this Article, then all such newly subscribed Equity Shares will also be considered "Investor Shares" and shall be entitled to all the rights as enjoyed by the Investor under these Articles and the SSHA.
- 33A (a) During the Lock-in Period, neither the Promoters nor the Investor shall, directly or indirectly, Transfer or attempt to Transfer all or any of their any Equity Shares, warrants or other Securities convertible into Equity Shares held by them in the Company in any manner whatsoever to any Person save as permitted under Article 33A (b). Any Transfer of the Equity Shares by any Promoter or Investor beyond such Lock-in Period shall strictly be in accordance with this Article 33A. Lock In Period
- (b) Notwithstanding anything contained in Article 33A (a) above or Article 33B, Article 33C and Article 33D below, the Promoters shall be entitled to Transfer the Equity Shares in accordance with this Article 33A (b), without any requirement of complying with the other provisions of this Article 33A. Permitted Transfer
- (i) Inter-se Transfer
The Promoters shall, at all times, be entitled to Transfer any of the Equity Shares held by them in the Company inter se between the Persons forming part of the "Promoter Group" in the shareholding pattern provided to the Exchanges, without any restrictions set forth in this Article 33A.
 - (ii) Third Party Transfer
The Promoters shall, at all times, be entitled to sell to third parties, whether during the Lock-in Period or thereafter, 10% (Ten percent) of their collective share holding in the Company as on the Completion Date.
 - (iii) Pledge of Shares
The Promoters shall be entitled to pledge any of the Equity Shares held by them in the Company, whether during the Lock-in Period or thereafter, in favour of any banks and/or public financial institutions to secure any loan or credit facility extended to the Company (as required in the ordinary course of Business) and/or the Promoters.

33B Right of First Refusal of the Investor and the Promoters

Right of First Refusal in relation to a Transfer of Equity Shares

Upon expiry of the Lock-In Period as specified in Article 33A, each of the Investor and the Promoters shall be entitled to Transfer any Equity Shares to any Person at any time, provided however that any such Transfer by the Transferor excluding:

- (a) Transfer by the Promoters, individually or collectively, of 10% (calculated on a cumulative basis taking into account all Transfers made after the Completion Date) of their shareholding in the Company;
- (b) Transfer of the Equity Shares by the Investor, either
 - (i) by way of non negotiated sale through the Exchange; or
 - (ii) by way of a private sale to any Person, of Equity Shares constituting less than 20% of its shareholding in the Company as on the Completion Date, either through single or a series of transactions (provided that the Investor shall be permitted to Transfer additional Equity Shares constituting less than 20% of its shareholding as on the Completion Date, to same Person upon expiry of a period of 6 (six) months from the date of first Transfer to such Person);

shall be subject to a right of first refusal of the other Investor or the Promoters to be exercised in the manner set forth in the sub-clauses below:

- (a) The Transferor shall first give a written notice ("Offer Notice") to other Investor or the Promoters ("Non Transferring Shareholder"). The Offer Notice shall state
 - (i) the number of Equity Shares proposed to be Transferred (the "Offered Shares") and the number and class of Equity Shares the Transferor owns at that time on an undiluted basis,
 - (ii) the name and address of the proposed transferee (if any),
 - (iii) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee,
 - (iv) the estimated date of consummation of the proposed Transfer,
 - (v) a representation that the proposed transferee has been informed of the "Right of First Refusal" rights provided for in these Articles and the SSHA, it being understood that in case of a Transfer by the Promoter(s) under this Article, the representation shall also include that the proposed transferee has been informed of the "Tag Along Rights" provided to the Investor in these Articles and the SSHA and that the proposed transferee has agreed to purchase the Equity Shares of the Investor in accordance with the terms of this Article.

The total value of the consideration for the proposed transfer is referred to herein as the "Offer Price"

- (b) If any of the Non-Transferring Shareholder has, within 15 (fifteen) days of the receipt of the Offer Notice, notified the Transferor that it wishes to purchase the Offered Shares, then the Non-Transferring Shareholder shall pay the Transferor Offer Price, and accept a Transfer of, such Offered Shares and the Transferor shall be bound, on payment of the Offer Price, to Transfer such Offered Shares to such Non-Transferring Shareholders. However, if more than one Non-Transferring Shareholder has exercised the right to purchase the Offered Shares within the specified period, then all such Non-Transferring Shareholders shall purchase such Offered Shares in proportion to their shareholding percentage held in the Company in accordance with this Article. Such payment and Transfer shall be completed within 15 (fifteen) days of the date of the notice issued by the Transferor

- 33C (a) In the event the Offered Shares proposed to be Transferred by the Promoters, individually or collectively, pursuant to Article 33B above, are greater than 10% of their collective share holding in the Company as on the Completion Date, then the Investor shall have a co-sale right ("Tag-Along Right"), but no obligation, to co-sell with the Promoters, up to a proportionate share of the Investor Shares, to such purchasing third party at the same price and on the same terms and conditions at which the Promoter(s) intend to transfer the Offered Shares. Provided however that the proportionate number of Investor Shares capable of being Transferred together with the Equity Shares of the Promoters shall be calculated with reference to the number of Equity Shares sought to be Transferred by the Promoters that are in excess of 10% of their collective share holding in the Company as on the Completion Date.

Tag Along Right of the Investor upon Transfer by the Promoters

- (b) In the event that the Offered Shares proposed to be Transferred by the Promoters, individually or collectively, results in the Promoters ceasing to remain in control and management of the Company after such Transfer (including where the Promoters already have ceased to be in control and management), then the Promoters shall not be entitled to sell or Transfer any of the Offered Shares to any proposed transferee unless the proposed transferee simultaneously purchases the whole of the Investor Shares, at the same price and on the same terms and conditions at which the Promoters(s) intend to transfer the Offered Shares.

For the purposes of this Article, the term "control" shall mean:

- (i) the ability to appoint a majority of the Board;
- (ii) being the single largest shareholder of the Company;
- (iii) the Equity Share holding being not less than 26% (twenty six percent) of the then issued and paid-up share capital of the Company;
- (iv) the ability to control the composition or the decisions of the Board, or
- (v) the possession of power to direct or cause the direction of the management and policies of the Company by virtue of the articles of association or an agreement or contract or otherwise.

It is clarified that if any of the conditions above is not fulfilled, then the Promoters shall be deemed to have ceased to remain in control of the Company.

- (c) The Investor shall be entitled to respond to the Offer Notice by serving a written notice (the "Response Notice") on the Promoter(s) prior to the expiry of 7 (seven) days from the date of receipt of the Offer Notice ("Offer Period") requiring the Promoter(s) to ensure that the proposed transferee of the Offered Shares also purchases such number of the Equity Shares as mentioned in the Response Notice (calculated in accordance with sub-clause (a) and (b) above) ("Tag Along Shares") at the same price and on the same terms as are mentioned in the Offer Notice, except that the Investor shall not be required to provide any representations or warranties to the proposed transferee other than with respect to their title to the Tag Along Shares and the Investor shall be entitled to receive the full consideration for such shares as received by the Promoter(s), including non-compete considerations (without having to provide any non-compete restriction) and the cash equivalent of any non-cash component of the Offer Price.
- (d) The Promoter(s) shall ensure that, along with the Offered Shares, the proposed transferee also acquires the Tag Along Shares specified in the Response Notice for the Offer Price and upon the same terms and conditions as applicable to the Offered Shares, provided that, the Investor may choose to receive the cash equivalent of any such consideration which is in a form other than cash and the Investor shall not be required to provide any representations and warranties in respect of the Tag Along Shares other than with respect to their title to the Tag Along Shares. Where the Investor has properly elected to exercise its Tag Along Right and the proposed transferee fails to purchase from the Investor the Tag Along Shares which it is entitled to sell under this tag along provision, the Promoter(s) shall not make the proposed Transfer of the Offered Shares, and if purported to be made, such Transfer shall be void and the Company shall, to the extent it is within the reasonable control of the Company, not register any such Transfer.

33D In the event Investor does not deliver a Response Notice to the Promoter(s) prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period, the Promoter(s) shall be entitled to sell and transfer the Offered Shares to the proposed transferee mentioned in the Offer Notice on the same terms and conditions and for the same consideration as is specified in the Offer Notice. Any transferee purchasing the Offered Shares shall deliver to the Promoter(s) on or before the date of consummation of the proposed Transfer specified in the Offer Notice payment in full of the Offer Price in respect of the Offered Shares in accordance with the terms set forth in the Offer Notice. If completion of the sale and Transfer to the proposed transferee does not take place within the period of 15 (fifteen) days of the issuance of the Offer Notice, the Transferor's right to sell the Offered Shares to such a party shall lapse and the provisions of these Articles on Transfer Restrictions on Shares shall once again apply to the Offered Shares

33E (a) The Parties hereto agree that the Transfer restrictions on the Investor and the Promoters in these Articles and the SSHA and/or in the constitutional documents of the Company shall not be capable of being avoided by the holding of Equity Shares indirectly through

Other
Provisions
Relating to

- a company or other entity that can itself be sold in order to dispose of an interest in Equity Shares free of such restrictions. Any Transfer, issuance or other disposal of any shares (or other interest) resulting in any change in the control, directly or indirectly, of the Investor and the Promoters, or of any Affiliate of any which holds, directly or indirectly, any Equity Shares, shall be treated as being a Transfer of the Equity Shares held by the Investor or the Promoters, and the provisions of these Articles and the SSHA that apply in respect of the Transfer of Equity Shares shall thereupon apply in respect of the Equity Shares so held.
- (b) Any Transfer or attempted Transfer of any Equity Shares and/or Securities of the Company in violation of these Articles and the SSHA shall be void, and, to the extent it is within the reasonable control of the Company, no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes.
- (c) Subject to the provisions of these Articles on Transfer Restrictions on Shares, the Investor and/or the Promoters shall be entitled to deal with, dispose of, Transfer and/or Encumber all or any of their Equity Shares together with or without their rights and / or obligations hereunder, to any other Person.
- (d) Any Transfer of the Equity Shares by any Investor and/or the Promoters (where such Equity Shares are transferred along with the rights attached to them by virtue of these Articles and the SSHA) in terms of these Articles and the SSHA shall be subject to the transferee executing a Deed of Adherence.
- (e) It is hereby clarified that any sale of Equity Shares by the Investor through the Exchanges shall always be without the assignment of rights attached to the Equity Shares by virtue of these Articles and the SSHA.
- 33F (a) Subject to the restrictions set forth in these Articles on Transfer Restrictions on Shares, the Investor shall have the right at any time from the date of the SSHA and from time to time, to sell all or part of its shareholding either through a private sale or through the stock exchanges. Further any sale of Equity Shares by the Investor through a private sale to any Person may either be with or without the rights attached to such Equity Shares by virtue of these Articles and the SSHA and the Company shall, to the extent permissible in Law, render all necessary assistance for the purpose of facilitating such an exit. It is hereby clarified that any sale of Equity Shares by the Investor through the stock exchanges shall always be without the assignment of rights attached to the Equity Shares by virtue of these Articles and the SSHA.
- (b) The Company shall (to the fullest extent permitted by law) render all such assistance for the purpose of facilitating such an exit.
- (c) In connection with its right to sell its shareholding, the Investor shall have the right to demand that the Company register the Investor Shares with all regulatory authorities necessary to ensure free transferability of such shares.
- 77A (a) Notwithstanding any other provision of these Articles and the SSHA or any power conferred upon the Board by the SSHA, the Companies Act or the Articles of Association, the Parties shall ensure that neither the Company nor any of its Subsidiaries shall decide on any of the following matters unless such Reserved Matters have been approved by an affirmative vote of the Investor in the shareholders meeting of the Company:
- (i) Appointment or removal of Chief Financial Officer, Chief Operating Officer and Chief Executive Officer of the Company and/or its Subsidiary;
 - (ii) Appointment or removal of the internal and statutory auditors of the Company and/or its Subsidiaries from the financial year beginning at 1 April 2011 provided that the Parties shall commence the discussion on appointment and/or removal of the auditors atleast 45 (forty five) days prior to the commencement of each financial year.
 - (iii) Until 1 (one) year from the Completion Date, to change the share capital of the Company and/or its Subsidiaries by way of issue of any equity shares or equity linked instruments or re-issue of forfeited shares;
 - (iv) Any matter relating to reorganisation, liquidation, winding up, dissolution, consolidation, merger of the Company and/or its Subsidiaries;
 - (v) To commence any business not related to oil & gas and energy business by the Company and/or its Subsidiaries;

Transfer of
Shares

Investor's
Right To
Transfer
Equity
Shares

Reserved
Matters

- (vi) Amend the Memorandum of Association and/or the Articles of Association of the Company and/or its Subsidiaries in any manner which affects the rights of the Investor; and
 - (vii) Transfer of any division, business or undertaking currently forming part of the Company and/or its Subsidiaries.
 - (viii) Acquisition by the Company and/or its Subsidiaries of any other business or creation of a Subsidiary or entering into any joint ventures or partnership excluding acquisition of technology or technical know-how or formation of joint ventures specifically in connection with tenders required to be applied for by the Company and which directly relate to the Business.
- (b) In the event any decision on any of the Reserved Matters is proposed to be taken by the Company and/or its Subsidiaries without such Reserved Matter being placed before a meeting of the shareholders of the Company, then an affirmative consent of the Investor shall be procured prior to taking any such decision or implementing the same.
- 100A (a) The Company and the Promoters hereby agree and undertake that prior to holding any meeting of Board, the Investor shall be provided written notice of each Board meeting setting out the agenda for the meeting in reasonable detail at least 1 (one) Business Day prior to each meeting of the Board.
- (b) The Company and the Promoters agree that within a period of 3 (three) Business Days from the date of every Board meeting or such extended period as may be stipulated by the Investor, the Company and the Promoters shall hold a meeting with an authorised representative of the Investor, to discuss key matters discussed and resolved at the relevant Board meeting. Such meeting shall be held at the registered office of the Company and is hereby agreed that during such meeting with the authorised representative of the Investor, at least 2 (two) executive Directors of the Company shall remain present.
- (c) The Company and the Promoters hereby agree that all out of pocket expenses incurred by the authorised representative of the Investor in order to attend the meetings contemplated in Article 100A(b) above, shall be borne by the Company.
- 133A (a) As part of its initiatives to enhance and maintain high standards of reporting and corporate communication systems, the Company shall organise, at regular intervals, presentations to the Board, shareholders and analysts as may be directed by the Board.
- (b) The Investor shall receive such information, under this Article, as they may be entitled to under applicable Law.
- (c) The Company shall publish any unpublished price sensitive information before providing it to the Investor. The Investor agrees that the Company has the right to suspend the information rights under this Article, for the duration of the time the Board withholds publication of price sensitive information in the best interests of the Company.
- (d) Subject to the applicable Laws, the Investor shall be entitled to share information received from the Company and its Subsidiaries (which is not unpublished price sensitive information) with its Affiliates, any Person referred to in Article 33F the partners, investors and potential investors of such Person.
- (e) Subject to Article 133A(b) and 133A(c) the Company shall, within a period of 3 (three) Business Days from the date of receipt of a notice from the Investor, give full access to the Investor and their authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and its Subsidiaries, and to discuss and consult its business, actions plans, budgets and finances with the directors and executive officers of the Company and its Subsidiaries. All costs of such inspections shall be borne by the Company if, as a result of such inspection, any breach of Law or these Articles and/or the SSHA is discovered.
- (f) Without prejudice to the above Articles, subject to any restriction contained in applicable Law, the Investor shall have the right to receive from the Company and the Company shall provide the Investor the following information with respect to the Company and its Subsidiaries:

Discussion
with
Investor
Post Board
Meetings

- (i) Unaudited quarterly financial statement, within 30 (thirty) days of period end of first three quarter period of each Financial Year (or such shorter period as specified in the listing agreement applicable to the Company and its Subsidiaries) and within one (1) day of publishing to the Exchanges;
 - (ii) Unaudited financial statement, within 45 (forty five) days of end of the last quarter period of each Financial Year (or such shorter period as specified in the listing agreement applicable to the Company and its Subsidiaries) and within one (1) day of publishing to the Exchanges;
 - (iii) Audited financial statements, including cash flow statements, within (180) days of end of each Financial Year end (or such shorter period as specified in the listing agreement applicable to the Company and its Subsidiaries and within 1 (one) day of publishing to the Exchanges;
 - (iv) Annual budget as approved by the Board of the Company and board of each of the Subsidiaries; and
 - (v) Subject to 133A (b), such additional information as reasonably requested by the Investor.
- (g) It is hereby clarified that the provisions of this Article 133A shall, mutatis mutandis apply to each of the Subsidiaries.
- (h) The Company confirms that no unpublished price sensitive information shall be provided to the Investor after the date of the SSHA.
- (i) It is hereby clarified that upon termination of the SSHA, the Investor shall be entitled to receive such information which is available to the Shareholders under applicable Law.
- 143 The Company and the Promoters hereby agree that in the event the Company and the Promoters provide any Person, acquiring upto 8% of the shareholding in the Company, with more favourable rights than those provided to the Investor hereunder, then such favourable rights shall also be made available to the Investor.
- 144 (a) In the event of any inconsistency between the Overriding Articles and any other provisions in these Articles, the provisions of the Overriding Articles shall prevail. For the purpose of this Article 144, the expression "Overriding Articles" shall mean Articles 4B, 4C, 33A, 33B, 33C, 33D, 33E, 33F, 77A, 100A, 133A and 143. Further any matter that is a Reserved Matter shall be decided, in accordance with the Article 77A, notwithstanding anything to the contrary in any other Articles.
- (b) If any Law requires these Articles to specifically include any provisions of the SSHA within these Articles, the same shall, by this Article 144 be deemed to be included by reference.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may in its discretion deem necessary, proper or otherwise."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an 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 in the range of Rs. 12,00,000 - Rs. 15,00,000 p.m. and other perquisites in the range of Rs. 600,000 - 7,50,000 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 and other perquisites 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 2010.

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.

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as an 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. Mayank Singhee, son of Mr. Prem Singhee, Chairman and Managing Director of the Company to a basic salary in the range of Rs. 1,00,000 - Rs. 2,50,000 p.m. and other perquisites in the range of Rs. 75,000 - Rs. 1,50,000 p.m. as per the terms and conditions of service agreement as may be decided 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 and other perquisites shall be paid as per the Company 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 2010.

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. Mayank Singhee as it may decide from time to time.

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

RESOLVED THAT in continuation of Shareholders' resolution passed in the Extra Ordinary General Meeting held on 18th February 2008 and pursuant to the provisions of Sections 309, 310, Schedule XIII and other applicable provisions, if any of Companies Act, 1956 and subject to the such approvals of the Central Government, as may be required, consent of the Company be and is hereby accorded to the modification in terms of the remuneration paid or payable to Mr. Prem Singhee, Chairman & Managing Director of the Company as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the revision in the remuneration shall be effective from 1st October 2010 till the remaining term i.e. up to 31st October 2012.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Prem Singhee as approved earlier by the Members, shall remain unchanged.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may in its discretion deem necessary, proper or otherwise."

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

RESOLVED THAT in continuation of Shareholders' resolution passed in the Extra Ordinary General Meeting held on 18th February 2008 and pursuant to the provisions of Sections 309, 310, Schedule XIII and other applicable provisions, if any of Companies Act, 1956 and subject to the such approvals of the Central Government, as may be required, consent of the Company be and is hereby accorded to the modification in terms of the remuneration paid or payable to Mr. Padam Singhee, Joint Managing Director of the Company as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the revision in the remuneration shall be effective from 1st October 2010 till the remaining term i.e. up to 31st May 2011.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Padam Singhee as approved earlier by the Members, shall remain unchanged.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may in its discretion deem necessary, proper or otherwise."

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in supersession Ordinary Resolution of the Shareholders adopted in their Annual General Meeting held on 30th July 2007, and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Reserve Bank of India or such approvals from such other authority as may be required, if any, the Board of Directors (including any committee thereof) of the Company (the Board) be and is hereby authorized and shall be deemed to have always been so authorized to borrow periodically from, including without any limitation, any bank(s) and / or public

financial institution(s) and / or any entity(ies) or authority(ies) and / or through suppliers credit securities instruments, such as floating rate notes, fixed rate notes, syndicate loans, debentures, commercial papers, short term loans or any other instruments etc. and /or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institutions, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs 5,000 Crores (Rupees Five Thousand Crore), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any, apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its and free reserves, that is to say, reserves not set apart for any specific purpose.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may in its discretion deem necessary, proper or otherwise."

13. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors, including any committee of the Board (the Board) of the Company to mortgage and/or charge, subject to the existing charges, immovable and movable properties of the Company, wheresoever situated, present and future, in such form and manner and with such ranking as may be decided by the Board, in favour of lender(s), agent(s) and trustee for securing the borrowings of the Company availed / to be availed by way of loan(s) and other mode of external borrowings and debentures or other instruments issued / to be issued by the company, from time to time, together with interest thereon.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may in its discretion deem necessary, proper or otherwise."

By Order of the Board
Shiv-Vani Oil & Gas exploration Services Limited

New Delhi
September 1, 2010

(Vimal Chadha)
Company Secretary

NOTES:

- (i) **A Member entitled to attend and vote at the Annual General Meeting (AGM) may appoint proxy(ies) to attend and vote on a poll on his behalf. Proxy (ies) need not be a Member(s) of the Company.**
Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
- (ii) 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-110017, 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.
- (iv) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at this AGM is annexed.
- (v) The Register of members and Share Transfer Books of the Company shall remain closed from Tuesday, the 28th day of September, 2010 to Thursday, the 30th day of September, 2010 (both days inclusive). The names of the shareholders whose 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, New Delhi-110028 on or before 28th September, 2009, shall be included in the register of Members as on the date of the Annual General Meeting.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) Members are requested to:
- 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.
 - 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.
 - 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.
 - 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.
 - Mr. Dwarka Das Daga and Capt. Hiteshi Chander Malik, Directors of the Company are due to retire by rotation and are eligible for reappointment at the Annual General Meeting.
 - 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 is / are given below:

Name	Shri Dwarka Das Daga	Capt. Hiteshi Chander Malik
Age	69 years	61 years
Qualification	B. Com. , LLB	Management in Agricultural Aviation and Pesticide. Air Traffic & Airport Management.
Experience in specific functional area	Varied experience of cargo, shipping, marketing and general administration.	Civil aviation and general administration.
Date of appointment on the Board of the Company	10th July 1990	30th October 2007
Chairman/ Member of the Committee of the Board of Directors of the Company.	(i) Audit Committee (ii) Remuneration Committee (iii) Share Transfer Committee	(i) Audit Committee (ii) Remuneration Committee (iii) Shareholders' / Investors' Grievance Committee
Name of the other companies in which Directorship held (as per Section 275 and 278 of the Companies Act, 1956).	Daga Shipping Agents P. Ltd	Air Celestial & P. Ltd
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

- (g) 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.

- (h) 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.
- (i) 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:-
- any change in their address / mandate / bank details.
 - particulars of their bank account, in case the same have not been furnished earlier, and
 - 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.
- (j) The shares of the Company are listed at the Bombay Stock Exchange Ltd. (BSE), Phitoze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange of India Ltd. (NSE), Exchange Plaza, Bandra Kurla Complex, Mumbai - 400 005.
- (k) The Scrip Code of Equity shares at BSE and NSE are as follows:
- Scrip Code at BSE : 522175**
- Scrip Code at NSE : SHIV-VANI**
- (l) Listing fee for the financial year 2010-11 have been paid to BSE & NSE.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item No. 7**

As the Members are aware that the Company in the month of March 2010 has allotted 24,57,895 Equity Shares of Rs. 10 each at a premium of Rs. 370/- per share to Templeton Strategic Emerging Markets Fund Iii L.D.C., ("the investor") a foreign corporate body on preferential basis. The Company had entered into a Subscription Agreement ("the agreement") on 19th March 2010 with investor and agreed for certain clauses of the agreement shall form part of the Articles of Association of the Company to protect the interest of the said investor.

Therefore, the purposed alteration of Articles of Association of the Company

As per the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company can only be altered with the consent of the Shareholders accorded by way of special resolution.

Therefore, the Board recommends the resolution for approval of the members as special resolution.

None of the Directors of the Company is interested or concerned in the above resolution.

Item No 8

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. Mr. Prakaash Kumar Chiman Lal Singhee has very rich experience in the field of oil and gas industry and serving the Company for last many years. 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.

Item No 9

Mr. Mayank Singhee, son of Shri Prem Singhee was appointed by the Board of Directors in its meeting held on 31st October 2008 to a place of profit with effect from 1st November 2008 at a monthly remuneration of Rs. 45000/-. During the past two years Mr. Mayank Singhee has shown his efficiency in dealing with various tenders / contracts and liaison with various governmental authorities. Considering his performance during the past two years the Board of Directors in its meeting held on 1st August 2010 has recommended this increase in his remuneration.

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 is in any way concerned or interested in the resolution.

Item No. 10 & 11

The Shareholders in its extraordinary general meeting held on 18th February 2008 had approved remuneration payable to Mr. Prem Singhee, Chairman & Managing Director and Mr. Padam Singhee, Joint Managing Director as follows:

Particulars	Mr. Prem Singhee	Mr. Padam Singhee
Monthly Basic Salary (With liberty to the board to decide salary from time to time within this approved limit)	Rs. 7,00,000 in the scale of Rs. 7,00,000-50,000-9,00,000	Rs. 6,50,000 in the scale of Rs. 6,50,000-50,000- 8,50,000
Commission	1% of the net profit	
Other benefits & Perquisites	Furnished accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, expenditure on gas, electricity, water and furnishing for the accommodation including maintenance and repairs thereof, personal allowance (which will include servant allowance), education allowance for children, utility allowance, leave travel concession for self and family (national & international), medical reimbursement and medical insurance for self and family, personal accident insurance for self and family, club fees, security at residence and such other perquisites and allowance in accordance with rules of the company or as may be agreed to by the Board of Directors, Contribution to provided fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, Gratuity at rate not exceeding half a month's salary for each completed year of service, and Encashment of leave at the end of the tenure.	

Considering the contributions made by Mr. Prem Singhee, Chairman & Managing Director and Mr. Padam Singhee, Joint Managing Director to the growth of the Company, their experience, involvement present market scenario and performance of the company, the Board of Directors in its meeting held on 1st September, 2010 has recommended for the increase in the remuneration as follows;

Particulars	Mr. Prem Singhee	Mr. Padam Singhee
Monthly Basic Salary (With liberty to the board or any committee thereof in its absolute discretion to decide salary from time to time within the approved range)	@ Rs. 20,00,000 in the range of Rs. 20,00,000 to Rs. 25,00,000	@ Rs. 15,00,000 in the range of Rs. 15,00,000 to Rs. 20,00,000
Commission	Same as earlier	
Other benefits & Perquisites	Same as earlier	
Effective from	From 1st October 2010 to 31st October 2012	From 1st October 2010 to 31st May 2011

As per the provisions of the Companies Act, 1956 the remuneration to the managerial personnel can be increased with the approval of the shareholders. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The above variation in the terms of remuneration of Mr. Prem Singhee and Mr. Padam Singhee as mentioned in Item No.10 & 11 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Prem Singhee & Mr. Padam Singhee is in any way concerned or interested in these resolution.

Your Directors recommend these resolutions for approval by the members of the Company.

Item No 12

At the Annual General Meeting of the members of the Company held on 30th July, 2007, the members had accorded their consent under Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors for borrowing monies to a sum not exceeding Rs 2500 Crores. Now the Company is expanding its activities and to meet the expansion plans and future fund requirement based on the tenders it has taken part in and the expected contracts, it is necessary to increase the borrowing powers of the Board of Directors by Rs 2500 Crores, in addition to company's borrowing limit, thereby increasing total borrowing limit in the aggregate to a sum not exceeding Rs 5,000 Crores (Rupees Five Thousand Crores only).

As per Section 293(1)(d) of the Companies Act, 1956, approval of the members of the Company is required. Therefore, we seek your approval for borrowing aforesaid moneys.

The sanction of the shareholdings is sought to permit the Board to borrow money in excess of paid up share capital and free reserves.

None of the Directors is concerned or interested in the passing of the resolution.

The Board of Directors of your Company recommends passing of the aforesaid resolution.

Item No 13

At the Annual General Meeting of the members of the Company held on 30th July, 2007, the members had accorded their consent under Section 293(1)(a) of the Companies Act, 1956, to the Board of Directors to mortgage and/ or charge all or any of the movable or immovable properties both present and future for securing loan of an amount not exceeding Rs 2500 Crores. Now to meet long term and short term capital needs, it is proposed to increase the borrowing powers of the Company by Rs 2500 Crores, in addition to company's existing borrowing limit of Rs 2500 Crores from all banks/ All India Financial Institutions or any other agency in or outside India, by way of Indian or foreign currency loans, including External Commercial Borrowings (ECB) or by issue of debentures or other instruments on private placement basis or otherwise, thereby increasing the total borrowing limit in the aggregate to a sum not exceeding Rs 5,000 Crores (Rupees Five Thousand Crores only), including the existing borrowing. To secure such borrowings the Company would be required to mortgage and /or charge its movable and/ or immovable properties (both present and future) in financial institutions/ Banks/ Other lenders/ Trustee(s). The mortgaging / charging etc. may be regarded as otherwise disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956 and requires the approval of the members before creation of the said mortgage/ charge.

None of the Directors is concerned or interested in the resolution.

Your Directors recommend the resolution for approval.

September 1, 2010
New Delhi

By order of the Board
Shiv-Vani Oil & Gas exploration Services Limited

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

ATTENDANCE SLIP

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.

Name & address of the Shareholder/Proxy	DP ID*		Regd. Folio No.	
	Client ID*		No. of shares held	

I hereby record my presence at the 19th **ANNUAL GENERAL MEETING** of the Company held on Thursday, the 30th day of September, 2010 at 12.00 Noon at **Khasra No. 193, F-6, Pushpanjali Farms, Bijwassan, New Delhi - 110 061**

SIGNATURE OF THE SHAREHOLDER OR PROXY HOLDER

*Applicable for investors holding shares in electronic form.

✂



SHIV-VANI OIL & GAS EXPLORATION SERVICES LIMITED

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

PROXY FORM

DP ID*		Regd. Folio No.	
Client ID*		No. of shares held	

I/We of
in the district ofbeing a member/members of Shiv-Vani Oil & Gas Exploration Services Ltd.
hereby appoint.....of..... in the district
ofor failing himof.....in the district
of..... as my/our proxy to vote for me/us and on my/our
behalf at the 19th **ANNUAL GENERAL MEETING** to be held on Thursday, the 30th day of September, 2010 at
12.00 Noon at **Khasra No. 193, F-6, Pushpanjali Farms, Bijwassan, New Delhi - 110 061** or at any adjournment
thereof.

Signed at.....the..... day of 2010.

*Applicable for investors holding shares in electronic form.

Affix a
Rs. 1
Revenue
Stamp

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.

ANNUAL REPORT 2009-10



Shiv-Vani Oil & Gas Exploration Services Limited
Zeal To Explore, Drive To Excel

Corporate information

Board of Directors

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

Chief Financial Officer Mr. Rajan Gupta

**Company Secretary
& Compliance Officer** Mr. Vimal Chadha

Auditors M/s Vijay Prakash Gupta & Associates
 Chartered Accountants

**Bankers &
Financial Institutions** State Bank of India
 ICICI Bank Limited
 Punjab National Bank
 Standard Chartered Bank
 DBS Bank Ltd.
 State Bank of Mysore
 Life insurance Corporation of India Ltd.
 State Bank of Hyderabad
 Yes Bank Limited
 Bank of India
 Exim Bank Limited
 Union bank of India
 State Bank of Patiala
 Corporation bank Limited
 United Bank of India
 UCO Bank

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

Registered Office TOWER-1, 5th Floor,
 NBCC Plaza, Sector-V,
 Pushp Vihar, Saket
 New Delhi -110 017
 Ph No. +91 11 2956 4592
 Fax No. +91 11 2956 5082
 Email : mail@shiv-vani.com
 Web Site : www.shiv-vani.com

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of the Company together with the Annual Accounts for the year ended 31st March, 2010.

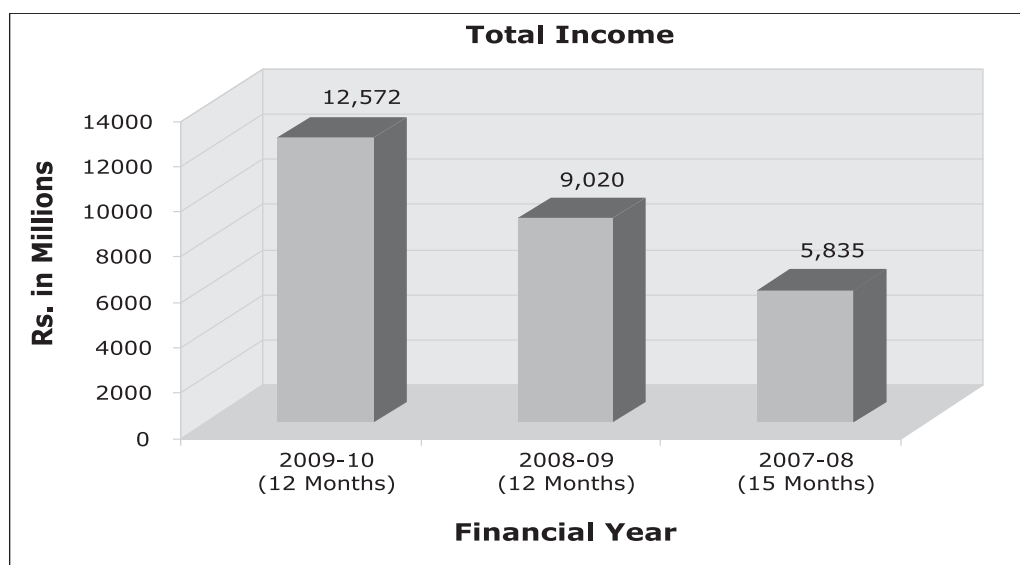
Consolidated Financial Highlights:

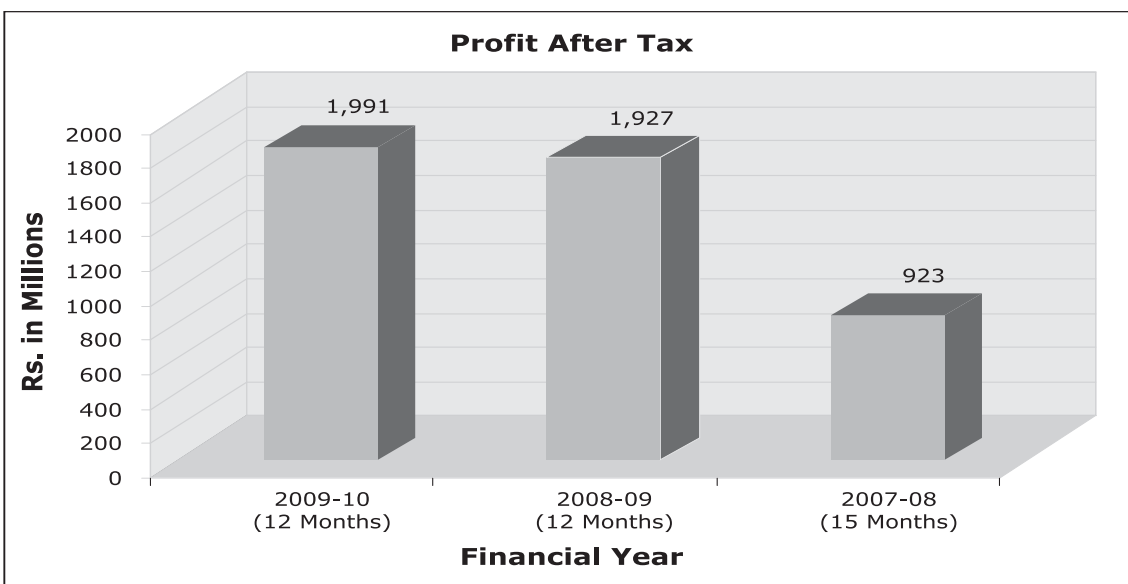
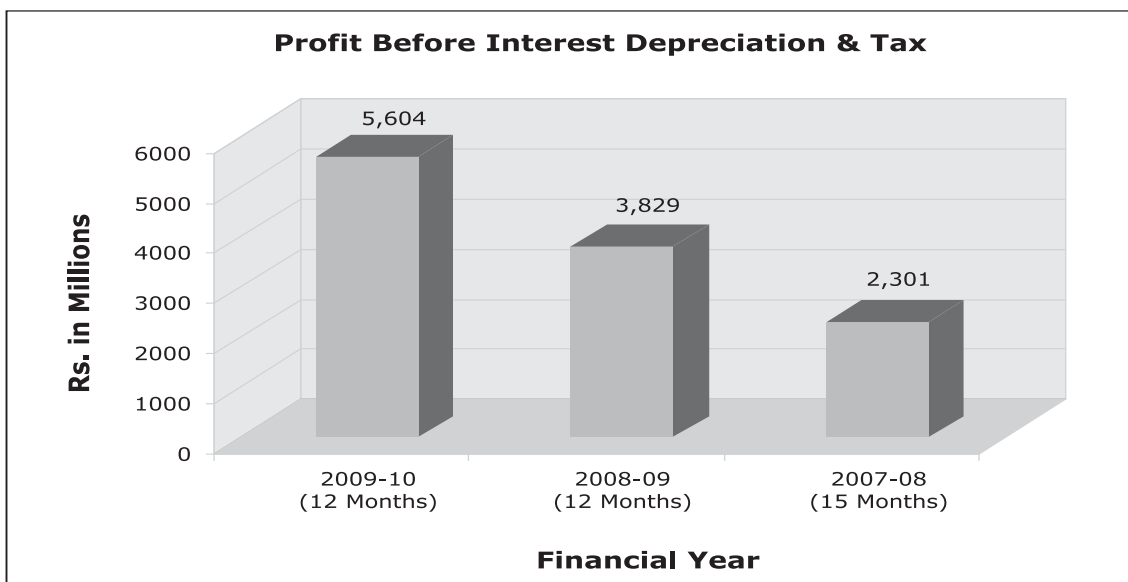
Amount (₹ in Millions)		
Particulars	FY 2009-10	FY 2008-09
Operating and Other Income	12,571.68	9,019.95
Profit before Interest, Depreciation and Taxation	5,603.62	3,828.99
Interest	1,930.09	844.96
Depreciation	1,071.61	502.21
Profit before Taxation	2,601.92	2,481.82
Provision for Tax		
- Income Tax relating to earlier years	49.03	37.48
- Income Tax	274.87	224.02
- Fringe Benefit	-	7.66
- Deferred	441.75	285.51
- Mat Credit	-154.88	-
Net Profit after tax	1,991.15	1,927.15
Add : profit brought forward from previous year	4,092.70	2,236.50
Surplus available for appropriation	6,083.85	4,163.65
Appropriation:		
Transferred to General Reserve	50.00	11.90
Transferred to Legal Reserve	8.91	7.69
Proposed Dividend on Equity Shares	46.36	43.90
Dividend Distribution Tax on Proposed Dividend	7.70	7.46
Surplus carried forward to the next year	5,970.88	4,092.70
Total	6,083.85	4,163.65

On consolidated basis the operating income for the year under review grew by 43.70% at ₹ 12,520.09 millions against ₹ 8,712.75 millions in the previous year. Profit before tax has also increased from ₹ 2,481.82 millions in 2008-09 to ₹ 2,601.92 millions in 2009-10.

The consolidated net worth of the Company has increased from ₹ 8,902.67 millions to ₹ 11,869.40 millions while standalone net worth has also grown by ₹ 1,741.54 millions and reached at ₹ 9,079.16 millions as on 31st March 2010.

COMPARISON OF COMPANY'S PERFORMANCE FOR THE LAST THREE YEARS





Dividend

For the financial year your Directors have recommended a dividend @ 10% i.e. ₹ 1/- per equity share, same as last year, amounting to ₹ 54,060,401/- inclusive of tax on dividend. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those members whose names appear in the Register of Members as on 27th September, 2010 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

We believe that our success stands from our business model consisting of wide range of services spanning the entire spectrum for oil & gas exploration and production services i.e. from seismic surveys to deep drilling, well workover drilling, integrated services and specialized projects like coal bed methane (CBM) development services, which involves specialized expertise in directional drilling. Other than our oil & gas service activities in Oman,

substantially all of our revenues are derived from our business activities in India. As of 31st March, 2010, 36 sites throughout India are operative. Our principal areas of operations are : -

- (a) Seismic services
- (b) Deep drilling services
- (c) CBM development services
- (d) Integrated well services
- (e) Other services

During the year we have commenced operations of six 2000 HP Rigs located at various sites in India, against ₹ 16.10 Billion contract received from ONGC. Contract is to deploy 8 rigs with integrated services like directional drilling, mud engineering etc.

The detail of commenced rigs & their location is as under.

S.No	Location	Capacity
1	Tripura	2000 HP rig
2	Sibsagar	2000 HP rig
3	Sibsagar	2000 HP rig
4	Rajahmundry	2000 HP rig
5	Rajahmundry	2000 HP rig
6	Sibsagar	2000 HP rig

The remaining two rigs commenced operations in current year 2010-11 as under:-

- 3000 HP Rig at Sibbsagar (Largest onland Rig of India) - in April 2010
- 2000 HP at Agartala - in August 2010

Three workover rigs also commenced operations at Rajahmundry & Ankleshwar for ONGC during the year.

Fixed Deposits

During the period under review, your Company has not accepted any fixed deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 and hence no amount of principal or interest was outstanding on 31st March, 2010.

Change in Capital Structure

During the year M/s Templeton Strategic Emerging Markets Fund III L.D.C. was allotted 2,457,895 Equity Shares of ₹ 10/- each at a premium of ₹ 370/- on preferential basis, resulting to increase in the Paid up Share Capital of the Company to ₹ 463,605,010/- consisting of 46,360,501 Equity Shares of ₹ 10/- each.

During the year under review 6,000,000 convertible warrants, which were allotted on 29 March 2008 to promoter group were forfeited due to non exercise of conversion option by the warrants holders.

In the current year 2010-11, the Company has successfully allotted Foreign Currency Convertible Bonds (FCCBs) for USD 80,000,000. These FCCBs have been listed on Singapore Stock Exchange.

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 financial year 2010-11 has been paid to both the Stock Exchanges.

Directors'

During the year, there was no change among the Directors

In accordance with the provisions of Section 255 and Section 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr Dwarka Das Daga 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.

Directors' Responsibility Statement

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

- (i) In preparation of the annual accounts for the financial year 2009-10, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) The appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2009-10 and of the profit of the Company for the year under review;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts of the Company for the financial year ended 31st March, 2010 have been prepared on a going concern basis.

CEO / CFO Certification

Pursuant to the requirement of clause 49 of the Listing Agreement CEO and CFO certification is attached with Annual Report. CEO and CFO also submit 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 2009-10.

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 2010-11, 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 2010-11 for shareholders approval.

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

Internal Control System

The Internal Control System of the Company has been devised through its extensive experience that ensures control over various functions of its business. Periodic audits conducted by Internal Auditors and Statutory Auditors provide means whereby any weakness, whether financial or otherwise, is identified and rectified in time.

Subsidiary Companies

The Company has eight subsidiaries as on March, 31, 2010. List of subsidiaries which have been consolidated at the year end is given in the notes to the Accounts.

Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and Listing Agreement as prescribed by Securities & Exchange Board of India (SEBI), Consolidated Financial Statements, which includes the financial information of the subsidiaries, are enclosed and forms part of this Annual Report.

Annual Accounts of the subsidiary companies and the related information will be made available to the investors of holding and subsidiary companies seeking information at any point of time and the Annual Accounts of the subsidiary

companies will also be kept for inspection by any investor at its registered office and that of the subsidiary companies concerned.

As per Section 212 of the Companies Act, 1956, we are required to attach with the Balance Sheet of the Company, the Directors' Report, Balance Sheet and Profit & Loss Account, Auditors' Report etc. of Subsidiary Companies.

We believe that the Consolidated Financial Statements present a more comprehensive picture rather than the standalone financial statements. We, therefore, applied to the Ministry of Corporate Affairs, Government of India for exemption from the requirement to present detailed financial statements of each subsidiary. The Ministry of Corporate Affairs, Government of India has approved the same vide its letter No 47/ 453/ 2010-CL-III dated 17th May, 2010.

In compliance with the terms of the exemption granted by Ministry of Corporate Affairs, Government of India, we have presented summary 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.

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.

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

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

Statement of Employees' Particulars

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

Investor Relations

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 would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including financial institutions, banks, Central & State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review.

The relationship with the employees remained cordial during the year. Your Directors are thankful to the shareholders and customers for their continued patronage. Your Directors wish to place on record their appreciation for impressive growth achieved through the competence, hard work, solidarity, cooperation and support of employees at all levels.

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

New Delhi
September 1, 2010

(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 ongoing 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) 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 of CI, leading to erosion of the blades very soon.

(b) Drill bit modification

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

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

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

(iii) Future Plan and Action

1. Presently in the hilly area lot of difficulties are faced to provide water for drilling, research are carried out to over come the problem using our own resources.
2. The sleeves of mud pumps are getting damaged very frequently, efforts are being 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	: Rs 32.20 Millions
Total R & D Expenses	: Rs 32.20 Millions
As a % of total turnover	: 0.30%

(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 now 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.	Particulars	2009-10 ₹	2008-09 ₹
I	Foreign Exchange Earnings:		
	Contract Revenue	848,200,862	1,046,187,682
	Interest on FDR	24,391	132,706
		848,225,253	1,046,320,388
II	Foreign Exchange Outgoings:		
	Lease Rent	908,794,730	-
	Interest:		
	– Capital Nature	-	134,326,217
	– Others	112,471,059	52,263,654
	Professional Fees	8,121,041	5,298,252
	Traveling	5,588,184	4,644,675
	Telephone Expenses	9,440	-
	Repair and Maintenance	18,956	204,144
	Bank Charges	-	1,183,733
	Annual Membership Fees & Subscription	297,598	281,700
	Business Promotion	-	1,101,294
	Listing Fees	-	15,740
	Contract Expenses	296,764,111	81,527,583
		1,332,065,119	280,846,992

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 ₹ 2.4 Millions 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	52	Chairman & Managing Director	11,757,161/-	B.Com	24	Since Incorporation	Partner M/s Perfect Tubewel Corp.
2.	Padam Singhee	46	Joint Managing Director	11,084,132/-	B.Com	20	11-Jan-90	N/A
3.	Pradip Kumar Chowdhury	59	Sr. Vice President	3,825,000/-	B.E.(Mechanical)	36	4-Oct-05	Jindal Drilling & Industries Ltd.
4.	Biswanath Gogoi	43	Tool Pusher	2,531,102/-	I.T.I	18	6-Mar-07	JB Enegy Ltd.
5.	Rajib Roy	40	Manager Directional Drilling	2,469,138/-	Mechanical Eng.	17	12-Aug-08	Halliburton
6.	Prakaash Kr Chiman Lal Singhee	45	President	7,856,190/-	Graduate	17	1-Jul-08	Infotat International (Huston-USA)
7.	Clinton Miller	48	VP (Directional Drilling)	3,333,444/-	B.Sc	28	5-Feb-09	Sperry Drilling & Services
8.	Nirmal Chatterjee	52	Directional Driller	3,696,417/-	Mechanical Eng.	30	1-Apr-09	Schlumberger
9.	S. C. Upadhyay	63	Advisor- Projects	2,969,758/-	B.Sc	39	23-Mar-09	ONGC

B. Employed for part of the year and in receipt of average remuneration above ₹ 0.2 Millions per month.

S. No.	Name of the Employee	Age	Designation	Gross Remuneration (In ₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Last employment & designation
1.	Md. Ripon Rashid	33	Directional Driller	7,054,500/-	B.E.(Electrical & Electronic)	9	1-Jun-09	Sperry Drilling & Services
2.	Achintya Goswami	39	Tool Pusher	1,917,709/-	B.E.	13	22-Jun-09	John Energy
3.	Abdul Salam	45	Tool Pusher	1,998,948/-	HSE	26	19-Jun-09	Saudi Arabian Saipam
4.	Oliver S Mathias	53	Tool Pusher	994,959/-	Jr. Diploma in Engg.	27	16-Jul-09	British Oil & Gas Exploration Services Ltd.
5.	Arunalo Ghosh	57	VP (Drilling & W/O)	1,170,969/-	B.E	31	1-Jul-09	Schlumberger in West Siberia
6.	K. Vaiyapuri	44	Tool Pusher	331,184/-	B.E.	21	14-Aug-09	ONGC
7.	Sunil Kumar	30	Tool Pusher	969,896/-	12th	10	7-Jul-09	Essar Oil Field Services Ltd. Dubai
8.	Audie Iven Rebeiro	49	Tool Pusher	948,589/-	High School	26	25-Aug-09	BOGEL , Nigeria
9.	Deepak Kumar Rajkhowa	61	Project Manager	1,429,167/-	B.E. Mech.	35	15-Sep-09	Oil India Limited
10.	Jitu Dutta	38	Tool Pusher	825,605/-	HSE	17	8-Dec-09	Essar Oil Ltd.
11.	Vijay Kumar Yadav	44	Tool Pusher	563,509/-	B.Sc	19	23-Dec-09	ETA Star, Libya
12.	Ashish Roy	56	Project In charge	1,190,548/-	B.E. (Mechanical)	26	23-Oct-09	John Energy
13.	Tarun Kumar	36	Tool Pusher	148,692/-	Diploma in Mechanical	17	4-Jan-10	John Energy
14.	Dilip Kumar Sharma	40	Tool Pusher	486,895/-	12th	20	25-Jan-10	Quippo Infrastructure Ltd.
15.	Raj Kumar Singh	45	Tool Pusher	398,439/-	B.A.	25	6-Feb-10	Gulf Drilling International

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. Prakaash Kumar Chiman Lal Singhee is relative of any director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

Indian Economy has now been showing consistent growth since quite a few years. In FY10 India's GDP growth turned out to be robust at 8.6% as compared to 5.8% in the previous year. For the fiscal 2009-10 India's economy grew by 7.4% which is an upward revision from earlier estimates of 7.2% due to higher than anticipated growth in agriculture, mining and manufacturing sectors.

During the initial period of 2010-11, growth came from the three sectors, mining, manufacturing and electricity. As per the use based classification, growth numbers were also found to be remarkable, especially, the capital goods sector, this achieved growth of 72.8% indicating a rise of investment sentiments in the economy. The consumer goods sector appeared to have performed well as it posted growth of 14.4% in April, 2010. This growth is mainly fuelled by high growth in consumer durables, registering an increase of 37% in April 2010. Fifteen out of the seventeen industry sectors witnessed positive growth in the beginning of the present fiscal 2010-11 as compared to the growth in the same month of previous year.

Growth in six core infrastructure industries accelerated by 5.1% in April 2010 as compared to 3.7% in April, 2009. This growth is attributed to high performance in the sectors such as finished steel, crude petroleum and petroleum industry.

The rising indices show strong sentiments among the investors. Indian stock markets continued to perform well and BSE sensex is over 18K in Aug , 2010, whereas NSE index NIFTY rose to stay above 5K points. Foreign exchange reserves stood at over US\$ 285 billion. This increase is due to the recent surge in the foreign investment inflows.

Industry Scenario in India

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. India has total reserves of 5.6 billion barrels of oil and 38 trillion cubic feet of natural gas as on January 1, 2010. The production of oil during 2009 was of 879,000 barrels per day, of which 77% was crude oil, while production of natural gas was for 1,365 billion cubic feet.

In the eighth round of the NELP (NELP-VIII), 1.62 sq km area will be covered comprising 70 blocks. Out of 70 blocks, 36 have been awarded.

According to Union Minister of Petroleum, the ninth round of New Exploration Licensing Policy (NELP IX) is likely to be launched in the third quarter of 2010.

Moreover, the government is planning its first ever offer of shale gas exploration in 2012. Accordingly, Shale gas (gas locked in sedimentary rocks) is an emerging area. It has become an important source of energy in a few countries who have been able to commercially exploit this resource.

Outlook

Crude oil demand is likely to increase to about 235 MMT by 2012

- Rising global crude oil prices have triggered increased exploration and production focus to expand domestic production

Gas demand is expected to reach 279 MMSCMD by 2012.

- A CAGR of 12% for the next 5 years. Increased use of gas for power generation, petrochemicals, fertilizers and city gas distribution will drive demand growth.

Opportunity

- We believe that domestic spending on exploration and production activities in India is set to continue to increase. According to the Planning Commission's eleventh five-year plan report, PSUs have tentatively projected spending a total of ₹ 1,509.3 billion on exploration and production activities from 2007 to 2012.
- Growing demand-supply mismatch provides ample opportunities for investments in Exploration and production of crude oil, gas and CBM.
- The government is actively promoting the creation of strategic oil and gas reserves through partnerships with the private sector
- 72% of the Indian sedimentary area is unexplored – discovery of oil fields by investors such as Cairn Energy and "giant" gas fields by Reliance, ONGC, etc. indicate a large potential for profitable investment in exploration
- An investment need of US\$40 billion is expected in exploration and production by 2012
- **New Exploration Licensing Policies:** The Indian Government has opened up opportunities in the exploration and production of oil and gas fields through the New Exploration Licensing Policy ("NELP") in the hope that the policy initiatives will induce acceleration in the exploration effort. The NELP licensing procedures were first introduced by the Indian Government in 1997. Between 2000 and 2008, seven rounds of licensing procedures have already taken place, in which a total of 203 exploration blocks were awarded. The eighth round of licensing, NELP VIII, was completed in 2009, with 36 exploration blocks. The Government's initiative is creating a favourable environment for all market participants in the oil and gas industry to explore and develop the oil and natural gas wells in the country and to realise the potential reserves available. Successful finds in exploration can potentially trigger a much larger scale investment in the development of the oil fields.
- Since the formulation of its CBM policy in 1997, the Indian Government has also opened up opportunities in the exploration and production of CBM through the licensing CBM blocks for the exploration and development of CBM. Four rounds of licensing have already taken place ("CBM I – IV"), in which a total of 36 blocks were awarded.

Risks Associated with Our Business

- Demand for oil and gas services in India depends on domestic and regional economic growth
- We are generally awarded contracts through competitive bidding. The typical contract terms with PSUs and PD Oman are usually non-negotiable as a result of the tender process and contain terms favourable to the operator.
- Performance guarantees are also common and are typically unconditional and payable on demand, and can be invoked by our key customers without reason.
- The loss of our contracts with any of our key customers or our inability to extend or enter into new contracts could materially adversely affect our business, results of operations, financial condition and prospects.
- Fluctuations in crude oil and natural gas prices may affect the demand for our services
- Increases in interest rates may materially impact our business, results of operations, financial condition and prospects
- Nature of our operations presents hazards and inherent risks of loss that, if not insured or indemnified against, could adversely affect our business, results of operations, financial condition and prospects.
- If we are unable to acquire the latest technology in a timely manner, our business, results of operations, financial condition and prospects could be materially adversely affected
- Our foreign currency exposures give rise to market risk associated with exchange rate movements against the Indian Rupee.

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

- 1. Corporate Governance Philosophy:** It is our belief that as we move for a global corporation, our corporate governance standards must be globally acceptable. This creates confidence for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

Any corporate strategy needs to be dynamic, vibrant, responsive to the changing economic scenario and flexible enough to absorb environmental and fiscal fluctuations. It must harness the inherent strengths of available human resources and materials have the capacity to learn from success or failure and, more importantly, ensure growth with human face. This has always been the guiding philosophy in the company and will continue to be so in future.

The current scenario is both vibrant and optimistic. Response, or lack of it, can make or mar a company. The company has accepted the challenges. For instance, the company is implementing SAP – ERP Solutions across its locations, to bring about required homogenous identical systems throughout various verticals and business.

The Company's philosophy on corporate governance aims at attaining the highest level of transparency, accountability towards its stakeholders, including shareholders, employees, the Government and lenders and to maximize returns to shareholders through creation of wealth on sustainable basis.

The Company is making constant endeavour to adopt the best governance practices as practiced by well known global companies. Some of the best governance norms put into practice by SHIV-VANI include the following:-

- All securities related filings with Stock Exchange and SEBI are viewed every quarter by the shareholders / Investors' Grievance Committee of Directors of the company.
- The Company has established policies and procedures for corporate communication and disclosures.
- The Company undergoes internal audit conducted by independent auditors.
- The Company also undergoes secretarial audit of share capital conducted by an independent Company Secretary in whole time practice.

Role of Company Secretary in overall Governance Process – The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all the relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India. The Institute has issued Secretarial Standards on important aspects like Board meetings, general meetings, payment of dividend, maintenance of Registers and records, Minutes of Meetings, Transmission of shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors is comprised of seven Directors, of whom two Directors are Executive Directors, viz. Mr. Prem Singhee and Mr Padam Singhee and five non executive and independent Directors viz. Mr Prateep Kumar Lahiri, Mr Om Prakash Garg, Mr Dwarka Das Daga, Capt. Hiteshi Chander Malik and Mr Rajneesh Gupta.

The Independent 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 2010, the constitution of Board of Directors of the Company was as follows:

Name of the Director	Category	Designation	Number of Directorships held in other Companies	Committee Positions in other companies	
				Chairmanship	Membership
Mr. Prem Singhee	Executive and Promoter Director	Chairman & Managing Director	1	Nil	Nil
Mr. Prateep Kumar Lahiri	Independent Non-Executive Director	Director	3	3	4
Mr. Dwarka Das Daga	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. Om Prakash Garg	Independent Non-Executive Director	Director	6	Nil	Nil
Mr. Padam Singhee	Executive and Promoter Director	Joint Managing Director	2	Nil	Nil
Captain Hiteshi Chander Malik	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. Rajneesh Gupta	Independent Non-Executive Director	Director	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) and Mr. Padam Singhee (Joint Managing Director) remaining all other five Directors are liable to retire by rotation.
3. For the purpose of reckoning the limits regarding chairmanship / membership of committee of board, only two committees namely Audit Committee and Investors'/Shareholders' Grievance Committee have been considered pursuant to Clause 49.
4. None of Director of the Board of Directors is a Member of more than 10 Committees and holding the position of Chairmanship in more than five Committees.

(b) Board Meetings

During the financial year ended on 31st March 2010 the Board of Directors has met for eight times i.e. on 15th April, 2009, 29th April, 2009, 9th June, 2009, 10th July, 2009, 26th August, 2009, 6th October, 2009, 18th November, 2009 and 27th January, 2010, wherein the difference between two board meeting does not exceeded 4 Months.

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

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

Name of the Director	No. of Board Meetings attended	Whether attended the AGM held on 30th September 2009
Mr. Prem Singhee	8	No
Mr. Prateep Kumar Lahiri	6	No
Mr. Dwarka Das Daga	8	Yes
Mr. Om Prakash Garg	6	Yes
Mr. Padam Singhee	7	Yes
Captain Hiteshi Chander Malik	7	Yes
Mr. Rajneesh Gupta	6	Yes

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

- (i) **Mr Dwarka Das Daga**, is an independent director of the Company and has over -40 years experience in the field of clearing agent and cargo business. He holds a bachelor's degree in commerce from Calcutta University. He is working as a Director of Daga Shipping Agents Private Ltd.

He holds 500 equity shares of the Company as on 31st March, 2010.

- (ii) **Capt. Hiteshi Chander Malik** has been director of the Company since October, 2007. He has rich aviation experience with the Ministry of Defense, 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 Honourable Ministers till August, 2004. He is Chairman of Air Celestial & Pvt. Ltd.

Capt. Hiteshi Chander Malik is an independent non executive director and he does not hold any equity share in the Company as on 31st March, 2010.

3. COMMITTEES OF THE BOARD

(i) Audit Committee

(a) Terms of reference

- Overseeing financial reporting processes and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.
- Recommending the Board regarding appointment, re-appointment, removal or replacement of Statutory Auditor / internal auditors of the Company and fixing its fees.
- Discussion with internal auditors any significant findings and follow up there on.
- Discussion and periodic review of audit reports.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public, rights, preferential issue of securities etc.)
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- To review the functioning of the Whistle Blower mechanism.

Further the Audit Committee shall mandatory review the following information: -

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

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.

(b) Composition

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

(c) Attendance

During the Financial Year ended on 31st March 2010, four meetings of the Audit Committee were held on (29th April, 2009, 10th July, 2009, 6th October, 2009 and 27th January, 2010) and the time gap between two meeting does not exceed four months, wherein two members or one third of the members of the audit committee whichever is greater were present, out of which a minimum of two independent members were present.

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

Members of the Audit Committee have requisite financial and management expertise and have held or hold senior positions in reputed organizations.

The Statutory Auditors, Internal Auditors and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

(ii) Remuneration Committee
(a) Terms of reference

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

(b) Composition

The Committee consists of three independent 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 2010, no meeting of the Remuneration Committee was held.

(d) Remuneration Policy

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

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

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

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

Figures in ₹

Name of the Director	Sitting Fees	Salary	Perquisites	Total
Mr. Prem Singhee	-	9,250,000/-	1,397,161/-	10,647,161/-
Mr. Padam Singhee	-	8,650,000/-	1,396,132/-	10,046,132/-
*Mr. Dwarka Das Daga	120,000/-	-	-	-
Mr. Om Prakash Garg	100,000/-	-	-	-
Mr. Prateep Kumar Lahiri	60,000/-	-	-	-
Captain Hiteshi Chander Malik	170,000/-	-	-	-
Mr. Rajneesh Gupta	80,000/-	-	-	-

*None of non-executive directors except Mr. Dwarka Das Daga, who hold 500 Equity Shares in the Company.

(iii) Shareholders / Investors' Grievance Committee

(a) Terms of reference

- 1 To consider and review the queries / complaints received from shareholders.
- 2 To take steps to redress queries / complaints and ensure speedy satisfaction to shareholders/ investors.
- 3 To perform such acts and assignments as may be assigned to the Committee by the Board of Directors from time to time.
- 4 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. Capt. Hiteshi Chander Malik is the Chairman of the Committee. The Company Secretary acts as a Secretary of the meeting and is also the Compliance Officer of the Company.

(c) Meeting and attendance during the year

During the financial year ending on 31st March 2010, four meetings of the Shareholders/ Investors' Grievance Committee were held on (30/06/2009, 30/9/2009, 24/12/2009 and 31/03/2010).

Name of the Member	Designation in committee	Status	No. of Meetings attended
Captain Hiteshi Chander Malik	Chairman	Independent Non-Executive Director	4
Mr. Om Prakash Garg	Member	Independent Non-Executive Director	0
Mr. Padam Singhee	Member	Executive and Promoter Director	4

(d) Shareholders' Complaints

During the year ended 31st March, 2010, 31 complaints were received from the shareholders. All of which were satisfactorily attended. No complaint was pending at the end of the year. No valid transfer/ transmission of shares were pending as on 31st March, 2010.

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

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

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

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

(b) Composition

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

(c) Attendance

During the financial year ended on 31st March 2010, sixteen meetings of the Share Transfer Committee were held on (15/04/2009, 30/4/2009, 15/5/2009, 30/06/2009, 15/07/2009, 31/08/2009, 30/09/2009, 15/10/2009, 16/11/2009, 30/11/09, 15/12/2009, 31/12/2009, 15/01/2010, 15/2/2010, 15/3/2009 and 31/03/2010).

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

(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) Committee for routine transactions
(a) Terms of reference

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

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

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

(b) Composition

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

(c) Attendance

During the financial year ended on 31st March 2010, eight meetings of the Routine Transaction Committee were held on (15/4/2009, 30/4/2009, 3/05/2009, 13/7/2009, 11/08/2009, 11/09/2009, 25/10/2009 and 13/3/2010).

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

(ii) Committee for Issuance & allotment of Shares on Preferential Basis**(a) Terms of Reference**

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

(b) Composition

The Committee consists of three directors viz. Shri Padam Singhee, Shri Rajneesh Gupta and Capt. Hiteshi Chander Malik. The Company Secretary acts as a Secretary of the Company.

(c) Attendance

During the year ended 31st March, 2010, two meetings of Committee for Issuance and allotment of shares on Preferential basis were held on 9th February, 2010 and 23rd March, 2010.

Name of the Member	Designation in committee	Status	No. of Meetings attended
Mr. Padam Singhee	Chairman	Executive and Promoter Director	2
Capt. Hiteshi Chander Malik	Member	Executive and Promoter Director	2
Mr. Rajneesh Gupta	Member	Independent Non-Executive Director	2

4. 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
2009	07-09-2009	Monday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	<ol style="list-style-type: none"> Alternation of Article 3 of Articles of Association of the Company with respect to increase of Authorised Share Capital of the Company. To enhance the limit of FFIs to invest in the Company from 24% to 49% of the paid up share capital.

2008	30-09-2008	Tuesday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	Nil
2007	30-07-2007	Monday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	<ol style="list-style-type: none"> 1 Alteration of Articles of Association in pursuant to Section 31 of the Companies Act, 1956. 2 Issuance of 2,733,330 Equity Shares on preferential basis.

II. Extra – Ordinary General Meetings

Year	Date	Day	Time	Venue	Special Resolutions Passed
2009	10-07-2009	Friday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	Further issuance of Shares for an amount not exceeding Rs 600 Crores through depository receipts including ADR, GDR, FCCBs and or any other instrument or securities to any eligible persons including QIB (Qualified Institutional Buyer) including foreign institutional investors by way of QIP.
2010	09-03-2010	Tuesday	12.00 Noon	Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	To issue 2,457,895 Equity Shares of ₹ 10/- each at a premium of ₹ 370/- to M/s Templeton Strategic Emerging Markets Fund III, LDC, a Company incorporated under the laws of Cayman Island, on preferential basis.

5. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel of the Company. All Board members and senior management have, on March 31, 2010 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, 2010.

New Delhi
September 1, 2010

Prem Singhee
(Chairman & Managing Director)

6. CERTIFICATE FROM CEO AND CFO

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

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2010 and that to the best of our knowledge and belief:

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

Prem Singhee Rajan Gupta
(Chairman & Managing Director) (Chief Financial Officer)

New Delhi
September 1, 2010

7. DISCLOSURES

A. Related Party Transactions

The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interests of the Company and all the related party transactions (if any) has been placed before Audit Committee from time to time. Further details in respect to related party transactions are fully stated in Clause I of Notes to Accounts of stand alone financials for the financial year 2009-10.

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 carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of shares held in physical form and in dematerialized form held with NSDL and CDSL

E. Compliance by the Company

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

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

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

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDERS INFORMATION

(i) 19th Annual General Meeting

The 19th Annual General Meeting shall be held as under

Day : Thursday
Date : 30th day of September 2010.
Time : 12.00 Noon
Venue : Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061

(ii) Financial Year

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

(iii) Financial Calendar

- Adoption of Un-audited Financial Results of first quarter ended on 30th Jun 2009;
- Adoption of Un-audited Financial Results of second quarter ended on 30th Sep 2009;
- Adoption of Un-audited Financial Results of third quarter ended on 31st Dec 2009;
- Adoption of Un-audited Financial Results of fourth quarter ended on 31st Mar 2010;
- Adoption of Audited Financial Results of Financial year ended on 31st Mar 2010;

(iv) Book Closure Dates:

For the purpose of payment of dividend the book closure dates are from Tuesday, 28th September 2010 to Thursday, 30th September 2010 (both days inclusive).

(v) Dividend payment date

The board of directors of the Company in their meeting held on 1st September, 2010 has recommend the dividend of ₹ 1/- per Equity Share (Face Value of ₹ 10/- each) in the Company, which is subject to approval of members of the Company at the ensuing Annual General Meeting. The same will be paid on and after 30th September 2010.

(vi) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd., and National Stock Exchange of India Limited. The annual listing fees for the year 2009-10 has been paid.

Stock Code

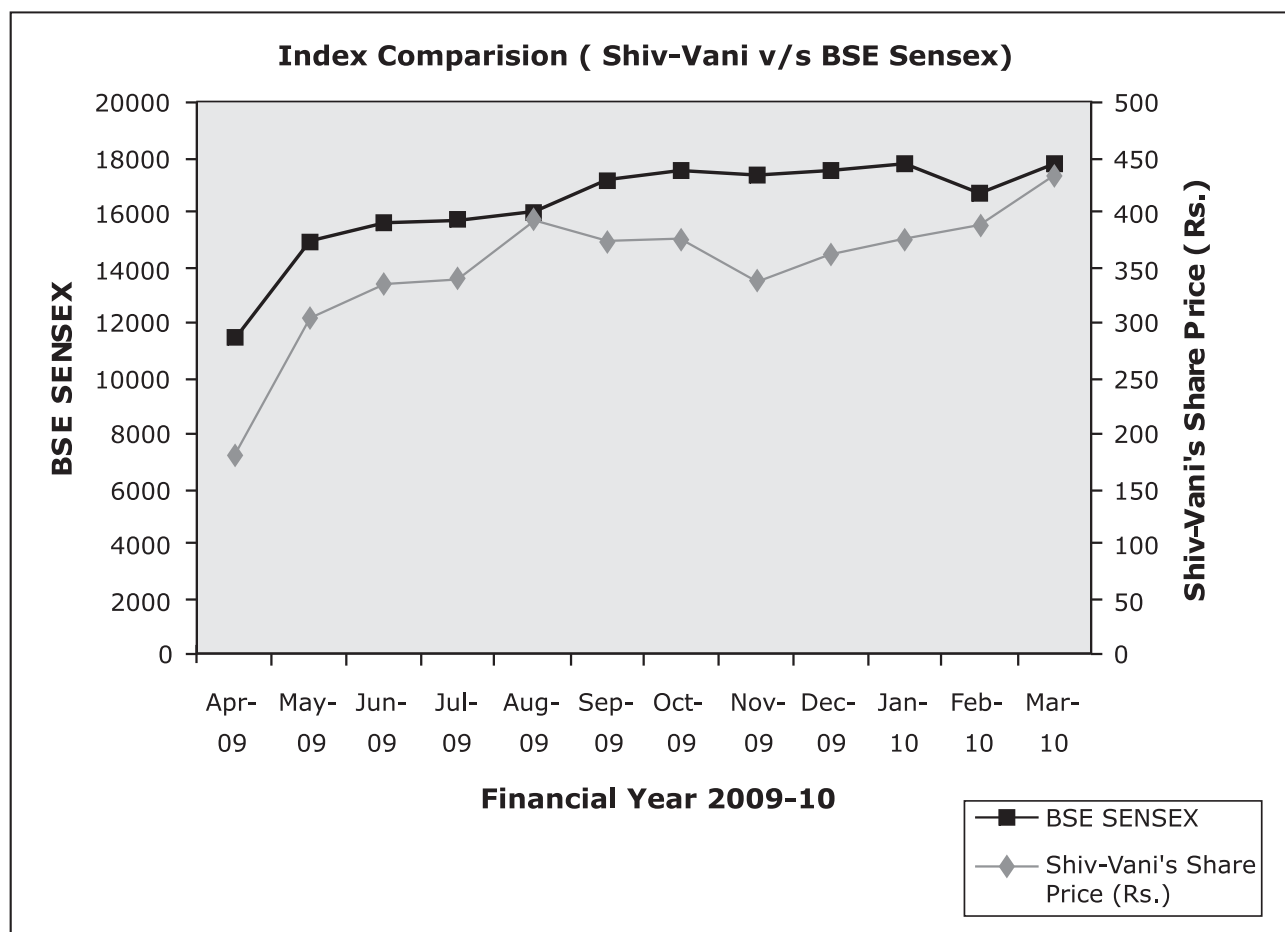
Bombay Stock Exchange Limited	-	522175
National Stock Exchange of India Limited	-	SHIV-VANI

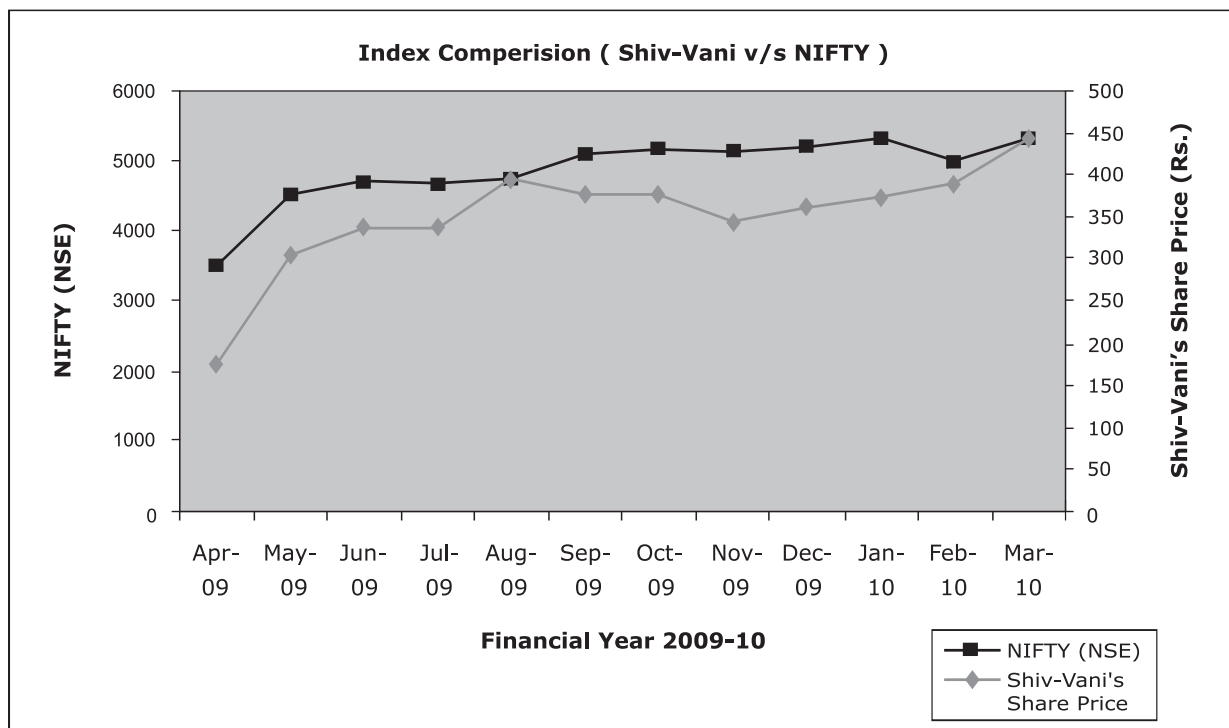
(vii) History of Equity Capital of the Company Since incorporation

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 L.D.C. - III	2,457,895	-	46,360,501

(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 2009	179.00	95.55	173.65	95.00
May 2009	303.80	159.00	303.15	158.70
June 2009	335.70	250.00	336.00	249.50
July 2009	339.00	257.10	338.00	257.10
August 2009	394.40	327.00	395.00	313.75
September 2009	374.25	318.00	378.00	320.00
October 2009	374.50	300.00	377.35	306.00
November 2009	337.50	308.50	344.00	302.55
December 2009	361.95	321.00	361.95	320.00
January 2010	374.80	330.05	372.50	331.25
February 2010	388.80	351.70	387.75	351.50
March 2010	443.00	367.00	442.00	361.05



**(ix) 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**(x) 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

(xi) Distribution of Shareholding as on 31st March, 2010

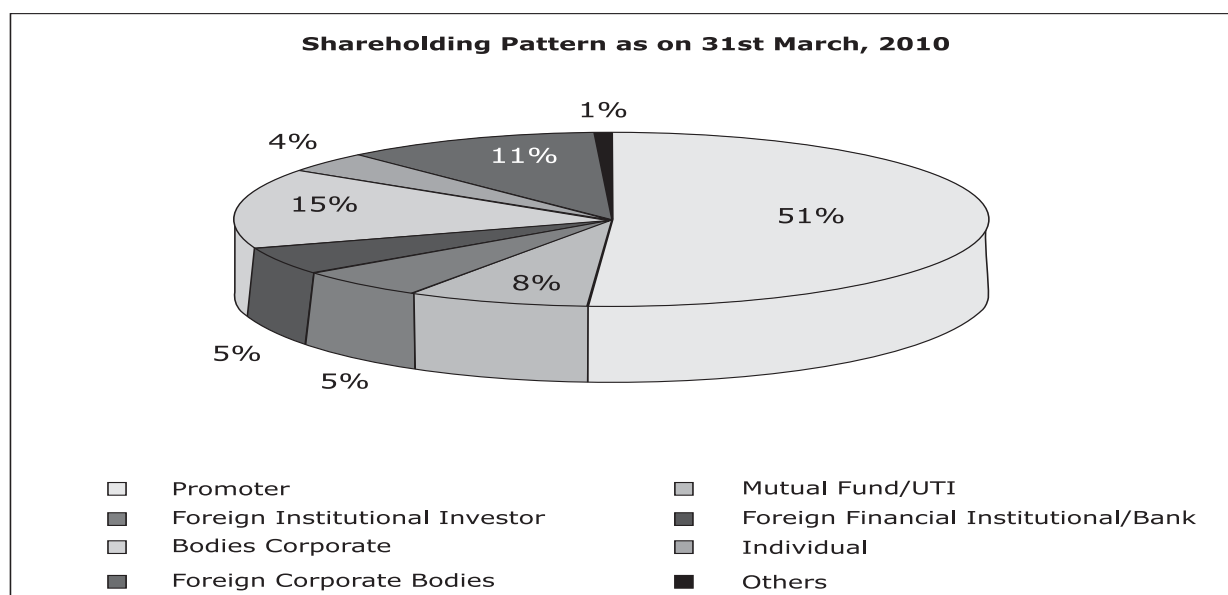
The distribution of shareholding and shareholding pattern as on 31st March 2010 were as follows:

a. Distribution of Shareholding by size:

No of Shares Held	Shareholders		Shares	
	Number	As a % age of Total	Number	As a % age of Total
Upto – 500	18,803	95.34%	1,711,714	3.69%
501 – 1000	512	2.60%	406,086	0.88%
1001 – 2000	169	0.86%	244,699	0.53%
2001 – 3000	46	0.23%	118,652	0.26%
3001 – 4000	30	0.15%	107,010	0.23%
4001 – 5000	21	0.11%	96,144	0.21%
5001 – 10000	29	0.15%	209,803	0.45%
10001 and above	112	0.57%	43,466,393	93.75%
Total	19,722	100%	46,360,501	100%

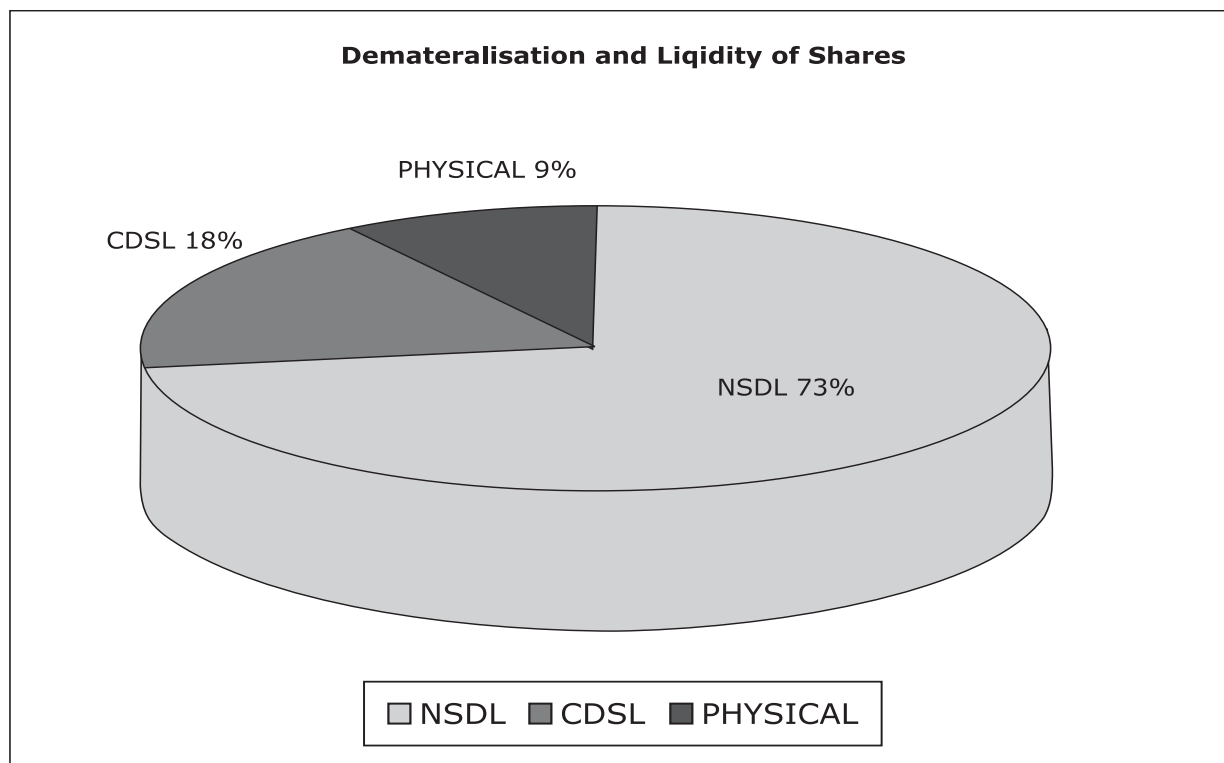
b. Distribution of Shareholding by Category:

Category	No. of shareholders	No. of Shares held	% of Total Shares
Promoter Group:			
Individual	10	5,041,630	10.87
Body Corporate	46	16,867,698	36.39
OCB	1	1,250,000	2.70
Foreign Company	1	543,400	1.17
Sub Total (A)	58	23,702,728	51.13
Public			
Individual	17,848	1,757,404	3.80
Mutual Fund	9	3,575,196	7.71
Foreign institutional Investors	23	2,598,781	5.61
Financial Institutions/ banks	2	6,200	0.01
Foreign Financial Institutions/ Banks	1	2,365,453	5.10
Domestic Companies	564	6,849,010	14.77
Foreign Companies	3	5,176,829	11.17
Others	1,214	328,900	0.70
Sub Total (B)	19,664	22,657,773	48.87
Total (A+B)	19,722	46,360,501	100.00


(xii) Dematerialization and Liquidity of Shares

The Shares of the Company are in compulsory demat segment and are available for trading in the in the depository systems of NSDL & CDSL. As on 31st March 2010 the 90.84 % Share Capital of the Company had been dematerialized.

Segment	No. of Shares	% of Shareholding
Physical (A)	4,244,485	9.16
Demat:-		
NSDL	33,729,906	72.75
CDSL	8,386,110	18.09
Total (B)	42,116,016	90.84
Grand Total (A+B)	46,360,501	100.00



(xiii) Unclaimed Dividend

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

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

(xiv) Outstanding Convertible Warrants

The Company in its Board meeting held on 29 March 2008 had allotted 6,000,000 warrants with an option to subscribe up to 6,000,000 equity shares of ₹ 10 each at a premium of ₹ 650 per share. Since the right of conversion was not exercised by allottees up to 28 September 2009, the money paid on these warrants was forfeited.

(xv) Plant Locations of the Company

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

Address for Correspondence

Tower-1, 5th Floor, NBCC Plaza, Sector V,
 Pushp Vihar, Saket, New Delhi-110017
 Telephone: 011- 2952 1585, 2956 4592
 Fax : 011- 2952 1587

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 2010, 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 carried out in accordance with the Guidance Notes on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by Institute of Chartered Accountants of India and 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**
Firm Registration No. 005570N
Chartered Accountants

Vikas Varshney
Partner

Membership No.510929

New Delhi
September 1, 2010

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. as at March 31, 2010, 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 & 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 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 Statements 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 March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 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, 2010;
 - 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, the cash flows for the year ended on that date.

For **Vijay Prakash Gupta & Associates**
Firm Registration No. 005570N
Chartered Accountants

New Delhi
September 1, 2010

Vikas Varshney
Partner
Membership No.510929

ANNEXURE TO THE AUDITORS REPORT 31ST MARCH, 2010**ANNEXURE REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF EVEN DATE**

- I. In respect of its fixed assets;
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets no material discrepancies were noticed on such physical verification.
 - c) In our opinion the Company has not disposed of a substantial part of its fixed assets during the year and therefore, the going concern status of the Company is not affected.
- II. In respect of its inventories;
- a) As explained to us, the inventory of store & Spare parts, excepts 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 notices 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 ₹ 3,502.20 millions.
 - b) In our opinion and according to the information and explanations given to us, the terms and conditions of interest free loans are not prima facie prejudicial to interest of the Company.
 - c) The said interest free loan given to a wholly owned subsidiary of the Company are repayable on demand and there is no repayment schedule.
 - d) In respect of the loan given by the Company to the corporate, the same is repayable on demand the question of overdue amount does not arise.
 - e) The Company has taken new loans during the year.
- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase 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 register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are certain transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to ₹ 500,000/- (Rupees Five Lakhs only) or more in respect of any party in the said financial year. The prices at which these have been made reasonable having to the prevailing prices at that time.
- VI. According to the information and explanations to us, the Company has not accepted any deposits from the public. Therefore the provision of Clause (vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. Maintenance of cost records has not been prescribed by Central Government under Section 209 (1) (d) of the Companies Act, 1956.

IX. In respect of statutory dues;

- a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, subject to Note no 11 of Notes to Accounts (schedule G), the Company has been generally regular in depositing the undisputed statutory dues including provident fund, tax deducted at source, Investor Education and Protection fund, Employee's state insurance, income tax, sales tax/Vat, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2010 for a period of more than six month is in respect of Income Tax of ₹ 117,990,335/- and Fringe Benefit Tax of ₹ 380,573/- for the A.Y. 2009-10
- b) Following are the details of disputed statutory due that have not Paid to the concerned authorities.

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

- X. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered of dues to financial year.
- XI. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- XII. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments as such the provision of the clause are not applicable to the Company.
- XV. According to the information and explanation given to us, the Company has given counter guarantee against the guarantees issued by the Company's bankers.
- XVI. As per information and explanation given to us, term loans raised during the year by the Company have been applied for the purpose for which said loans were raised.
- XVII. According to the information and explanations given to us and as per books and records examined by us, as on the date of balance sheet, no funds raised on short-term basis used for long term investment. Similarly, no funds raised on long-term basis have been used for short-term investment.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. According to the information and explanation given to us and as per the books and records examined by us, the price at which shares have been issued is not prejudicial to the interest of the Company.
- XIX. The Company has not issued any debentures during the year, hence the question of creations of security or charge in respect of debentures issued does not arise.
- XX. The Company has not raised any monies by way of public issue during the year.
- XXI. According to the information and explanation given 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**
Firm Registration No. 005570N
Chartered Accountants

Vikas Varshney
Partner

Membership No.510929

New Delhi
September 1, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	Schedule	As At 31.03.2010 (₹)		As At 31.03.2009 (₹)	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	463,605,010		439,026,060	
Equity Share Warrants		—		396,000,000	
Reserves And Surplus	2	8,782,649,362	9,246,254,372	6,611,230,860	7,446,256,920
DEFERRED TAX LIABILITY	3		974,448,475		532,689,241
LOAN FUNDS					
Secured Loans	4	16,777,020,619		13,175,253,277	
Unsecured Loans	5	510,726,663	17,287,747,282	590,629,041	13,765,882,318
TOTAL			27,508,450,129		21,744,828,479
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	6	20,847,411,489		16,464,684,705	
Less : Depreciation		2,442,489,476		1,662,118,165	
Net Block		18,404,922,013		14,802,566,540	
Capital Work-in-progress		2,243,306,598	20,648,228,611	491,061,297	15,293,627,837
INVESTMENTS	7		567,767,189		567,267,189
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	730,037,072		850,985,024	
Sundry Debtors	9	3,084,081,920		2,029,128,542	
Cash & Bank Balances	10	430,191,990		809,609,344	
Loans & Advances	11	5,905,237,782		4,534,869,806	
		10,149,548,764		8,224,592,715	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	12A	3,448,702,174		1,957,575,611	
Provisions	12B	575,307,149		491,727,261	
		4,024,009,323		2,449,302,872	
			6,125,539,441		5,775,289,843
MISCELLANEOUS EXPENDITURE (To The Extent Not Written Off Or Adjusted)					
Deferred Revenue Expenditure		166,914,888	166,914,888	108,643,610	108,643,610
TOTAL			27,508,450,129		21,744,828,479
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 19					

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

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

September 1, 2010

For and on behalf of the Board

Prem Singhee

Chairman & Managing Director

Padam Singhee

Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

Particulars	Schedule	2009 – 2010 (₹)	2008 – 2009 (₹)
TOTAL INCOME			
Operative Income	13	10,718,027,870	6,803,898,389
Other Income (Gross)	14	169,966,015	61,696,045
		10,887,993,885	6,865,594,434
EXPENDITURE			
Direct Expenses	15	5,533,727,005	3,277,740,995
Personnel Expenses	16	541,907,767	324,677,628
Administrative & Other Expenses	17	723,626,222	541,722,888
Interest & Finance Charges	18	1,766,904,323	813,515,975
Depreciation	6	817,196,087	411,498,967
		9,383,361,404	5,369,156,453
PROFIT FOR THE YEAR		1,504,632,481	1,496,437,981
LESS : PROVISION FOR TAXES			
– Income Tax Relating To Earlier Years		41,986,372	37,476,976
– Income Tax		255,710,000	217,630,000
– Mat Credit Entitlement		(154,880,880)	
– Fringe Benefit Tax		–	7,664,741
– Deferred Tax		441,759,234	285,507,612
PROFIT AFTER TAX		920,057,755	948,158,652
Surplus As Per Last Balance Sheet		2,630,419,177	1,745,520,437
PROFIT AVAILABLE FOR APPROPRIATIONS		3,550,476,932	2,693,679,089
APPROPRIATIONS			
Transfer To General Reserve		50,000,000	11,896,058
Proposed Dividend On Equity Shares		46,360,501	43,902,606
Dividend Distribution Tax On Proposed Dividend		7,699,900	7,461,248
Balance Carried Forward To Balance Sheet		3,446,416,531	2,630,419,177
TOTAL		3,550,476,932	2,693,679,089
Earning Per Share – Basic		20.93	21.60
– Diluted		20.93	19.00
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

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

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

September 1, 2010

For and on behalf of the Board

Prem Singhee

Chairman & Managing Director

Padam Singhee

Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)		As at 31.03.2009 (₹)	
SCHEDULE-1 SHARE CAPITAL				
Authorised				
7,00,00,000 (Previous year 5,85,00,000) Equity Shares of ₹10/- each		700,000,000		585,000,000
5,00,000 (Previous year 5,00,000) 11% Redeemable Non-Convertible Preference Shares of ₹100/- each		50,000,000		50,000,000
		750,000,000		635,000,000
Issued, Subscribed & Paid Up				
4,63,60,501 Equity Share (Previous year 4,39,02,606) of ₹ 10/- each fully paid up		463,605,010		439,026,060
		463,605,010		439,026,060
SCHEDULE-2 RESERVES AND SURPLUS				
General Reserve				
As per last Balance sheet	260,000,000		248,103,942	
Add : Transferred from Profit & Loss A/c.	50,000,000	310,000,000	11,896,058	260,000,000
Securities Premium Account				
As per last Balance sheet	3,670,786,181		3,670,786,181	
Add : Received during the year	909,421,150	4,580,207,331	–	3,670,786,181
Capital Redemption Reserve				
As per last Balance sheet		50,000,000		50,000,000
Capital Reserve				
(On Equity Share Forfeiture)				
As per last Balance sheet	25,500			
Add : Transferred during the year	–	25,500	25,500	25,500
Capital Reserve				
(On Equity Share Warrant Forfeiture)				
As per last Balance sheet	–	–		
Add: Adjustment during the year	396,000,000	396,000,000	–	–
Profit & Loss Account				
As per Profit & Loss Account		3,446,416,531		2,630,419,179
		8,782,649,362		6,611,230,860

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)		As at 31.03.2009 (₹)	
SCHEDULE-3 DEFERRED TAX (NET)				
Deferred Tax				
As per last Balance Sheet	532,689,241		247,181,629	
Add: Transferred from Profit & Loss A/c.	441,759,234	974,448,475	285,507,612	532,689,241
		974,448,475		532,689,241
SCHEDULE-4 SECURED LOANS				
(a) Term Loans				
From Financial Institutions / Banks				
Industrial Development Bank of India Ltd.		–		42,962,888
ICICI Bank Ltd	1,907,866,865			4,576,056,140
State Bank of Bikaner & Jaipur	–			65,750,567
State Bank of India	2,406,528,880			739,729,488
Punjab National Bank	48,317,217			502,928,899
State Bank of Mysore	22,457,397			47,347,598
Life Insurance Corporation of India	556,232,506			–
State Bank of Hyderabad	505,232,139			25,050,240
Yes Bank Ltd.	700,667,397			362,021,101
Bank of India	473,374,378			504,739,024
Syndicate Bank Ltd.	–			35,395,600
Karnataka Bank Ltd.	–			187,279,708
Exim Bank Ltd.	1,527,370,824			2,253,057,480
State Bank of Saurashtra	305,826,360			448,064,255
State Bank of Travancore	–			220,796,306
Union Bank of India	1,024,139,034			504,834,988
State Bank of Patiala	666,058,100			498,568,386
Bank of Baroda	948,717,634			929,292,260
Allahabad Bank	–			505,732,180
L&T Infrastructure Finance Limited	1,004,832,876			–
L&T Infrastructure Limited	502,416,448			–
Corporation bank Ltd	774,234,973			–
United Bank of India	1,010,248,490			–
UCO Bank	1,000,000,000			–
	15,384,521,518			12,449,607,109
b) Working Capital Loans				
Cash Credit Loans from Banks	1,392,499,101			725,523,805
	16,777,020,619			13,175,130,914
c) Deferred Creditors	–			122,364
	16,777,020,619			13,175,253,277
SCHEDULE-5 UNSECURED LOANS				
From Bank	504,266,180			505,206,787
From Others	6,460,483			85,422,254
	510,726,663			590,629,041

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010
SCHEDULE - 6 FIXED ASSETS

Particular of Assets	Gross block				Depreciation				NET BLOCK	
	Cost as at 01.04.2009 (₹)	Additions (₹)	Sales/ Adjustments (₹)	Cost as at 31.03.2010 (₹)	Upto 31.03.2009 (₹)	For the year (₹)	Sales/ Adjustments (₹)	Upto 31.03.2010 (₹)	As At 31.03.2010 (₹)	As At 31.03.2009 (₹)
Building	213,876,295	-	-	213,876,295	861,836	3,486,140	-	4,347,976	209,528,319	213,014,460
Plant & Machinery	16,028,683,362	4,445,633,738	89,938,890	20,384,378,210	1,573,451,589	793,948,536	29,011,284	2,338,388,841	18,045,989,369	14,455,231,774
Office Equipments	42,374,812	20,134,040	468,508	62,040,344	3,861,455	2,678,703	151,516	6,388,642	55,651,702	38,513,356
Computers	57,175,968	7,037,755	2,920,821	61,292,902	18,403,586	8,794,787	2,800,724	24,397,649	36,895,253	38,772,382
Vehicles	87,791,576	1,301,748	325,413	88,767,911	58,290,828	5,657,424	325,413	63,622,839	25,145,072	29,500,748
Furnitures & Fixtures	30,441,170	7,241,571	730,912	36,951,829	2,997,712	2,618,735	298,315	5,318,132	31,633,697	27,443,458
Tent	103,998	-	-	103,998	13,635	11,762	-	25,397	78,601	90,363
Temporary Construction	4,237,524	-	4,237,524	-	4,237,524	-	4,237,524	-	-	-
Total	16,464,684,705	4,481,348,852	98,622,068	20,847,411,489	1,662,118,165	817,196,087	36,824,776	2,442,489,476	18,404,922,013	14,802,566,541
Capital Work in progress	491,061,297	1,752,245,301,	-	2,243,306,598	-	-	-	-	2,243,306,598	-
GRAND TOTAL	16,955,746,002	6,233,594,153	98,622,068	23,090,718,087	1,662,118,165	817,196,087	36,824,776	2,442,489,476	20,648,228,611	14,802,566,541
Previous Year	10,157,865,748	9,694,352,409	2,896,472,155	16,955,746,002	1,284,255,468	411,498,967	33,636,271	1,662,118,164	15,293,627,838	-

(Capital Work in Progress includes advances for capital goods ₹ Nil (Previous year - ₹ 9,610,244/-) and Preoperative Expenditure of ₹ 26,417,847/- (Previous Year - ₹ 69,054,521/-))

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)	As at 31.03.2009 (₹)
SCHEDULE - 7 INVESTMENTS (At cost)		
LONG TERM INVESTMENTS		
In Equity Shares - Unquoted : Trade		
495,000 equity shares of Shiv Vani Oil & Gas Co LLC, Oman of Omani Rial 1/- each fully paid up (Previous year 495,000)	57,795,111	57,795,111
34,000 equity shares of SV Oil & Natural Gas Ltd, Mauritius of US Dollar 1/- each fully paid up (Previous Year 34,000)	1,536,150	1,536,150
100 equity shares of Shiv Vani Singapore PTE Ltd., Singapore of Singapore Dollar 1/- each fully paid up (Previous Year 100)	3,103	3,103
1 equity shares of Natural Oil & Gas Services Ltd., Mauritius of US Dollar 1/- each fully paid up (Previous Year Nil)	51	51
1,000,000 equity shares of Shiv Vani Oil Services Limited, New Delhi of ₹ 10/- each fully paid up (Previous year 1,000,000)	10,000,000	10,000,000
25,500 equity shares of TNG Shiv Geo Services Limited, New Delhi of ₹ 10/- each fully paid up (Previous year 25,500)	255,000	255,000
4,300 equity Shares of Equipment Conductors & Cables Ltd of ₹ 10/- each fully paid up (Previous Year 4,300)	43,000	43,000
5,000 equity shares of Parasram Puria Synthetics Ltd. of ₹10/- each at a premium of ₹ 10/- per share (₹ 5/- paid up) (Previous Year 5,000)	25,000	25,000
110,000 equity shares of Neutral Enginners Ltd of ₹ 10/- each fully paid up. (Previous year 110,000)	1,100,000	1,100,000
180,000 equity Shares of Om Shivay Real Estate (P) Ltd of ₹ 10/- each fully paid up (Previous Year 180,000)	1,800,000	1,800,000
In Preference Shares - Unquoted : Trade - Subsidiary		
1,140,000 redeemable preference shares of Natural Oil & Gas Services Ltd., Mauritius of US Dollar 10/- each fully paid up (Previous year 1,140,000 shares)	492,709,774	492,709,774
In Mutual Funds - Quoted : Trade		
200,000 Units of SBI Infrastructure Fund (Previous Year - 200,000 units of ₹ 10/- per unit (Market Value - ₹ 2,068,000/- @ ₹ 10.34 per unit)	2,000,000	2,000,000
42,723,358 Units of SBI SHF Ultra Short Term Fund (Previous Year - ₹ Nil units) of ₹ 10/- per unit (Market Value - ₹ 512,253/- @ ₹ 11.99 per unit)	500,000	-
	567,767,189	567,267,189
SCHEDULE-8 INVENTORIES		
(At lower of cost or net realisable value as valued and certified by the Management)		
Inventory for		
Spare parts of Capital Goods	-	544,036,617
Stores, Spares, Consumables & Chemicals	619,603,812	296,401,857
Goods In Transit	103,402,190	6,540,479
Scrap	7,031,070	4,006,070
	730,037,072	850,985,023
SCHEDULE-9 SUNDRY DEBTORS		
(Unsecured - Considered good)		
Debts outstanding for a period exceeding six month	1,109,085,771	548,919,034
Others	1,974,996,149	1,480,209,508
	3,084,081,920	2,029,128,542

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Particulars	As At 31.03.2010 (₹)		As At 31.03.2009 (₹)	
SCHEDULE-10 CASH AND BANK BALANCES				
Cash and Cheques in Hand		6,413,404		4,995,321
Balances with Scheduled Banks				
In Current Accounts - Domestic	147,081,705		157,942,996	
- Overseas	2,432,816	149,514,521	2,745,945	160,688,941
In Margin Money Account - Domestic		931,474		-
In Deposit Accounts - Domestic	267,065,215		636,881,195	
- Overseas	6,267,376	273,332,591	7,043,887	643,925,082
		430,191,990		809,609,344
SCHEDULE-11 LOANS & ADVANCES (Unsecured - Considered good unless otherwise stated)				
Advances & Other amounts recoverable in cash or in kind for which value is to be received		2,095,147,378		1,399,299,022
Loans to subsidiary companies		3,161,063,451		2,822,161,212
Income Tax Paid		44,447,203		75,605,846
Tax deducted at source		433,125,472		223,307,026
MAT Credit Entitlement		154,880,880		-
Security Deposits		16,573,398		14,496,700
		5,905,237,782		4,534,869,806
SCHEDULE-12 CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Sundry Creditors				
Micro, Small & Medium Enterprises	-		-	
Others	2,393,331,121	2,393,331,121	1,206,863,726	1,206,863,726
Other Current Liabilities		1,055,040,593		750,711,885
Dividend Payable		330,460		-
		3,448,702,174		1,957,575,611
B. Provisions				
Income Tax		473,340,000		406,140,000
Fringe Benefit Tax		380,573		1,880,573
Gratuity & Leave encashment		47,526,175		32,342,834
Proposed Dividend on Equity Shares		46,360,501		43,902,606
Dividend Distribution Tax on Proposed Dividend		7,699,900		7,461,248
		575,307,149		491,727,261
Particulars		2009-10 (₹)		2008-09(₹)
SCHEDULE-13 OPERATIVE INCOME				
Contracts Revenue		10,718,027,870		6,803,898,389
		10,718,027,870		6,803,898,389
SCHEDULE-14 OTHER INCOME				
Interest on Fixed Deposits (TDS-₹ 2,311,008/- Previous year-₹ 2,222,064/-)		13,904,385		13,646,146
Interest-Others (TDS-₹ Nil, Previous Year-₹ 267,450/-)		126,642		1,201,963
Gain on Currency Fluctuation		123,938,441		-
Miscellaneous Income		31,996,547		46,847,936
		169,966,015		61,696,045

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	2009-10 (₹)	2008-09(₹)
SCHEDULE-15 CONSUMPTION OF STORES & OTHER DIRECT EXPENSES		
Stores, Spares, Consumables & Chemicals	1,035,201,690	777,896,058
Oils & Lubricants	667,704,155	381,484,676
Contract Expenses	2,585,251,816	1,931,131,436
Hiring Charges	102,218,255	72,431,203
Insurance	19,052,694	7,775,562
Repairs to Plant & Machinery	179,809,097	107,022,060
Lease Rental Charges	944,489,298	-
	5,533,727,005	3,277,740,995
SCHEDULE - 16 PERSONNEL EXPENSES		
Payments to & Provison for Employees		
Salaries, Wages, Bonus, Gratuity etc.	503,273,566	286,896,806
Staff Welfare	8,078,892	9,416,368
Contribution to Provident Fund	9,837,299	9,339,655
Contribution to ESI	24,718	64,196
Directors Remuneration	20,693,292	18,960,603
	541,907,767	324,677,628
SCHEDULE - 17 ADMINISTRATIVE & OTHER EXPENSES		
Rent	28,886,765	25,114,005
Rates & Taxes	5,060,133	4,242,487
Advertisement	1,487,129	2,794,916
Travelling & Conveyance Expenses	118,357,261	72,023,435
Vehicle Repair & Maintenance Expenses	29,348,312	20,536,254
Repair & Maintenance to others	39,749,255	13,469,139
Telephone Expenses	13,486,447	11,881,611
Legal & Professional Charges	150,207,634	81,119,732
Charity & Donation	268,980	513,651
Fees & Subscription	1,221,897	1,187,637
Directors Sitting Fees	528,000	340,500
Miscellaneous Expenses	196,012,984	62,081,650
Payment to Auditors		
For Statutory Audit Fees	2,250,000	2,250,000
For Consolidated Audit Fees	50,000	50,000
For Tax Audit Fees	250,000	250,000
For Other Matters	1,510,000	1,226,375
Bad Debts Written Off	10,855,536	-
Insurance Claim Written off	38,442,395	-
FCCB Issue Expenses Written Off	-	24,849,494
Deferred Revenue Written Off	41,728,722	27,160,902
Assets Written Off	30,992,272	11,003,387
Loss on Currency Fluctuation	-	166,154,713
Loss on Forward Contracts	12,932,500	13,473,000
	723,626,222	541,722,888
SCHEDULE - 18 INTEREST & BANK CHARGES		
Interest on Term Loans	1,466,959,178	664,107,942
Interest on Cash Credits	115,759,991	70,511,365
Interest to others	20,837,688	33,869,561
Bank & Financial Charges	163,347,466	45,027,107
	1,766,904,323	813,515,975

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**SCHEDULE – 19 NOTES TO THE ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of financial statement**

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

2. Use of estimates

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

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

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

3. Revenue Recognition

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

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

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

4. Provisions and Contingent liabilities

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

5. Fixed Assets and Capital work-in-progress

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

6. Depreciation and amortization

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

7. Retirement & Other benefits to employees

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

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

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

8. Foreign Currency Transactions

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

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

9. Taxes

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

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

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

Tax credit is recognized in respect of Minimum Alternate Tax ('MAT') as per the provisions of Section 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

10. Earnings 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 earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

11. Investments

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

12. Impairment of assets

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

13. Cash Flow Statement

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

14. Inventories

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

15. Segment Data

The Company considers its principal activity of providing oil and natural gas exploitation services to be a complete segment and all revenues for the year ended 31st March 2010 have been derived from this segment.

16. Borrowing Costs

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

17. Events occurring after the Balance sheet date

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

B. SHARE CAPITAL

a) Preferential Allotment of equity shares

During the year, Company has allotted 2,457,895 equity shares of ₹ 10/- each at a premium of ₹ 370/- per equity share to Templeton Strategic Emerging Markets Fund III L.D.C. on preferential basis resulting in increase of Paid Up Share Capital by ₹ 24,578,950 and in Securities Premium amount by ₹ 909,421,150/-

b) Equity Share Warrants forfeiture

6,000,000 equity share warrants were issued to promoters on 29th March 2008 on preferential basis. Each warrant was to be converted into 1 equity shares of ₹10/- each at a premium of ₹ 650/- per share in one or more tranches at the option of warrant holders before the expiry of 18 months from the date of allotment of such equity share warrants. As required by SEBI Guidelines, subscribers had deposited non-refundable amount of ₹ 396,000,000/- towards application money, an amount equivalent to 10% of the total consideration.

These warrant holders were allotted 6,000,000 warrants. However, they did not exercise their right to convert the warrants into equity shares till the expiry of the conversion period. Accordingly the application money of ₹ 396,000,000/- was forfeited by the Company and credited to the Equity Share Warrants Forfeitures Account.

C. SECURED LOANS

- a. Rupee Term Loan from Punjab National Bank of ₹ 48.32 Millions (Previous year ₹ 149.36 Millions) is secured by 1st pari passu charge on the block assets (Present & Future) from such loan & further collaterally secured by way of pledge of 825,000 shares of the Company being part of promoters stake.
- b. Rupee Term Loan from State Bank of Patiala of ₹ 160.94 Millions (Previous year – ₹ 498.57 Millions) is secured by way of first charge on all fixed assets of the Company except the fixed assets which are exclusively charged. Further collaterally secured by way of pledge of 1,880,000 shares of the Company being part of promoters stake.

- c. Rupee Term Loan from Union Bank of India of ₹ 606.79 Millions (Previous year ₹ Nil) is secured by first pari passu charge on movable fixed assets & further collateral secured by way of pledge of 100,000 shares of the Company being part of promoters stake
- d. Foreign Currency Term Loan ICICI Bank Ltd. of ₹ 1,769.90 Millions (Previous year – ₹ 1,946.86 Millions) is secured by first charge over respective present and future fixed assets acquired from such loans & receivables of the contracts for which the loans have been obtained.
- e. Foreign Currency Term Loan from Export Import Bank of India (EXIM) of ₹ 1,527.37 Millions (Previous year – ₹ 2,253.06 Millions) is secured by first charge over respective present and future fixed assets acquired from such loans & receivables of the contracts for which the loans have been obtained.
- f. All other term loans from Financial Institutions / Banks except above are secured by way of 1st charge on pari passu basis on all movable & immovable assets of the Company (save and except book debts) machinery, machinery spares, tools and accessories present and future except on which another bank is having an exclusive first charge for loan granted to the Company.
- g. All working capital loans from banks are secured by way of hypothecation of stocks of consumable stores and spares and book debts of the Company, both present and future and also IInd charge on Plant & Machinery except on specific plant & machinery of ₹ 22.6 Millions exclusively charged to State Bank of India. The Working Capital Loans from State Bank of India and Punjab National Bank are further secured against pledge of 778,400 and 1,523,500 equity shares of the Company (being part of promoters stake) respectively.
- h. All term loans & working capital loans are also personally guaranteed by Shri Prem Singhee, Chairman and Managing Director and Shri Padam Singhee, Joint Managing Director.
- i. Amount repayable (term loans) within one year ₹1,768.70 Millions (previous year ₹ 2,514.40 Millions)

D. Fixed Assets

The registration of leasehold Building acquired is in process

E. Contingent Liabilities not provided for in respect of

	MARCH 2010 (₹)	MARCH 2009 (₹)
1. Amount unpaid on investment in shares: - - 5,000 Equity Shares of Parasrampuriah Synthetics Ltd.	35,000	35,000
2. Counter Guarantees given in respect of Guarantees issued by the Company's bankers to Oil & Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd (OIL) (Includes ₹470 Millions for guarantees issued against pledge of 902,500 shares of the Company held by directors and a third party).	2,542,111,774	2,706,536,994
3. Unexpired letters of credit	251,265,002	103,475,012
4. Income Tax demands in appeal	Nil	7,925,329
5. Corporate guarantees given to financial institutions/ banks for securing financial assistance for a subsidiary company and other company	2,344,037,361	6,501,285,672
6. Estimated Value of capital commitments (Net of advances)	313,000,000	643,000,000
7. Sales tax demands(*) (*)To be adjusted against refund granted for ₹13.39 Millions.	1,240,768	1,240,768
8. Customs duty	1,250,000	1,250,000
9. Service tax demand	549,531,062	549,531,062

F. EXTERNAL COMMERCIAL BORROWINGS

The External Commercial Borrowings [ECBs] outstanding :

	MARCH 2010 (₹)	MARCH 2009 (₹)
ICICI (US\$ 44 M)	US\$ 39,998,304	US\$ 44,000,000
Exim Bank (US\$ 55 M)	US\$ 33,661,281	US\$ 44,018,599

G. OTHERS

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

- Managerial Remuneration*

	MARCH 2010 (₹)	MARCH 2009 (₹)
Salary	17,900,000	16,700,000
Accommodation		
- for rent	1,800,000	1,400,000
- for expenses	993,293	860,603
Contribution to Provident Fund	2,148,000	2,004,000
Total	22,841,293	20,964,603

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

- C.I.F. Value of Imports:

	MARCH 2010 (₹)	MARCH 2009 (₹)
- Stores & Spares	414,179,491	92,174,844
- Capital Goods	337,026,058	3,431,281,352

- Foreign traveling expenses for ₹11,075,899/- (Previous year ₹ 10,910,783/-) includes ₹5,588,184/- (previous year ₹ 4,644,675/-) incurred in foreign currency during the year.

- Expenditure in foreign currency

	MARCH 2010 (₹)	MARCH 2009 (₹)
Lease Rent	908,794,730	Nil
Interest		
-Capital nature	Nil	134,326,217
-Others	112,471,059	52,263,654
Professional Fees	8,121,041	5,298,252
Travelling Expenses	5,588,184	4,644,675
Telephone Expenses	9,440	Nil
Repairs & Maintenance	18,956	204,144
Bank Charges	Nil	1,183,733
Annual Membership Fee & subscription	297,598	281,700

	MARCH 2010 (₹)	MARCH 2009 (₹)
Business Promotion	Nil	1,101,294
Listing Fee	Nil	15,740
Contract Expenses	296,764,111	81,527,583
Dividend	9,343,088	Nil
6. Earnings in foreign currency		
Contract Revenue	848,200,862	1,046,187,682
Interest on FDR	24,391	132,706

7. A sum of ₹84.37 Millions was deducted by M/s. Oil India Ltd. in 1998-99 towards liquidated damages and other penalties arbitrarily against which the Company has invoked the arbitration clause as per contract. An amount of ₹ 337,583/- (previous year ₹ 40,550/-) incurred during the year for the same, has been debited to Miscellaneous Expenses.

An award has been received against the same in favour of the Company for an amount of ₹ 49.10 Millions vide award dated 4th December 2009. However Oil India Ltd has filed a writ against the award before the Hon'ble Delhi High Court which is still pending.

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

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

Subsidiary	MARCH 2010		MARCH 2009	
	Amount Due (₹)	Max. Amount during the year (₹)	Amount Due (₹)	Max. Amount during the year (₹)
Shiv-Vani Oil & Gas Co. LLC, Oman	492,029,380	535,103,165	342,000,595	510,815,108
SV Oil & Natural Gas Ltd., Mauritius	1,363,688,595	1,363,688,595	936,876,284	1,906,817,777
Natural Oil & Gas Services Ltd., Mauritius	1,282,427,400	1,577,459,000	1,517,291,000	1,517,291,000
Shiv-Vani Singapore Pte Ltd., Singapore	22,918,074	25,867,875	25,867,875	287,424,389
Shiv-Vani Oil Services Ltd., New Delhi	Nil	42,382	42,382	42,382
TNG Shiv Geo Services Ltd., New Delhi	Nil	87,274	83,074	83,074

9. Fixed Deposits of ₹ 267.07 Millions (Previous year ₹ 136.88 Millions) are under lien in respect of guarantees Letters of credit issued by the banks.
10. Loss on insurance claims filed if any are accounted for at the time of receipt of claims.
11. The payment of Provident Fund Dues amounting to ₹ 6,560,365/- (₹ 8,242,628/-), ESI amounting NIL (₹ 48,076/-), Tax deducted at Source amounting to ₹ 66,099,897/- (₹ 2,173,412/-), Service Tax ₹ 746,938,289/- (₹ 137,558,236/-), VAT ₹ 15,537,418/- (₹ 45,479/-) & Fringe Benefit Tax Nil (₹ 7,284,168/-) Income Tax (A.Y. 2009-10) of ₹ 117,990,355/- and FBT (A.Y. 2009-10) ₹ 380,573/- was delayed. These amounts were later deposited with the appropriate authorities. Figures mentioned in brackets are of previous year.
12. Future liability of Gratuity for ₹ 43.35 Millions (Previous year - Rs 30.96 Millions) for employees has been provided in the books of accounts. However the Company has now adopted an approved plan for the payment of gratuity based on actuarial valuation carried by Life Insurance Corporation of India.
13. Expenses include ₹ 3,184,471/- (Previous Year ₹ 1,297,237/-) relating to earlier years.
14. Interest and Bank Charges includes ₹ 57,988,228/- paid on account of hedging of interest on ECB.

15. The previous years figures have been regrouped / rearranged wherever found necessary. The figures have been rounded off to the nearest rupee.
16. Travelling and Conveyance Expenses include ₹7,358,649/- (Previous year ₹ 6,728,966/- incurred for directors travelling).
17. The Company, has during the year, imported machinery worth ₹ 326,079,752/- (Previous year ₹ 2,972,825,915/- under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty).
18. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to ₹ 64,364,466/- (Previous Year ₹ 39,354,801/-) has been reduced from the gross block.
19. Remittance in Foreign Currency on account of Dividend to Equity Share holders:

Description	Current Year	Previous year
Year to which dividend relates	2008 – 09	-
Number of Non-resident Shareholders	616	-
Number of Equity Shares held by them	9,343,088	-
Amount remitted (₹)	9,343,088	-

20. The Company has not received any intimation from 'Suppliers' regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence no disclosure as required by Schedule VI of the Companies Act, 1956 has been provided.
21. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
22. The Ministry of Corporate Affairs, Government of India vide its Order No. 47 / 453 / 2010 – CL – III dated 17th May, 2010 issued under section 212(8) of the Companies Act, 1956 has exempted the Company from attaching the Balance Sheet and Profit and Loss Account of its Subsidiaries as required under section 212(1) of the Companies Act, 1956.
23. In view of the certificate for deduction of tax at a lower rate sought u/s 195 of the Income Tax Act 1961 from the Income tax department by an overseas party, the TDS on lease rentals on machinery received from such overseas party has been deposited @4.233% instead of 10.5575% by the Company.
In case no certificate is granted to the party, the difference amount of ₹ 31,167,064/- and interest thereon till the date of the payment shall be charged to the accounts in the subsequent year.
24. The name of SV Oil & Natural Gas Ltd., Mauritius, a subsidiary company, has been changed to Oriental Oil & Gas Services Ltd. w.e.f. 17 June, 2010.
25. Balance appearing in Sundry Debtors / Creditors and Loans & Advances are subject to confirmation.

H. RELATED PARTY DISCLOSURE

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

Subsidiary

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

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

Name of Key Persons

Prakash Singhee

Mayank Singhee

c) The Company has the following transactions with related parties:

Description of Transaction		Value (In ₹) MARCH 2010	Value (In ₹) MARCH 2009
Shiv-Vani Oil & Gas Co. LLC,	Loans	191,314,250	(255,180,556)
Shiv-Vani Oil & Gas Co. LLC.	(Sale)/Purchase of Spare & Equipment	1,788,320	(366,647)
SV Oil & Natural Gas Ltd.	Loan	426,812,311	(879,987,993)
	Lease Rent	492,798,876	Nil
Shiv-Vani Oil Services Ltd.	Advances	(42,382)	18,322
TNG Shiv Geo Services Ltd.	Advance	(83,074)	5,160
Shiv-Vani Singapore PTE. Ltd.	Advance	Nil	(57,104,625)
Natural Oil & Gas Services	Investment	Nil	492,709,825
Natural Oil & Gas Services	Loans	(112,886,300)	1,929,268,224
	Lease Rent	456,000,861	Nil

I. Earning per share

BASIC EARNING PER SHARE

(Amount in ₹)

Particulars

	2009-10	2008-09
a) Numerator		
Net Profit after taxation as per profit & loss a/c	920,057,754	948,158,653
b) Denominator		
No. of Equity Shares outstanding	43,963,212	43,902,606
Weighted average of No. of equity shares outstanding	20.93	21.60
Basic (EPS of face value of ₹10/- each)		

DILUTED EARNING PER SHARE

(Amount in ₹)

Particulars

	2009-10	2008-09
a) Numerator		
Net Profit after taxation as per profit & loss a/c	920,057,754	948,158,653
b) Denominator		
No. of Equity Shares outstanding	43,963,212	49,902,606
Weighted average of No. of equity shares outstanding	20.93	19.00
Diluted (EPS of face value of ₹10/- each)		

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

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

September 1, 2010

For and on behalf of the Board

Prem Singhee

Chairman & Managing Director

Padam Singhee

Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

	31 March 2010 (₹)	31 March 2009 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	1,504,632,480	1,496,437,982
Adjustment for:		
1. Depreciation	817,196,087	411,498,967
2. FCCB Issue Expenditure Written off	-	24,849,494
3. Deferred Revenue Expenditure	41,728,722	27,160,902
4. Investments (Interest Income)	(126,642)	(14,848,109)
5. Interest Expenditure	1,766,904,323	813,515,975
6. Profit on Sale of Fixed Assets	(6,901,457)	(29,842,678)
7. Fixed Assets w/off.	30,992,272	11,553,387
Operating profit before working capital charges	4,154,425,786	2,740,325,920
1. Trade & Other Receivables	(1,752,878,433)	(517,184,490)
2. Inventories	120,947,952	(629,819,490)
3. Trade Payable & Provisions	1,520,646,050	1,076,398,362
Cash generation from operations	4,043,141,355	2,669,720,302
1. Interest paid	(1,766,904,323)	(813,515,975)
2. Direct Taxes Paid	(434,369,803)	(345,265,198)
	1,841,867,229	1,510,939,129
Cash flow before extra ordinary items		
1. Extraordinary items	(41,986,372)	(37,476,976)
Net cash from operating activities	1,799,880,856	1,473,462,153
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (net)	(6,233,594,153)	(6,964,870,966)
Sale of fixed assets	37,706,476	151,643,737
Sale of investments	-	500,000
Interest Received	126,642	14,848,109
Advances to Subsidiary Companies	(338,902,239)	(428,920,863)
Purchase of Investments	(500,000)	(492,709,825)
Net cash from investing activities	(6,535,163,274)	(7,719,509,808)

	31 March 2010 (₹)	31 March 2009 (₹)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long and short term borrowings	3,521,864,964	6,445,248,354
Increase in Share Capital	24,578,950	4,000
Premium on issue of equity shares	909,421,150	-
Misc Expenditure	(100,000,000)	-
Net cash flow from financing activities	4,355,865,064	6,445,252,354
Net Increase In cash and Cash Equivalents	(379,417,353)	199,204,699
Cash and cash equivalents at the beginning	809,609,344	610,404,645
Cash and cash equivalents at the closing	430,191,990	809,609,344

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, 2010. The Statement has been prepared by the Company in accordance with the requirements of the listing agreement clause 32 with the stock exchanges and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi
September 1, 2010

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

I Registration Details	<div>L74899DL1989PLC038542</div>	
Balance Sheet Date	<div>31 03 2010</div>	
	Date	Month Year
II Capital raised During the year		
Public Issue	<div>NIL</div>	Right Issue <div>NIL</div>
Bonus Issue	<div>NIL</div>	Private issue <div>24,578,950</div>
III Position of Mobilisation and Deployment of Funds		
Total Liabilities	<div>27,508,450,129</div>	Total Assets <div>27,508,450,129</div>
Source of Fund		
Paid- Up Capital	<div>463,605,010</div>	Reserves & Surplus <div>8,782,649,362</div>
Equity Share Warrants	<div>NIL</div>	Deferred Tax Liability <div>974,448,475</div>
Secured Loan	<div>16,777,020,619</div>	Unsecured Loans <div>510,726,663</div>
Share application money pending allotment	<div>NIL</div>	
Application of Funds		
Net Fixed Assets	<div>20,648,228,611</div>	Investment <div>567,767,189</div>
Net Current Assets	<div>6,125,539,441</div>	Miscellaneous Expenditure <div>166,914,888</div>
IV Performance of Company		
Turnover (including other income)	<div>10,887,993,885</div>	Total Expenditure <div>9,383,361,404</div>
Profit /Loss Before Tax	<div>1,504,632,481</div>	Exceptional Items <div>41,986,372</div>
Profit /Loss After Tax	<div>920,057,754</div>	Earnings Per Share (Weighted Average - Basic) <div>20.93</div>
Dividend Rate %	<div>10%</div>	
V Generic Names of Three Principal Product/Services of the Company (as per monetary term)		
Item Code No. (ITC Code)	<div>9 8 0 1 0 0 0 5</div>	
Product Description	<div>PROJECT FOR EXPLORATION OF OIL</div>	

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

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

September 1, 2010

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 2009-10



REPORT OF AUDITORS ON THE CONSOLIDATED FINACIAL STATEMENTS

To The Board of Directors

Shiv-Vani Oil & Gas Exploration Services Limited

We have examined the attached consolidated Balance Sheet of Shiv-Vani Oil & Gas Exploration Services Ltd. and its Subsidiaries as at 31st March 2010 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 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.

We did not audit the financial statement of the subsidiaries whose reflects total assets of ₹13,231 Millions as at 31st March, 2010 and total revenue of ₹2,648 Millions for the year ended on that date (these figures include inter 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. 3 & 4 of Schedule No. 19 regarding lower provision of depreciation by ₹1.18 Millions, we are of the opinion that:

- (a) The consolidated Balance Sheet gives true and fair view of the consolidated state of affairs of Shiv-Vani Oil & Gas Exploration Services Ltd and its subsidiaries as at 31st March, 2010,
- (b) The consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Shiv-Vani Oil & Gas Exploration Services Ltd. and its subsidiaries for the year ended on that date; and
- (c) The consolidated Cash Flow Statement gives a true and fair view of the cash flows of Shiv-Vani Oil & Gas Exploration Services Ltd. and its subsidiaries as at 31st March, 2010

For **Vijay Prakash Gupta & Associates**
Firm Registration No. 005570N
Chartered Accountants

Vikas Varshney
Partner
Membership No.510929

New Delhi
September 1, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	Schedule	As at 31.03.2010 (₹)		As at 31.03.2009 (₹)	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	463,605,010		439,026,060	
Equity Share Warrants		-		396,000,000	
Reserves and Surplus	2	11,572,963,810	12,036,568,820	8,176,540,988	9,011,567,048
MINORITY INTEREST			190,978		197,662
DEFERRED TAX LIABILITY	3		974,448,475		532,689,241
LOAN FUNDS					
Secured Loans	4	23,148,967,402		20,061,784,772	
Unsecured Loans	5	588,107,936	23,737,075,338	649,895,706	20,711,680,478
TOTAL			36,748,283,611		30,256,134,429
APPLICATION OF FUNDS					
GOODWILL		133,688,666		186,282,228	
Less:Due to consolidation		91,943,368		-	
Less:Capital reserve adjusted on consolidation		-	41,745,298	52,593,562	133,688,666
FIXED ASSETS		6			
Gross Block		29,150,194,200		18,154,132,846	
Less : Depreciation		2,992,793,399		1,959,227,594	
Net Block		26,157,400,801		16,194,905,252	
Capital Work-in-progress		5,173,607,650	31,331,008,451	9,487,883,527	25,682,788,779
INVESTMENTS	7		15,218,000		14,718,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	768,343,181		878,021,534	
Sundry Debtors	9	4,010,608,808		2,323,370,456	
Cash & Bank Balances	10	600,055,533		1,033,631,271	
Loans & Advances	11	3,856,625,925		2,838,440,926	
		9,235,633,447		7,073,464,187	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	12A	3,438,679,948		2,133,682,386	
Provisions	12B	603,814,439		623,744,342	
		4,042,494,387		2,757,426,728	
			5,193,139,060		4,316,037,459
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)					
Preliminary Expenses		127,316		127,316	
Pre-operative Expenses		9,566		9,566	
Deferred Revenue Expenditure		167,035,920	167,172,802	108,764,643	108,901,525
TOTAL			36,748,283,611		30,256,134,429
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 19					

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

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

(Vikas Varshney)
Partner
M.No. 510929

New Delhi
September 1, 2010

For and on behalf of the Board

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

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Schedule	2009-10 (₹)	2008-09 (₹)
TOTAL INCOME			
Operative Income	13	12,520,091,646	8,712,749,174
Other Income (Gross)	14	51,587,763	307,204,528
		12,571,679,409	9,019,953,702
EXPENDITURE			
Direct Expenses	15	5,307,844,833	4,067,098,225
Personnel Expenses	16	815,558,432	590,950,659
Administrative & Other Expenses	17	844,651,363	532,909,709
Interest & Finance Charges	18	1,930,090,375	844,961,136
Depreciation	6	1,071,609,443	502,213,734
		9,969,754,446	6,538,133,463
Profit for the year		2,601,924,963	2,481,820,239
Add : Minority Interest in Loss		6,684	4,543
		2,601,931,647	2,481,824,782
Less :Provision for Tax			
- Income Tax Relating to Earlier Years		49,029,912	37,476,976
- Income Tax		274,870,980	224,021,779
- Mat Credit Entitlement		(154,880,880)	-
- Fringe Benefit Tax		-	7,664,741
- Deferred Tax		441,759,234	285,507,612
		1,991,152,401	1,927,153,674
Profit after Tax		4,092,704,498	2,236,502,239
Surplus as per last Balance Sheet			4,163,655,913
Profit available for appropriations		6,083,856,899	4,163,655,913
Appropriations			
Transfer To General Reserve		50,000,000	11,896,058
Transfer To Legal Reserve		8,917,517	7,691,502
Proposed Dividend on Equity Shares		46,360,501	43,902,606
Dividend Distribution Tax on Proposed Dividend		7,699,900	7,461,248
Balance Carried Forward to Balance Sheet		5,970,878,981	4,092,704,498
TOTAL		6,083,856,899	4,163,655,912
Earning Per Share - Basic		45.29	43.90
- Diluted		45.29	38.62
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

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

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

(Vikas Varshney)
Partner
M.No. 510929

New Delhi
September 1, 2010

For and on behalf of the Board

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

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)		As at 31.03.2009 (₹)	
SCHEDULE - 1 SHARE CAPITAL				
Authorised				
70,000,000 (Previous year 58,500,000) Equity Shares of ₹10/- each		700,000,000		585,000,000
500,000 (Previous year 500,000) 11% Redeemable Non-Convertible Preference Shares of ₹100/-each		50,000,000		50,000,000
		750,000,000		635,000,000
Issued, Subscribed & Paid Up				
46,360,501 Equity Share(Previous year 43,902,606) of ₹ 10/- each fully paid up		463,605,010		439,026,060
		463,605,010		439,026,060
SCHEDULE-2 RESERVES AND SURPLUS				
General Reserve				
As per last Balance sheet	260,000,000		248,103,942	
Add : Transferred from Profit & Loss A/c.	50,000,000	310,000,000	11,896,058	260,000,000
Securities Premium Account				
As per last Balance sheet	3,670,786,181		3,670,786,181	
Add : Recevied during the year	909,421,150	4,580,207,331	-	3,670,786,181
Capital Redemption Reserve				
As per last Balance sheet		50,000,000		50,000,000
Capital Reserve (On Equity Share Forfieture)				
As per last Balance sheet	25,500		-	
Add : Transferred during the year	-	25,500	25,500	25,500
Capital Reserve (On Equity Share Warrant Forfieture)				
As per last Balance sheet	-		-	
Add : Transferred during the year	396,000,000	396,000,000	-	-
Capital Reserve (Due to Consolidation)				
As per last Balance sheet	-		52,593,562	
Add : Due to Consolidation	-		-	
	-		52,593,562	
Less : Adjusted Due to Consolidation	-	-	52,593,562	-
Foreign Currency Translation Reserve (Due to Consolidation)				
As per last Balance sheet	92,498,461		6,619,396	
Add : Due to Consolidation	153,909,673	246,408,134	85,879,065	92,498,461
Legal Reserve				
As per last Balance sheet	10,526,347		2,834,845	
Add: Adjustment during the year	8,917,517	19,443,864	7,691,502	10,526,347
Profit & Loss Account				
As per Profit & Loss Account		5,970,878,981		4,092,704,499
		11,572,963,810		8,176,540,988

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)		As at 31.03.2009 (₹)	
SCHEDULE-3 DEFERRED TAX (NET)				
Deferred Tax				
As per last Balance Sheet	532,689,241		247,181,629	
Add: Transferred from Profit & Loss A/c.	441,759,234	974,448,475	285,507,612	532,689,241
		974,448,475		532,689,241
SCHEDULE-4 SECURED LOANS				
a) Term Loans				
From Financial Institutions / Banks				
Industrial Development Bank of India Limited		—		42,962,888
ICICI Bank Ltd	4,833,473,503			8,458,446,140
State Bank of Bikaner & Jaipur		—		65,750,567
State Bank of India	2,406,528,880			739,729,488
Punjab National Bank	48,317,217			502,928,899
State Bank of Mysore	22,457,397			47,347,598
Life Insurance Corporation of India	556,232,506			—
State Bank of Hyderabad	505,232,139			25,050,240
Yes Bank Ltd.	700,667,397			362,021,101
Bank of India	473,374,377			504,739,025
Syndicate Bank Ltd.		—		35,395,600
Karnataka Bank Ltd.		—		187,279,708
Exim Bank Ltd.	1,527,370,824			2,253,057,480
State Bank of Saurashtra	305,826,360			448,064,255
State Bank of Travancore		—		220,796,306
Union Bank of India	1,024,139,034			504,834,988
State Bank of Patiala	666,058,100			498,568,386
Bank of Baroda	948,717,634			929,292,260
Allahabad Bank		—		505,732,180
L&T Infrastructure Finance Limited	1,004,832,876			—
L&T Infrastructure Limited	502,416,448			—
Corporation bank Ltd	774,234,973			—
United Bank of India	1,010,248,490			—
UCO Bank	1,000,000,000			—
DBS Bank	1,309,060,000			—
Bank Muscat SAOG	121,535,370			252,444,817
Standard Chartered Bank	2,014,372,453			2,700,683,621
	21,755,095,978			19,285,125,547
b) Working Capital Loans				
Cash Credit Loans from Banks	1,392,499,101			725,523,805
	23,147,595,079			20,010,649,352
c) Deferred Creditors		1,372,323		51,135,420
		23,148,967,402		20,061,784,772
SCHEDULE- 5 UNSECURED LOANS				
From Bank	581,647,453			564,473,452
From Others	6,460,483			85,422,254
	588,107,936			649,895,706

SCHEDULE - 6 FIXED ASSETS

Particular of Assets	Gross block			Depreciation				NET BLOCK		
	Cost as at 01.04.2009 (₹)	Additions (₹)	Sales/ Adjustments (₹)	Cost as at 31.03.2010 (₹)	Upto 31.03.2009 (₹)	For the year (₹)	Sales/ Adjustments (₹)	Upto 31.03.2010 (₹)	As At 31.03.2010 (₹)	As At 31.03.2009 (₹)
Building	213,876,295	-	-	213,876,295	861,835	3,486,140	-	4,347,975	209,528,320	213,014,460
Plant & Machinery	17,518,176,544	11,054,890,740	89,938,891	28,483,128,394	1,784,418,953	1,027,722,616	29,011,284	2,783,130,285	25,699,998,108	15,733,757,591
Office Equipments	45,216,950	20,933,622	468,507	65,682,065	4,496,952	2,813,532	151,516	7,158,969	58,523,097	40,719,998
Computers	59,316,833	8,035,121	2,920,821	64,431,133	19,681,328	9,187,911	2,800,724	26,068,515	38,362,618	39,635,505
Vehicles	196,171,895	6,354,582	3,097,627	199,428,849	101,563,553	16,131,217	1,544,274	116,150,497	83,278,353	94,608,341
Furnitures & Fixtures	33,568,890	7,241,571	730,912	40,079,549	4,029,324	2,816,496	298,315	6,547,504	33,532,045	29,539,566
Tent	83,567,914	-	-	83,567,914	39,938,123	9,451,531	-	49,389,654	34,178,260	43,629,791
Temporary Construction	4,237,524	-	4,237,524	-	4,237,524	-	4,237,524	-	-	-
Total	18,154,132,846	11,097,455,636	101,394,282	29,150,194,200	1,959,227,594	1,071,609,443	38,043,637	2,992,793,399	26,157,400,801	16,194,905,252
Capital Work in progress	9,487,883,527	-	4,314,275,877	5,173,607,650	-	-	-	-	5,173,607,650	-
GRAND TOTAL	27,642,016,373	11,097,455,636	4,415,670,159	34,323,801,850	1,959,227,594	1,071,609,443	38,043,637	2,992,793,399	31,331,008,451	16,194,905,252
Previous Year	11,866,570,120	18,696,519,577	2,921,073,324	27,642,016,372	1,492,679,891	502,213,734	35,666,033	1,959,227,593	25,682,788,779	-

(Capital Work in Progress includes advances for capital goods Rs. Nil (Previous year - ₹ 5,298,699,702/-) and Preoperative Expenditure of ₹ 26,417,847/- (Previous Year - ₹ 320,597,320/-))

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)	As at 31.03.2009 (₹)
SCHEDULE-7 INVESTMENTS (At cost)		
LONG TERM INVESTMENTS		
In Equity Shares - Quoted : Trade		
429,000 equity shares of Shiv Vani Oil & Gas Exploration Services Ltd. of ₹ 10/- each fully paid up (Previous year 429,000)	9,750,000	9,750,000
In Equity Shares - Unquoted : Trade		
4,300 equity Shares of Equipment Conductors & Cables Ltd of ₹ 10/- each fully paid up (Previous Year 4,300)	43,000	43,000
5,000 equity shares of Parasram Puria Synthetics Ltd. of ₹10/- each at a premium of ₹ 10/- per share (₹ 5/- paid up) (Previous Year 5,000)	25,000	25,000
110,000 equity shares of Neutral Engineers Ltd of ₹ 10/- each fully paid up. (Previous year 110,000)	1,100,000	1,100,000
180,000 equity Shares of Om Shivay Real Estate (P) Ltd of ₹ 10/- each fully paid up (Previous Year 180,000)	1,800,000	1,800,000
In Mutual Funds - Quoted : Trade		
200,000 Units of SBI Infrastructure Fund (Previous Year - 200,000 units of ₹ 10/- per unit (Market Value - ₹ 2,068,000/- @ ₹ 10.34 per unit)	2,000,000	2,000,000
42,723,358 Units of SBI SHF Ultra Short Term Fund (Previous Year - Nil units) of ₹ 10/- per unit (Market Value - ₹ 512,253/- @ ₹ 11.99 per unit)	500,000	-
	15,218,000	14,718,000

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010 (₹)	As at 31.03.2009 (₹)
SCHEDULE-8 INVENTORIES		
(At lower of cost or net realisable value as valued and certified by the Management)		
Inventory for		
-Spare parts of Capital Goods	-	544,036,617
-Stores, Spares, Consumables & Chemicals	653,933,495	323,438,368
Goods In Transit	107,378,616	6,540,479
Scrap	7,031,070	4,006,070
	768,343,181	878,021,534
SCHEDULE-9 SUNDRY DEBTORS		
(Unsecured - Considered good)		
Debts outstanding for a period exceeding six month	1,109,085,771	548,919,034
Others	2,901,523,037	1,774,451,422
	4,010,608,808	2,323,370,456
SCHEDULE-10 CASH AND BANK BALANCES		
Cash and Cheques in Hand	7,033,460	5,849,840
Balances with Scheduled Banks		
In Current Accounts - Domestic	147,673,651	158,245,022
- Overseas	40,298,636	90,531,531
	187,972,287	248,776,553
In Margin Money Account - Domestic	931,474	
In Deposit Accounts - Domestic	267,065,215	636,881,195
- Overseas	137,053,097	142,123,683
	404,118,312	779,004,878
	600,055,533	1,033,631,271
SCHEDULE-11 LOANS & ADVANCES		
(Unsecured - Considered good unless otherwise stated)		
Advances & Other amounts recoverable in cash or in kind for which value is to be received	3,207,245,559	2,524,562,399
Income Tax Paid	44,447,203	75,605,846
Tax deducted at source	433,125,472	223,307,026
MAT Credit Entitlement	154,880,880	-
Security Deposits	16,926,811	14,965,655
	3,856,625,925	2,838,440,926

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Particulars	As at 31.03.2010 (₹)	As at 31.03.2009 (₹)
SCHEDULE-12 CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
Micro, Small & Medium Enterprises	-	-
Others	<u>2,332,614,978</u>	<u>1,354,893,761</u>
Other Current Liabilities	<u>1,105,734,510</u>	<u>778,788,625</u>
Dividend Payable	<u>330,460</u>	<u>-</u>
	3,438,679,948	2,133,682,386
B. Provisions		
Income Tax	<u>492,500,980</u>	<u>529,540,594</u>
Fringe Benefit Tax	<u>380,573</u>	<u>1,880,573</u>
Gratuity & Leave encashment	<u>56,872,485</u>	<u>40,959,321</u>
Proposed Dividend on Equity Shares	<u>46,360,501</u>	<u>43,902,606</u>
Dividend Distribution Tax on Proposed Dividend	<u>7,699,900</u>	<u>7,461,248</u>
	603,814,439	623,744,342
Particulars	2009-10 (₹)	2008-09 (₹)
SCHEDULE-13 OPERATIVE INCOME		
Contracts Revenue	<u>12,520,091,646</u>	<u>8,712,749,174</u>
	12,520,091,646	8,712,749,174
SCHEDULE-14 OTHER INCOME		
Interest on Fixed Deposits (TDS - ₹ 2,311,008/- Previous year - ₹ 2,222,064/-)	<u>13,904,385</u>	<u>15,287,847</u>
Interest-Others (TDS-₹ Nil, Previous Year - ₹ 267,450/-)	<u>132,797</u>	<u>1,236,623</u>
Gain on Currency Fluctuation	<u>-</u>	<u>230,139,473</u>
Miscellaneous Income	<u>37,550,581</u>	<u>60,540,585</u>
	51,587,763	307,204,528
SCHEDULE-15 CONSUMPTION OF STORES & OTHER DIRECT EXPENSES		
Stores, Spares, Consumables & Chemicals	<u>1,077,773,876</u>	<u>828,896,132</u>
Oils & Lubricants	<u>695,328,433</u>	<u>406,459,008</u>
Contract Expenses	<u>3,137,301,798</u>	<u>2,391,971,174</u>
Hiring Charges	<u>158,904,724</u>	<u>286,223,621</u>
Insurance	<u>42,994,446</u>	<u>20,382,975</u>
Repairs to Plant & Machinery	<u>195,541,556</u>	<u>133,165,315</u>
	5,307,844,833	4,067,098,225

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	2009-10 (₹)	2008-09 (₹)
SCHEDULE-16 PERSONNEL EXPENSES		
Payments to & Provison for Employees		
Salaries, Wages, Bonus, Gratuity etc.	767,404,561	544,809,372
Staff Welfare	17,598,562	17,776,833
Contribution to Provident Fund	9,837,299	9,339,655
Contribution to ESI	24,718	64,196
Directors Remuneration	20,693,292	18,960,603
	815,558,432	590,950,659
SCHEDULE-17 ADMINISTRATIVE & OTHER EXPENSES		
Rent	33,682,233	29,278,059
Rates & Taxes	5,060,133	4,242,487
Advertisement	1,487,129	2,794,916
Travelling & Conveyance Expenses	132,882,746	86,692,636
Vehicle Repair & Maintenance Expenses	32,738,541	32,162,036
Repair & Maintenance to others	40,723,071	14,304,737
Telephone Expenses	15,879,311	14,064,952
Legal & Professional Charges	218,804,354	178,641,434
Charity & Donation	268,980	513,651
Fees & Subscription	1,242,365	1,187,637
Directors Sitting Fees	528,000	340,500
Miscellaneous Expenses	207,997,388	87,690,576
Payment to Auditors		
For Statutory Audit Fees	2,261,030	2,949,295
For Consolidated Audit Fees	50,000	50,000
For Tax Audit Fees	250,000	250,000
For Other Matters	1,510,000	1,260,012
Bad Debts Written Off	15,624,988	-
Insurance Claim Written off	38,442,395	
FCCB Issue Expenses Written Off	-	24,849,494
Deferred Revenue Written Off	41,728,722	27,160,902
Assets Written Off	30,992,272	11,003,385
Loss due to Currency Fluctuation	9,565,205	-
Loss on Forward Contracts	12,932,500	13,473,000
	844,651,363	532,909,709
SCHEDULE-18 INTEREST & BANK CHARGES		
Interest on Term Loans	1,620,371,026	681,764,573
Interest on Cash Credits	115,759,991	70,511,364
Interest to others	24,556,343	39,664,940
Bank & Financial Charges	169,403,015	53,020,259
	1,930,090,375	844,961,136

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 19. NOTES ON CONSOLIDATED ACCOUNTS

1. BASIS OF CONSOLIDATION

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

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

*Balance 1% ownership is held by SV Oil & Natural Gas 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, 2010.
- vi Minority interest's share being loss for the year is identified and adjusted against the income in the profit & loss account in order to arrive at the net income attributable to shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Revenue Recognition

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

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

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

ii Fixed Assets and Capital work-in-progress

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

iii Depreciation and amortization

Depreciation on fixed assets is provided on the straight-line method at the rate prescribed under Schedule XIV to the Companies Act, 1956. Depreciation for assets purchased / sold, impaired or discarded during a period is proportionately charged. Individual low cost assets (acquired for less than ₹ 5,000/-) are depreciated fully in the year of purchase.

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

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

iv Impairment of assets

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

v Investments

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

vi Inventories

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

vii Foreign Currency Transactions

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

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

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

Exchange difference arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets in Indian Company, are recognized as income or expenses for

the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognized as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.

viii **Retirement & Other benefits to employees**

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

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

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

ix. **Borrowing Costs**

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

x **Taxes**

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

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

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

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

xi **Earnings 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.

xii **Miscellaneous Expenditure**

Preliminary expenditure/share issue expenses are being written off over a period of ten years.

3. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

	MARCH 2010 (₹)	MARCH 2009 (₹)
i. Amount unpaid on investment in shares: - - 5,000 Equity Shares of Parasrampur Synthetics Ltd.	35,000	35,000
ii. Counter Guarantees given in respect of Guarantees Issued by the Company's bankers to Oil & Natural Gas Corpn. Ltd. (ONGC) and Oil India Ltd. (OIL) (Includes ₹470 Million for guarantees issued against pledge of 902,500 shares of the company held by directors and a third party).	2,542,111,774	2,733,335,460
iii. Unexpired letters of credit	251,265,002	103,475,012
iv. Income Tax Demands in appeal	Nil	7,925,329
v. Corporate Guarantees given to Financial Institutions/ Banks for securing financial assistance for a subsidiary Company and other Company	2,344,037,361	6,501,285,672
vi. Estimated Value of capital commitments (Net of advances)	313,000,000	2,087,700,000
vii. Sales Tax demands*	1,240,768	1,240,768
*To be adjusted against refund granted for ₹13.39 Millions		
viii. Customs Duty	1,250,000	1,250,000
ix. Service Tax Demand	549,531,062	549,531,062

4. 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 lower by ₹ 1,177,002/- (Previous Year ₹ 107,673,758/-) to the Consolidated Profit & Loss Account.
2. The profit in the consolidated accounts is higher by ₹ 1,177,002/- (Previous Year ₹ 107,673,758/-) and
3. The fixed assets in consolidated accounts have been stated higher by ₹ 1,177,002/- (Previous Year ₹ 107,673,758/-)

However in the books of Subsidiary Company -Oman, depreciation on Rigs has been changed to 4.75% pa on Straight Line Method (SLM) as against 15% charged in earlier years. This has resulted in a lower depreciation of ₹ 89,032,412/- for the year.

5. The External Commercial Borrowings [ECBs] outstanding :

	March, 2010	March, 2009
ICICI (US\$ 44 M)	US\$ 39,998,304	US\$ 44,000,000
Exim Bank (US\$ 55 M)	US\$ 33,661,281	US\$ 44,018,599

6. Fixed Assets

The registration of leasehold Building acquired is in process

7. Share Capital
a) Preferential Allotment of equity shares

The company has during the year allotted 2,457,895 equity shares of ₹ 10/- each at a premium of ₹ 370/- per equity share to Templeton Strategic Emerging Markets Fund III LDC on preferential basis resulting in increase of Paid Up Share Capital by ₹ 24,578,950 and in Securities Premium amount by ₹ 909,421,150/-

b) **Equity Share Warrants forfeiture**

6,000,000 equity share warrants was issued to promoters on 29th March 2008 on preferential basis. Each warrant was to be converted into 1 equity shares of ₹10/- each at a premium of ₹ 650/- per share in one or more tranches at the option of warrant holders before the expiry of 18 months from the date of allotment of such equity share warrants. As required by SEBI Guidelines, subscribers had deposited non-refundable amount of ₹ 396,000,000/- towards application money, an amount equivalent to 10% of the total consideration.

These warrant holders were allotted 6,000,000 warrants. However, they did not exercise their right to convert the warrants into equity shares till the expiry of the conversion period. Accordingly the application money of ₹ 396,000,000/- was forfeited by the Company and credited to the Equity Share Warrants Forfeitures Account.

8. **Secured Loans**

- a. Rupee Term Loan from Punjab National Bank of ₹ 48.32 Millions (Previous year ₹ 149.36 Millions) is secured by 1st pari passu charge on the block assets (Present & Future) from such loan & further collateral secured by way of pledge of 825,000 shares of the company being part of promoters stake.
- b. Rupee Term Loan from State Bank of Patiala of ₹ 160.94 Millions (Previous year - ₹ 498.57 Millions) is secured by first charge on all fixed assets of the company except the fixed assets which are exclusively charged. Further collaterally secured by way of pledge of 1,880,000 shares of the company being part of promoter's stake.
- c. Rupee Term Loan from Union Bank Of India of ₹ 606.79 Millions (Previous year ₹ Nil) is secured by first pari passu charge on movable fixed assets & further collateral secured by way of pledge of 100,000 shares of the company being part of promoters stake.
- d. Foreign Currency Term Loan ICICI Bank Ltd. of ₹ 1,769.90 Millions (Previous year - ₹ 1,946.86 Millions) is secured by first charge over respective present and future fixed assets acquired from such loans & receivables of the contracts for which the loans have been obtained.
- e. Foreign Currency Term Loan from Export - Import Bank of India (EXIM) of ₹ 1,527.37 Millions (Previous year - ₹ 2,253.06 Millions) is secured by first charge over respective present and future fixed assets acquired from such loans & receivables of the contracts for which the loan has been obtained.
- f. All other term loans from Financial Institutions / Banks except above are secured by way of 1st charge on pari passu basis on all movable & immovable assets of the company (save and except book debts) machinery, machinery spares, tools and accessories present and future except on which another bank is having an exclusive first charge for loan granted to the company.
- g. All working capital loans from banks are secured by way of hypothecation of stocks of consumable stores and spares and book debts of the company, both present and future and also 1st charge on Plant & Machinery except on specific plant & machinery of ₹ 22.60 Millions exclusively charged to State Bank of India. The Working Capital Loans from State Bank of India and Punjab National Bank are further secured against pledge of 778,400 and 1,523,500 equity shares of the Company (being part of promoters stake) respectively.
- h. All Term loans & Working capital loans are also personally guaranteed by Shri Prem Singhee, Chairman and Managing Director and Shri Padam Singhee, Joint Managing Director.
- i. Amount repayable (term loans) within one year ₹ 3,418.70 Millions (previous year ₹ 2,924.20 Millions).
- j. Loan in foreign currency ₹ 121.54 Millions (Previous year ₹ 252.44 Millions): Term loan from Bank, Muscat SAOG secured by way of exclusive first charge on the entire property, Plant and Machinery acquired out of the loan, Assignment of receivables under contract No.C31/0312 with Petroleum Development Oman LLC, Assignment of insurance policies over Property, Plant and Equipments, Corporate Guarantee and Undertaking from Shiv-Vani Oil & Gas Exploration Services Ltd. (Parent Company).
- k. Deferred Creditors are secured by way of hypothecation of specific assets acquired under hire purchase. A sum of ₹1.37 Millions (Previous year ₹ 51.01 Millions) from United Finance Company, SAOG, Muscat are additionally guaranteed by Shiv-Vani Oil & Gas Exploration Services Ltd. Amount payable within one-year is ₹ 1.37 Millions (Previous year ₹ 48.37 Millions).
- l. Loan in foreign currency ₹ 2,014.37 Millions (Previous year ₹ 2,700.68 Millions) : Term loan from Standard Chartered Bank is secured by way 1st Fixed & Floating Charges on all assets of SV Oil & Natural Gas Ltd. Mauritius.
- m. Loan in foreign currency ₹ 2,925.61 Millions (Previous year ₹ 3,882.39 Millions): Term loan from ICICI Bank Ltd. is secured by first pari passu basis on all assets of Natural Oil & Gas Services Ltd. Mauritius.

- n. Loan in foreign currency ₹ 1,309.06 Millions (Previous year ₹ Nil) : Term loan from DBS Bank Ltd. is secured by first pari passu basis on all assets of Natural Oil & Gas Services Ltd. Mauritius.

9. Others

- i. The company had entered into forward contracts for hedging of foreign currency risk, the difference between forward rate and exchange rate at the inception of the contract is recognized as income or expenses at the termination of contract. Further, the exchange differences arising on such contracts are recognized as income or expenses along with the exchange difference on the underlying assets / liabilities.
- ii. The company has not received any intimation from 'suppliers' regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 could not be provided.
- iii. The payment of Provident Fund Dues amounting to ₹6,560,365/- (₹ 8,242,628/-), ESI amounting NIL (₹48,076/-), Tax deducted at Source amounting to ₹ 66,099,897/- (₹ 2,173,412/-), Service Tax ₹ 746,938,289/- (₹ 137,558,236/-), VAT ₹ 15,537,418/- (₹ 45,479/-) & Fringe Benefit Tax Nil (₹ 7,284,168/-) Income Tax (A.Y. 2009-10) of ₹ 117,990,355/- and FBT (A.Y. 2009-10) ₹ 380,573/- was delayed. These amounts were later deposited with the appropriate authorities. Figures mentioned in brackets are of previous year.
- iv. Fixed Deposits of ₹ 267.07 Millions (Previous year ₹ 136.88 Millions) are under lien in respect of guarantees / Letters of credit issued by the banks.
- v. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to ₹ 64,364,466/- (Previous Year ₹ 39,354,801/-) has been reduced from the gross block.
- vi. Interest on Finance Charges includes ₹ 57,988,228/- paid on account of difference in rates of foreign currency for hedging of interest on ECB.
- vii. The previous years figures have been regrouped / rearranged wherever found necessary. The figures have been rounded off to the nearest rupee.
- viii. Managerial Remuneration*

	MARCH 2010	MARCH 2009
Salary	17,900,000	16,700,000
Accommodation		
- for rent	1,800,000	1,400,000
- for expenses	993,293	860,603
Contribution to Provident Fund	2,148,000	2,004,000
	22,841,293	20,964,603

*The above Remuneration has been paid to the Chairman & Managing Director and Joint Managing Director in Accordance with Schedule XIII of the Companies Act, 1956 read with Section 198 & 309 of the Companies Act, 1956.

- ix. The company has during the year imported machinery worth ₹ 326,079,752/- (Previous Year ₹ 2,972,825,915/-) under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty exemption .
- x. The Ministry of Corporate Affairs, Government of India vide its Order No. 47 / 453 / 2010 - CL - III dated 17th May, 2010 issued under section 212(8) of the Companies Act, 1956 has exempted the Company from attaching the Balance Sheet and Profit and Loss Account of its Subsidiaries under section 212(1) of the Companies Act, 1956.
- xi. In case of parent company, future liability of Gratuity for ₹ 43.35 Millions (Previous year - ₹ 30.96 Millions) for employees has been provided in the books of accounts. However the company has now adopted an approved plan for the payment of gratuity based on actuarial valuation carried by Life Insurance Corporation of India.
- xii. 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.

xiii. In view of the certificate for deduction of tax at a lower rate sought u/s 195 of the Income Tax act 1961 from the Income tax department by an overseas party, the TDS on lease rentals on machinery received from such overseas party has been deposited @4.233% instead of 10.5575% by the Company.

In case no certificate is granted to the party, the difference amount of ₹ 31,167,064/- and interest thereon till the date of the payment shall be charged to the accounts in the subsequent year.

xiv. The name of SV Oil & Natural Gas Ltd., Mauritius, a subsidiary company, has been changed to Oriental Oil & Gas Services Ltd. w.e.f. 17th June, 2010.

xv. There are no amounts due and outstanding to be credit to Investor' Education and Protection Fund.

10. RELATED PARTY DISCLOSURE

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

Subsidiary

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

Fellow Subsidiary

1. Oil Blocks Holdings Ltd.	CYPRUS
2. SV Videsh Ltd.	CYPRUS

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

Name of Key Persons

1. Prakash Singhee
2. Mayank Singhee

11. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Particulars	2009-10	(Amount in ₹) 2008-09
a) Numerator		
Net Profit after taxation as per profit & loss a/c	1,991,152,401	1,927,153,672
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	43,963,212	43,902,606
Basic (EPS of face value of ₹10/- each)	45.29	43.90

DILUTED EARNINGS PER SHARE

Particulars	2009-10	(Amount in ₹) 2008-09
a) Numerator		
Net Profit after taxation as per profit & loss a/c	1,991,152,401	1,927,153,672
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	43,963,212	49,902,606
Diluted (EPS of face value of ₹10/- each)	45.29	38.62

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

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

September 1, 2010

For and on behalf of the Board

Prem Singhee Chairman & Managing Director

Padam Singhee Joint Managing Director

Rajan Gupta Chief Financial Officer

Vimal Chadha Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31 March 2010 (₹)	31 March 2009 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	2,601,931,647	2,481,824,781
Adjustment for:		
1. Depreciation	1,071,609,443	502,213,734
2. FCCB Issue Expenditure Written off	–	24,849,494
3. Deferred Revenue Expenditure	41,728,722	27,160,902
4. Investments (Interest Income)	(13,904,385)	(16,524,470)
5. Interest Expenditure	1,930,090,375	845,842,291
6. Profit on Sale of Fixed Assets (Net)	(6,441,353)	(29,842,683)
7. Fixed Assets written off	30,992,272	11,553,387
Operating Profit before Working Capital Charges	5,656,006,721	3,847,077,436
1. Trade & Other Receivables	(2,371,882,666)	126,694,465
2. Inventories	109,678,354	(638,822,019)
3. Trade Payable & Provisions	1,231,007,258	1,163,263,246
Cash Generation From Operations	4,624,809,665	4,498,213,127
1. Interest paid	(1,930,090,375)	(845,842,291)
2. Direct Taxes Paid	(453,530,784)	(351,656,977)
	2,241,188,506	3,300,713,859
Cash Flow Before Extra Ordinary Items		
1. Extraordinary items	196,823,129	(137,880,139)
Net cash From Operating Activities	2,438,011,635	3,162,833,720
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (net)	(6,783,179,759)	(15,967,038,134)
Sale of fixed assets	38,799,726	174,215,146
Interest Received	13,904,385	16,524,470
Purchase of Investments	(500,000)	–
Net Cash From Investing Activities	(6,730,975,648)	(15,776,298,518)

	31 March 2010 (₹)	31 March 2009 (₹)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long and short term borrowings	3,025,394,860	13,012,125,040
Increase in Share Capital	24,578,950	4,000
Premium on issue of equity shares	909,421,150	-
Change in Minority Interest	(6,684)	(4,543)
Change in Misc Expenditure	(100,000,000)	28,500
Net cash flow from financing activities	3,859,388,276	13,012,152,997
Net Increase In cash and Cash Equivalents	(433,575,736)	398,688,199
Cash and cash equivalents at the beginning	1,033,631,270	634,943,070
Cash and cash equivalents at the closing	600,055,533	1,033,631,270

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

New Delhi
September 1, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Auditors' certificate

We have examined the attached consolidated cash flow statement of Shiv Vani Oil & Gas Exploration Services Ltd for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of the listing agreement clause 32 with the stock exchanges and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **Vijay Prakash Gupta & Associates**
Firm Registration No. 005570N
Chartered Accountants

New Delhi
September 1, 2010

Vikas Varshney
Partner
Membership No.510929

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 AS AT 31.03.2010

Name of Subsidiary Company	TNG SHIV GEO SERVICES LIMITED	SHIV-VANI OIL SERVICES LIMITED	SHIV VANI OIL & GAS CO. LLC, OMAN #	*SV OIL & NATURAL GAS LTD., MAURITIUS #		OIL BLOCKS HOLDINGS LTD., CYPRUS #		SV VIDESH LTD., CYPRUS #		NATURAL OIL & GAS SERVICES LTD., MAURITIUS #		SHIV VANI SINGAPORE PTE LTD., SINGAPORE #	
	(₹)	(₹)	Omani Rial	USD	(₹)	USD	(₹)	USD	(₹)	USD	(₹)	USD	(₹)
1. Share Capital	500,000	10,000,000	500,000	34,000	1,534,760	1,573	71,005	1,573	71,005	11,400,001	514,596,045	71	3,205
2. Reserves & Surplus	(111,903)	389,665	3,959,551	37,061,906	1,672,974,437	(13,474)	(608,216)	(13,385)	(604,199)	5,462,278	246,567,229	(613,714)	(27,703,050)
3. Total Assets	388,097	10,389,665	11,883,195	114,440,718	5,165,854,011	7,455	336,519	7,455	336,519	147,458,056	6,656,256,648	287,918	12,996,619
4. Total Liabilities	-	-	7,423,644	77,344,812	3,491,344,814	19,356	873,730	19,267	869,712	130,595,777	5,895,093,374	901,561	40,696,464
5. Investments (included in Total Assets)	-	-	-	16,146	728,830	-	-	-	-	-	-	-	-
6. Total Income	-	429,000	6,577,001	31,796,185	1,435,279,791	-	-	-	-	9,762,760	440,690,986	42	1,896
7. Profit/(loss) before Tax	(13,640)	417,985	4,086,919	14,087,602	635,914,354	(6,118)	(276,167)	(6,118)	(276,167)	6,187,031	279,282,579	(6,412)	(289,438)
8. Provision for Income Tax	-	-	163,193	-	-	-	-	-	-	-	-	-	-
9. Profit/ (loss) after Tax	(13,640)	417,985	3,923,726	14,087,602	635,914,354	(6,118)	(276,167)	(6,118)	(276,167)	6,187,031	279,282,579	(6,412)	(289,438)

* The name of SV Oil & Natural Gas Ltd., Mauritius has been changed to Oriental Oil & Gas Services Ltd. with effect from 17-06-2010.

The Foreign currency figures of Shiv Vani Oil & Gas Co. LLC, Oman, SV Oil & Natural Gas Ltd., Mauritius, Oil Blocks Holdings Ltd. Cyprus, SV Videsh Ltd., Cyprus, 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, 2010*: 1 Omani Rial = ₹117.413; 1 USD = ₹ 45.14

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

For and on behalf of the Board

for **VIJAY PRAKASH GUPTA & ASSOCIATES**

Firm Registration No. 005570N

Chartered Accountants

(Vikas Varshney)

Partner

M.No. 510929

New Delhi

September 1, 2010

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