

**17th
Annual Report
2007-08**

Exploring and Exploiting Oil and Natural Gas



**SHIV-VANI OIL & GAS
EXPLORATION SERVICES LTD.**

(An ISO 9001-2000 Company)

BOARD OF DIRECTORS

Mr. Prem Singhee, *Chairman & Managing Director*
Mr. Prateep Kumar Lahiri, *Non Executive & Independent Director*
Mr T S R Subramanian, *Non Executive & Independent Director*
Capt. Hiteshi Chander Malik, *Non Executive & Independent Director*
Mr. Dwarka Das Daga, *Non Executive Director & Independent Director*
Mr. Om Prakash Garg, *Non Executive & Independent Director*
Mr. Padam Singhee, *Joint Managing Director*
* Mr. Llewellyn Neville Vaz, Nominee, Industrial Development
Bank of India Ltd
(* Nomination withdrawn w.e.f. 1st September, 2008.)

**COMPANY SECRETARY
& COMPLIANCE OFFICER**

Mr. Vimal Chadha

AUDITORS

M/s Vijay Prakash Gupta & Associates
E-216, 3rd Floor, White House, Ansari Road,
Darya Ganj, New Delhi-110002

PRINCIPAL BANKER

State Bank of India
Industrial Finance Branch
Jawahar Vyapar Bhawan
1, Tolstoy Marg, New Delhi - 110 001

REGISTERED OFFICE

Tower 1, 5th Floor, NBCC Plaza, Sector V,
Pushp Vihar, Saket, New Delhi - 110 017

**REGISTRAR & SHARE TRANSFER
AGENT**

Intime Spectrum Registry Limited,
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, New Delhi-110028.
Tel. : 011-41410592-94 Fax : 011-41410591
Email : delhi@intimespectrum.com

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company together with the Annual Accounts for the period ended 31st March, 2008

FINANCIAL RESULTS

(Rupees in Crores)

	Year ended 2007-08 (15 Months)	Year ended 2006 (12 Months)
Contract Revenue and other Income	418.36	213.32
Profit before Interest, Depreciation and Taxation	175.39	78.67
Interest	61.48	19.66
Depreciation	32.38	18.97
Profit before Taxation	81.53	40.04
Provision for Tax		
- Current year	17.61	9.42
- Fringe Benefit	0.56	0.28
- Deferred	8.40	4.68
Net Profit after tax	54.12	25.66
Add : Surplus brought forward from previous year	121.43	95.67
Add Excess Appropriation written back	---	1.35
	175.55	122.68
Appropriations made as under :		
Transferred to General Reserve	1.00	1.00
Transferred to Capital Redemption Reserve	---	0.25
Surplus carried forward to the next year	174.55	121.43
	175.55	122.68

OPERATING RESULTS

The Company's Contract Revenue has increased from Rs 213.32 Crores to Rs 418.36 Crores during the period ended 31st March, 2008 registering an increase of about 96.12 % .

The resultant profit before taxation (PBT) has also increased from Rs 40.04 Crores to Rs 81.53 Crores i.e an increase of 103.62 %.

The net worth of the Company has registered an increase of 212.52 % from Rs 204.43 Crores to Rs 638.88 Crores as on 31st March, 2008.

OPERATIONS REVIEW

During the period under review, the company has successfully completed various projects like Workover, Deep Drilling, Seismic Acquisitions, Gas Compressors, Crew Boats etc. All the ongoing projects are running as per schedule to the satisfaction of our esteemed clients.

During the period under review, your Company also commenced integrated services like Directional Drilling.

During the period under review, your Company started prestigious CBM (Coal Bed Methane) Project for ONGC Ltd. at Bokaro - Jharkhand. The CBM project is first of its kind turnkey integrated project. USD 200 Million project is being implemented in consortium with Express Drilling, US. and MECL, Nagpur. The project is progressing well, as scheduled.

In addition to above, the following major new projects were awarded during the review period : -

- (a) 8 Rigs Project from ONGC Ltd. (7 Rigs of 2000HP and 1 Rig of 3000HP) for a period of three years - contract value Rs. 1610 Crores.
- (b) 4 Rigs projects from Oil India Ltd. (2000 HP) for a period of three years - Contract Value Rs. 261 Crores.
- (c) 3 Work-Over Rigs project form ONGC Ltd. for a period of three years - contract value Rs. 86 Crores.

CONVERSION OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

During the period under review, the entire FCCBs issue of US\$ 55 million (except US \$ 0.5 Million which equivalent to 500 Bonds were redeemed) got converted into 92,08,356 Equity Shares. As on 31st March, 2008, there is no outstanding FCCBs for conversion/ redemption. Due to conversion of FCCBs, the net worth of the Company has increased by Rs 250.31 Crores during the period.

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, 2008.

DIRECTORS'

During the period, Mr Rajender Kumar Sanghi had resigned from the directorship of the Company w.e.f 21st September, 2007. The Board places on record its gratitude for the valuable services rendered and guidance provided by Mr Sanghi during his tenure with the Company.

The nomination of Mr L N Vaz, Director has been withdrawn w.e.f. 1st September, 2008, by Industrial Development Bank of India Ltd. vide their letter No SS-ICG.53/177/Nom.8 dated 25th August, 2008. The Board places on record its gratitude for the valuable services rendered and guidance provided by Mr Vaz during his tenure with the Company.

At the ensuing Annual General Meeting Mr Prateep Kumar Lahiri will retire by rotation and being eligible offer himself for re-appointment in terms of provisions of Articles of Association of the Company.

Further Mr Hiteshi Chander Malik and Mr Thirumanilayur Sitapati Ramana Subramanian (Mr T S R Subramanian) were appointed as Additional Directors on the Board of the Company on 30th October, 2007. They shall hold office upto the date of ensuing annual general meeting of the company and being eligible, offer themselves for appointment.

The brief resume/ details relating of directors who are to be appointed/ re-appointed are furnished in the explanatory statement to the notice of the ensuing annual general meeting.

Your directors recommend their appointment/ re-appointment at the 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 : -

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) That appropriate accounting policies have been selected and applied consistently and made judgements 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 period and of the profit of the Company for that period;
- (iii) That Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- (iv) That annual account for the period ended 31st March, 2008 have been prepared on a going concern basis.

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

The Company's shares are listed on the National Stock Exchange of India (NSE) and Bombay Stock Exchange Ltd. (BSE) and are actively traded.

During the period under review, 92,08,356 Equity Shares of Rs 10/- each were issued on conversion of FCCBs and these were listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE).

The Company has allotted 60,00,000 Warrants on 29th March, 2008, convertible into equal number of Equity Shares in the Company with in period of 18 Months from the date of Allotment

FINANCIAL YEAR

The Financial Year of the Company has got changed From 1st January - 31st December. To 1st April - 31st March each year, consequently the present Financial Year is of 15 Months From 1st January 2007-To 31st March 2008.

AUDIT COMMITTEE

Your Company has an Audit Committee to meet the requirement of the Companies Act, 1956 as well as Listing Agreement with the Stock Exchanges. The details of the Audit Committee is given under the Corporate Governance Report.

AUDITORS

M/s Vijay Prakash Gupta & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Statutory Auditors for the financial year 2008-09.

The Company has received a certificate from the auditors to the effect that their appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their appointment.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is annexed to this Report.

STATEMENT OF EMPLOYEES' PARTICULARS

The statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and rules framed there under is given below : -

Name	Desgn.	Age (Years)	Date of Appointment	Qualifications	Gross Remuneration (Rs.)	Experience (Years)	Previous Employment
Mr. Prem Singhee	CMD	50	Since incorporation	B. Com.	90,29,300/-	21 & 8 month	Partner Perfect Tubewell Corpn.
Mr. Padam Singhee	JMD	43	11.01.1990	B. Com.	83,77,900/-	17 8 month	Nil
Mr Clinton Miller*	GM (Projects)	46	12.02.2008	HSC - 2 yrs	406,389/-	25 yrs & 8 months	Worked with BHI as a Directional Driller from 2005-07.

Note : Remuneration includes salary, allowances, monetary value of perquisites as per the Income Tax Act. 1961, company's contribution to Provident fund, etc.

* Employed for part of the year

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

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

(A) CONSERVATION OF ENERGY

- (a) Energy conservation is on going process and there is a continuous programme to create awareness at various sites and motivate the employees to conserve energy. The various measures taken by the Company are as under:-
1. Wherever possible local power connections were tapped and the running of generators is minimized.
 2. Inefficient Engines have been replaced with efficient ones for the economic running.
 3. Rigs are maintained properly to keep the fuel consumption minimal.
 4. Running of automobiles is controlled by reducing avoidable trips and locating the working crew close to work spot.

(B) TECHNOLOGY ABSORPTION

(a) RESEARCH & DEVELOPMENT

- (i) Specific areas in which R & D carried out by the Company :-
New technologies have been introduced in seismic acquisitions to overcome difficulties in the retention of the hole drilled through boulder beds. These are:-
- a) Odex System for truck mounted and man-portable operations.
 - b) Guiding bit for casing of the hole while drilling.
 - c) Different types of mud additions are introduced to avoid collapse of formation.
- (ii) Benefits derived as a result of R & D : -
- (a) Reduction in the "loss of depth" in drilled holes.
 - (b) Increased acceptance of shot holes leading to enhanced production.
- (iii) Future plan & action
The Company is planning to streamline the operations and improve productivity per unit per man operation. Further the Company is also investing in technology of various integrated services.

(iv) Expenditure as R & D :-		
Capital	:	Nil
Recurring	:	Nil
Total		Nil
Total R & D expenses	:	
as a % of total turnover	:	Nil

(B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- (i) Efforts made towards technology absorption, adaptation & innovation
- Indigenous development of drilling units, modules have been adapted.
 - International standard has been observed in the various exploration services. Drilling technology is indigenous.
 - International standards are being adopted in seismic data acquisition.
- (ii) Benefits derived as a result of the above efforts e.g. productivity improvement, cost reduction, product development, import substitution etc.
- (iii) In case of imported technology following information may be furnished:
- | | | |
|---|---|---|
| — Technology imported | — | Seismograph with all accessories for channels, Global positioning System Seismic Data Processing System, Seismic Field Designing System |
| — Year of Import | — | 2007-08 |
| — Has technology been fully absorbed | — | Yes |
| — If not fully absorbed, areas where this has not taken place, reason & future plans of action. | — | N.A. |

(c) FOREIGN EXCHANGE EARNING & OUTGO

	31st March, 2008 (Rs.)	31st December, 2006 (Rs.)
(i) Foreign Exchange Earnings :		
Contract Revenue	45,87,96,938	16,09,23,324
Interest on FDR	1,23,96,741	7,37,72,849
Total	471,193,679	23,46,96,173
(ii) Foreign Exchange Outgo :		
- On Foreign Travelling	62,74,195	19,14,274
- On Interest- Capital Nature	10,11,06,793	77,13,880
- Professional Charges		
Capital nature	5,83,70,400	Nil
Revenue nature	4,33,738	59,672
- Repair & Maintenance	Nil	4,63,587
- Bank Charge	1,94,845	1,81,438
- Annual Membership Fee & Subscription	2,64,110	85,310
- Business promotion	1,51,111	Nil

- Recruitment & Training	59,175	Nil
- Contract Expenses	5,00,55,195	Nil
Total	21,69,09,562	1,04,18,161

SUBSIDIARY COMPANIES

As required under the provisions of Section 212 of the Companies Act, 1956, a statement of the holding company's interest in the subsidiary companies is attached and annexed form part of this report.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company.

The Company will make available these documents/details upon request by any Shareholder of the Company or Subsidiary. The Annual accounts of the Subsidiary Companies are also available for Inspection by the Shareholders at the Registered Office of the Company and also that of its respective Subsidiaries. However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes the financial Information of its Subsidiaries.

The following information in aggregate for each Subsidiary are also being disclosed (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case if investment of subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (i) proposed dividend. The said information is given in 'Annexed' and form part of this report.

CONSOLIDATED ANNUAL ACCOUNTS

As per the requirements of the Listing Agreement, audited consolidated financial statements conforming to the applicable accounting standards are attached to the annual report. A summary of the consolidated financial performance of the Company and its subsidiary companies, after eliminating inter company transactions, is as follows:

Sales/Turnover	Rs. 583.52 Crores
Profit before Tax	Rs. 119.82 Crores
Total Assets employed	Rs. 1792.40 Crores
Total Shareholders Funds	Rs. 710.25 Crores

LISTING/DELISTING OF EQUITY SHARES

The Company's shares are listed at BSE (Bombay Stock Exchange) and NSE (National Stock Exchange of India Ltd.). The listing fee to all the Stock Exchanges has been paid for the year 2007-2008.

PERSONNEL

Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work and commitment.

ACKNOWLEDGEMENTS

The Directors have pleasure and acknowledge the support and wise counsel extended to us by the analysis, clients, bankers, government agencies, shareholders and the investors at large. We look forward to having the same support in future.

For and on behalf of the Board

New Delhi
September 5, 2008

(Prem Singhee)
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSIONS & ANALYSIS

The Economy

India's progressive emergence as one of the world's more stable and dynamic economies has fuelled widespread confidence in the BRIC thesis, which forecasts that along with Brazil, Russia and China, India is on its way to the top four slots in global economic hierarchy.

India has now moved into Trillion Dollar Economy Club of the select ten economies. However high oil prices have triggered a domino effect on economy. The issue of high crude oil prices snowballing into wider economic slow down is a global one. Though non fundamental factors like speculation and weak dollar may also have played a role in crude price increase, it is largely the traditional fundamentals of demand and supply which are the major reasons. Demand for petroleum has been growing globally, whereas supply of this finite resource remained under pressure.

According to the World Economic Outlook, April 2008, the Global GDP rate, at constant prices, has grown by an average 4.59% annually in the last five years. The growth is led by developing economies like us with an average annual growth of 7.28% in the last five years. China and India lead with a five year average annual growth rate of 10.6% and 8.57%, respectively.

This growth has translated into growing demand for oil. On the contrary, the supply had lagged behind this rising demand. For long, the FSU (Former Soviet Union) and OPEC bailed out such crisis despite dwindling supplies from other major oil producers. The global oil production too has declined marginally by 0.2% and every other producer, namely the European Union (EU), OECD, OPEC and non OPEC, except Former Soviet Union (FSU) countries, have registered decline.

OPPORTUNITIES & THREATS

High oil prices regime has now encouraged the industry to invest in developing oil & gas capacity and monetizing them. There is unprecedented level of E&P activities over the world. The E&P companies are now stretching themselves beyond conventional resource centers, exploring frontier areas including deepwater and ultra-deepwater provinces. Finally there is a genuine effort to recover the deficiencies.

According to Cambridge Energy Research Associates (CERA) and United States Geological Survey (USGS), a large pool of hydrocarbon still lies undiscovered.

There is significant increase in Oil hunt in India backed by NELP I to VII and CBM I to III rounds.

The increased E&P activities also face the steep rise in the cost of hiring services and equipments. Costs of Rigs and exploration equipments have increased substantially in last few years worldwide.

OUTLOOK

Industry will have to be more techno innovative and cost effective to ensure adequate supplies of oil and natural gas at affordable prices. Developing technologies of tomorrow becomes imperative.

Gas is gaining prominence as the bridge fuel and efforts are on to exploit India's natural endowment in gas in all its dimensions, like Coal Bed Methane (CBM), Underground Coal Gasification (UGC) and Gas Hydrates. There exploitation requires significant technology and capital infusion.

To meet various exploration targets, availability of sufficient number of Rigs and Exploration equipments equipped with latest technologies is important.

To meet this increasing requirement, your Company has invested substantially in equipments & technologies to ensure availability of quality resources with latest technologies.

RISKS AND CONCERNS

Shiv-Vani's business model is pure exploration services based one which is capital intensive but with low risk.

Security of personnel and property is a cause of concern in some of the areas where we operate. There are inherent Health, Safety and Environment risks involved in Oil & Gas business.

INTERNAL CONTROL SYSTEMS

The internal control systems and procedures of your Company ensure an effective and gainful utilization of resources. The Internal Audit Department of your Company regularly evaluates various operational and financial matters. Significant audit observations are periodically reviewed by the Audit Committee and Board of Directors and necessary directions are issued whenever required.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Within the given mandate, your Company crafted several welfare measures for its employees. These measures primarily aim at retaining and nurturing talent.

Your Company focuses on maintaining competitive competence of its employees and invests extensively to augment human resource capacity and quality through tailored training and development programmes.

HEALTH, SAFETY & ENVIRONMENT

Your Company is following Health, Safety & Environment norms of International standards. Having a transnational presence and working with Companies like SHELL, ONGC, Oil India Limited, etc. have been a great learning curve to strengthen HSE standards across the organization.

CAUTIONARY STATEMENT

These discussions are forward looking within the meaning of the applicable laws and regulations. Actual performance may deviate from the explicit or implicit expectations.

For and on behalf of the Board

**New Delhi
September 5, 2008**

**(Prem Singhee)
Chairman & Managing Director**

ANNEXURE TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on corporate Governance is given below:

Philosophy on corporate governance

1 Your Company cherish and appreciates the noble idea of Corporate Governance and endeavor not only to abide by and comply with, the stipulated requirements related thereto, both in its word and sprit, but has also voluntary contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information to and expedient redressal of grievances of, investors and public in general. The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles and with a earnest attempt to accomplish the same:

- (a) Transparency:
To maintain in all aspects, high standards of transparency, in our interactions and dealings.
- (b) Disclosures:
To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.
- (c) Accountability:
To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.
- (d) Compliances:
To comply with all the laws and regulations as applicable to the Company.
- (e) Ethical conduct:
To conduct in an ethical manner, the affairs of the Company.
- (f) Stakeholders' interest:
To promote the interests of all stakeholders including of customers, shareholders, employees, tenders, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

MANDATORY REQUIREMENTS

A. Board of Directors

I. Composition

The Board of the Company comprises of Eight Directors as on 31st March, 2008 this includes Two Executive Directors and Six Independent Non-Executive Directors including a nominee director of IDBI. The Chairman of Company is an Executive Director.

Out of Eight Directors of the Company, Six Directors are liable to retire by rotation and remaining Two Directors are Non-Rotational Directors. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election. The number of Board of Director is within the limits prescribed in the Articles of Association of the Company.

Particulars of present Directors of the Company and their directorship in other companies, membership / chairmanship in committees across such other companies in which they are Directors:

There are no pecuniary relationship or transactions between Independent Directors and the Company and they are Independent Directors in accordance with the definition of Independent Directors of Listing Agreement.

Name of the Director	Category	#Number of other Committees *Membership / Chairmanship	^No of other Directorship held	Directorship Tenure (Approx.)
Mr. Prem Singhee	Executive Chairman & Managing Director – Promoter	Nil	Nil	5 Since incorporation
Mr. Padam Singhee	Executive Joint Managing Director	Nil	Nil	7 18 years & 07 months
Mr. Prateep Kumar Lahiri	Independent Non-Executive	2	3	2 12 years & 05 months
**Mr. Llewellyn Neville Vaz	Independent - Nominee Industrial Development Bank of India Limited	Nil	Nil	Nil 04 years & 03 months
Mr. Dwarka Das Daga	Independent Non Executive	Nil	Nil	2 18 years & 02 months
Mr. Om Prakash Garg	Independent Non Executive	Nil	Nil	13 16 years & 03 months
Captain H. C. Malik	Independent Non Executive	Nil	Nil	1 11 Months
Mr. T.S.R Subramanian	Independent Non Executive	1	1	4 11 Months

Notes:

* Membership/ Chairmanship mentioned above include all Public Limited Companies except private companies, foreign companies and companies under Section 25 of the Companies Act, 1956

^ The details mentioned above are for Companies other than Shiv-Vani Oil & Gas Exploration Services Limited including directorship in private company or directorship held as Additional Director.

For the purpose of reckoning Membership and Chairmanship, the Audit Committee and Shareholders Grievance Committee are also considered.

** Mr. Llewellyn Neville Vaz, Nominee Director of Industrial Development Bank of India Limited. His Nomination from the Board of Directors of the Company has been withdrawn by Industrial Development Bank of India Limited vide Letter No. SS-ICG.53/177/Nom.8 dated 25th August 2008, with effect from 1st September 2008.

The sitting fees payable to the Directors is within the limit prescribed under Companies Act, 1956 and rules and regulations made thereunder.

Chairman & Managing Director and Joint Managing Director

The Company has one Chairman & Managing Director and a Joint Managing Director, being Chief Executive officers of the Company their primary role is to provide leadership to the Board for releasing company's goals in accordance with the charter approved by the Board. They are responsible, inter alia, for overall management, planning, policy, strategy, operations, marketing, sales and matters related to the Board and its working for ensuring that all relevant issues are on the agenda and for ensuring that all Directors are encouraged and get adequate opportunity to play a full part in the activities of the Board and also to obtain the approval of the Board or Shareholder as and when required of various issues. The Chairman and Managing Director preside over the Board and General Meetings of Shareholders as and when required in his absence the responsibility is devolved on Joint Managing Director, according to his availability.

Board of Directors ("The Board")

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of Shiv-Vani and its subsidiaries. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and expectations of Society. The Board periodically reviews its own functioning to ensure that it is fulfilling its role.

Retirement of Directors

Chairman & Managing Directors and Joint Managing Directors are not subject to retirement by rotation but hold office for five years and are eligible for re-appointment. The non-executive / independent directors are liable to retire by rotation as per the provisions of the Companies Act, 1956 (except Nominee Director).

II. Board Meetings

Conduct of Board Proceedings :

The activities of routine nature regarding the ordinary business of the Company is taken under the supervision and directions of Chairman & Managing Director and Joint Managing Director, further the Company has constituted various committees in order to insure smooth functioning of business of the Company or as per the statutory requirement on the Company. The Board of the Company apart of taking strategic and tactical decision regarding sustainable and balance growth, also supervise the Business of the Company.

In order to exercise its authority and discharge its duties, the Board holds meetings from time to time as an when required to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the company. The Board meetings are held at least four times in a year, with a maximum time gap of four months between any two Board Meetings.

The Company follows a practice of sending agenda and the notes on agenda along with necessary annexure are circulated to the Directors in advance. All the information as required under Annexure - 1A of Clause 49 of the Listing Agreement, is tabled before the Board for its consideration.

** The financial year of company has been changed From 1st January - 31st December To 1st April - 31 March every year, consequently the Current Financial year is of 15 Months.

Date of the Board Meeting	Place of the Meeting	No. of days from previous meeting	Number	Directors Present
30th January 2007	New Delhi	38	7	6
15th February 2007	New Delhi	16	7	3
22nd February 2007	New Delhi	06	7	3
12th March 2007	New Delhi	18	7	4
30th April 2007	New Delhi	49	7	5
30th June 2007	New Delhi	61	7	4
03rd July 2007	New Delhi	03	7	3
26th July 2007	New Delhi	23	7	3
30th July 2007	New Delhi	04	7	5
14th August 2007	New Delhi	14	7	4
21st September 2007	New Delhi	37	6	3
1st October 2007	New Delhi	10	6	3
30th October 2007	New Delhi	29	8	6
19th January 2008	New Delhi	81	8	5
29th March 2008	Noida NCR	70	8	5

III Attendance at the Meetings

Name of the Director	No. of Board Meeting		Attended last AGM
	Held	Attended	
^ Mr. Prem Singhee	15	10	---
Mr. Padam Singhee	15	15	Yes
Mr. Om Prakash Garg	15	07	Yes
Mr. Prateep Kumar Lahiri	15	01	---
** Mr. Llewellyn Neville Vaz	15	11	Yes
Mr. Dwarka Das Daga	15	11	Yes
* Mr. Rajendra Kumar Sanghi	10	01	Yes
# Captain H. C. Malik	3	03	---
# Mr. T.S.R Subramanian	3	03	---

Notes:

* Mr. Rajendra Kumar Sanghi ceased to be director of the Company on and from 21st September 2007

**Mr. Llewellyn Neville Vaz, Nominee Director of Industrial Development Bank of India Limited. His Nomination from the Board of Directors of the Company has been withdrawn by Industrial Development Bank of India Limited vide Letter No. SS-ICG.53/177/Nom.8 dated 25th August 2008, with effect from 1st September 2008.

Captian H. C. Malik and Mr. T. S. R Subramanian were appointed as Additional Director of the Company on and from 30th October, 2007.

^ Mr. Prem Singhee whose appointment as Chairman & Managing Director of the Company ceased on 31st October 2007 was re-appointed in same capacity, in the Meeting of Board of Director of the Company held on 30th October 2007 and subsequently Member of the Company in their General Meeting held on 18th February, 2008. approved his re-appointment

IV Membership of Board Committee

None of the Director holds membership in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he/she is a director

V Certificate of Code of Conduct

" I, undersigned, Chief Executive Officer of the Company do thereby certify that all the Board Members and senior management personnel shall affirm compliance with the code of conduct during the financial year ended on 31st March 2008."

Sd/-
Prem Singhee
(Chairman & Managing Director/ Chief Executive Officer)

B. AUDIT COMMITTEE

The Company has constituted Audit Committee in accordance with the terms of Clause 49 of Listing agreement and 292A of the Companies Act, 1956 which comprises of 4 directors out of these 3 are independent non executive director and 1 is executive director, hence more that 2/3 of the Members of the Audit Committee are independent directors. Further the Chairman of Audit Committee is an Independent Director and all the Members of the Committee are Financially literate. Mr. Vimal Chadha, Company Secretary of the Company acts as the Secretary of the Committee.

The Audit Committee is inter alia, responsible for oversight financial reporting quarterly or otherwise, financial progress, appointment, re-appointment and fixation of auditor's remuneration, discussion with internal auditors and reviewing of internal audit process, making recommendations to Board of Directors, to seek information from employees as and when considered necessary and to consider related party transactions.

Composition of Audit Committee

Name of the Director	Category
Mr. Padam Singhee	Executive Joint Managing Director
Mr. Om Prakash Garg (Chairman)	Independent Non-Executive
*Captain Hiteshi Chander Malik	Independent Non-Executive
**Mr. Llewellyn Neville Vaz	Independent - Nominee Industrial Development Bank of India Limited
^Mr Dwarka Das Daga	Independent Non-Executive

During the period six Audit Committee Meetings held on 30th January, 30th April, 29th June, 30th July, 30th October in year 2007 and on 19th January 2008, with a gap of not more than 4 months between the two committees.

S. No	Name of Member	Category	Meetings held	Meetings attended
1	Mr. Padam Singhee	Executive Director- Joint Managing Director	6	6
2	Mr. Om Prakash Garg	Non Executive Independent Director	6	5
3	*Captain Hiteshi Chander Malik	Non Executive Independent Director	2	2
4	**Mr. L. N. Vaz (Nominee of IDBI)	Non Executive Independent Director	6	6
5.	# Mr. R. K. Sanghi	Non Executive Independent Director	4	1
6.	^Mr. Dwarka Das Daga	Non Executive Independent Director	-	-

*Captain Hiteshi Chander Malik, was co-opted as member of Committee on 30th October 2007

#Mr. R. K. Sanghi resigned on 21st September 2007

**Mr. Llewellyn Neville Vaz, Nominee Director of Industrial Development Bank of India Limited. His Nomination from the Board of Directors of the Company has been withdrawn by Industrial Development Bank of India Limited vide Letter No. SS-ICG.53/177/Nom.8 dated 25th August 2008, with effect from 1st September 2008.

^Mr. Dwarka Das Daga was co-opted as the Member of the Committee on 5th September, 2008

C. REMUNERATION COMMITTEE

The Company has constituted remuneration inter alia to discuss, decide and revise from time to time the remuneration payable to directors of the Company in accordance to their performance and contribution in growth and development of the Company and financial position of the Company, Committee is chaired by an Independent Director. Mr. Vimal Chadha Company Secretary of the Company acts as the Secretary of the Meeting

Composition of Remuneration Committee

S. No	Name of Member	Category	Meetings held	Meetings attended
1	Mr. Padam Singhee	Executive Joint Managing Director	1	Nil
2	Mr. Om Prakash Garg	Non Executive Independent Director	1	1
3	**Mr. L. N. Vaz	Non Executive Independent Director	1	1
4	Captian Hiteshi Chander Malik	Non Executive Independent Director	1	1
5	*Mr Dwarka Das Daga	Non Executive Independent Director	-	-

**Mr. Llewellyn Neville Vaz, Nominee Director of Industrial Development Bank of India Limited. His Nomination from the Board of Directors of the Company has been withdrawn by Industrial Development Bank of India Limited vide Letter No. SS-ICG.53/177/Nom.8 dated 25th August 2008, with effect from 1st September 2008.

*Mr. Dwarka Das Daga was co-opted as the Member of the Committee on 5th September, 2008

Remuneration Committee Meeting held on 30th October 2007

There is no pecuniary relationship between Company and Non-Executive Directors except that of payment of sitting fees which is paid within the limits prescribed under Companies Act, 1956.

Mr. Dwarka Das Daga, Non Executive Directors holds 676 Equity Shares in the Company as on 31st March 2008.

The Details of Remuneration paid during the Financial Year ended on 31st March, 2008 are given below.

Name of the Director	Sitting fee (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Prem Singhee	—	73,50,000/-	16,79,300/-	90,29,300/-
^Mr. Padam Singhee	—	6,750,000/-	16,27,900/-	83,77,900/-
Mr. Prateep Kumar Lahiri	1,500/-	—	—	—
*Mr. Rajender Kumar Sanghi	3000/-	—	—	—
Mr. Dwarka Das Daga	15,000/-	—	—	—
Mr. Om Prakash Garg	25,500/-	—	—	—
**Mr. Llewellyn Neville Vaz	31,500/-	—	—	—
#Captian Hiteshi Chander Malik	9,000/-	—	—	—
# Mr. T.S.R Subramanian	4,500/-	—	—	—

Note: As per the policy of Company Chairman & Managing Director and Joint Managing Director are not paid sitting fees for attending the Meeting of Board of Directors or any Committee thereof.

* Mr. Rajendra Kumar Sanghi ceased to be director of the Company on and from 21st September 2007

Captian H. C. Malik and Mr. T. S. R Subramanian were appointed as Additional Director of the Company on and from 30/10/2007.

^ Mr. Padam Singhee's (Joint Managing Director) remuneration has been revised in the Meeting of Board of Director of the Company held on 30th October 2007 on recommendation of Remuneration Committee and subsequently Member of the Company in their General Meeting held on 18/02/2008 approve the revision of same.

**Mr. Llewellyn Neville Vaz, Nominee Director of Industrial Development Bank of India Limited. His Nomination from the Board of Directors of the Company has been withdrawn by Industrial Development Bank of India Limited vide Letter No. SS-ICG.53/177/Nom.8 dated 25th August 2008, with effect from 1st September 2008.

D. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has constituted a Shareholders/ Investors Grievance Committee, consisting of 3 directors chaired by Non-Executive Director, to consider from time to time the grievances with respect to various matters received from shareholders of the Company and the steps taken by the Company to redress their grievances. Mr. Vimal Chadha, Company Secretary of the Company acted as a Secretary of the committee.

Composition of Committee

S. No	Name of Member	Category	Meetings held	Meetings attended
1	Mr. Padam Singhee	Executive Joint Managing Director	4	4
2	Mr. Om Prakash Garg	Non Executive Independent Director	4	2
3	**Mr. L. N. Vaz	Non Executive Independent Director	4	4
4	*Capt.Hiteshi Chander Malik	Non Executive Independent Director	-	-

**Mr. Llewellyn Neville Vaz, Nominee Director of Industrial Development Bank of India Limited. His Nomination from the Board of Directors of the Company has been withdrawn by Industrial Development Bank of India Limited vide Letter No. SS-ICG.53/177/Nom.8 dated 25th August 2008, with effect from 1st September 2008.

*Capt.Hiteshi Chander Malik was co-opted as the Member of the Committee on 5th September, 2008.

Various complaints received from shareholders /investers are detailed below:

Nature of Complaint	Number of complaints Received	Number of complaints redressed
Non receipt of electronic credit	21	21
Non receipt of Annual Report	2	2
Loss of Share Certificates	10	10
Non receipt of Share Certificates after rejection	6	6
Total	39	39

All complaints have generally been solved to the satisfaction of the complainants except for disputed cases and sub-judice matters, which would be solved on final disposal by Courts.

E. SHARE TRANSFER COMMITTEE

The Share Transfer Committee which has been constituted in compliance with Clause 49 of the Listing Agreements met 24 times during the Period ending 31st March, 2008. The Minutes of each Share Transfer Committee meetings were placed before the meeting of the Board.

The Committee consists of following members :-

- (i) Mr. Om Parkash Garg, Chairman
- (ii) Mr. Padam Singhee
- (iii) Mr. Dwarka Das Daga

The Company Secretary, Mr. Vimal Chadha, acts as the Secretary of this committee.

F. ALLOTMENT COMMITTEE

The Company has an Allotment Committee as constituted on 30th January, 2007 for the purpose of allotting shares consequent upon the conversion of FCCBs. The Meeting has met 12 times till date.

The Committee consists of following members : -

- (i) Mr. Om Prakash Garg, Chairman
- (ii) Mr. Padam Singhee
- (iii) *Mr. Rajender Kumar Sanghi
- (iv) Mr. Dwarka Das Daga

*Mr. Rajender Kumar Sanghi ceased to be director of the Company on and from 21st September 2007.

The Company Secretary, Mr. Vimal Chadha, acts as the Secretary of this committee.

The Minutes of the Committee meetings are placed before the Meeting of the Board of Directors of the Company. Upto 31st March 2008 out of 55000 FCCB's issued vide offer document circulated on 21st December 2005, 54500 FCCBs has been converted into 92,08,356 Equity Shares in the Company and remaining 500 has been redeemed in accordance with the terms and conditions of issue.

G. COMMITTEE FOR ROUTINE TRANSACTIONS

The Committee of the Board met 9 times during the Period ending 31st March 2008. The Committee consists of following members:-

- (i) Mr. Prem Singhee, Chairman
- (ii) Mr. Padam Singhee
- (iii) Mr. Om Prakash Garg

The Company Secretary, Mr. Vimal Chadha, acts as the Secretary of this committee.

The Minutes of the Committee meetings are placed before the Meeting of the Board of Directors of the Company.

None of the Directors of your Company is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director as referred to above in this report.

H. GENERAL MEETINGS

The General Meeting of Member (EGM) of the Company held on 18th Day of February 2008 to transact following business:

1. Allotment of 60,00,000 Convertible Warrants convertible into equal number of Equity Shares in the Company to promoters.
2. Re-appointment of Mr. Prem Singhee, Chairman and Managing Director of the Company on such terms and conditions as approved.
3. Revision of remuneration of Mr. Padam Singhee, Joint Managing Director of the Company on such terms and conditions as approved.
4. Appointment of Mr. Prakash Singhee, as President of the Company on such terms and conditions as approved. The aforesaid resolutions were passed as Special Resolution.

Details of last 3 Annual General Meetings and special resolutions passed thereat

Date of AGM	Time and Location of AGM	Special Resolutions Passed at AGM
Thursday, 23rd June 2005	Time: 11.30 A. M. Location: Panchvati Farm Village Raghavpur, Post Chhawla, New Delhi-110071	1. De-listing of Equity Shares of the Company from Delhi Stock Exchange
Thursday, 29th June 2006	Time: 11.30 A. M. Location: Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	1. Revision of remuneration of Mr. Prem Singhee, Chairman & Managing Director of the Company. 2. Re-appointment of Mr. Padam Singhee as Joint Managing Director of the Company. 3. De-listing of Equity Shares of the Company from Ahmedabad Stock Exchange 4. Alteration of Memorandum of Association of the Company
Monday, 30th July 2007	Time: 12.00 Noon Location: Khasra No. 193, F-6, Pushpanjali Farm, Bijwasan, New Delhi-110061	1. Alteration of Articles of Association in pursuant to Section 31 of the Companies Act, 1956. 2. Allotment of 27,33,330 Equity Shares on preferential allotment.

I. OTHER DISCLOSURES

- (i) Disclosure on the materially significant related party transaction i.e. transactions of the Company of material nature, with its promoter, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at larger:
- None of the transactions entered with any of the related party were in conflict with the interest of the Company. The related party disclosure is annexed to and forms part of the accounts for the year ending 31st March 2008. (Refer Schedule 19 at point No. G).
- (ii) Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange, SEBI or any other statutory authority, on any matter related to capital markets during the last three years.
- The Company has duly complied with the requirement of regulatory authorities on matters related to capital market during the last three year. There were no penalties, strictures imposed on the Company by Stock Exchange, SEBI or any other statutory authority.

J. MEANS OF COMMUNICATION

- (i) At present, Quarterly Financial results are sent to NSE and BSE as per the requirement of Listing Agreement but are not sent to each shareholder separately.
- (ii) Quarterly results are normally published in the following newspapers:
- The Financial Express (English)
 - Jansatta (Hindi)
 - The Economic Times (English)
 - Novbharat Times(Hindi)
- (iii) Quarterly results and Shareholding Pattern are also displayed on Company's website at www.shiv-vani.com
- (iv) Management Discussion and Analysis Report forms part of this Annual Report.

K. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has adopted a proper code of conduct for its directors and designated employees. The code lays down guidelines which includes procedures to be followed and disclosures to be made while dealing into the shares of the Company.

L. 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 total number of shares held in physical form and in dematerialized form held with the NSDL and CDSL.]

M. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting to be held
- | | | |
|-------|---|--|
| Date | : | 30th September 2008 |
| Day | : | Tuesday |
| Time | : | 12.00 (noon) |
| Venue | : | Khasra No. 193, F-6, Pushpanjali Farms, Bijwasan, New Delhi 110061 |
- (b) Financial Year: 1st January 2007- 31st March 2008 (being Financial Year changed From 1st January - 31st December To 1st April - 31st March every year consequently present financial year is of 15 Months.)
- (c) Financial Calendar (Tentative)
- Financial reporting for the quarter ending June 30, 2008.
 - Financial reporting for the quarter ending September 30, 2008.
 - Financial reporting for the quarter ending December 30, 2008.
 - Financial reporting for the quarter ending March 31, 2009.
- (d) Book Closure Date : 26th September - 30th September 2008
- (e) Registered Office : Tower 1, 5th Floor, NBCC Plaza,
Sector V, Pushp Vihar, Saket,
New Delhi - 110 017
Tel : 2952 1585, 2952 3092
Fax : 011-2952 1586-87
Email : mail@shiv-vani.com / investors @shiv-vani.com
- (f) Dividend payment date : To conserve, ploughing back and augmentation of funds, for pupose of working capital needs, no dividend is proposed this year.
- (g) Listing of securities
1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001
 2. National Stock Exchange of India Limited
Regd Office : EXCHANGE PLAZA
Bandra Kurla Complex, Bandra (E)
MUMBAI - 400 051
- (h) Registrar & Share Transfer Agent : Intime Spectrum Registry Limited,
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, New Delhi-110028.
Tel. : 011-41410592-94 Fax : 011-41410591
Email : delhi@intimespectrum.com

Listing Fees for the year 2007-2008 has been paid to BSE (Bombay Stock Exchange Limited) and NSE (National Stock Exchange of India Limited).

- (g) Stock Code
 — Bombay Stock Exchange — 522175
 — National Stock Exchange — SHIV-VANI

- (h) Share Transfer System:

The shares sent for transfer in physical form are registered in the name of the concerned transferee provided the necessary documents are in order.

Requests for de-materialisation of shares are processed and confirmation is also given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- (i) Break-up of shares in physical and Demat segment as on 31st March, 2008.

Segment	No. of shares	% of shareholding
Physical	88,43,707	20.14
Demat	3,15,15,822	71.78
#Under Listing	35,48,177	08.08
Total	4,39,07,706	100.00

(Out of these shares 27,33,330 Equity Shares were allotted on preferential basis and 92,08,356 Equity Shares has been issued on conversion of 54,500 FCCBs including #35,48,177 Equity Shares issued on 19/03/2008 on conversion of 21,000 FCCBs with respect to which Listing was in process as on 31st March, 2008.)

- (k) Distribution of shareholding:-

The shareholding distribution of Equity Shares as on 31st March, 2008 is given below:-

S.No.	Shares Holding of Nominal Value of Rs.	Number of shareholders	% to Total Nos.	Total Amount of Shares	%age of Total
1.	Upto 5,000	14339	94	13425980	3
2.	5001-10,000	426	3	3439200	1
3.	10,001-20,000	139	1	2121840	0
4.	20,001-30,000	57	0	1483260	0
5.	30,001-40,000	27	0	973220	0
6.	40,001-50,000	30	0	1408140	0
7.	50,001-1,00,000	44	0	3261660	1
8.	100,001 and above	131	1	412963760	95
	TOTAL	15193	100	*43907706	100

*Including 35,48,177 Equity Shares issued on 19/03/2008 on conversion of 21,000 FCCBs with respect to which Listing was in process as on 31st March 2008

- (L) Pattern of Shareholding as on 31st March 2008:

Category	No. of Shareholders	No. of shares held	%age of Total Shares
Promoter Group:			
1. Individual	13	5047071	11.49
2. Bodies Corporate	46	16867698	38.42
3. OCB	1	1250000	2.85
4. Foreign Companies	1	543400	1.24
Total (A)	61	23708169	54.00
Public:			
1. Individuals	13715	2289421	5.21
2. Mutual Fund	9	1867560	4.24
3. FII's	9	2303232	5.25
4. Domestic Companies	535	5497861	12.52
5. Foreign Companies	8	7982276	18.18
6. Others	856	259187	0.59
Total (B)	15132	20199537	46.00
Grand Total [(A) + (B)]	15193	*43907706	100.00

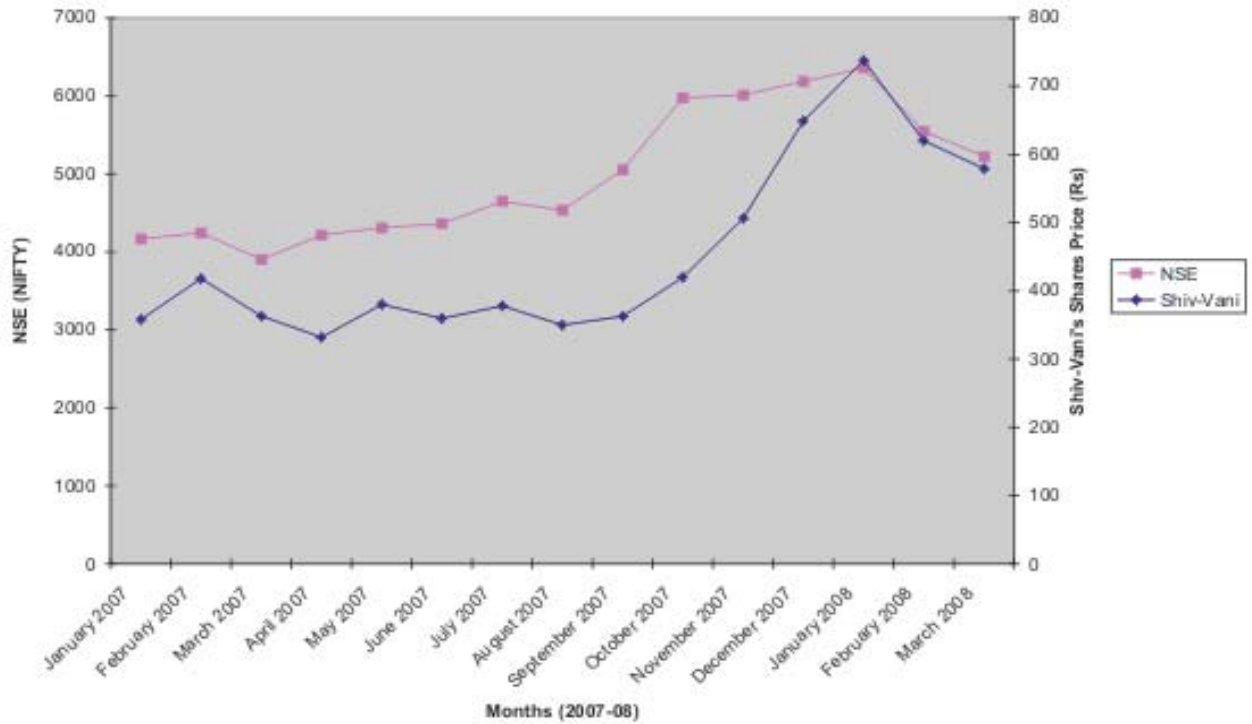
*Including 35,48,177 Equity Shares issued on 19/03/2008 on conversion of 21,000 FCCBs with respect to which Listing was in process as on 31st March 2008

(m) Stock Market Data

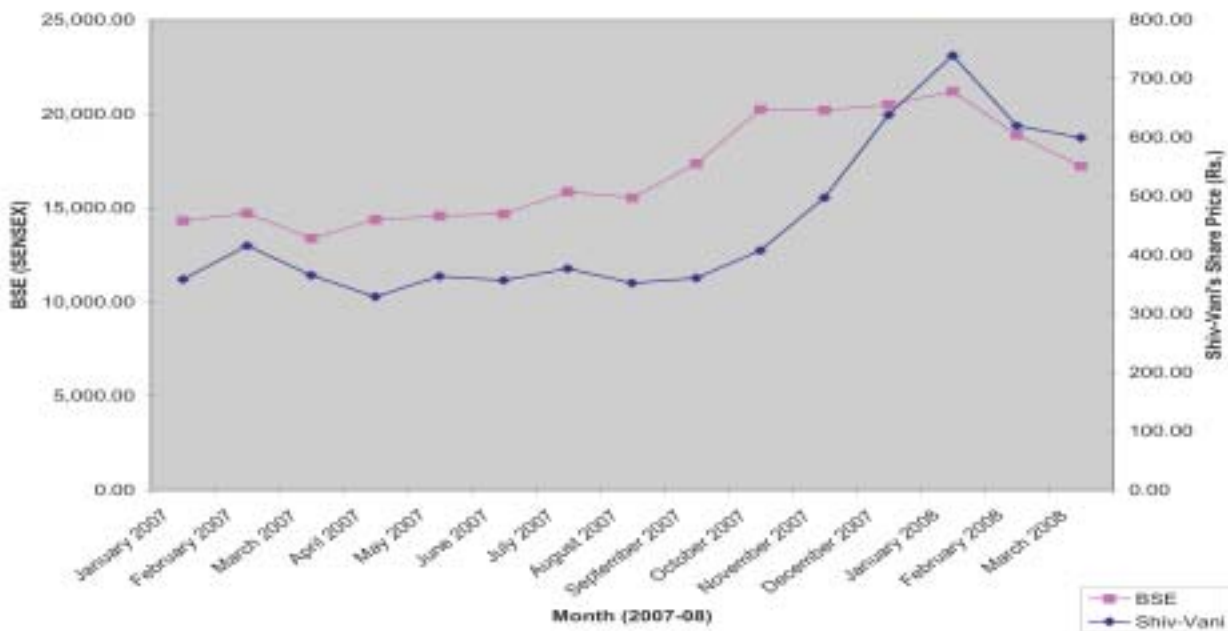
Monthly High and Low quotations of shares traded at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) for the year ending on March 2008 are as under:-

Year 2007-08	National Stock Exchange		Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
January, 2007	358.00	312.00	358.70	311.10
February, 2007	417.95	335.00	416.00	332.30
March, 2007	363.00	305.00	365.70	303.00
April, 2007	331.90	290.00	329.15	290.00
May, 2007	380.00	302.05	364.00	305.50
June, 2007	359.80	316.00	357.10	321.00
July, 2007	378.00	315.00	377.00	322.00
August, 2007	350.00	301.00	352.50	300.00
September, 2007	362.85	305.00	361.00	305.30
October, 2007	420.00	315.05	408.00	327.00
November, 2007	506.35	352.60	497.80	371.00
December, 2007	649.00	491.00	638.50	490.50
January, 2008	737.85	440.00	739.95	460.15
February, 2008	620.00	506.00	620.00	510.00
March, 2008	578.90	480.00	599.90	445.00

Index Comparison (Shiv-Vani V/s NSE)



Index Comparison (Shiv-Vani V/s BSE)



(l) Plant location

The works of the Company vary from place to place, depending upon the orders received from time to time.

(m) The name and designation of the Compliance Officer is Mr. Vimal Chadha, Company Secretary. His contact number is Landline Number 0129-4136970,71,72,74 & 75 Extension No. 140, Mobile Number: 09971103053. The Shareholders can get in touch with Compliance Officer on all legal and Secretarial matters relating to the Company.

(n) Address for correspondence

Tower 1, 5th Floor, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi - 110 017

OTHER USEFUL INFORMATION FOR SHAREHOLDERS

- (a) The amount of unclaimed dividend for and upto the financial year 30th June, 1998 has already been transferred to the Investor Education and Protection Funds of the Central Government as required under Section 205C of the Companies Act, 1956.
- (b) Members / Beneficial Owners are requested to quote their Folio No. / D.P. & Client ID Nos. as the case may be in all correspondences with the Company.
- (c) Members holding shares in physical form are requested to notify to the company, change in their addresses and bank details.
- (d) Beneficial Owners of shares are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by the DPs.
- (e) Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in a Company. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed nomination form.

Declaration

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, the Board Meetings and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March 2008.

For Shiv-Vani Oil & Gas Exploration Services Ltd.

**New Delhi
September 5, 2008**

**(Vimal Chadha)
Company Secretary**

AUDITORS CERTIFICATION ON COMPLIANCE WITH THE CODITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

1. We have examined the compliance of conditions of corporate Governance by Shiv-Vani Oil & Gas Exploration services Limited. (the Company) for the period ended March 31,2008,as stipulated in clause 49 of the Listing Agreement of the said Company with the stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of 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 procedure and implementation thereof, adopted by the Company for the conditions of Corporate Governance. It is neither an audit an expression on the financial statements of the Company
3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**New Delhi
September 5, 2008**

**Vikas Varshney
Partner
Membership No. : 510929**

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of Shiv-Vani Oil Exploration Ltd. at March 31, 2008, the Profit and Loss Accounts and also the Cash Flow Statement for the accounting period ended on that date annexed thereto. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor Report) Order ,2003 ("the order") issued by central Government of India in terms of sub-section (4A) of section 227 of the Companies Act,1956 ("the Act"),we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in section 211 (3C) of the Companies Act1956.
 - e) On the basis of written representations received from the Directors as on March31,2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March31,2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting policies and other notes thereon give the information required by the companies Act,1956, in the manner so required and give a true and fair view in conformity with the accounting principals accepted in India:
 - i) in the case of the Balance sheet, of the state of affairs of the Company as at March 31,2008;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Vijay Prakash Gupta & Associates
Chartered Accountants

New Delhi
September 5, 2008

Vikas Varshney
Partner
Membership No. : 510929

ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF EVEN DATE

1. 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 the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, the inventory of store & Spare parts, lying at different sites, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the company and the nature of the company and the nature of its business.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. 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 bearing loan to corporate/interest free to its subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs.311.21 Crore.
 - 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 not taken any new loans during the year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. In respect of the contracts or arrangements referred to section 301 of the companies act 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.500000/- (Rupees Five Lakhs only) or more in respect of any party in the said financial year. The prices at which these have been made are reasonable having regard to the prevailing prices at that time.
6. 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.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. Maintenance of cost records has not been prescribed by central government under section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
- a) The Company is regular, except in respect of Provident Fund of Rs3101022/-Tax deducted at source of Rs.51471691/-E.S.I.Rs345204/-Fringe Benefit Tax Rs.4168697/-and Service Tax Rs190831167/-,VAT Rs.2712831,Custom Duty, Excise Duty, Cess and other statutory dues with appropriate during the year. However Service Tax of Rs. 190831167/-remains unpaid. According to the information and explanations given to us, no undisputed statutory dues were outstanding as at 31st march,2008.In respect of provident Fund, Investor Education and Protection Fund, Employees state insurance ,Income-Tax ,VAT ,Wealth Tax ,Custom Duty ,Excise Duty, Cess there was no amount outstanding for a period of more than six month from the date they became payable.
- b) Following are the details of disputed statutory due that have not Paid to the concerned authorities.
- | Name of the Statute | Nature of Dues | Amount (Rs.) | Forum where dispute is pending |
|-------------------------|------------------|--------------|--------------------------------|
| Central Excise & Custom | Penal Proceeding | 1250000/- | High Court |
10. 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.
11. 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.
12. 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.
13. 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
14. 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.
15. According to the information and explanation given to us, the company has given counter guarantee against the guarantees issued by the company's bankers.
16. 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.
17. 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 ,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.
18. 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.
19. The Company has not issued any debentures during the year, hence the question of creation of security or charge in respect of debentures issued does not arise.
20. The company has not raised any monies by way of public issues during the year.
21. 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 has been noticed or reported during the course of our audit.

For Vijay Prakash Gupta & Associates
Chartered Accountants

New Delhi
September 5, 2008

Vikas Varshney
Partner
Membership No. : 510929

BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	Schedule No.	As at 31.03.2008 (Rs.)		As at 31.12.2006 (Rs.)
SOURCES OF FUNDS				
SHAREHOLDERS' FUND				
Share Capital	1	439,047,560		319,630,700
Equity Share Warrants		396,000,000		-
Reserves And Surplus	2	5,714,410,561	6,549,458,121	2,086,928,591
Deferred Tax Liability	3		247,181,629	163,195,420
LOAN FUNDS				
Secured Loans	4	6,356,978,250		2,143,632,002
Unsecured Loans	5	963,655,714	7,320,633,964	4,599,963,888
TOTAL			14,117,273,714	6,850,087,899
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	6	6,937,323,008		3,755,865,901
Less : Depreciation		1,284,255,464		975,649,475
Net Block		5,653,067,544		2,780,216,426
Capital Work-in-Progress		3,220,542,740	8,873,610,284	3,766,860,934
INVESTMENTS				
	7		75,057,364	61,254,261
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	8	221,165,534		131,342,524
Sundry Debtors	9	2,103,871,758		797,659,403
Cash & Bank Balances	10	610,404,645		736,224,862
Loans & Advances	11	3,394,050,780		1,769,713,610
		6,329,492,717		3,434,940,399
LESS : CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	12A	958,706,713		283,016,281
Provisions	12B	362,833,943		172,550,547
		1,321,540,656		455,566,828
			5,007,952,061	2,979,373,572
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
FCCB Issue Expenses		24,849,494		42,599,133
Deferred Revenue Expenditure		135,804,512	160,654,006	-
TOTAL			14,117,273,714	6,850,087,899
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 and on behalf of Board

For **VIJAY PRAKASH GUPTA & ASSOCIATES**

Chartered Accountants

(Vikas Varshney)

Partner

M. No. 510929

New Delhi
September 5, 2008**Prem Singhee**

Chairman & Managing Director

Padam Singhee

Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary

PROFIT & LOSS ACCOUNT FOR PERIOD ENDED 31ST MARCH, 2008

Particulars	Schedule No.	Period ended 31.03.2008 (Rs.)	Year ended 31.12.2006 (Rs.)
TOTAL INCOME			
Operative Income	13	4,101,762,248	2,051,482,909
Other Income (Gross)	14	81,872,485	81,748,439
		4,183,634,733	2,133,231,348
EXPENDITURE			
Direct Expenses	15	2,018,820,321	1,100,352,190
Personnel Expenses	16	207,461,510	120,405,888
Administrative & Other Expenses	17	203,505,941	125,701,308
Interest & Finance Charges	18	614,761,826	196,639,646
Depreciation	6	323,755,406	189,760,498
		3,368,305,005	1,732,859,530
PROFIT FOR THE YEAR		815,329,728	400,371,818
LESS :PROVISION FOR TAX			
- Mat Credit Written Off		8,379,417	-
- Income Tax		176,124,929	94,219,549
- Fringe Benefit Tax		5,607,684	2,829,550
- Deferred Tax		83,986,209	46,753,368
		541,231,489	256,569,351
PROFIT AFTER TAX			
Surplus As Per Last Balance Sheet		1,214,288,949	956,709,598
Transfer From Fccb Redemption Reserve		-	13,510,000
Profit Available For Appropriations		1,755,520,438	1,226,788,949
APPROPRIATIONS			
Transfer To General Reserve		10,000,000	10,000,000
Transfer To Capital Redemption Reserve		-	2,500,000
BALANCE CARRIED FORWARD TO BALANCE SHEET		1,745,520,438	1,214,288,949
TOTAL		1,755,520,438	1,226,788,949
EARNING PER SHARE - BASIC		14.77	8.03
- DILUTED		14.75	8.03

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**
Chartered Accountants

(**Vikas Varshney**)
Partner
M. No. 510929

New Delhi
September 5, 2008

For and on behalf of 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, 2008

Particulars	As at 31.03.2008 (Rs.)		As at 31.12.2006 (Rs.)	
SCHEDULE - 1 SHARE CAPITAL				
Authorised				
58,500,000 (Previous year 58,500,000) Equity Shares of Rs. 10/- each	585,000,000		585,000,000	
5,00,000 (Previous year 5,00,000) 11% Redeemable Non-Convertible Preference Shares of Rs. 100/- each	500,000,00		5,000,000	
	635,000,000		635,000,000	
Issued & Subscribed				
43,907,706 Equity Shares (Previous year 3,19,66,020) of Rs. 10/- each fully paid up	439,077,060		31,96,60,200	
	439,077,060		31,96,60,200	
Paid up				
43,907,706 Equity Shares (Previous Year :3,19,66,020) of Rs. 10/- each fully paid up	439,077,060		319,660,200	
Less : Calls in Arrear	29,500	439,047,560	29,500	31,930,700
5,00,000 11% Redeemable Non-Convertible Preference Shares of Rs. 100/- each fully paid up	—	—	5,00,00,000	
Less : Redeemed at par during the year	—	—	500,000,00	—
		439,047,560		31,930,700
SCHEDULE - 2 RESERVES & SURPLUS				
General Reserve				
As per last Balance sheet	238,103,942		228,103,942	
Add : Transferred from Profit & Loss A/c.	10,000,000	248,103,942	10,000,000	238,103,942
Securities Premium Account				
As per last Balance sheet	264,905,000		264,905,000	
Add : Received during the year	3,408,689,303		-	
	3,673,594,303		264,905,000	
Less : Premium on redemption of Bonds	2,808,122	3,670,786,181	-	264,905,000
Capital Redemption Reserve				
As per last Balance sheet	50,000,000		47,500,000	
Add : Transferred from Profit & Loss A/c.	-	50,000,000	2,500,000	50,000,000
FCCB Redemption Reserve				
As per last Balance sheet	-		13,510,000	
Less: Transferred to Profit & Loss A/c.	-	-	13,510,000	-
Profit & Loss Account				
As per Profit & Loss Account		1,745,520,438		1,214,288,949
		5,714,410,561		1,767,297,891

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 3 DEFERRED TAX (NET)		
Deferred Tax		
As per last Balance Sheet	163,195,420	116,442,052
Add: Transferred from Profit & Loss A/c.	<u>83,986,209</u>	<u>46,753,368</u>
	<u>247,181,629</u>	<u>163,195,420</u>
	<u>247,181,629</u>	<u>163,195,420</u>
SCHEDULE - 4 SECURED LOANS		
a) Term Loans		
From Financial Institutions/Banks (Refer Note F(4) of Schedule 19)		
Industrial Development Bank of India Limited	69,726,739	141,281,016
ICICI Bank Ltd	1,869,568,039	158,409,464
State Bank of Bikaner & Jaipur	104,298,762	150,196,327
State Bank of India	671,915,950	177,423,436
Punjab National Bank	814,019,063	382,086,803
State Bank of Mysore	81,745,603	124,762,246
Life Insurance Corporation of India	12,500,000	45,653,097
State Bank of Hyderabad	164,276,963	333,914,298
Yes Bank Ltd.	210,931,654	80,500,000
Bank of India	13,285,072	26,936,839
Syndicate Bank Ltd.	194,004,819	302,499,888
Karnataka Bank Ltd.	250,000,000	-
Exim Bank Ltd.	1,178,913,595	-
State Bank of Saurashtra	151,528,767	-
State Bank of Travancore	252,441,781	-
	<u>6,039,156,806</u>	<u>1,923,663,414</u>
b) Working Capital Loans (Refer Note No. F(5) of schedule - 19)		
Cash Credit Loans from Banks	<u>316,226,277</u>	<u>214,704,869</u>
	<u>6,355,383,083</u>	<u>2,138,368,283</u>
c) Deferred Creditors (Refer Note No. F(6) of schedule - 19)		
	<u>1,595,168</u>	<u>5,263,720</u>
	<u>6,356,978,250</u>	<u>2,143,632,002</u>
SCHEDULE - 5 UNSECURED LOANS		
1% Foreign Currency Convertible Bonds (Refer Note No. C of schedule - 19)		
	-	2,432,650,000
Others	963,655,714	23,681,885
	<u>963,655,714</u>	<u>2,456,331,885</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE - 6 FIXED ASSETS

Particular of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01-01-07 (Rs.)	Additions (Rs.)	Sale/Adj. (Rs.)	Cost as at 31-03-08 (Rs.)	Upto 31-12-06 (Rs.)	For the Period (Rs.)	Sale/Adj. (Rs.)	Upto 31-03-2008 (Rs.)	As At 31-03-08 (Rs.)	As At 31-12-06 (Rs.)
Building	—	205,530,656	—	205,530,656	—	—	—	—	205,530,656	—
Plant & Machinery	3,603,116,275	2,957,137,057	14,281,416	6,545,971,916	905,374,687	300,929,810	8,363,849	1,197,940,648	5,348,031,268	2,697,741,588
Office Equipments	14,491,076	14,915,863	3,558,283	25,848,656	2,707,152	1,907,285	2,005,099	2,609,338	23,239,318	11,783,924
Computers	30,812,945	16,694,991	2,388,439	45,119,497	9,933,255	7,216,457	2,388,439	14,761,273	30,358,224	20,879,690
Vehicles	97,764,282	4,500	—	97,768,782	54,968,477	8,129,059	—	63,097,536	34,671,246	42,795,805
Furnitures & Fixtures	8,833,309	6,067,252	2,146,103	12,754,458	1,817,890	1,333,172	1,544,015	1,607,047	11,147,411	7,015,419
Tent	848,014	91,520	848,015	91,519	848,014	2,099	848,015	2,098	89,421	—
Temporary Construction	—	4,237,524	—	4,237,524	—	4,237,524	—	4,237,524	—	—
Total	3,755,865,901	3,204,679,363	23,222,256	6,937,323,008	975,649,475	323,755,406	15,149,417	1,284,255,464	5,653,067,544	2,780,216,426
Capital Work in progress	986,644,508	2,233,898,232	—	3,220,542,740	—	—	—	—	3,220,542,740	986,644,508
GRAND TOTAL	4,742,510,409	5,438,577,595	23,222,256	10,157,865,748	975,649,475	323,755,406	15,149,417	1,284,255,464	8,873,610,284	3,766,860,934
Previous Year	3,534,656,219	1,282,985,530	75,131,340	4,742,510,409	815,634,602	189,760,498	29,745,625	975,649,475	3,766,860,934	—

(Capital Work in Progress includes advances for capital goods Rs. 1,30,32,06,175/-)

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
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SCHEDULE - 7 INVESTMENTS (At cost)

LONG TERM INVESTMENTS

In Equity Shares - Unquoted : Trade

4,95,000 equity shares of Shiv Vani Oil & Gas Co LLC, Oman of Omani Rial 1/- each fully paid up (Previous year 4,95,000)	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 Nil)	3,103	-
10,00,000 equity shares of Shiv Vani Oil Services Limited, New Delhi of Rs. 10/- each fully paid up (Previous year 50,000)	10,000,000	500,000
25,500 equity shares of TNG Shiv Geo Services Limited, New Delhi of Rs. 10/- each fully paid up (Previous year 25,500)	255,000	255,000
50,000 equity shares of Shiv Vani Energy Limited, New Delhi of Rs. 10/- each fully paid up (Previous year Nil)	500,000	70,089,364
4,300 equity Shares of Equipment Conductors & Cables Ltd of Rs. 10/- each fully paid up (Previous Year 4,300)		43,000
5,000 equity shares of Parasram Puria Synthetics Ltd. of Rs.10/- each at a premium of Rs. 10/- per share (Rs. 5 paid up) (Previous Year 5,000)		25,000
1,10,000 equity shares of Neutral Enginners Ltd of Rs. 10 each fully paid up. (Previous year 1,10,000)	1,100,000	1,100,000
1,80,000 equity Shares of Om Shivaya Real Estate Pvt. Ltd. Rs. 10/- each fully paid up (Previous Year Nil)	1,800,000	-
In Mutual Funds - Quoted : Trade		
2,00,000 Units of SBI Infrastructure Fund (Previous Year - Nil) of Rs. 10/- per unit (Market Value - Rs. 21,46,000/- @ Rs. 10.73/- per unit) (Previous Year - Nil)	2,000,000	-
	75,057,364	61,254,261

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 8		
INVENTORIES		
(As Valued and certified by the Management at lower of cost or net realisable value)		
Stores, Spares & Consumables	215,952,421	98,812,150
Goods In Transit	1,757,043	29,434,554
Scrap	3,456,070	3,095,820
	<u>221,165,534</u>	<u>131,342,524</u>
SCHEDULE - 9		
SUNDRY DEBTORS		
(Unsecured Considered good)		
Debts outstanding for a period exceeding six month	377,076,993	106,067,683
Others	1,726,794,764	691,591,720
	<u>2,103,871,758</u>	<u>797,659,403</u>
SCHEDULE - 10		
CASH & BANK BALANCES		
Cash and Cheques in Hand	5,860,905	2,506,417
Balance with Scheduled Bank		
In Current Account		
- Domestic	16,823,529	20,908,363
- Overseas	<u>29,733,479</u>	<u>5,491,844</u>
In Deposit Account		
- Domestic	502,657,758	75,008,472
- Overseas	5,328,974	582,309,765
- Others	<u>50,000,000</u>	<u>50,000,000</u>
	<u>610,404,645</u>	<u>736,224,862</u>
SCHEDULE - 11		
LOANS & ADVANCES		
(Unsecured Considered good unless otherwise stated)		
Advances & Other amounts recoverable		
in cash or in kind for which value is to be received	810,786,901	331,269,129
Loans to subsidiary companies	2,393,266,649	1,333,474,198
Income Tax Paid	58,624,313	41,503,730
Tax deducted at source	120,318,102	54,194,630
Security Deposits	11,054,815	9,198,836
Investors protection fund	-	73,087
	<u>3,394,050,780</u>	<u>1,769,713,610</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 12		
CURRENT LIABILITIES & PROVISIONS		
A Current Liabilities		
Sundry Creditors		
Micro, Small & Medium Enterprises	-	-
Others	<u>386,020,411</u>	<u>129,115,613</u>
Unpaid Dividend	-	67,407
Other Current Liabilities	<u>572,686,303</u>	<u>153,833,261</u>
	<u>958,706,713</u>	<u>283,016,281</u>
B Provisions		
Income Tax	333,468,214	157,343,285
Fringe Benefit Tax	4,168,697	967,674
Gratuity & Leave encashment	<u>25,197,032</u>	<u>14,239,588</u>
	<u>362,833,943</u>	<u>172,550,547</u>
SCHEDULE - 13		
OPERATIVE INCOME		
Contract Revenue	<u>4,101,762,248</u>	<u>2,051,482,909</u>
	<u>4,101,762,248</u>	<u>2,051,482,909</u>
SCHEDULE - 14		
OTHER INCOME		
Interest on Fixed Deposits (Gross) (TDS - Rs. 19,27,929/-, Previous year Rs. 4,66,498/-)	31,067,055	58,401,939
Interest - Others (Tax Deducted at Source - Rs. 2285690/-)	20,000,646	20,270,505
Insurance Claims Received	8,051,988	27,805
Miscellaneous Income	<u>22,752,797</u>	<u>3,048,190</u>
	<u>81,872,485</u>	<u>81,748,439</u>
SCHEDULE - 15		
CONSUMPTION OF STORES & OTHER DIRECT EXPENSES		
Store & Spare Parts	545,912,432	251,265,299
Oil & Lubricants	268,003,344	140,692,114
Contract Expenses	1,121,438,874	620,315,644
Hiring Charges	60,098,068	50,558,194
Insurance	7,019,330	5,456,597
Repairs to Plant & Machinery	<u>16,348,273</u>	<u>32,064,342</u>
	<u>2,018,820,321</u>	<u>1,100,352,190</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 16		
PERSONNEL EXPENSES		
Payments to & Provison for Employees		
Salaries, Wages, Bonus, Gratuity etc.	171,919,825	97,735,530
Staff Welfare	12,547,151	10,339,603
Contribution to Provident Fund	7,118,226	4,519,892
Contribution to ESI	161,108	35,952
Contribution to Delhi Labour Welfare Fund	-	570
Directors Remuneration	15,715,200	7,774,341
	<u>207,461,510</u>	<u>120,405,888</u>

SCHEDULE - 17**ADMINISTRATIVE & OTHER EXPENSES**

Rent	22,424,829	9,150,416
Rates & Taxes	2,517,653	2,302,559
Advertisement	1,579,383	390,185
Travelling & Conveyance Expenses	42,088,249	26,167,669
Vehicle Repair & Maintenance Expenses	17,183,625	8,175,003
Repair & Maintenance to others	12,466,500	9,891,805
Telephone Expenses	11,715,777	6,424,906
Legal & Professional Charges	29,934,305	10,999,523
Charity & Donation	1,960,953	792,218
Fees & Subscription	1,230,971	1,499,247
Demurrage Charges	196,462	442,713
Directors Sitting Fees	90,000	103,500
Miscellaneous Expenses	29,746,032	22,990,379
Payment to Auditors:		
Audit Fees	2,899,500	596,604
Tax Audit Fees	250,000	45,000
For Other Matters	1,777,875	844,250
FCCB Issue Expenses Written Off	17,749,639	14,199,711
Assets Written Off	7,694,189	10,685,620
	<u>203,505,941</u>	<u>125,701,308</u>

SCHEDULE - 18**INTEREST & BANK CHARGES**

On Term Loans	460,186,081	118,501,094
Others	154,575,746	78,138,552
	<u>614,761,826</u>	<u>196,639,646</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2008 AND PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE.**SCHEDULE - 19 NOTES TO THE ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1. BASIS FOR PREPARATION OF ACCOUNTS**

The financial statements have been prepared by the company in all material aspects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis.

The company has changed its financial year ending from 31 December to 31 March. Accordingly these financial statements represent the results of the business operations for the period from 01 January 2007 to 31 March 2008 i.e a period of 15 months

2. FIXED ASSETS

- i) Capital expenditure comprises purchase price, import duties, levies and any directly attributable cost of bringing the assets to their working condition.
- ii) In respect of new projects, all expenses including interest incurred up to the date of commencement of the project are capitalized.
- iii) In respect of upgradation of Rig, the indirect expenditure including interest paid or payable attributable to the completion of the asset, up to the date of such completion is capitalized on proportionate basis.
- iv) Foreign currency denominated assets and liabilities are recorded at cost as increased or reduced due to exchange fluctuations at the closing rate of exchange on the Balance Sheet date.

3. DEPRECIATION

Depreciation on Plant & Machinery is provided on Straight Line Method with double triple shift working wherever applicable and all other fixed assets are depreciated under Straight Line Method at the rate prescribed under Schedule XIV to the Companies Act, 1956.

4. INVESTMENTS

Investments being long term in nature are stated at cost. Diminution in value of long-term investments is not provided for as it is considered temporary in nature.

5. INVENTORIES

Stores and spare parts are valued at cost on FIFO basis.

6. FOREIGN CURRENCY TRANSACTIONS

Foreign currency fluctuation relating to debtors are adjusted in Profit & Loss account. Foreign currency invoices raised during the year are translated at the rate prevailing on the date of the invoice.

7. REVENUE RECOGNITION

Contract Revenue is accounted for by the Company on work done basis.

8. RETIREMENT BENEFITS

- i) Provident Fund - Employer's & Employees Contribution to provident fund during the year is deposited with the appropriate authorities. Employer's contribution for the year is charged to the Profit & Loss Account as an expense for the year.
- ii) Provision for gratuity and leave encashment is made on accrual basis.

9. INCOME TAX AND DEFERRED TAX

Provision for tax comprises of current tax, deferred tax and fringe benefit tax.

Provision for taxation has been made in books of accounts as per provisions of Income Tax Act 1961.

Deferred Tax represents the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year. Deferred tax is measured based on the prevailing tax rates. 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

10. DEFERRED REVENUE EXPENDITURE

Preliminary expenses and Share Issue expenses are being amortized over a period of 10 years from the date of commencement of business. FCCB issue expenses have been amortized over a period of 5 years.

11. CONTINGENT LIABILITY

Liabilities which are material and whose future outcome cannot be reasonably ascertained are disclosed by way of contingent liability.

12. SEGMENT DATA

Business Segment:

The company considers its principal activity of providing oil and natural gas exploitation services to be a complete segment and all revenues for period ended 31st March 2008 have been derived from this segment.

13. BORROWING COSTS

Borrowing costs 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.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

	MARCH, 2008 (15 Months) (Rs.)	December, 2006 (12 Months) (Rs.)
1. Amount unpaid on investment in shares:- — 5,000 Equity Shares of Parasrampuriah Synthetics Ltd.	35,000	35,000
2. Counter Guarantees given in respect of Guarantees Issued by the company's bankers to Oil & Natural Gas Corpn. Ltd (ONGC) and Oil India Ltd (OIL) (**) (Includes Rs.47.00 crores for gurantees issued against pledge of 902,500 shares of the company held by directors and a third party).	2,347,418,967	704,220,405
3. Un-expired letters of credit	1,025,790,080	178,218,549
4. Income Tax Demands in appeal	Nil	8,831,220
5. Corporate Guarantees given to Financial Institutions/Banks for securing financial assistance for a subsidiary Co. and other Company.	854,982,163	1,035,786,075
6. Estimated value of capital commitments (Net of advances)	2,059,300,000	748,788,440
7. Sales Tax demands (*)	1,240,768	1,240,768
(*) To be adjusted against refund granted Rs.133.86 lacs.		
8. Commissioner of Customs	1,250,000	Nil

C. FOREIGN CURRENCY CONVERTIBLE BONDS

1. The Company had issued 1% Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating to US \$ 55 million during the year 2005. These bonds were convertible at the option of the Bond Holders into equity share of Rs.10 each fully paid up at the conversion price of Rs. 271.832 per share calculated at a fixed rate of exchange of Rs. 45.929 for US \$ 1 prior to the close of the business hours on 14th January 2011

Out of the above during the period 54,500 FCCBs amounting to USD 54,500,000 were converted into 9,208,356 equity shares at the rate of RS 271.832 per share at the option exercised by the bond holders.

The balance 500 nos FCCB of US\$ 1000 each were redeemed on March 26, 2008 at a price of Rs.52379.73 per FCCB. The premium of Rs.2,808,122 on redemption has been adjusted out of the Share Premium Account.

2. Pending utilization of the issue proceeds of Foreign Currency Convertible Bonds (FCCB), an amount of Rs.7,483,153/- (US\$ 187219.25 is lying in Foreign Currency Current and Deposit Accounts. (Previous year Rs.587,805,596/)(US\$13,289,749)).During the period out of issue proceeds Rs.NIL has been utilized for financing capital expenditure(Previous Year Rs.694,032,722), Rs.563,405,552/- has been utilized for loan to subsidiary companies adjustable against import of capital goods or refundable in near future (Previous Year Rs.1,133,931,189).

D The External Commercial Borrowings [ECBs] outstanding as on 31.03.08 of USD 67,830,692 (Previous Year Nil)

	MARCH, 2008	DECEMBER, 2006
ICICI (44 M)	US\$ 38,474,797	Nil
EXIM Bank (55 M)	US\$ 29,355,895	Nil

E The registration of Leasehold Building acquired during the year is in process.

F. OTHERS

1. 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.

2. Balance appearing in Sundry Debtors / Creditors and Loans & Advances are subject to confirmation.

3. The company has allotted :

(a) 2,733,330 equity shares of Rs. 10 each at a premium of Rs. 365 per Equity Share on 14.08.2007 to Citi Venture Capital (CVC) on a preferential basis resulting increase share capital by Rs. 27,333,300 and security premium amount by Rs. 997,665,450.

(b) 6,000,000 equity share warrants to promoters on 29.03.08 on preferential basis. Each warrant is to be converted into 1 equity shares of Rs.10 each at a premium of Rs.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. The amount received till 31st March 2008 against the same was Rs. 396,000,000.

4. TERM LOAN

(a) All term loans from Financial Institutions / Banks except following 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 (Rs.226.08 Lakhs to SBI & Rs. 1975.00 Lakhs to PNB) having an exclusive first charge for loan granted to the company.

(1) Exclusively charged to State Bank of India for Rs.277.53 Lakhs on assets acquired out of the same and

- (2) Exclusive charges of ICICI Bank for Rs.17453.56 Lakhs and Exim Bank for Rs.11789.13 on assets acquired out of the same and also on receivables of the contracts for which the loans have been obtained.

Secured loans of Rs.9023.77 Lakhs are further collaterally secured by pledge of 2775900 Equity Shares of Shiv-vani Oil & Exploration Services Ltd. held by Directors & their relatives.

All the Term loans are also personally guaranteed by Shri Prem Singhee, Chairman and Managing Director and Shri Padam Singhee, Joint Managing Director.

- (b) Amount repayable within one year Rs.18087 Lakhs (previous year Rs.8205.88 Lakhs)
5. 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. These are secured, additionally, by way of 1st charge on Plant & Machinery amounting to Rs.226.08 lakhs and 2nd charge on balance plant and machinery and are personal guarantee of Shri Prem Singhee, Chairman and Managing Director, Shri Padam Singhee, Joint Managing Director.
 6. Deferred Creditors are secured by way of hypothecation of specific assets acquired under hire purchase. Amount payable within in one-year is Rs.12.18 Lakhs (Previous year Rs.23.32 Lakhs).
 7. The Company has during the year, entered into forward Mark to Market contracts with Standard Chartered Bank to counter the impact of exchange rate volatility. As per the terms of the contract the net loss is to be determined at the contract value date as such any loss arising there from shall be recognized in the Profit & Loss Account at the time of termination of the contract. The outstanding amount of hedged forward covers as at 31st March 2008 was US\$ 52 millions.

8. Managerial Remuneration

	March, 2008 (Rs.)	December, 2006 (Rs.)
Salary	14,100,000	6,179,355
Free Accommodation — for rent	750,000	600,000
— for expenses	839,415	645,810
Club Fees	20,000	192,240
Medical Expenses	5,785	43,052
P F	1,692,000	741,523
Total	17,407,200	8,401,980

*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.

9. Cost of Plant & Machinery and Vehicle includes assets acquired under hire purchase agreement amounting to Nil (Previous Year Rs.2,199,118/-).

10. C.I.F. Value of Imports:

	March, 2008 (Rs.)	December, 2006 (Rs.)
- Stores & Spares	15,581,896	13,313,732
- Capital Goods	1,654,958,222	228,577,845

11. Foreign traveling expenses for Rs.11,678,922/-(Previous year Rs.9,908,988/-) includes Rs.6,274,195/- (previous year Rs.1914274/-) incurred in foreign currency during the year.

12. Expenditure in foreign currency

	March, 2008 (Rs.)	December, 2006 (Rs.)
Interest		
-Capital nature	101,106,793	7,713,880
Professional Fees		
-Capital nature	58,370,400	Nil
-Revenue nature	433,738	59,672
Traveling	6,274,195	1,914,274
Repair & Maintenance	Nil	463,587
Bank Charges	194,845	181,438
Annual Membership Fee & subscription	264,110	85,310
Business Promotion	151,111	Nil
Recruitment & Training	59,175	Nil
Contract Expenses	50,055,195	Nil

13. Earning in foreign currency

	March, 2008 (Rs.)	December, 2006 (Rs.)
Contract Revenue	458,796,938	160,923,324
Interest on FDR	12,396,741	73,772,849

14. A sum of Rs.843.72 lakhs has been 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 Rs 591,795/- (previous year Rs. 1,349,975/-) incurred during the year for the same has been debited to Miscellaneous Expenses.

15. Information pursuant to clause 32 of the listing agreement with Stock Exchanges Loan & advances in the nature of interest free loan to wholly owned subsidiary companies with no specified payment schedule.

	31 March, 2008		31 December, 2006	
	Amount Rs.	Max. Amount Rs.	Amount Rs.	Max. Amount Rs.
Shiv-Vani Oil & Gas Co.LLC Muscat -Oman	510,815,109	881,733,692	424,741,427	483,404,490
SV Oil & Natural Gas Ltd. Mauritius	1,816,864,277	215,492,2780	663,411,717	670,097,098
Shiv-Vani Oil Services Ltd.	24,060	9,455,849	9,334,816	9,808,500
TNG Shiv Geo Services Ltd.	77,914	77,914	24,894	24,894
Shiv-Vani Singapore PTE Ltd.	65,458,989	65,945,275	Nil	Nil
Shiv-Vani Energy Ltd.	26,467	26,467	Nil	Nil

16. Fixed Deposits of Rs.5046 Lakhs (Previous year Rs.750.08 Lakhs) are under lien in respect of guarantees / Letters of credit issued by the banks.
17. 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.
18. Insurance claims are accounted for on receipt basis.
19. The payment of Provident Fund Dues amounting to Rs.3,101,022/-, ESI amounting to Rs.345,204/-, Tax deducted at Source amounting to Rs.51,471,691/-, Service Tax Rs.190,831,167/- and fringe benefit tax amounting to Rs.4,168,697/-, VAT Rs.2,712,831/- were delayed. This amount was later deposited with the appropriate authorities (Previous year -P.F Rs.607,141/-, ESI Rs.51,796/-, T.D.S Rs.13,379,030/-, FBT Rs.964,854/- & Service Tax Rs.32,910,140/-). However Service Tax of Rs.190,831,167/- (Previous year Rs.32,910,140/-) remains unpaid.
20. The Service Tax department has raised a demand of Rs.406,615,596/- on account of service tax on Shot Hole activities carried out by the company from 01.12.04 to 31.10.07. Based on legal opinion this activity was not covered under the provision of Service Tax Act for the period covered in the notice and accordingly the company is contesting the same. Hence no provision for the same has been made in the books of accounts of the company. However in future if this amount become payable the same shall be recoverable from the various contract holders in terms of the contracts entered with them.
21. Expenses include Rs. 3,844,627/-(Previous Year Rs.1,360,778) relating to earlier year.
22. Exchange differences amounting Rs 114,835,152 at the end of the year have been clubbed with Bank Interest and Financial charges.
23. Material events occurring after the balance sheet date are taken into cognizance.
24. There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund.
25. The previous years figures have been regrouped / rearranged wherever found necessary. The figures have been rounded off to the nearest rupee. The current year figures are for 15 months while previous year figures are for 12 months, hence are not comparable.
26. Traveling and Conveyance Expenses include Rs.5,929,161/- (Previous year Rs.18,702,032/-) incurred for directors traveling .

27. There are no Small scale Industries and Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 days at the balance sheet date, computed on unit wise basis. The information regarding Small scale Industries and Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of data available with the company.
28. The company has during the year imported machinery worth Rs.984,625,678/- under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty exemption under an obligation to re-export such machinery after the completion of the contracts for which the import has been made.
30. The cost in respect of old unusable fixed assets sold/adjusted/impaired amounting to Rs 23,203,856/- (Previous Year Rs 42,857,721/-) has been reduced from the gross block.

G. RELATED PARTY DISCLOSURE

- a) The following is the details 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. | Shiv-Vani Energy Ltd. | INDIA |

- b) The company has the following transactions with related parties :

	Description of Transaction	Value (in Rupees)	
		MARCH 2008	DECEMBER 2007
Shiv-Vani Oil & Gas Co. LLC, OMAN	Loans	(76,657,612)	43,72,92,486
Shiv-Vani Oil & Gas Co. LLC, OMAN	Purchase of spare & Equipment	119,633	Nil
SV Oil & Natural Gas Ltd, MAURITIUS	Investment	Nil	232,600
SV Oil & Natural Gas Ltd, MAURITIUS	Loans	1,153,819,613	670,097,068
Shiv-Vani Oil Services Ltd.	Investment	9,500,000	500,000
Shiv-Vani Oil Services Ltd.	Advances	(9,310,756)	9,334,816
TNG Shiv Geo Services Ltd.	Investment	Nil	255,000
TNG Shiv Geo Services Ltd.	Advance	77,914	24,894
Shiv-Vani Singapore PTE. Ltd.	Advance	65,458,989	Nil
Shiv-vani Singapore PTE. Ltd.	Investment	3,103	Nil
Shiv-vani Energy Ltd.	Advance	1,406	Nil
Shiv-vani Energy Ltd.	Investment	500,000	Nil

H EARNING PER SHARE**BASIC EARNING PER SHARE**

(Amount in Rs.)

Particulars	31st March, 2008	31st December, 2006
a) Numerator		
Net Profit after taxation as per profit & loss a/c	541,231,489	256,569,351
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	36,649,509	31,966,020
Basic (EPS of face value of Rs.10 each)	14.77	8.03

DILUTED EARNING PER SHARE

(Amount in Rs.)

Particulars	31st March, 2008	31st December, 2006
a) Numerator		
Net Profit after taxation as per profit & loss a/c	541,231,489	256,569,351
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	36,688,983	31,966,020
Diluted (EPS of face value of Rs.10 each)	14.75	8.03

Schedules referred to above form an integral part of the accounts.

As per our report of even date

For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants**(Vikas Varshney)**
Partner
M. No. 510929New Delhi
September 5, 2008

For and on behalf of Board

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

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

1. Registration Details

Registration No.

				3	8	5	4	2
--	--	--	--	---	---	---	---	---

 State Code

									5	5
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Balance Sheet Date

3	1	-	0	3	-	0	8
---	---	---	---	---	---	---	---

2. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

 Right Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

 Private Placement

1	1	9	4	1	6	8	6	0
---	---	---	---	---	---	---	---	---

3. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)

Total Liabilities

1	4	1	1	7	2	7	3	7	1	4
---	---	---	---	---	---	---	---	---	---	---

 Total Assets

1	4	1	1	7	2	7	3	7	1	4
---	---	---	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up Capital

4	3	9	0	4	7	5	6	0
---	---	---	---	---	---	---	---	---

 Reserve & Surplus

5	7	1	4	4	1	0	5	6	1
---	---	---	---	---	---	---	---	---	---

Secured Loans

6	3	5	6	9	7	8	2	5	0
---	---	---	---	---	---	---	---	---	---

 Unsecured Loans

9	6	3	6	5	5	7	1	4
---	---	---	---	---	---	---	---	---

Deferred Tax Liability

2	4	7	1	8	1	6	2	9
---	---	---	---	---	---	---	---	---

 Share Application Money Pending Allotment

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

8	8	7	3	6	1	0	2	8	4
---	---	---	---	---	---	---	---	---	---

 Investment

-	-	7	5	0	5	7	3	6	4
---	---	---	---	---	---	---	---	---	---

Net Current Assets

5	0	0	7	9	5	2	0	6	1
---	---	---	---	---	---	---	---	---	---

 Misc. Expenditure

-	1	6	0	6	5	4	0	0	6
---	---	---	---	---	---	---	---	---	---

4. Performance of Company (Amount in Rs. Thousand)

Turnover

4	1	8	3	6	3	4	7	3	3
---	---	---	---	---	---	---	---	---	---

 Total Expenditure

3	3	6	8	3	0	5	0	0	5
---	---	---	---	---	---	---	---	---	---

Profit/Loss Before Tax

-	8	1	5	3	2	9	7	2	8
---	---	---	---	---	---	---	---	---	---

 Profit/Loss after Tax

-	5	4	1	2	3	1	4	8	9
---	---	---	---	---	---	---	---	---	---

Earning per shares is in

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Basic

										1	4	.	7	7
--	--	--	--	--	--	--	--	--	--	---	---	---	---	---

Diluted

										1	4	.	7	5
--	--	--	--	--	--	--	--	--	--	---	---	---	---	---

5. Generic Name of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) 9 8 0 1 0 0 0 5
Product Description Project for Exploration of Oil

For and on behalf of Board

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

New Delhi
September 5, 2008

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2008

	31.3.2008 (Rs.)	31.12.2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	815,329,728	400,371,818
Adjustment for :		
1. Depreciation	323,755,406	189,760,498
2. Deferred Revenue Expenditure	17,749,639	14,199,711
3. Investments (Interest Income)	(51,067,701)	(78,672,444)
4. Interest Expenditure	614,761,826	196,639,646
5. Profit on Sale of Fixed Assets	-	(91,725)
6. Fixed Assets w/off.	8,054,439	10,685,620
Operating Profit before Working Capital Charges	1,728,583,338	732,893,124
1. Trade & Other Recevables	(454,038,821)	(201,577,172)
2. Inventories	(89,823,010)	(53,470,843)
3. Trade Payable	865,973,829	223,897,831
Cash Generation from Operations	2,050,695,335	701,742,940
1. Interest paid	(614,761,826)	(196,639,646)
2. Direct Taxes Paid	(264,976,668)	(139,902,211)
	1,170,956,841	365,201,084
Cash Flow Before Extra Ordinary Items		
1. Extra - ordinary items	(8,379,417)	-
Net Cash from Operating Activities	1,162,577,424	365,201,084
B. CASH FLOW FROM INVESTING ACTIVITES		
Purchase of fixed assets	(5,438,577,596)	(1,251,485,530)
Sale of fixed assets	18,400	196,000
Sale of investments	-	8,762,400
Interest received	51,067,701	78,672,444
Advances to subsidiary companies	(2,393,266,649)	(1,333,474,198)
Purchase of investments	(13,803,103)	-
Net Cash from Investing Activities	(7,794,561,247)	(2,497,328,885)

	31.3.2008 (Rs.)	31.12.2006 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITES		
Proceeds from long and short term borrowings	2,720,670,076	439,655,576
Preference shares Redemeed	-	(50,000,000)
Proceeds from issue of share capital	3,528,106,163	-
Proceeds from issue of equity share warrant	396,000,000	-
Premium on redemption of FCCB Bonds	(2,808,122)	-
Misc Expenditure	(135,804,512)	-
Net cash flow from financing activities	<u>6,506,163,605</u>	<u>389,655,576</u>
Net Increase In cash and Cash Equivalents	(125,820,218)	(1,742,472,225)
Cash and cash equivalents at the beginning	736,224,862	2,478,697,087
Cash and cash equivalents at the closing	<u>610,404,645</u>	<u>736,224,862</u>

For and on behalf of Board

Prem Singhee Chairman & Managing Director

Padam Singhee Joint Managing Director

Rajan Gupta Chief Financial Officer

Vimal Chadha Company Secretary

New Delhi
September 5, 2008

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2008

Auditors' Certificate

We have examined the attached cash flow statement of Shiv Vani Oil & Gas Exploration Services Ltd. for the period ended 31st March, 2008. The Statement has been prepared by the Company in accordance with the requirements of the listing agreement clause 32 with the stock exchanges and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants

New Delhi
September 5, 2008

(**Vikas Varshney**)
Partner
Membership No.510929

REPORT OF AUDITORS' ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors
Shiv-Vani Oil & Gas Exploration Services Ltd.

We have examined the attached consolidated Balance Sheet of Shiv-Vani Oil & Gas Exploration Services Ltd. and its Subsidiaries as at 31st March 2008 and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the period ended on that date annexed thereto (together referred to as consolidated Financial Statements). These financial statements are the responsibility of the Shiv-Vani Oil & Gas Exploration Services Ltd. Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of the subsidiaries whose reflects total assets of Rs.34903/-lacs as at 31st March, 2008 and total revenue of Rs.16516/-lacs for the year ended on that date (these figures include intragroup transactions eliminated on consolidation). These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, 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 Rs.1774/-lacs, 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 ,2008
- (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 , 2008

For Vijay Prakash Gupta & Associates
Chartered Accountants

New Delhi
September 5, 2008

Vikas Varshney
Partner
Membership No. : 510929

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	Schedule No.	As at 31.03.2008 (Rs.)		As at 31.12.2006 (Rs.)
SOURCES OF FUNDS				
SHAREHOLDERS' FUND				
SHARE CAPITAL	1	439,047,560		319,630,700
EQUITY SHARE WARRANTS		396,000,000		
RESERVES AND SURPLUS	2	<u>6,267,440,165</u>	7,102,487,725	<u>1,891,258,350</u>
				2,210,889,050
MINORITY INTEREST			202,205	245,000
DEFERRED TAX LIABILITY	3		247,181,629	163,195,420
LOAN FUNDS				
SECURED LOANS	4	6,707,496,348		3,141,204,104
UNSECURED LOANS	5	<u>992,059,090</u>	<u>7,699,555,438</u>	<u>2,458,478,753</u>
TOTAL			<u>15,049,426,997</u>	<u>7,974,012,327</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
GROSS BLOCK	6	8,646,027,379		5,138,494,578
LESS : DEPRECIATION		<u>1,492,679,891</u>		<u>1,097,679,721</u>
NET BLOCK		<u>7,153,347,488</u>		<u>4,040,814,857</u>
CAPITAL WORK-IN-PROGRESS		<u>3,220,542,740</u>	10,373,890,228	<u>967,521,888</u>
				5,008,336,745
INVESTMENTS	7		14,718,000	10,918,000
CURRENT ASSETS, LOANS & ADVANCES				
INVENTORIES	8	239,199,516		151,494,601
SUNDRY DEBTORS	9	3,916,496,941		1,068,707,803
CASH & BANK BALANCES	10	634,943,070		922,608,840
LOANS & ADVANCES	11	<u>1,252,038,450</u>		<u>1,294,420,408</u>
		<u>6,042,677,978</u>		<u>3,437,231,652</u>
LESS : CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES	12A	1,174,943,569		347,754,225
PROVISIONS	12B	<u>367,856,059</u>		<u>177,446,294</u>
		<u>1,542,799,628</u>	4,499,878,348	<u>525,200,519</u>
				2,912,031,133
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
PRELIMINARY EXPENSES		150,816.00		127,316
PRE-OPERATIVE EXPENSES		14,566		-
FCCB ISSUE EXPENSES		24,849,494		42,599,133
DEFERRED REVENUE EXPENDITURE		<u>135,925,545</u>	<u>160,940,421</u>	<u>-</u>
				42,726,449
TOTAL			<u>15,049,426,997</u>	<u>7,974,012,327</u>

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 and on behalf of Board

For **VIJAY PRAKASH GUPTA & ASSOCIATES**

Chartered Accountants

(Vikas Varshney)

Partner

M. No. 510929

Prem Singhee

Chairman & Managing Director

Padam Singhee

Joint Managing Director

Rajan Gupta

Chief Financial Officer

Vimal Chadha

Company Secretary

New Delhi
September 5, 2008

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2008

Particulars	Schedule No.	Period ended 31.03.2008 (Rs.)	Year ended 31.12.2006 (Rs.)
TOTAL INCOME			
OPERATIVE INCOME	13	5,745,458,959	2,767,848,136
OTHER INCOME (GROSS)	14	89,775,189	84,808,406
		<u>5,835,234,148</u>	<u>2,852,656,542</u>
EXPENDITURE			
DIRECT EXPENSES	15	2,727,425,236	1,251,425,992
PERSONNEL EXPENSES	16	413,347,909	360,301,864
ADMINISTRATIVE & OTHER EXPENSES	17	393,709,152	188,211,224
INTEREST & FINANCE CHARGES	18	673,944,166	279,963,384
DEPRECIATION	6	428,670,655	257,910,995
	TOTAL	<u>4,637,097,118</u>	<u>2,337,813,458</u>
PROFIT FOR THE YEAR		1,198,137,030	514,843,084
ADD : MINORITY INTEREST IN LOSS		42,795	-
		<u>1,198,179,825</u>	<u>514,843,084</u>
Less : Provision For TAX			
- MAT CREDIT WRITTEN OFF		8,379,417	-
- INCOME TAX		177,617,170	94,219,548
- FRINGE BENEFIT TAX		5,607,684	2,829,550
- DEFERRED TAX		83,986,209	46,753,368
		<u>922,589,345</u>	<u>371,040,618</u>
PROFIT AFTER TAX		922,589,345	371,040,618
SURPLUS AS PER LAST BALANCE SHEET		1,326,747,739	954,697,121
TRANSFER FROM FCCB REDEMPTION RESERVE		-	13,510,000
PROFIT AVAILABLE FOR APPROPRIATIONS		<u>2,249,337,084</u>	<u>1,339,247,739</u>
APPROPRIATIONS			
TRANSFER TO GENERAL RESERVE		10,000,000	10,000,000
TRANSFER TO CAPITAL REDEMPTION RESERVE		-	2,500,000
TRANSFER TO LEGAL RESERVE		2,834,845	-
Balance Carried Forward to Balance Sheet		2,236,502,239	1,326,747,739
	TOTAL	<u>2,249,337,084</u>	<u>1,339,247,739</u>
Earning Per Share	— BASIC	25.17	11.61
	— DILUTED	25.15	11.61
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**
Chartered Accountants
(**Vikas Varshney**)
Partner
M. No. 510929

For and on behalf of Board

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

New Delhi
September 5, 2008

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
5,85,00,000 (Previous year 5,85,00,000) Equity Shares of Rs.10/- each	585,000,000	585,000,000
5,00,000 (Previous year 5,00,000) 11% Redeemable Non-Convertible Preference Shares of Rs.100/- each	50,000,000	50,000,000
	635,000,000	635,000,000
Issued & Subscribed		
4,39,07,706 Equity Share(Previous year 31,966,020 of Rs 10/- each fully paid up	439,077,060	319,660,200
	439,077,060	319,660,200
Paid up		
4,39,07,706 Equity Share(Previous year 3,19,66,020) of Rs 10/- each fully paid up. (Refer Note No. 8 (3) of Schedule - 19)	439,077,060	319,660,200
Less : Calls in Arrear	<u>29,500</u>	<u>29,500</u>
	439,047,560	319,630,700
5,00,000 11% REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES OF RS. 100/- EACH FULLY PAID UP	-	50,000,000
Less : Redeemed at par during the year	<u>-</u>	<u>50,000,000</u>
	439,047,560	319,630,700

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)		As at 31.12.2006 (Rs.)	
SCHEDULE - 2 RESERVES & SURPLUS				
General Reserve				
As per last Balance sheet	238,103,942		228,103,942	
Add : Transferred from Profit & Loss A/c.	<u>10,000,000</u>	248,103,942	<u>10,000,000</u>	238,103,942
Securities Premium Account				
As per last Balance sheet	264,905,000		264,905,000	
Add : Received during the year	<u>3,408,689,303</u>		<u>-</u>	
	3,673,594,303		264,905,000	
Less : Premium on redemption of Bonds	<u>2,808,122</u>	3,670,786,181	<u>-</u>	264,905,000
Capital Redemption Reserve				
As per last Balance sheet	50,000,000		47,500,000	
Add : Transferred from Profit & Loss A/c.	<u>-</u>	50,000,000	<u>2,500,000</u>	50,000,000
FCCB Redemption Reserve				
As per last Balance sheet	-		13,510,000	
Less: Transferred to Profit & Loss A/c.	<u>-</u>	-	<u>13,510,000</u>	-
Capital Reserve (Due to Consolidation)		59,212,958		11,501,669
Legal Reserve				
As per last Balance sheet			-	-
Add : Transferred from Profit & Loss A/c.	<u>2,834,845</u>	2,834,845	<u>-</u>	-
Profit & Loss Account				
As per Profit & Loss Account		<u>2,236,502,239</u>		<u>1,326,747,739</u>
		<u>6,267,440,165</u>		<u>1,891,258,350</u>
SCHEDULE - 3 DEFERRED TAX (NET)				
Deferred Tax				
As per last Balance Sheet	163,195,420		116,442,052	
Add: Transferred from Profit & Loss A/c.	<u>83,986,209</u>	247,181,629	<u>46,753,368</u>	163,195,420
		<u>247,181,629</u>		<u>163,195,420</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 4 SECURED LOANS		
a) Term Loans		
From Financial Institutions/Banks (Refer Note No. 8(4) Schedule 19)		
Industrial Development Bank of India Limited	69,726,739	141,281,016
ICICI Bank Limited	1,869,568,039	158,409,464
State Bank of Bikaner & Jaipur	104,298,762	150,196,327
State Bank of India	671,915,950	177,423,436
Punjab National Bank	814,019,063	382,086,803
State Bank of Mysore	81,745,603	124,762,246
Life Insurance Corporation of India	12,500,000	45,653,097
State Bank of Hyderabad	164,276,963	333,914,298
Yes Bank Ltd.	210,931,654	80,500,000
Bank of India	13,285,072	26,936,839
Syndicate Bank Ltd.	194,004,819	302,499,888
Karnataka Bank Ltd.	250,000,000	-
Exim Bank Ltd	1,178,913,595	-
State Bank of Saurashtra	151,528,767	-
State Bank of Travancore	252,441,781	-
Bank Muscat SAOG	290,494,708	852,981,088
	6,329,651,514	2,776,644,502
b) Working Capital Loans (Refer Note No. 8 (5) of Schedule - 19)		
Cash Credit Loans from Banks	316,226,277	258,367,875
	6,645,877,791	3,035,012,377
c) Deferred Creditors (Refer Note No. 8 (6) of Schedule - 19)		
	61,618,558	106,191,727
	6,707,496,348	3,141,204,104
SCHEDULE - 5 UNSECURED LOANS		
1% Foreign Currency Convertible Bonds (Refer Note No. 5 of Schedule - 19)	-	2,432,650,000
Others	992,059,090	25,828,753
	992,059,090	2,458,478,753

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE - 6 FIXED ASSETS

Particular of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01-01-07 (Rs.)	Additions (Rs.)	Sale/Adj. (Rs.)	Cost as at 31-3-08 (Rs.)	Upto 31.12.06 (Rs.)	For the Period (Rs.)	Sale/Adj. (Rs.)	Upto 31-3-08 (Rs.)	As At 31-3-08 (Rs.)	As At 31-12-06 (Rs.)
Building	-	205,530,656	-	205,530,656	-	-	-	-	205,530,656	-
Plant & Machinery	4,777,051,110	3,589,100,190	330,686,203	8,035,465,097	981,280,181	382,017,898	25,140,993	1,338,157,086	6,697,308,011	3,795,770,928
Office Equipments	17,256,733	14,976,492	3,558,283	28,674,942	3,038,625	2,076,827	2,005,099	3,110,353	25,564,589	14,218,109
Computers	32,881,155	16,694,991	2,388,439	47,187,707	10,454,141	7,636,217	2,388,439	15,701,919	31,485,788	22,427,014
Vehicles	195,643,172	16,530,404	6,024,475	206,149,101	77,772,739	20,041,015	1,739,624	96,074,130	110,074,971	117,870,433
Furnitures & Fixtures	12,005,739	6,070,789	2,194,350	15,882,178	2,404,897	1,584,316	1,548,315	2,440,899	13,441,280	9,600,842
Tent	103,656,669	91,520	848,015	102,900,174	22,729,138	11,076,857	848,015	32,957,980	69,942,194	80,927,531
Temporary Construction	-	4,237,524	-	4,237,524	-	4,237,524	-	4,237,524	-	-
Total	5,138,494,578	3,853,232,556	345,699,765	8,646,027,379	1,097,679,721	428,670,655	33,670,485	1,492,679,891	7,153,347,488	4,040,814,857
Capital Work in progress	967,521,888	2,253,020,852	-	3,220,542,740	-	-	-	-	3,220,542,740	967,521,888
GRAND TOTAL	6,106,016,466	6,106,253,418	345,699,765	11,866,570,119	1,097,679,721	428,670,655	33,670,485	1,492,679,891	10,373,890,228	5,008,336,745
Previous Year	4,902,684,672	1,282,067,573	78,735,780	6,106,016,466	870,289,811	257,910,995	30,521,085	1,097,679,721	5,008,336,745	

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
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SCHEDULE - 7 INVESTMENTS (At cost)

Quoted : Trade

4,29,000 equity shares of Shiv Vani Oil & Gas Exploration Services Ltd. of Rs. 10/- each fully paid up (Previous year 4,29,000)	9,750,000	9,750,000
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In Equity Shares - Unquoted : Trade

4,300 equity Shares of Equipment Conductors & Cables Ltd of Rs. 10/- each fully paid up (Previous Year 4,300)	43,000	43,000
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5,000 equity shares of Parasram Puria Synthetics Ltd. of Rs.10/- each at a premium of Rs. 10/- per share (Rs. 5 paid up) (Previous Year 5,000)	25,000	25,000
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1.10,000 equity shares of Neutral Enginners Ltd of Rs. 10 each fully paid up. (Previous year 1,10,000)	1,100,000	1,100,000
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1,80,000 equity Shares of Om Shivaya Real Estate Pvt. Ltd. of Rs. 10/- each fully paid up (Previous Year Nil)	1,800,000	-
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In Mutual Funds - Quoted : Trade

2,00,000 Units of SBI Infrastructure Fund (Previous Year - Nil) of Rs. 10/- per unit (Market Value - Rs. 21,46,000/- @ Rs. 10.73/- per unit) (Previous Year - Nil)	2,000,000	-
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14,718,000

10,918,000

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 8		
INVENTORIES		
(At lower of cost or net realisable value as valued and certified by the Management)		
Stores, Spares & Consumables	230,694,550	116,998,939
Goods In Transit	5,048,896	31,399,842
Scrap	3,456,070	3,095,820
	239,199,516	151,494,601
SCHEDULE - 9		
SUNDRY DEBTORS		
(Unsecured Considered good)		
Debts outstanding for a period exceeding six month	377,076,993	106,067,683
Others	3,539,419,948	962,640,120
	3,916,496,941	1,068,707,803
SCHEDULE - 10		
CASH & BANK BALANCES		
Cash & Cheques in Hand	6,957,545	3,316,555
Balance with Scheduled Banks		
In Current Account		
- Domestic	17,125,806	21,464,061
- Overseas	52,872,987	35,527,226
In Deposit Account		
- Domestic	502,657,758	75,008,472
- Overseas	5,328,974	737,292,526
- Others	50,000,000	50,000,000
In Unpaid Dividend Account	—	40,975
	634,943,070	922,608,840
SCHEDULE - 11		
LOANS & ADVANCES		
(Unsecured Considered good)		
Advances & Other amounts recoverable		
in cash or in kind for which value is to be received	1,061,671,910	1,188,948,291
Income Tax Paid	58,624,313	41,503,730
Tax deducted at source	120,318,102	54,194,630
Security Deposits	11,424,125	9,700,670
Investors Protection Fund	-	73,087
	1,252,038,450	1,294,420,408
SCHEDULE - 12		
CURRENT LIABILITIES & PROVISIONS		
A Current Liabilities		
Sundry Creditors		
Micro, Small & Medium Enterprises	-	-
Others	602,135,266	175,558,055
Unpaid Dividend		67,407
Other Current Liabilities	572,808,304	172,128,763
	1,174,943,569	347,754,225
B. Provisions		
Income Tax	334,960,454	157,343,285
Fringe Benefit Tax	4,168,697	967,674
Gratuity & Leave encashment	28,726,908	19,135,335
	367,856,059	177,446,294

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED
31st MARCH, 2008**

Particulars	As at 31. 03..2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 13		
OPERATIVE INCOME		
Contract Revenue	5,745,458,959	2,767,848,136
	<u>5,745,458,959</u>	<u>2,767,848,136</u>
SCHEDULE - 14		
OTHER INCOME		
Interest on Fixed Deposits (Gross) (TDS - Rs. 19,27,929/-, Previous year Rs. 4,66,498/-)	31,067,055	59,609,434
Interest - Others (Tax Deducted at Source - Rs. 2285690/-)	23,006,299	20,515,274
Insurance Claims Received	8,051,988	27,805
Miscellaneous Income	27,649,848	4,655,893
	<u>89,775,189</u>	<u>84,808,406</u>
SCHEDULE - 15		
CONSUMPTION OF STORES & OTHER DIRECT EXPENSES		
Store & Spare Parts	580,312,155	281,434,008
Oil & Lubricants	293,247,610	164,060,627
Contract Expenses	1,558,837,034	628,646,511
Hiring Charges	123,241,452	111,864,565
Insurance	20,854,517	21,828,992
Repairs to Plant & Machinery	150,932,468	43,591,289
	<u>2,727,425,236</u>	<u>1,251,425,992</u>
SCHEDULE - 16		
PERSONNEL EXPENSES		
Payment to & Provision for Employees		
Salaries, Wages, Bonus, Gratuity etc.	376,728,671	302,309,277
Staff Welfare	13,624,704	45,626,448
Contribution to Provident Fund	7,118,226	4,519,892
Contribution to ESI	161,108	35,952
Contribution to Delhi Labour Welfare Fund	-	570
Directors Remuneration	15,715,200	7,809,725
	<u>413,347,909</u>	<u>360,301,864</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

Particulars	As at 31.3.2008 (Rs.)	As at 31.12.2006 (Rs.)
SCHEDULE - 17		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	25,975,927	12,823,888
Rates & Taxes	2,517,653	2,302,559
Advertisement	9,584,048	4,732,998
Travelling & Conveyance Expenses	55,950,172	45,659,227
Vehicle Repair & Maintenance Expenses	25,280,358	19,811,253
Repair & Maintenance to others	12,998,202	11,241,487
Telephone Expenses	14,501,827	12,458,373
Legal & Professional Charges	54,850,219	11,043,753
Charity & Donation	1,960,953	792,218
Fees & Subscription	1,335,002	1,499,247
Demurrage Charges	196,462	442,713
Directors Sitting Fees	90,000	103,500
Miscellaneous Expenses	34,648,676	33,225,270
Bad Debts	-	4,598,084
Payment to Auditors		
Audit Fees	3,023,799	1,028,574
Tax Audit Fees	250,000	45,000
For Other Matters	1,777,875	844,250
FCCB Issue Expenses Written Off	17,749,639	14,199,711
Assets Written Off	7,694,189	10,685,620
Loss on Currency Fluctuation	123,324,151	-
Loss on Sale of Fixed Assets	-	673,499
	393,709,152	188,211,224

SCHEDULE - 18**INTEREST & BANK CHARGES**

On Term Loans	519,237,302	200,826,409
Others	154,706,865	79,136,975
	673,944,166	279,963,384

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES

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.
The company has changed its financial year ending from 31 December to 31 March. Accordingly these financial statements represent the results of the business operations for the period from 01 January 2007 to 31 March 2008 i.e a period of 15 months
- ii. The Financial Statements of the Parent company and its subsidiaries have been consolidated on a line-by-line basis (except depreciation on Fixed Assets where lower rate of depreciation in the case of subsidiary companies has been provided) 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 Muscat-OMAN	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	Mauritius	—do—	100%	Management Company
3	Shiv Vani Oil Services Ltd.	India	—do—	100%	Provide services to Oil, Gas & Petroleum Industries
4	TNG Shiv Geo Services Ltd.	India	—do—	51%	Provide services to Oil, Gas & Petroleum Industries
5	Shiv-Vani Singapore PTE. Ltd.	Singapore	—do—	100%	Drilling & Workover Operations in oil field
6	Shiv Vani Energy Ltd.	India	—do—	100%	Generation, distribution, transmission, trading & maintenance of electric power

* 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, 2008.

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. Recognition of Income and Expenditure.

All revenues and expenditures are accounted for on accrual basis except wherever stated otherwise.

ii. Contract Revenue is accounted for by the Company on work done basis.

iii. Fixed Assets

Fixed Assets are stated at cost less depreciation.

iv. Depreciation

Depreciation on fixed assets in the case of parent company has been calculated on Straight Line method on pro-rata basis at the rates specified in Schedule-XIV of the Companies Act, 1956. However, in case of plant and machinery's where higher depreciation rate has been charged, is based upon their residual useful life. In case of depreciation on fixed assets of the subsidiary company, the same is calculated on straight line method at the following rates.

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

- v. Carrying amount of cash generating units / assets is reviewed for impairment. Impairment if any is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

vi. Investments

Current investments are valued at acquisition cost or market value whichever is lower. Long-term investments are valued at acquisition cost. Diminution in value of long-term investment is provided only if such a diminution is other than temporary in the opinion of the management.

vii. Inventories

Stores & spares are valued at cost on FIFO basis.

viii. 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.

ix. Retirement Benefits

The actuarial valuation of the accrued liability for retirement gratuities payable to employees upto 31st March, 2008 has been made on accrual basis.

The provision for employees' retirement benefits is made in accordance with the policy of the company or the local laws and regulations. The total expense recognized on such account was Rs 287.27 .lacs.(Previous Year 191.35 Lacs)

x. 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.

xi Income Tax & Deferred Tax

Provision for tax comprises of current tax, deferred tax and fringe benefit tax. Provision for taxation has been made in books of accounts as per provisions of Income Tax Act 1961.

Deferred Income Tax represents the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year. Deferred tax is measured based on the prevailing tax rates. 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.

xii. Earning per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year (Adjusted for the effects of dilutive options.)

xiii. Miscellaneous Expenditure

Preliminary expenditure/share issue expenses are being written off over a period of ten years. FCCB issue expenses are being written off over a period of 5 years.

xiv Expenses during construction period

Expenses incurred during implementation of project are capitalized, as part of the cost of the project upto the date of its becoming ready for its intended use.

3. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

	March 2008 (Rs.)	December 2006 (Rs.)
1. Amount unpaid on investment in shares: - 5,000 Equity Shares of Parasrampur Synthetics Ltd.	35,000	35,000
2. Counter Guarantees given in respect of Guarantees Issued by the company's bankers to Oil & Natural Gas Corpn. Ltd (ONGC) and Oil India Ltd (OIL) (Includes Rs.47.00 crores for guarantees issued against pledge of 902,500 shares of the company held by directors and a third party).	2,347,418,967	704,220,405
3. Un -expired letters of credit	1,025,790,080	178,218,549
4. Income Tax Demands in appeal	Nil	8,831,220
5. Corporate Guarantees given to Financial Institutions/ Banks for securing financial assistance for a subsidiary Company and other Company	854,982,163	1,035,786,075
6. Estimated value of capital commitments (Net of advances)	2,059,300,000	748,788,440
7. Sales Tax demands (*) (*) To be adjusted against refund granted Rs. 133.86 lacs.	1,240,768	1,240,768
8. Commissioner of Customs	1,250,000	Nil

4. DEPRECIATION

Depreciation on Fixed assets in the case of subsidiary companies has been provided at a lower rates than the rates provided in the financial statement of Shiv-Vani Oil & Gas Co .LLC - OMAN & SV Oil & Natural Gas Ltd. This has resulted in the following

1. The depreciation has been lower by Rs.177,370,796/- (Previous Year Rs.127,038,113/-) to the Consolidated Profit & Loss Account.
2. The profit in the consolidated accounts is higher by Rs.177,370,796/- (Previous Year Rs.127,038,113/-) and
3. The fixed assets in consolidated accounts have been stated higher by Rs.177,370,796/-(Previous Year Rs.127,038,113/-)

5. FOREIGN CURRENCY CONVERTIBLE BONDS

The Company had issued 1% Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating to US \$ 55 million during the year 2005. These bonds were convertible at the option of the Bond Holders into equity share of Rs.10 each fully paid up at the conversion price of Rs.271.832 per share calculated at a fixed rate of exchange of Rs.45.929 for US \$ 1 prior to the close of the business hours on 14th January 2011

Out of the above during the period 54,500 FCCBs amounting to USD 54,500,000 were converted into 9,208,356 equity shares at the rate of RS 271.832 per share at the option exercised by the bond holders.

The balance 500 nos FCCB of US\$ 1000 each were redeemed on March 26, 2008 at a price of Rs.52379.73 per FCCB. The premium of Rs.2,808,122 on redemption has been adjusted out of the Share Premium Account.

2. Pending utilization of the issue proceeds of Foreign Currency Convertible Bonds (FCCB), an amount of Rs.7,483,153/- (US\$ 187219.25 is lying in Foreign Currency Current and Deposit Accounts. ((Previous year Rs.587,805,596/)(US\$13,289,749)).During the current year out of issue proceeds Rs.NIL has been utilized for financing capital expenditure(Previous Year Rs.694,032,722), Rs.563,405,552/- has been utilized for loan to subsidiary companies adjustable against capital goods or refundable in near future(Previous Year Rs.1,133,931,18).

The External Commercial Borrowings [ECBs] outstanding as on 31.03.08 of USD 67,830,692 (Previous Year Nil)

	<u>March, 2008</u>	<u>December, 2006</u>
ICICI (44 M)	US\$ 38,474,797	Nil
EXIM Bank (55 M)	US\$ 29,355,895	Nil

7. The registration of Leasehold Building acquired during the period is in process.

8. OTHERS

1. 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.
2. There are no amounts due and outstanding to be credit to Investor' Education and Protection Fund.
3. The company has allotted
 - (a) 2,733,330 equity shares of Rs 10 each at a premium of Rs 365 per equity share on 14.08.2007 to Citi Venture capital (CVCI) on a preferential basis resulting increase share capital by Rs 27,333,300 and security premium amount by Rs 997,665,450/-.
 - (b) 6,000,000 equity share warrants to promoters on 29.03.08 preferential basis. Each warrant is to be converted into 1 equity shares of Rs.10 each at a premium of Rs.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. The amount received till 31st March 2008 against the same was Rs.396,000,000/-.

4. TERM LOAN

- (a) All term loans from Financial Institutions / Banks except following 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 (Rs.226.08 Lakhs to SBI & Rs. 1975.00 Lakhs to PNB) having an exclusive first charge for loan granted to the company.
 - (1) Exclusively charged to State Bank of India for Rs.277.53 Lakhs on assets acquired out of the same and
 - (2) Exclusive charges of ICICI Bank for Rs.17453.56 Lakhs and Exim Bank for Rs.11789.13 on assets acquired out of the same and also on receivables of the contracts for which the loans have been obtained.

Secured loans of Rs.9023.77 Lakhs are further collaterally secured by pledge of 2775900 Equity Shares of Shiv-vani Oil & Exploration Services Ltd. held by Directors & their relatives.

All the Term loans are also personally guaranteed by Shri Prem Singhee, Chairman and Managing Director and Shri Padam Singhee, Joint Managing Director.

- (b) Amount repayable within one year Rs.18087 Lakhs (previous year Rs.8205.88 Lakhs)
5. 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. These are secured, additionally, by way of 1st charge on Plant & Machinery amounting to Rs.226.08 lakhs and 2nd charge on balance plant and machinery and are personal guarantee of Shri Prem Singhee, Chairman and Managing Director, Shri Padam Singhee, Joint Managing Director.
 6. Deferred Creditors are secured by way of hypothecation of specific assets acquired under hire purchase. A sum of Rs.60,023,390/- from United Finance Company, SAOG, Muscat are additionally guaranteed by Shiv-vani Oil & Gas Exploration Services Ltd. Amount payable within one-year is Rs.12.18 Lakhs (Previous year Rs.26.32 Lakhs).
 7. The Company has during the year, entered into forward Mark to Market contracts with Standard Chartered Bank to counter the impact of exchange rate volatility. As per the terms of the contract the net loss is to be determined at the contract value date as such any loss arising there from shall be recognized in the Profit & Loss Account at the time of termination of the contract. The outstanding amount of hedged forward covers as at 31st March 2008 was US\$ 52 millions.
 8. 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.
 10. The Service Tax department has raised a demand of Rs.406,615,596/- on account of service tax on Shot Hole activities carried out by the company from 01.12.04 to 31.10.07. Based on legal opinion this activity was not covered under the provision of Service Tax Act for the period covered in the notice and accordingly the company is contesting the same. Hence no provision for the same has been made in the books of accounts of the company. However in future if this amount become payable the same shall be recoverable from the various contract holders in terms of the contracts entered with them.
 11. The payment of Provident Fund Dues amounting to Rs.3,101,022/-, ESI amounting to Rs.345,204/-Tax deducted at Source amounting to Rs.51,471,691/-,Service Tax Rs.190,831,167/- and fringe benefit tax amounting to Rs.4,168,697/-, VAT Rs.2,712,831/- were delayed. This amount was later deposited with the appropriate authorities (Previous year -P.F Rs.607,141/-,ESI Rs.51,796/-, T.D.S Rs.13,379,030/-, FBT Rs.964,854/- & Service Tax Rs.32,910,140/-). However Service Tax of Rs.190,831,167/- (Previous year Rs.32,910,140/-) remains unpaid.
 12. Fixed Deposits of Rs.5046 Lakhs (Previous year Rs.750.08 Lakhs) are under lien in respect of guarantees / Letters of credit issued by the banks.
 13. Exchange differences amounting Rs 114,835,152 at the end of the year have been clubbed with Bank Interest and Financial charges.
 14. The previous years figures have been regrouped / rearranged wherever found necessary. The figures have been rounded off to the nearest rupee. The current year figures are for 15 months while previous year figures are for 12 months, hence are not comparable

10. **Managerial Remuneration**

	2008* (Rs.)	2006 (Rs.)
Sal3ent Fund Contribution	1,692,000	741,523
Perquisites /Benefits	1,615,200	1,594,986
	17,407,200	8,515,864

*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.

16. There are no Small scale Industries and Micro, Small and Medium Enterprises to whom the company

owes dues, which are outstanding for more than 45 days at the balance sheet date, computed on unit wise basis. The information regarding Small scale Industries and Micro, Small and Medium Enterprises has been determined to the extent such parties have been

identified on the basis of data available with the company.

17. The company has during the year imported machinery worth Rs.984,625,678/- under Essentially Certificate issued by Directorate General of Hydrocarbon, New Delhi for availing zero duty exemption under an obligation to re-export such machinery after the completion of the contracts for which the import has been made.

9. 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. Shiv-Vani Energy Ltd.	INDIA

10. EARNING PER SHARE

BASIC EARNING PER SHARE

Particulars	<u>31st March, 2008</u>	<u>(Amount in Rs.) 31st DEcember, 2006</u>
a) Numerator		
Net Profit after taxation as per profit & loss a/c	922,589,345	371,040,618
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	36,649,509	31,966,020
Basic (EPS of face value of Rs.10 each)	25.17	11.61

DILUTED EARNING PER SHARE

Particulars	<u>31st March, 2008</u>	<u>(Amount in Rs.) 31st DEcember, 2006</u>
a) Numerator		
Net Profit after taxation as per profit & loss a/c	922,589,345	371,040,618
b) Denominator		
No. of Equity Shares outstanding		
Weighted average of No. of equity shares outstanding	36,688,983	31,966,020
Diluted (EPS of face value of Rs.10 each)	25.15	11.61

Schedules referred to above form an integral part of the accounts.

As per our report of even date

For and on behalf of Board

For **VIJAY PRAKASH GUPTA & ASSOCIATES**

Chartered Accountants

(Vikas Varshney)

Partner

M. No. 510929

New Delhi

September 5, 2008

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, 2008

	31.03.2008 (Rs.)	31.12.2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	1,198,179,825	514843084
Adjustment for :		
1. Depreciation	428,670,655	257910995
2. Deferred Revenue Expenditure	1,41,99,711	1,41,99,711
3. Investments (Interest Income)	(54,073,354)	(8,01,24,708)
4. Interest Expenditure	673944,166	27,99,63,383
5. Profit on Sale of Fixed Assets	(900,700)	(91,725)
6. Loss on Sale of Fixed Assets	-	6,73,499
7. Fixed Asset Written Off	8,054439	1,06,85,620
8. Bad Debts	-	45,98,084
Operating Profit before Working Capital Charges	2,271,624,670	1,00,26,57,943
1. Trade and Other Receivables	(2,722,171,628)	(1,39,15,04,906)
2. Inventories	(87,704,915)	(6,75,33,590)
3. Trade Payables	1,017,599,109	8,24,97,171
Cash Generation from Operations	479,347,236	(37,38,83,382)
1. Interest Paid	(673,944,166)	(27,99,63,383)
2. Direct Taxes Paid	(266,468,909)	(13,99,02,211)
Cash Flow Before Extra Ordinary Items	(461,065,839)	(79,37,48,976)
Extraordinary items	42,166,717	2,08,77,331
Net Cash from Operating Activities	(418,899,122)	(77,28,71,645)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(5,820,421,380)	(1,25,05,67,573)
Sale of fixed assets	10,558,124	23,51,480
Purchase of investments	(3,800,000)	—
Interest Received	54,073,354	8,01,24,708
Net Cash from Investing Activities	(5,759,589,902)	(1,16,80,91,385)

	31.03.2008 (Rs.)	31.12.2006 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	3,528,106,163	—
Proceeds from long and short term borrowings	2,099,872,581	43,37,59,372
Preference shares Redeemed	—	(5,00,00,000)
Premium on redemption of FCCBs	2,808,122	—
Proceeds from issue of Convertible of Warrants	396,000,000	—
Miscellaneous expenses	(135,963,611)	—
Net cash flow from financing activities	5,890,823,255	38,37,59,372
Net increase in Cash and Cash Equivalents	(287,665,769)	(1,55,72,03,657)
Cash and Cash equivalents at the beginning	922,608,840	2,47,98,12,497
Cash and Cash equivalents at the closing	634,943,071	92,26,08,840

For and on behalf of Board

Prem Singhee Chairman & Managing Director**Padam Singhee** Joint Managing Director**Rajan Gupta** Sr. Vice President (Finance)**Vimal Chadha** Company SecretaryNew Delhi
September 5, 2008**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2008.****Auditors' Certificate**

We have examined the attached Consolidated Cash Flow Statement of **Shiv Vani Oil & Gas Exploration Services Ltd.** for the period ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered AccountantsNew Delhi
September 5, 2008**(Vikas Varshney)**
Partner
Membership No. 510929

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

SHIV-VANI OIL & GAS CO. LLC, OMAN

Particulars	Omani Rial	Conversion Rate	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
Share Capital	500000	104.031	52015500	5728700
Reserves & Surplus	2439807	104.031	253815544	110150412
Total Assets	12302509	104.031	1279842314	1851506445
Total Liabilities	12302509	104.031	1279842314	1851506445
Total Income	7252590	104.031	754494189	719180425
Profit / (loss) Before Taxation	1353540	104.031	140810072	114482914
Provision for Income Tax	0	104.031	0	0
Profit / (loss) after Taxation	1353540	104.031	140810072	114482914
Proposed Dividend	0	104.031	0	0

As per our report of even date
For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants

(Vikas Varshney)
Partner
M. No. 510929

New Delhi
September 5, 2008

For and on behalf of Board

Prem Singhee Chairman & Managing Director

Padam Singhee Joint Managing Director

Rajan Gupta Chief Financial Officer

Vimal Chadha Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

SV OIL & NATURAL GAS LTD., MAURITIUS

Particulars	USD	Conversion Rate	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
Share Capital	34000	39.97	1358980	1503820
Reserves & Surplus	5987214	39.97	239308949	-549071.22
Total Assets	53653587	39.97	2144533872	664444025
Total Liabilities	53653587	39.97	2144533872	664444025
Investments	13000	39.97	519610	574990
Total Income	22444464	39.97	897105226	244768.82
Profit / (loss) Before Taxation	6061527	39.97	242279228	-11676.72
Provision for Income Tax	37334	39.97	1492240	0
Profit / (loss) after Taxation	6024193	39.97	240786988	-11676.72
Proposed Dividend	0	39.97	0	0

As per our report of even date
For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants

(Vikas Varshney)
Partner
M. No. 510929

New Delhi
September 5, 2008

For and on behalf of Board

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

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

SHIV-VANI OIL SERVICES LIMITED, ASSAM

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
Share Capital	10000000	500000
Reserves & Surplus	-4483	0
Total Assets	10024060	9850066
Total Liabilities	10024060	9850066
Investment	9750000	9750000
Total Income	0	0
Profit / (loss) Before Taxation	-4483	0
Provision for Income Tax	0	0
Profit / (loss) after Taxation	-4483	0
Proposed Dividend	0	0

As per our report of even date
For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants

(Vikas Varshney)
Partner
M. No. 510929

New Delhi
September 5, 2008

For and on behalf of Board

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

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

TNG-SHIV GEO SERVICES LIMITED, NEW DELHI

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
Share Capital	500000	500000
Reserves & Surplus	-87338	0
Total Assets	577914	527250
Total Liabilities	577914	527250
Total Income	0	0
Profit / (loss) Before Taxation	-87338	0
Provision for Income Tax	0	0
Profit / (loss) after Taxation	-87338	0
Proposed Dividend	0	0

As per our report of even date
For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants
(Vikas Varshney)
Partner
M. No. 510929
New Delhi
September 5, 2008

For and on behalf of Board
Prem Singhee Chairman & Managing Director
Padam Singhee Joint Managing Director
Rajan Gupta Chief Financial Officer
Vimal Chadha Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

SHIV-VANI ENERGY LIMITED, NEW DELHI

Particulars	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
Share Capital	500000	0
Reserves & Surplus	0	0
Total Assets	526300	0
Total Liabilities	526300	0
Total Income	0	0
Profit / (loss) Before Taxation	0	0
Provision for Income Tax	0	0
Profit / (loss) after Taxation	0	0
Proposed Dividend	0	0

As per our report of even date
 For **VIJAY PRAKASH GUPTA & ASSOCIATES**
 Chartered Accountants
(Vikas Varshney)
 Partner
 M. No. 510929
 New Delhi
 September 5, 2008

For and on behalf of Board
Prem Singhee Chairman & Managing Director
Padam Singhee Joint Managing Director
Rajan Gupta Chief Financial Officer
Vimal Chadha Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

SHIV VANI SINGAPORE PTE LTD., SINGAPORE

Particulars	USD	Conversion Rate	As at 31.03.2008 (Rs.)	As at 31.12.2006 (Rs.)
Share Capital	71	39.97	2838	0
Reserves & Surplus	-4758	39.97	-190177	0
Total Assets	1635051	39.97	65352988	0
Total Liabilites	1635051	39.97	65352988	0
Total Income	0	39.97	0	0
Profit / (loss) Before Taxation	-4758	39.97	-190177	0
Provision for Income Tax	0	39.97	0	0
Profit / (loss) after Taxation	-4758	39.97	-190177	0
Proposed Dividend	0	39.97	0	0

As per our report of even date
For **VIJAY PRAKASH GUPTA & ASSOCIATES**
Chartered Accountants

(Vikas Varshney)
Partner
M. No. 510929

New Delhi
September 5, 2008

For and on behalf of Board

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



Shiv Vani Oil & Gas Exploration Services Ltd.

Registered Office : Tower 1, 5th Floor, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi - 110 017

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