FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Selan Exploration Technology Ltd.
2.	Annual financial statements of the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified / ~~Matter of Emphasis~~
4.	Frequency of observation	~~Whether appeared first time ……../ repetitive……/ since how long period.~~ **N/A**
5.	To be signed by – • CEO / Managing Director	*
	• CFO	
	• Auditor of the company	For V. Sankar Aiyar & Co. Chartered Accountants ICAI FRN :109208W M.S. Balachandran Partner (Mem. No. 024282)
	• Audit Committee Chairman	

* The Form has been signed by the Whole – Time Director of the Company

www.selanoil.com

ANNUAL REPORT 2013-14

SELAN EXPLORATION TECHNOLOGY LIMITED

Late Mr. R. N. Kapur

Founder and Former Chairman

BOARD OF DIRECTORS

Mr. R. Kapur, *Chairman*

Mr. T. Currimbhoy • Mr. V. B. Mahajan • Mr. S. K. Singh • Dr. D. J. Corbishley

COMPANY SECRETARY

Ms. Deepa Bhalla

AUDITORS

V. Sankar Aiyar & Company, Chartered Accountants, New Delhi

COST AUDITOR

S. N. Balasubramanian

BANKERS

Yes Bank • State Bank of India • Corporation Bank

REGISTERED OFFICE

J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi – 110 043

REGISTRARS AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F - 65, First Floor, Okhla Industrial Area Phase – I
New Delhi – 110 020

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report for the year ended 31st March, 2014.

Financial Review

The Company achieved the following results over the past two years :

(₹)

	2011-12	2012-13	2013-14
Net Sales	927,295,571	970,589,105	1,012,697,496
EBIDTA	838,514,401	889,068,783	945,836,453
EBIDTA / Net Sales	90%	92%	93%

Total Reserves and Surplus of the Company have increased from ₹2,209,466,928 to ₹2,454,044,676 as on 31st March, 2014.

Review of Operations

The ongoing operations of the Company continued to function in a smooth and efficient manner during the year. The Company was able to successfully complete the drilling of nearly 10 new wells during the year, in a highly cost efficient manner.

This drilling campaign will help increase the Company's production volumes during the course of time. We also expect that the data gathered from these wells will further enhance our understanding of our reservoirs.

The complex geology of the Cambay Basin makes these reservoirs highly heterogeneous in nature, thus resulting in a wide range of outcomes with respect to oil and gas volumes, and differing options on well completion / design.

The Company is now engaged with several technology providers across the United States, Canada and the United Kingdom to help arrive at the optimal completion technologies to be utilized by the Company.

The Company continues to apply for additional approvals for drilling of wells in our fields. With a new Government likely at the Centre, the industry as a whole is hopeful that new approaches to the approval processes may be considered.

For additional details regarding the Company's operations, please refer to the Management Discussion and Analysis section of the Annual Report.

Buyback of Equity Shares

The Company successfully completed the planned Buyback of Equity shares on 13th September, 2013. The Company in this Buyback purchased 587,043 shares for a total cumulative consideration of ₹1,609.71 lacs. Consequently, the paid-up share capital of the company is reduced to ₹1,640.00 lacs as on 31st March, 2014.

Final Dividend

The Directors are pleased to inform that in the financial year 2013-14, the Board of Directors have declared an interim dividend of 50%, i.e. ₹ 5/- per share, which shall be declared as final dividend for the year 2013-14 subject to approval by the shareholders of the Company in the forthcoming AGM.

Board of Directors

Dr. D. J. Corbishley, Mr. S.K. Singh and Mr. V.B. Mahajan, Directors whose period of office is liable to determination by retirement of directors by rotation, In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, they being eligible, offer themselves for appointment as Independent Directors for five consecutive years for a term upto 31st March, 2019.

Mr. T. Currimbhoy, Director who retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act ,1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible, offers himself for appointment as Independent Director for five consecutive years for a term upto 31st March, 2019.

The Company has received requisite notices in writing from members proposing their candidature for the same. The Company has received declarations from all the said Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Directors Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors do hereby confirm that in the preparation of the Annual Accounts, the applicable Accounting Standards have been duly complied with, and the Directors have selected the necessary accounting policies and applied them consistently. Judgements / estimates have been made that are evenhanded and prudent, so as to give an accurate and rational view of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period. The Directors have also taken ample care for the maintenance of adequate accounting records in conformity with the provisions of Companies Act, 1956, for upkeep of the assets of the Company and for preventing and detecting fraud and other irregularities, and lastly that the Directors have prepared the annual accounts on a going concern basis.

Auditors and their Report

The Auditors, M/s V. Sankar Aiyar & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment for three consecutive years, to hold office from the conclusion of this Annual General Meeting, until the conclusion of 32nd Annual General Meeting of the company, subject to ratification at every Annual General Meeting. The remuneration of the auditors shall be fixed by the Board after getting shareholders' consent as usual.

The Company has received confirmation from M/s V. Sankar Aiyar & Co. to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

Cost Accounting Records

The Company has maintained Cost Records as required by Cost Accounting Record Rules (Petroleum Industry) 2002. In terms of the Ministry of Corporate Affairs order dated 2nd May, 2011 Cost Records in respect of each year commencing from 1st April, 2011 has to be Audited by Cost Auditor, holding a valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959. In compliance with the aforesaid requirement the Cost Accounting Records of the company for the financial year 2013-14 are being audited by Mr. S. N. Balasubramanian, Qualified Cost Accountant. The Cost Audit for the year ended 31st March, 2013 was carried out by the same Auditor and the report was filed on 8th October, 2013 in XBRL mode.

However, the due date for filing of the Cost Audit Report in XBRL mode for the year ended 31st March, 2013 was 30th September, 2013.

The due date for filing the Cost Audit Report for the financial year ended 31st March, 2014 is 30th September, 2014.

Corporate Governance Report

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis and a Report on Corporate Governance alongwith Certificate from Auditors regarding compliance of conditions of Corporate Governance is annexed to Directors' Report. A declaration by the CEO (Manager) regarding the compliance with the Code of Conduct also forms part of this Annual Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The activities undertaken by your Company do not fall under the scope of disclosure of particulars under Section 217(1)(e) of the Companies Act, 1956, to the extent where it relates to the conservation of energy and technology absorption. Particulars with regard to foreign exchange outgo appear as point no. 40 of the Notes forming Part of the Accounts.

Personnel

The names and particulars of the employees required to be disclosed, in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of the annexure to the Directors' Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956 the Annual Report excluding the aforesaid annexure is being sent to the shareholders of the Company and others entitled thereto. Any member interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

Acknowledgements

Your Directors place on record their gratitude and express their earnest appreciation for the valuable efforts of every employee of the organization without which the Company would not have been able to undertake the challenging targets in all areas of operations. We are fortunate to have such a team whose endeavors have laid a strong foundation for the success of the organization as a whole. Your Directors acknowledge the exemplary contribution made by the employees of the Company.

On behalf of the Company, we wish to convey our appreciation to the Ministry of Petroleum and Natural Gas (MoPNG), Directorate General of Hydrocarbons (DGH), Ministry of Environment and Forests (MoEF), Government of India and the Bankers of the Company for their continuous support, cooperation and guidance. The Directors value the trust shown by the shareholders in their ability to manage the Company. We expect that with the ongoing encouragement and support of our shareholders, we shall be successful in achieving the desired objectives in the near future.

For and on Behalf of the Board

Place : New Delhi
Date : 10th May, 2014

R. KAPUR
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Developments

The industry is expecting significant changes in oil and gas policies, the approval process and implementation of business plans, if a stable, new government comes to power at the centre.

The stability and continuity of government policies is a key consideration with respect to development and execution of future business plans.

A greater emphasis on the ability of the country to achieve higher levels of domestic production is important to help improve the fiscal stability of the nation.

Continued levels of high oil prices have made investments in oil and gas opportunities possible all across the globe. However, in India, these investments are still to be realized and the government needs to make serious efforts in this direction.

2. Outlook

Production Sharing Contracts (PSCs) with the Government of India were signed by SELAN in 1995 for Bakrol, Indrora and Lohar oilfields. Further, the Company was also awarded Contracts for the Karjisan Gasfield and the Ognaj Oilfield with the Ministry of Petroleum and Natural Gas (MoPNG) in 2004.

The Company has received certain environmental and drilling approvals during the year. However, the approvals are now valid only for the fiscal year in which they are received, irrespective of how late in the fiscal year they are received. As such, the process is ongoing and unpredictable.

The Company has laid down diverse growth and expansion plans for its oil and gas fields; which shall lead to higher production of crude oil / gas. The Company plans to implement newer technologies along with the supervision and direction of experienced professionals for its planned growth and success.

The Company is actively pursuing various reservoir engineering and production engineering technologies across the globe in an effort to find the most appropriate completions for the new wells being drilled. These can add to the production / life cycle of the wells and help the Company in achieving its volume growth objectives in the coming years.

3. Segment-wise Performance

Currently, the Company operates in only one Business Segment that is Production of Crude Oil and Natural Gas.

4. Operations and Financial Review

The operations and financial review is covered in the Directors' Report and is to be read as a part of this report itself.

5. Risks and Concerns

(i) Business Risks

Oil sector is a high yielding sector that involves equally high risks. Data acquired for seismic evaluation of oilfields & reservoir modeling involves interpretation by latest software technology and advanced equipment which is capital intensive in nature and, therefore, prone to obsolescence alongwith uncertainty in results.

The Drilling Activities are carried out using advanced drilling rigs and ancillary rig equipments. Further, necessary safety and security measures have to be employed prior to any drilling activity.

However, the basic environmental & natural risks cannot be completely overlooked and therefore drilling activity poses an enormous challenge. The ebb and flow in international oil prices as well as in the dollar value of the rupee is another factor which adds to the unpredictability of profits in this industry.

(ii) Project Constraints

There are various project constraints which add on to the risk factors of the Company. Drilling rigs and associated oilfield services have been a major problem in the region where the Company operates. With the limited number of service providers available, the Company is required to tie-up with oilfield services suppliers as much as a year in advance in order to execute its scheduled drilling programmes.

Complying with international tendering procedures, import from abroad of long lead items and lining up of rig and allied services represents a challenging time line.

Another area of concern is the delay in land acquisitions, which affects the various development and production activities to be implemented.

Any unanticipated delays in receiving timely clearances from MoEF and in mobilizing the drilling rig and associated oilfield services is a potential project constraint for the Company.

(iii) Financial, Legal and Contractual Risks

SELAN carries minimum financial risk.

Currently, the Company has a policy of using debt financing only for short term requirements besides using its own accumulated reserves.

6. Internal Control Systems and their Adequacy

SELAN ensures proper and adequate Internal Control Systems at all times, so that all its assets and resources are safeguarded and protected against loss due to unofficial or illicit use / disposition. Transactions take place under due authority / power and are received and reported in a prudent manner. Our Internal Control System is designed in such a manner that financial and other records are completely reliable and authentic for preparing financial statements and for maintaining proper accountability for assets. These systems are reviewed by the Audit Committee in its quarterly meetings and suggestions are given to strengthen and regularly improve their application, keeping in view the dynamic business environment. Internal and external audits are conducted on a regular basis to ensure transparency and statutory compliance.

7. Human Resources Development / Industrial Relations

SELAN takes full pride in acknowledging its efficient, dedicated and hardworking team which has lead to optimum business returns for the Company. It has a simple hierarchy system, due to which the decision making process becomes quicker and simpler, mitigating the losses due to lengthy and time-consuming decision making processes. It facilitates and promotes an encouraging and professional working environment.

During the year, the Company was able to maintain harmonious and successful industrial relations. For now, and hopefully in the future, the Company foresees no major internal or external developments which shall adversely affect the business of the Company.

CORPORATE GOVERNANCE

1. SELAN's philosophy on Code of Governance

In our Company, Corporate Governance philosophy stems from our belief that Corporate Governance is the foundation for building and sustaining growth and achieving success. The Corporate Governance Policy of SELAN rests upon the four pillars of Transparency, Full Disclosure, Independent Monitoring and Fairness to all. SELAN believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large thereby ensuring that rights and privileges of societies and environments are respected within which the Company operates.

SELAN recognizes that good Corporate Governance is a continous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

For effective implementation of Corporate Governance practices, SELAN has prescribed a Code of Conduct which is displayed on the website of the Company. It is mandatory for the Board of Directors and Key Management Personnel to ensure compliance with this code on an annual basis. A declaration to this effect by the CEO (Manager) of the Company also forms part of this Annual Report 2013-14.

2. Board of Directors

i. Composition of Board

The Board of Directors of the Company comprises of :

- One Executive Director
- Four Non – Executive Independent Directors

Name of Director	Executive/ Non–Executive/ Independent	Number of Other Director-ships	No. of Committee Memberships in other Companies		Attend-ance in Board Meet-ings	Attend-ance in Last AGM
			Chairman	Member		
R. Kapur *	Chairman and Whole-Time Director	-	-	-	11	Yes
S. K. Singh	Non – Executive and Independent Director	-	-	-	11	Yes
T. Currimbhoy *	Non – Executive and Independent Director	-	-	-	01	No
V. B. Mahajan	Non – Executive and Independent Director	-	-	-	11	Yes
D. J. Corbishley*	Non – Executive and Independent Director	-	-	-	02	No

** Non – Resident Directors*

Note: Directorships in Foreign Body Corporates, Private Limited Companies and Associations are excluded.

ii. Number of Board Meetings held and the dates on which held

There were 11 Board Meetings held during the financial year 2013-14, as per the provisions of Clause 49 of the Listing Agreement. The dates on which the meetings were held are : 5th April 2013, 22nd April 2013, 9th May 2013, 11th May 2013, 26th June 2013, 10th August 2013, 23rd August 2013, 9th September 2013, 9th November 2013, 8th February 2014 and 25th February 2014. The Board has reviewed the compliance of all laws applicable to the Company.

3. Audit Committee

As per the provisions of the Listing Agreement, the Audit Committee of the Company was constituted on 9th May, 2000. The Committee now comprises of three members, out of which two are non-executive and independent directors. The Chairman of the Committee is also a non–executive and independent director, as per the requirements of the Listing Agreement. The Constitution of the Committee is as follows : Mr. V. B. Mahajan (Chairman), Mr. R. Kapur and Mr. S. K. Singh, Members.

Brief description of terms of reference :

1. Review of the financial reporting process and the Company's financial statements.
2. Review of the adequacy of accounting records as maintained in accordance with the provisions of the Companies Act, 1956.
3. Review of the adequacy of internal control system.
4. Such other powers and role as stipulated under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Committee met four times during the financial year 2013-14 (6th May 2013, 2nd August 2013, 30th October 2013 and 8th February 2014). All the Committee members were present at all the meetings.

4. Remuneration Committee

The Remuneration Committee of the Company has been set up for monitoring, implementation of Company's remuneration system and make recommendations to the Board in connection with the same and determine the remuneration package of Executive Directors and Senior Management Personnel as and when appointed. The Committee comprises of Mr. S. K. Singh (Chairman), Mr. V. B. Mahajan and Mr. Rohit Kapur, Members. The Chairman of the Committee is an independent director. The Committee met four times during the year (on 19th April 2013, 30th July 2013, 28th October 2013 and 29th January 2014) and all the members were present at these meetings.

Disclosure of Remuneration to Directors

Non-Executive Directors were not paid any remuneration except sitting fees (for attendance at each meeting of Board of Directors or Committee thereof). The Whole-Time Director was paid remuneration during the year as disclosed in Note 33 & 35 of Notes on Accounts. The other Non–Resident Directors were not paid any remuneration or sitting fee during the year.

5. Shareholders Committee

The Board has also established a Shareholders / Investors Grievances Committee under the chairmanship of Mr. V. B. Mahajan with Mr. R. Kapur and Mr. S. K. Singh as Members for the specific purpose of redressal of shareholders / investors grievances and complaints etc. The committee met eight times during the year. All the members of the Committee were present at these meetings. There were no pending shareholders complaints / grievance and transfer of shares as on 31st March, 2014.

The Company has designated an e-mail id of the Compliance Officer, specifically, to look after investor grievances and to resolve them in a speedy manner, in compliance with Clause 47 (f) of the Listing Agreement.

Compliance Officer

Name	:	Ms. Deepa Bhalla
Designation	:	Company Secretary
E-mail Id	:	investors@selanoil.com

6. Buyback of Share Committee

The Board has established a Buyback of Shares Committee comprising of Mr. V. B. Mahajan as Chairman and Mr. R. Kapur and Mr. S. K. Singh as Members to review the Buyback programme undertaken by the Company. The Committee met six times during the year and all the members were present at these meetings.

7. Corporate Social Responsibilty Committee

SELAN as a responsible corporate citizen strives to enhance value creation in the society and in the community in which it operates. In alignment with the mandatory provisions under section 135 of the Companies Act, 2013, a Committee has been constituted to guide the company in undertaking CSR activities in a focused and structured manner and review CSR Policy from time to time. The CSR Committee comprises of Mr. V. B. Mahajan (Chairman), Mr. R. Kapur and Mr. S. K. Singh as Members.

8. Women Empowerment

SELAN believes that every woman shall have the right to work in an environment free from any form of Sexual Harassment. In order to comply with the mandate of Sexual Harassment of Women at Workplace Act, 2013, SELAN has constituted an "Internal Complaints Committee" to prevent, prohibit and punish sexual harassment of women at workplace thereby providing safe and healthy working environment to its women employees.

9. General Body Meeting

Location and time for last three Annual General Meetings were :

Year	AGM	Location	Date	Time
2010-11	AGM	Ashok Country Resort, New Delhi	23/09/2011	10 : 00 a.m.
2011-12	AGM	Ashok Country Resort, New Delhi	08/08/2012	10 : 00 a.m.
2012-13	AGM	Air Force Audito-rium, New Delhi	05/08/2013	10 : 00 a.m.

10. Disclosures

(i) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large :

Mr. R. Kapur, the Whole-Time Director was paid remuneration during the year as disclosed in Note 33 & 35 of Notes on Accounts.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

None.

(iii) Disclosure on number of shares and convertible instruments held by non – executive directors:

Mr. S.K. Singh : 1,100

Mr. V.B. Mahajan : 6,248

11. Means of Communication

Timely disclosure of consistent, relevant and reliable information on financial performance is at the core of good governance. The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through its website

As per the requirements of the Listing Agreement and in order to give wider publicity the Half Yearly and Quarterly results are published within 48 hours after the Board Meeting held to consider and take them on record, in leading national newspapers and intimated to the Stock Exchanges (BSE / NSE).

Information and latest updates and announcement regarding the Company can be accessed at company's website www.selanoil.com including the follwing:-

- Quarterly /Annual Financial Results
- Quarterly Shareholding Patttern
- Annual Report
- Announcements/Advertisements

A Management Discussion and Analysis Report has been attached and forms part of this report.

12. General Shareholder Information

(i) Annual General Meeting :

- Date and Time — To be decided
- Venue — To be decided

(ii) Calendar for financial year 2014-15 (Tentative) :

Annual General Meeting	To be decided
Results for quarter ending 30th June, 2014	Fourth week of July, 2014
Results for quarter ending 30th September, 2014	Second week of November, 2014
Results for quarter ending 31st December, 2014	Second week of February, 2015
Results for quarter ending 31st March, 2015	Second week of May, 2015

(iii) Book Closure Date :

To be decided

(iv) Dividend :

During the year 2013-14, the Board of Directors of the Company had declared an interim dividend of 50% i.e. ₹5/- per share. This has been paid to the shareholders on 7th March, 2014. This is now being put for approval of the shareholders as final dividend for the year 2013-14 at the forthcoming AGM.

(v) Listing of Equity Shares on Stock Exchanges :

Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

(vi) Stock Code :

Scrip Code on Bombay Stock Exchange : 530075

Scrip Code on National Stock Exchange : SELAN (Equity)

(vii) Stock Market Data :

Bombay Stock Exchange (BSE)				
MONTH	SHARE PRICE (IN ₹)		SENSEX	
	HIGH	LOW	HIGH	LOW
Apr 2013	274.00	236.00	19,622.68	18,144.22
May 2013	265.90	211.00	20,443.62	19,451.26
June 2013	276.80	238.00	19,860.19	18,467.16
Jul 2013	278.00	236.00	20,351.06	19,126.82
Aug 2013	265.00	240.00	19,569.20	17,448.71
Sept 2013	292.50	258.00	20,739.69	18,166.17
Oct 2013	322.00	259.70	21,205.44	19,264.72
Nov 2013	333.00	292.00	21,321.53	20,137.67
Dec 2013	339.70	289.00	21,483.74	20,568.70
Jan 2014	394.00	297.00	21,409.66	20,343.78
Feb 2014	497.60	384.70	21,140.51	19,963.12
Mar 2014	542.80	420.00	22,467.21	20,920.98

(viii) Registrar and Transfer Agents :

MCS Share Transfer Agent Limited
F – 65, First Floor, Okhla Industrial Area Phase – I
New Delhi – 110 020

Tel # 011 - 4140 6149, Fax # 011 - 4170 9881

(ix) Share Transfer System :

Share transfer requests received in physical form with demat requests or without demat requests are registered within an average of 15 days from the date of receipt.

(x) Distribution of shareholding as on 31st March, 2014 :

Category	No. of Shares Held as on 31.03.2014	% Holding
Promoters :		
- Indian	2,745,386	16.74
- Foreign	4,349,216	26.52
Mutual Funds / UTI	331,299	2.02
Financial Institution / Banks	460	0.003
Foreign Institutional Investors	1690	0.01
Private Corporate Bodies	1,085,285	6.62
Indian Public	6,695,804	40.83
Trusts and Foundations	5,715	0.03
NRIs / OCBs	1,185,145	7.23
GRAND TOTAL	16,400,000	100.00

(xi) Dematerialisation of shares :

95.67 % of the outstanding shares have been dematerialized upto 31st March, 2014.

Trading in equity shares of the Company is permitted only in dematerialized form w.e.f. 25th September, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

(xii) Liquidity :

The shares of the Company are listed on Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE). The shares of the Company are adequately liquid.

(xiii) Field Locations :

Bakrol, Indrora and Lohar oilfields in the State of Gujarat. The Company also has Ognaj oilfield and Karjisan gasfield situated in the State of Gujarat.

(xiv) (a) For transfer / dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company :

MCS Share Transfer Agent Limited
Unit : Selan Exploration Technology Ltd.
F – 65, First Floor, Okhla Industrial Area, Phase – I
New Delhi – 110 020

(b) Any query on the Annual Report :

Company Secretary
Selan Exploration Technology Ltd.
J-47/1, Shyam Vihar, Dindarpur, Najafgarh
New Delhi – 110 043

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of Selan Exploration Technology Ltd.

1. We have examined the compliance of conditions of corporate governance by Selan Exploration Technology Ltd. ("the Company") for the year ended on 31st March 2014, as stipulated in Clause 49 of the listing agreement of the said Company with stock exchanges in India.

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

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For V. SANKAR AIYAR & CO.
Chartered Accountants
(Firm's Regn. No. 109208W)

Place : New Delhi
Date : 10th May, 2014

(M. S. Balachandran)
Partner
(Membership No. 024282)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Executives. The above mentioned code is available on the website of the Company.

I confirm that the Company has in respect of the financial year ended 31st March, 2014 received from the senior management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place : New Delhi
Date : 10th May, 2014

P. S. Oberoi
Manager

PERSONS CONSTITUTING GROUP COMING WITHIN THE DEFINITION OF 'GROUP' FOR THE PURPOSE OF REGULATION 3 (1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997, INCLUDE THE FOLLOWING:

1. Winton Roavic Associates (pending incorporation)

2. Winton Roavic Associates, LLP (pending incorporation)

INDEPENDENT AUDITORS' REPORT

To the Members of Selan Exploration Technology Limited

Report on Financial Statements

We have audited the accompanying financial statements of SELAN EXPLORATION TECHNOLOGY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that :

   a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

   e) On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable, on the basis of information & explanations obtained and such checks as we considered necessary.

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm's Regn. No. 109208W)

Place : New Delhi
Date : 10th May, 2014

(M. S. Balachandran)
Partner
(Membership No. 024282)

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF SELAN EXPLORATION TECHNOLOGY LIMITED

1. i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   ii) The Management has physically verified the assets at the year end, the frequency of which in our opinion is reasonable. No material discrepancies were noticed on such verification.

   iii) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.

2. i) The inventory of the Company consisting of crude oil, spares and consumables have been physically verified once during the year which, in our opinion is considered reasonable, keeping in view the size of the Company and nature of its business.

   ii) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   iii) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stock and the stock records have been adjusted in the books of accounts.

3. i) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(a) to (d) of the Companies (Auditors' Report) Order are not applicable.

   ii) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(e) to (g) of the Companies (Auditors' Report) Order are not applicable.

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 for the sale of goods. During the course of our audit, no major weaknesses in internal control were either reported or noticed.

5. According to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into a register maintained in pursuance of Section 301 of the Companies Act, 1956, have been so entered. However, there are no transactions exceeding the value of rupees five lakhs in respect of any party during the year.

6. During the year, the Company has not accepted deposits from public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A or 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed thereunder, are not applicable.

7. The Company did not have any internal audit during the year.

8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained and the required statements are in the process of compilation. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities the statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other statutory dues, though delay was observed in the payment of advance income-tax for which interest has been paid / provided. We are informed that there is no liability towards Employees State Insurance and Excise Duty for the year under audit. According to the information and explanations given to us, there are no undisputed amounts payable in respect of the aforesaid statutory dues, which have remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

   ii) According to the records of the Company, there are no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess as on the year end.

10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year or the immediately preceding financial year.

11. The Company has not defaulted in repayment of dues to financial institutions or banks. There are no debentures outstanding in the books of accounts at any time during the year.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

13. The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order are not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The Company has not taken any term loan during the year.

17. According to the information and explanation given to us, the cash flow statements examined by us and on an overall examination of the financial statements of the Company, we report that funds raised on short term basis have not been used for long term investments.

18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

19. Since no debentures have been issued by the Company, the question of creating security or charge does not arise.

20. The Company has not raised any money during the year by way of public issue.

21. Based on the audit procedures performed and representation by the management, we report that no material fraud on or by the Company has been noticed or reported during the year under audit.

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm's Regn. No. 109208W)

Place : New Delhi
Date : 10th May, 2014

(M. S. Balachandran)
Partner
(Membership No. 024282)

BALANCE SHEET AS AT 31ST MARCH, 2014

(in ₹)

Particulars	Note No.	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	164,000,000	168,255,250
Reserves and Surplus	3	2,454,044,676	2,209,466,928
		2,618,044,676	2,377,722,178
Non-current liabilities			
Deferred Tax Liabilities (net)	4	551,927,000	391,489,000
Long term Provisions	5	487,275	3,232,741
		552,414,275	394,721,741
Current liabilities			
Trade Payables	6.1	155,684,792	25,729,343
Other Current Liabilities	6.2	53,165,744	66,692,729
Short term Provisions	7	7,026,978	1,469,980
		215,877,514	93,892,052
TOTAL		3,386,336,465	2,866,335,971
ASSETS			
Non Current Assets			
Fixed Assets	8		
Tangible Assets		82,445,363	61,034,079
Intangible Assets		1,543,984	2,689,913
Capital work in progress (at cost) (Plant & Equipment)		28,836,011	30,041,310
Development of Hydrocarbon Properties (DHP)	9	1,557,456,885	1,104,619,094
Long term Loans and Advances	10	84,887,700	10,679,319
Inventories relating to DHP	11	45,018,677	92,043,697
		1,800,188,620	1,301,107,412
Current Assets			
Inventories	11	26,866,589	22,295,712
Trade receivables	12	241,106,422	154,780,353
Cash and Cash Equivalents	13	1,263,440,871	1,303,487,473
Short term Loans and Advances	14	7,932,256	39,086,334
Other Current Assets	15	46,801,707	45,578,687
		1,586,147,845	1,565,228,559
TOTAL		3,386,336,465	2,866,335,971
Significant Accounting Policies	1		
Other notes forming part of Accounts	25-42		

Annexure to our report of even date
for V. SANKAR AIYAR & CO.
Chartered Accountants
Firm's Regn.no. 109208W

New Delhi
10th May, 2014

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

DEEPA BHALLA
COMPANY SECRETARY

R. KAPUR
CHAIRMAN

S. K. SINGH **V. B. MAHAJAN**
DIRECTOR(S)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(in ₹)

Particulars	Note No.	31st March, 2014	31st March, 2013
INCOME			
Revenue from Operations	16	1,012,697,496	970,589,105
Other Income	17	130,381,936	126,136,032
Total Revenue		1,143,079,432	1,096,725,137
EXPENSES			
Operating Expenses	18	39,207,191	34,945,441
Handling and Processing Charges		15,969,823	15,600,416
Changes in Inventories of Finished Goods	19	(4,530,000)	(1,883,000)
Employee Benefits Expense	20	60,222,886	61,406,706
Finance Costs	21	779,135	9,216,903
Royalty and Cess		39,732,009	40,229,266
Development of Hydrocarbon Properties	22	703,189,732	83,108,471
Development of Hydrocarbon Properties Amortised		250,351,941	168,051,082
Other Expenses	23	46,641,070	57,357,525
Depreciation and Amortisation Expenses		13,590,563	12,586,972
		1,165,154,350	480,619,782
Transfer to: Development of Hydrocarbon Properties		(703,189,732)	(83,108,471)
Total Expenses		461,964,618	397,511,311
PROFIT FOR THE YEAR BEFORE TAX		681,114,814	699,213,826
Tax Expense :			
Current Tax		142,930,000	257,000,000
Taxes relating to earlier years		3,273,548	1,031,281
Deferred Tax	4	160,438,000	(10,472,000)
		306,641,548	247,559,281
Add : MAT Credit available for Set Off		71,036,000	-
PROFIT FOR THE YEAR AFTER TAX		445,509,266	451,654,545
Basic/diluted earnings per share	24	26.97	26.69
(face value of ₹ 10/- each)			
Significant Accounting Policies and	1		
Other notes forming part of Accounts	25-42		

Annexure to our report of even date
for V. SANKAR AIYAR & CO.
Chartered Accountants
Firm's Regn.no. 109208W

New Delhi
10th May, 2014

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

DEEPA BHALLA
COMPANY SECRETARY

R. KAPUR
CHAIRMAN

S. K. SINGH **V. B. MAHAJAN**
DIRECTOR(S)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(in ₹)

	Particulars	31st March, 2014	31st March, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit/(Loss) Before Tax	681,114,814	699,213,826
	Adjustments For :		
	Depreciation	13,590,563	12,586,972
	Interest Paid	779,135	9,216,903
	Loss on Sale of Assets	882	1,181,735
	Interest Income	(129,257,832)	(124,627,919)
	Expenditure on Development of Hydrocarbon Properties Amortised	250,351,941	168,051,082
		135,464,689	**66,408,773**
	Operating Profit Before Working Capital Changes	816,579,503	765,622,599
	Adjustments For :		
	Trade and other Receivables	(86,567,392)	27,806,687
	Inventories	42,454,144	(1,931,736)
	Trade and other Payables	119,239,995	(56,279,408)
		75,126,747	**(30,404,457)**
	Cash Generated from Operations	891,706,250	735,218,142
	Taxes Paid	(146,203,548)	(258,031,280)
	Net Cash from Operating Activities	**745,502,702**	**477,186,862**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Intercorporate Deposit	27,000,000	(27,000,000)
	Purchase of Fixed Assets and Capital Work in Progress	(32,678,501)	(26,221,743)
	Expenditure on Development of Hydrocarbon Properties	(703,189,732)	(83,108,471)
	Sale Proceeds of Fixed Assets	27,000	509,160
	Interest Received	129,257,832	124,627,919
	Net Cash from Investing Activities	**(579,583,401)**	**(11,193,135)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Buyback of Shares of the company	(109,250,868)	(51,719,852)
	Repayment of Long Term Borrowings	-	(117,373,305)
	Dividend paid including Corporate Dividend Tax thereon	(95,935,900)	(97,821,718)
	Interest Paid	(779,135)	(9,216,903)
	Net Cash (Used in) / Raised from Financing Activity	**(205,965,903)**	**(276,131,778)**
	NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)	(40,046,602)	189,861,949
	Cash and Cash Equivalents as at 01.04.2013 (Opening Balance)	1,303,487,473	1,113,625,524
	Cash and Cash Equivalent as at 31.03.2014 (Closing Balance) *	**1,263,440,871**	**1,303,487,473**

* Includes ₹ 21,287,064/- (previous year ₹ 41,615,048/-) not available for ready use.

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements.

Annexure to our report of even date
for V. SANKAR AIYAR & CO.
Chartered Accountants
Firm's Regn.no. 109208W

New Delhi
10th May, 2014

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

DEEPA BHALLA
COMPANY SECRETARY

R. KAPUR
CHAIRMAN

S. K. SINGH **V. B. MAHAJAN**
DIRECTOR(S)

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. Significant Accounting Policies

1.01 Basis of preparation of financial statements :

The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with applicable accounting standards under Companies (Accounting Standards) Rules 2006, notified by the Central Government under section 211(3C) of the Companies Act, 1956.

1.02 Use of Estimates :

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialise.

1.03 Revenue Recognition :

Income on sale of crude oil and gas is accounted for net of VAT and recognised when the risk & rewards are transferred to the buyer's representative. Interest income is recognised on time proportion basis.

1.04 Fixed Assets and Depreciation :

a) Fixed Assets are shown at cost.

b) Depreciation is provided on straight line method in the manner and at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation on additions is charged from the month in which the asset is put to use.

c) Intangible assets comprising softwares being amortised on straight line basis over a estimated useful life for 6 years.

1.05 Valuation of Inventories :

a) *Crude oil :* Valued at cost or net realisable value whichever is lower. Cost is calculated on absorption cost method.

b) *Stores, spares and consumables :* at cost (on weighted average basis) or net realizable value, whichever is lower.

1.06 Foreign Currency Transactions :

a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction.

b) In terms of PSCs with Government of India, selling price of crude oil per barrel is to be determined FOB delivery point at the prevailing international market rates in US Dollars. However payment is receivable in Indian Rupees at the US Dollar / Rupee conversion rate prevailing at the time of payment.

c) The PSC permits sale of gas to domestic users. Sale of Gas is based on rupee denominated rate as per contractual agreements.

d) The accounts receivable and payable are restated at the rates prevailing on the balance sheet date and the resultant exchange difference is recognised in the Statement of Profit & Loss.

1.07 Development of Hydrocarbon Properties :

Considering the nature of the oil industry and that Accounting Standard AS-26 being not applicable to Oil Industry, it is considered appropriate to show the development expenses of oil fields under "Development of Hydrocarbon Properties" as a separate item. Development of Hydrocarbon Properties includes the costs incurred on the collection of seismic data, drilling of wells, collection of log data, interpretation and reservoir modeling costs and other related expenditures. These expenditures are amortized over a period not exceeding the remaining period of the contract. The categorization / allocation of expenses is done on a basis considered appropriate by the Management.

1.08 Employee Benefits :

The Company makes regular contributions to duly constituted funds set up for Provident Fund and Family Pension Fund. In respect of accruing liability for gratuity, the employees have been covered under the Group Gratuity Scheme of Life Insurance Corporation of India. There is no prescribed rule for encasement of leave by employees. Provision for gratuity and leave encashment liability made on the basis of actuarial valuation carried out as at the balance sheet date.

1.09 Leases :

The Company has not entered into any financial lease. Hire charges for equipment and rental for premises are treated as operating lease and charged to revenue.

1.10 Deferred Tax :

In accordance with Accounting Standard 22 – Taxes on Income, deferred tax is recognised, subject to consideration of prudence, being the difference between accounting and taxable income that originate in one year and are capable of reversal in a subsequent year.

1.11 Impairment of Assets :

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amounts, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount. There is no impairment loss during the year.

1.12 Provisions and Contingencies :

The Company creates a provision when there is a present obligation as result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(in ₹)

Particulars	31st March, 2014	31st March, 2013
2. SHARE CAPITAL		
Authorised :		
29,000,000 (previous year 29,000,000) equity shares of ₹ 10/- each	290,000,000	290,000,000
100,000 (previous year 100,000) preference Shares of ₹ 100/- each	10,000,000	10,000,000
	300,000,000	300,000,000
Issued, subscribed and fully paid :		
16,400,000 (previous year 16,825,525) equity shares of ₹ 10 each	164,000,000	168,255,250

Reconciliation of the number of shares - Equity

	31st March, 2014		31st March, 2013	
	No.	₹	No.	₹
At the beginning of the period	16,825,525	168,255,250	16,987,043	169,870,430
Bought back during the year	(425,525)	(4,255,250)	(161,518)	(1,615,180)
Outstanding at the end of the year	16,400,000	164,000,000	16,825,525	168,255,250

a) Rights, preferences and restrictions attaching to equity shares :

The Company has issued only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

b) Equity Shares held by each shareholder holding more than 5% shares :

	31st March, 2014		31st March, 2013	
	No.	% of holding	No.	% of holding
Mr. R. Kapur	1,866,846	11.38%	1,866,846	11.10%
Winton Roavic Private Limited	1,501,000	9.15%	1,501,000	8.92%
Mrs. R. Kapur	1,206,000	7.35%	1,206,000	7.17%
Mr. A. Mahajan	1,185,910	7.23%	1,185,910	7.05%
Mrs. A. Mahajan	964,146	5.88%	964,146	5.73%

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the five years preceding immediately before the reporting date :

Number of equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account	**1,544,277**	**1,544,277**
Number of equity shares bought back by the Company	**790,347**	**364,822**

(in ₹)

Particulars	31st March, 2014	31st March, 2013
3. RESERVES AND SURPLUS		
Capital Reserve :		
Profit on forfeiture of warrants/ forfeited shares		
Balance as per last financial statements	9,405,000	9,405,000
Capital Redemption Reserve :		
Balance as per last financial statements	44,487,520	42,872,340
Transfer from Securities Premium Reserve	4,255,250	1,615,180
	48,742,770	44,487,520
Securities Premium Reserve :		
Balance as per last financial statements	123,487,378	175,207,230
Less : Transfer to Capital Redemption Reserve	4,255,250	1,615,180
Less : Price paid for Buyback in excess of face value	104,995,618	50,104,672
	14,236,510	123,487,378

(in ₹)

Particulars	31st March, 2014	31st March, 2013
General Reserve :		
Balance as per last financial statements	277,054,374	177,054,374
Add: Transfer from Surplus	100,000,000	100,000,000
	377,054,374	277,054,374
Site Restoration Fund :		
Balance as per last financial statements	1,622,000	50,000
Transfer from Surplus	2,009,000	1,572,000
	3,631,000	1,622,000
Surplus :		
Balance as per last financial statements	1,753,410,656	1,501,149,829
Profit for the year as per the statement of Profit and Loss	445,509,266	451,654,545
	2,198,919,922	1,952,804,374
Less : Appropriations :		
Interim Dividend paid (@ ₹5/- per equity share)	(82,000,000)	(84,167,625)
Corporate Dividend Tax on above	(13,935,900)	(13,654,093)
Transfer to General Reserve	(100,000,000)	(100,000,000)
Transfer to Site Restoration Fund	(2,009,000)	(1,572,000)
	2,000,975,022	1,753,410,656
Total of Reserves and surplus	2,454,044,676	2,209,466,928

4. DEFERRED TAX LIABILITIES (NET)

(in ₹)

	Deferred Tax Liability/ (Asset) as at 01.04.2013	Current year charge / (credit)	Deferred Tax Liability / (Asset) as at 31.03.2014
Deferred Tax Liabilities :			
Difference between book and tax depreciation	17,627,000	5,529,000	23,156,000
Development of Hydrocarbon Properties	375,460,000	153,920,000	529,380,000
(A)	393,087,000	159,449,000	552,536,000
Deferred Tax Assets :			
Provision for gratuity	1,462,000	(1,024,000)	438,000
Provision for leave encashment	136,000	35,000	171,000
(B)	1,598,000	(989,000)	609,000
Deferred Tax Liability (Net) (A)-(B)	391,489,000	160,438,000	551,927,000

(in ₹)

Particulars	31st March, 2014	31st March, 2013
5. LONG TERM PROVISIONS		
For employee benefits		
- Gratuity (Refer note 31)	209,375	3,062,463
- Leave Encashment (Refer note 31)	277,900	170,278
	487,275	3,232,741

(in ₹)

Particulars	31st March, 2014	31st March, 2013
6.1 TRADE PAYABLES		
Trade payables (Refer note 29 on dues to micro and small enterprises)	155,684,792	25,729,343
6.2 OTHER CURRENT LIABILITIES		
Profit Petroleum payable to GoI	293,054	20,310,306
Remuneration payable to Whole Time Director	20,825,800	22,756,600
Unpaid dividends (does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund)	8,614,597	7,152,470
Fractional bonus entitlement	43,630	43,630
Statutory Dues	22,974,060	16,039,750
Advances from Customers	170,603	145,973
Others	244,000	244,000
	53,165,744	66,692,729
7. SHORT TERM PROVISIONS		
For employees benefits		
- Gratuity (Refer note 31)	1,078,973	1,238,957
- Leave encashment (Refer note 31)	225,897	231,023
For taxation (net of advance payments)	5,722,108	-
	7,026,978	1,469,980

8. FIXED ASSETS

(in ₹)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 01st Apr, 2013	Additions	Deletions	As on 31st Mar, 2014	Upto 31st Mar, 2013	For the Year	Written Back	Upto 31st Mar, 2014	As on 31st Mar, 2014	As on 31st Mar, 2013
TANGIBLE ASSETS :										
Plant And Equipment	190,966,205	27,110,990	93,450	217,983,745	140,072,768	11,088,597	93,450	151,067,915	66,915,830	50,893,437
Furniture And Fixtures	1,873,918	423,147	-	2,297,065	245,983	133,657	-	379,640	1,917,425	1,627,935
Vehicles	7,513,925	4,017,830	1,062,162	10,469,593	3,273,724	629,152	1,034,280	2,868,596	7,600,997	4,240,201
Office Equipments	3,435,521	213,624	-	3,649,145	503,764	190,915	-	694,679	2,954,466	2,931,757
Computers	2,151,505	407,992	-	2,559,497	1,054,407	346,439	-	1,400,846	1,158,651	1,097,098
Electrical Fittings	508,423	1,704,718	-	2,213,141	264,772	50,375	-	315,147	1,897,994	243,651
	206,449,497	33,878,301	1,155,612	239,172,186	145,415,418	12,439,134	1,127,730	156,726,823	82,445,363	61,034,079
INTANGIBLE ASSETS :										
Computer Software	7,099,532	5,499	-	7,105,031	4,409,619	1,151,428	-	5,561,047	1,543,984	2,689,913
Total	213,549,029	33,883,800	1,155,612	246,277,217	149,825,037	13,590,562	1,127,730	162,287,870	83,989,347	63,723,992
Previous Year	204,156,764	14,159,743	4,767,478	213,549,029	140,314,648	12,586,972	3,076,583	149,825,037	63,723,992	63,842,116

Refer note 1.04 on rates and method of depreciation/amortisation.

(in ₹)

	Particulars	31st March, 2014	31st March, 2013
9.	**DEVELOPMENT OF HYDROCARBON PROPERTIES**		
	(Refer note 1.07)		
	Balance as per last financial statements	1,104,619,094	1,189,561,705
	Additions during the year (Refer note 22)	703,189,732	83,108,471
		1,807,808,826	1,272,670,176
	Less : Amortised during the year	250,351,941	168,051,082
	Closing Balance	1,557,456,885	1,104,619,094
10.	**LONG TERM LOANS AND ADVANCES**		
	(Unsecured - considered good, unless otherwise stated)		
	Capital Advances	5,243,353	2,424,133
	Security Deposits		
	- With Government Departments	1,749,960	805,112
	- Others	1,223,621	1,592,840
	Income tax payment (net of provisions)	5,634,766	5,857,234
	MAT credit available for set off	71,036,000	-
		84,887,700	10,679,319
11.	**INVENTORIES**		
	(Refer note 1.05 for mode of valuation)		
11.1	**Non-current**		
	Stores and components relating to Hydrocarbon Properties (Valued at Cost)	45,018,677	92,043,697
11.2	**Current**		
	Stores, spares and consumables (at lower of cost or net realisable value)	4,246,589	4,205,712
	Stock of crude oil (at lower of cost or net realisable value)	22,620,000	18,090,000
		26,866,589	22,295,712
12.	**TRADE RECEIVABLES - CURRENT**		
	(Unsecured - Considered good)		
	Outstanding for a period exceeding six months from the due date	812,525	-
	Others	240,293,897	154,780,353
		241,106,422	154,780,353

(in ₹)

	Particulars	31st March, 2014	31st March, 2013
13.	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	133,961	155,341
	Balances with banks :		
	Current Accounts	9,308,858	21,386,401
	Deposits with original maturity of less than 3 months	10,000,000	30,000,000
	Unpaid dividend accounts	8,609,406	7,147,279
	Other bank balances :		
	Deposits with original maturity for more than 3 months but less than 12 months :		
	- Public Sector Banks	1,086,601,582	980,683,404
	- Private Sector Banks	127,500,000	222,500,000
	Deposit accounts under lien :		
	- For Government of India / State Government	17,647,489	39,988,753
	- Site Restoration Fund Account	3,639,575	1,626,295
		1,263,440,871	1,303,487,473
14.	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured - considered good, unless otherwise stated)		
	Advance to Vendors	1,144,220	4,808,231
	Inter Corporate Deposits	-	27,000,000
	Balance with Government Department/Authorities	305,194	305,194
	Prepaid Expenses	6,060,303	6,181,449
	Advances recoverable in cash or kind	422,539	791,460
		7,932,256	39,086,334
15.	**OTHER CURRENT ASSETS**		
	Interest accrued on fixed deposits	46,801,707	45,578,687
		46,801,707	45,578,687
16.	**REVENUE FROM OPERATIONS**		
	(Refer note 1.03 on revenue recognition)		
	Sale of products :		
	- Crude Oil	1,055,387,691	985,078,919
	Less : Profit Petroleum paid to GoI (Refer note 29)	(111,325,158)	(89,568,610)
		944,062,533	895,510,309
	- Natural Gas	68,634,963	75,078,796
		1,012,697,496	970,589,105

(in ₹)

	Particulars	31st March, 2014	31st March, 2013
17.	**OTHER INCOME**		
	Interest Income on Bank/Intercorporate Deposits	129,257,832	124,627,919
	Miscellaneous Income	1,124,104	1,508,113
		130,381,936	126,136,032
18.	**OPERATING EXPENSES**		
	Payment to Contractors for Services	7,301,167	6,488,132
	Transportation	11,776,968	9,311,013
	Generator hire charges	11,413,105	9,688,358
	Other direct operative expenses	8,715,951	9,457,938
		39,207,191	34,945,441
19.	**CHANGES IN INVENTORIES OF FINISHED GOODS**		
	Inventories at the beginning of the year	18,090,000	16,207,000
	Inventories at the end of the year	22,620,000	18,090,000
	(Increase) / Decrease	(4,530,000)	(1,883,000)
20.	**EMPLOYEE BENEFITS EXPENSE**		
	(Refer note 1.08 on employee benefits)		
	Salaries, wages and bonus	58,541,595	60,147,933
	Contribution to provident and other funds	381,772	298,744
	Staff welfare expenses	1,299,519	960,029
		60,222,886	61,406,706
21.	**FINANCE COSTS**		
	Interest on term loans	-	6,146,089
	Interest on payment of Income Tax	779,135	3,070,814
		779,135	9,216,903
22.	**DEVELOPMENT OF HYDROCARBON PROPERTIES**		
	(Expenditure on specialized materials and services)		
	Cementing and Pumping Services	70,211,399	27,841
	Contract Rig charges & Rig Site Preparation	306,218,262	10,993,087
	Insurance	4,741,113	-
	Management and Drilling Supervision	27,641,952	7,284,464
	Materials consumed for Drilling of Oil Wells	56,066,631	1,406,761
	Miscellaneus Expenses	7,067,666	2,269,110
	Mud Chemical, Engineering & Logging Services	70,668,976	5,480,111
	Perforation and Well Cleaning Services	29,437,178	21,592,882
	Rent	3,408,151	3,313,990
	Seismic Survey, Data Processing & Wireline Services	117,619,951	22,410,254
	Travelling and Conveyance	10,108,453	8,329,971
		703,189,732	83,108,471

(in ₹)

	Particulars	31st March, 2014	31st March, 2013
23.	**OTHER EXPENSES**		
	Administrative services and supplies	7,373,162	5,937,870
	Advertisement and Business Development	2,368,896	3,051,274
	Advisory Services	6,870,235	6,805,679
	Communication	2,189,291	1,460,178
	Consumption of stores and spare parts	2,202,706	5,539,354
	Directors Fees	1,483,152	1,238,656
	Insurance	1,595,803	1,339,439
	Legal Fees	94,607	9,270
	Loss on foreign exchange variation	(108,335)	5,937,349
	Loss on sale/write off of fixed assets	882	1,181,735
	Miscellaneous expenses (Refer note 32)	8,526,565	6,742,099
	Power and fuel	1,006,115	650,051
	Rent	6,095,458	6,138,462
	Repairs - Others	1,468,769	4,345,093
	Repairs to machinery	1,074,425	1,838,747
	Travelling and conveyance	4,399,339	5,142,269
		46,641,070	57,357,525

24.	**EARNINGS PER SHARE (EPS)**		
	a) Profit after tax	445,509,266	451,654,545
	b) Average number of equity shares of ₹ 10/- each outstanding during the year		
	- Basic	16,520,488	16,925,378
	- Diluted	16,520,488	16,925,378
	c) EPS (₹)		
	- Basic	26.97	26.69
	- Diluted	26.97	26.69
	- Cash EPS	52.66	36.74

Cash EPS is calculated after adding back Development of Hydrocarbon Properties written off, defered tax and depreciation to net profit.

OTHER NOTES FORMING PART OF ACCOUNTS

25. Corporate Information :

Selan Exploration Technology Limited (referred to as the Company or Selan) was incorporated on 5th July, 1985 under the Companies Act, 1956. The Company is engaged in the business of oil & gas exploration and production. The Company has signed Production Sharing Contracts (PSCs) with Government of India (GoI) for Bakrol, Indrora, Lohar, Ognaj and Karjisan fields.

26. Capital Commitments :

Outstanding commitments for capital expenditure (net of advances) - ₹6,202,065 (previous year ₹ 978,000)

27. The Company has taken premises on operating lease. The lease payments charged during the year in the statement of profit and loss amounts to ₹6,095,458 (previous year ₹6,138,462). Amount due within one year ₹6,095,458.

28. In the Arbitration proceedings between the Company and the Ministry of Petroleum and Natural Gas, Government of India (GOI) with respect to the Lohar Oilfield, inter alia, the issue is whether Profit Petroleum is payable to the GOI in a financial year, when the Investment Multiple in the preceding year is less than 3.5. The Company had won an Award in its favour in May 2010, from the Arbitral Tribunal, against which the GOI had appealed to the Hon'ble Delhi High Court. The Single Bench of the High Court ruled in favour of the GOI. The Company has appealed against this to the Division Bench of the High Court, which case is in progress.

29. The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006. Disclosure relating to amount unpaid at the year-end together with interest payable, if any, as required under the said Act are not ascertainable.

30. In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of the current assets, loans and advances in the ordinary course of business will not be less than the amount stated in the Balance Sheet.

31. The disclosures of Employee Benefits as defined in the revised Accounting Standard - 15 are given below :

i. Change in present value of obligation :

(in ₹)

	31st Mar, 2014		31st Mar, 2013	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Present value of obligation as at the beginning of the period	4,301,420	401,301	3,598,924	404,564
b) Interest cost	344,114	32,104	287,914	32,365
c) Past service cost	-	-	-	-
d) Current service cost	532,046	65,404	656,165	75,110
e) Benefits paid	-	(508,948)	(360,462)	(237,609)
f) Actuarial (gain)/ loss on obligation	(68,407)	513,936	118,879	126,871
g) Present value of obligation as at the end of period	5,109,173	503,797	4,301,420	401,301

ii. The amounts to be recognized in Balance Sheet:

(in ₹)

	31st Mar, 2014		31st Mar, 2013	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Present value of obligation as at the end of the period	5,109,173	503,797	4,301,420	401,301
b) Fair value of plan assets at the end of the period	4,010,533	-	3,513,235	-
c) Funded status	(1,098,640)	(503,797)	(788,185)	(401,301)
d) Excess of actual over estimated	182	-	(12,010)	-
e) Net asset / (liability) recognized in the balance sheet	(1,098,640)	(503,797)	(788,185)	(401,301)

iii. Expenses recognised in the statement of profit and loss :

(in ₹)

	31st Mar, 2014		31st Mar, 2013	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Current service cost	532,046	65,404	656,165	75,110
b) Past service cost	-	-	-	-
c) Interest cost	344,114	32,104	287,914	32,365
d) Expected return on plan assets	(307,408)	-	(275,600)	-
e) Net actuarial (gain) / loss recognized in the period	(68,589)	513,936	130,889	126,871
f) Expenses recognized in the statement of profit & losses	500,163	611,444	799,368	234,346

iv. Economic assumptions :

(in ₹)

	31st Mar, 2014		31st Mar, 2013	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Discounting rate (%)	8.50	8.50	8.00	8.00
b) Future salary increase (%)	6.00	6.00	5.50	5.50
c) Expected rate of return on plan assets	8.75	-	9.15	-

v. Change in the fair value of plan assets :

(in ₹)

	31st Mar, 2014	31st Mar, 2013
a) Fair value of plan assets at the beginning of the period	3,513,235	3,012,018
b) Expected return on plan assets	307,408	275,600
c) Employer contributions	189,708	598,089
d) Benefits paid	-	(360,462)
e) Actuarial gain / (loss) on plan assets	182	(12,010)
f) Fair value of plan assets at the end of the period	4,010,533	3,513,235

Note: The above information is given from the report furnished by the Actuary as at the end of the year.

32. Miscellaneous expenses include :

(in ₹)

	31st Mar, 2014	31st Mar, 2013
a) Provision for Wealth Tax	44,200	15,100
b) Donations (including ₹1,000,000 to Aam Aadmi Party - a political party)	4,791,150	2,000,000

33. Managerial Remuneration :

(in ₹)

	31st Mar, 2014	31st Mar, 2013
Salary and allowances to Manager	1,896,500	1,657,267
Remuneration to Whole-time Director (including salary)	35,700,000	36,500,000

Note: Provision for accruing liability for Gratuity and Leave Encashment which are done on overall Company basis and not separately ascertainable and, therefore, not included above.

34. Segment Reporting as per Accounting Standard - 17 :

The Company is primarily engaged in the business of exploration and production of oil and natural gas. Therefore, it is a single segment business.

35. Related Party Disclosures as per Acccounting Standard - 18:

(a) Related Parties and their relationships

(i) Key Management Personnel

- Mr. Rohit Kapur, Chairman and Whole-time Director

(in ₹)

		31st Mar, 2014	31st Mar, 2013
(b)	Transactions with the above party in the ordinary course of business: - Managerial Remuneration (To Whole-time Director)	35,700,000	36,500,000

36. CIF Value of Imports :

(in ₹)

		31st Mar, 2014	31st Mar, 2013
a)	Capital Goods	15,870,094	11,712,690
b)	Components, stores & spares (including Development of Hydrocarbon Properties)	6,336,504	8,030,915

37. Value of Spare Parts and components consumed :

(in ₹)

		31st Mar, 2014	31st Mar, 2013
i)	Imported	65,455,061	9,574,529
	Percentage to the total	97	73
ii)	Indigeneous	1,879,026	3,530,676
	Percentage to the total	3	27
iii)	Total	67,334,087	13,105,205

38. Expenditure in Foreign Currency :

(in ₹)

		31st Mar, 2014	31st Mar, 2013
a)	Technical Services (Net of TDS)	68,821,466	72,903,736
b)	Travel	5,365,179	4,681,256

39. Remittance in Foreign Currency to Non-residents on account of dividends : NIL

		2013-14 Interim Dividend	2012-13 Interim Dividend
a)	Number of non-resident shareholders	739	887
b)	Number of shares held by them	5,573,924	5,866,765
c)	Dividend (paid in INR)	27,869,620	29,333,825
d)	Year to which the dividend relates	2013-14	2012-13

40.

			31st Mar, 2014	31st Mar, 2013
a)	Foreign Currency Exposure (indirect)			
	Not Hedgeable - Receivables	US$	3,658,682	2,403,835
b)	Foreign Currency Exposure			
	Creditors - Non hedged	US$	1,447,003	50,800

41(a). Payment to Auditors :

(in ₹)

		31st Mar, 2014	31st Mar, 2013
a)	Audit Fees	550,000	550,000
b)	Tax Audit	60,000	60,000
c)	Certification / Company Law / Other Matters	174,500	252,500
d)	Taxation Matters	105,600	175,000
e)	Reimbursement of expenses	12,600	92,922
f)	Service Tax	119,286	118,193

(b) Payment to Cost Auditors:

(in ₹)

		31st Mar, 2014	31st Mar, 2013
1)	Audit Fees	100,000	90,000
2)	Other Services	14,204	40,000
3)	Service Tax	12,360	16,068

42. Previous year figures have been regrouped wherever necessary to correspond with the current year figures.

Annexure to our report of even date
for V. SANKAR AIYAR & CO.
Chartered Accountants
Firm's Regn.no. 109208W

New Delhi
10th May, 2014

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

DEEPA BHALLA
COMPANY SECRETARY

R. KAPUR
CHAIRMAN

S. K. SINGH
V. B. MAHAJAN
DIRECTOR(S)

SELAN EXPLORATION TECHNOLOGY LIMITED
Address: J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi-110 043
Email: investors@selanoil.com
Web: www.selanoil.com

SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office: J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi – 110 043
CIN: L74899DL1985PLC021445; Website: www.selanoil.com
Email id: investors@selanoil.com; Tele Fax No.: 0124-4200326

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of Selan Exploration Technology Limited will be held at Ashok Country Resort, Rajokri Road, Kapashera, New Delhi – 110037 on Thursday, 7th August, 2014 at 10 : 00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.

2. To appoint M/s V. Sankar Aiyar & Co., Chartered Accountants as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the company subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2015.

3. To declare the interim dividend of 50 % amounting to ₹5/- per share paid during the year as final dividend for the financial year 2013-14.

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s) the following resolutions :

AS ORDINARY RESOLUTION

4. **APPOINTMENT OF MR. T. CURRIMBHOY AS AN INDEPENDENT DIRECTOR**

"RESOLVED THAT pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. T. Currimbhoy (holding DIN 00729714), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

5. **APPOINTMENT OF DR. D. J. CORBISHLEY AS AN INDEPENDENT DIRECTOR**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Dr. D. J. Corbishley (holding DIN 06515723), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

6. APPOINTMENT OF MR. S. K. SINGH AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. S.K. Singh (holding DIN 00016014), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

7. APPOINTMENT OF MR. V. B. MAHAJAN AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. V.B. Mahajan (holding DIN 00015515) , Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

8. RATIFICATION OF REMUNERATION OF COST AUDITOR

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), re-appointment of Mr. S.N. Balasubramanian , Cost Auditor; by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15 on a remuneration of ₹1,10,000/- per annum, be and is hereby ratified."

AS SPECIAL RESOLUTION

9. INCREASE IN THE NRI INVESTMENT LIMIT UNDER PORTFOLIO INVESTMENT SCHEME OF FEMA

"RESOLVED THAT in accordance with the provisions of Foreign Exchange Management Act (hereinafter referred to as 'FEMA') (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 or any other applicable law, and subject to the Statutory approval of any Statutory authority, if required, consent of the members be and is hereby accorded for increasing the Investment limit by Non-Resident Indians under Portfolio Investment Scheme upto 24% of the paid-up equity share capital of the Company.

RESOLVED FURTHER THAT Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution and for the matters connected therein or incidental thereto."

10. RE-APPOINTMENT OF MANAGER

"RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. P. S. Oberoi as the Manager of the Company for a further period of five years with effect from 1st October, 2014 on such remuneration, including perquisites and as per terms specified in the agreement (subject to limits specified under Schedule V of the Companies Act, 2013) placed before the meeting and initialed by the Director for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term includes any Committee which the Board may constitute to exercise the powers, including the powers conferred by this resolution) be and is hereby authorised to take all steps for the purpose of giving effect to these resolutions, including the execution of the agreement and that they are empowered to increase, alter and vary the terms and conditions of the said appointment / remuneration as may be deemed proper and fit subject to limits specified under Schedule V of the Companies Act, 2013 and rules made thereunder."

By Order of the Board

for SELAN EXPLORATION TECHNOLOGY LTD.

10th May, 2014
New Delhi

DEEPA BHALLA
Company Secretary

NOTES :

1) A member entitled to attend and vote is entitled to appoint a proxy and such proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument appointing proxy may be sent in the form enclosed and in order to be effective must reach the Registered Office of the Company at least 48 hours before the Meeting.

2) Members are requested to notify change in their address, if any, quoting their folio number to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Ltd., Unit: Selan Exploration Technology Ltd., F-65, First Floor, Okhla Industrial Area Phase – I, New Delhi – 110020.

3) Register of Members and Share Transfer Books of the Company will remain closed from 31st July, 2014 to 7th August, 2014 (both days inclusive).

4) Memorandum & Articles of Association of the Company and documents related to the resolutions will be available for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days except Saturdays and will also be available at the meeting.

5) Ministry of Corporate Affairs ("MCA") has vide Circular No.17/2011 dated 21.04.2011 & Circular No.18/2011 dated 29.04.2011 allowed the service of documents on members by a company through electronic mode. Accordingly, as a part of its Green initiative in Corporate Governance and in terms of circulars issued by Ministry of Corporate Affairs allowing paperless Compliances through electronic mode, soft copy of the Annual Report for the year ended 31st March, 2014 has been sent to all the members whose email address is registered with the Company/ Depositary Participant(s) unless any member has requested for a hard copy of the same. All those members, who have not yet registered their e-mail address with the Company/Depositary Participant are requested to do the same at the earliest.

6) The members are requested to send their queries, if any, on accounts or proposed resolutions at least 48 hours in advance of the meeting to the Company, so that the same may be answered satisfactorily at the meeting.

7) Members / Proxies should bring the Attendance slip duly filled-in for attending the meeting.

8) Voting through electronic means:

   I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Twenty Ninth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

   The Instructions for e-voting are as under:

   a) In case a member receives an email from NSDL whose email IDs are registered with the Company/Depository Participants(s), they shall follow the following steps :

      (i) Open e-mail and open PDF file viz; "Selan Exploration Technology Limited e-Voting.pdf" with your Client ID or

Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch an internet browser by typing the following URL: https://www.evoting.nsdl.com

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-voting: Active voting Cycles.

(vii) Select "EVEN" of Selan Exploration Technology Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to selan.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as follows, below the Attendance Slip for AGM:

EVEN (E-voting Event Number)	**USER ID**	**PASSWORD/PIN**
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(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the 'Frequently Asked Questions (FAQs)' and 'e-voting user manual' for Shareholders available at the Downloads section of www.evoting.nsdl.com.

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 31st July, 2014 (9:00 am) and ends on 2nd August, 2014 (6:00 pm). During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights shall be as per the number of equity shares held by the Member(s) as on Monday, 30th June, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.

VII. Mr. S. R. Iyer, Practising Chartered Accountant has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.selanoil.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange and National Stock Exchange.

EXPLANATORY STATEMENT

(Under Section 102 of the Companies Act, 2013)

Item No. 4

Mr. T. Currimbhoy (holding DIN 00729714) is an Independent Non-Executive Director of the Company. He is a leading architect and non-resident Indian, living and practicing in New York. Mr. Currimbhoy did his post graduate studies from Cornell University. He is well known to the Indian community in the US and the Middle East; and member of the Board of Directors of SELAN since June, 1995.

Mr. T. Currimbhoy retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. T. Currimbhoy being eligible, offers himself for appointment; is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. T. Currimbhoy as a candidate for the office of Director of the Company.

The Board feels that Mr. T. Currimbhoy fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Mr. T. Currimbhoy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. T. Currimbhoy as an Independent Director.

None of the Directors, except Mr. T. Currimbhoy is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 5

Dr. D.J. Corbishley (holding DIN 06515723) is an Independent Non-Executive Director of the Company. He graduated from the University of London and received a Doctorate in Geophysics from the University of Durham in the United Kingdom. In a career spanning over three decades, Dr. Corbishley worked exclusively for Shell, after having spent a few years initially with the Department of Defense in the United Kingdom. In a long and distinguished career with Shell worldwide, Dr. Corbishley has worked for Shell in Africa, South America and in Brunei and at Shell Headquarters in the UK and in The Hague, Netherlands. He has also served in India as Managing Director of Shell India for five years.

He has been the member of the Board since February, 2013.

Dr. D.J. Corbishley, whose period of office is liable to determination by retirement of directors by rotation; in terms of section 149 and any other applicable provisions of the Companies Act, 2013, Dr. D.J. Corbishley being eligible, offers himself for appointment; is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Dr. D.J. Corbishley as a candidate for the office of Director of the Company.

The Board feels that Dr. D.J. Corbishley fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Dr. D.J. Corbishley as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. D.J. Corbishley as an Independent Director.

None of the Directors, except Dr. D.J. Corbishley is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Mr. S.K. Singh (holding DIN 00016014) is an Independent Non-Executive Director of the Company. Mr. S.K. Singh has 43 years of extensive experience in the Oil Industry in Senior Management positions starting with Burmah –Shell followed by Shell and B.P. Zambia Ltd., Bharat Petroleum Corporation Ltd. and as an advisor to Essar Oil Ltd. before joining SELAN as a member of the Board of Directors. He has been the member of the Board since September, 2003.

Mr. S.K. Singh, whose period of office is liable to determination by retirement of directors by rotation; in terms of section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received proposing Mr. S.K. Singh as a candidate for the office of Director of the Company.

The Board feels that Mr. S.K. Singh fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Mr. S.K. Singh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S.K. Singh as an Independent Director.

None of the Directors, except Mr. S.K. Singh is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

Mr. V.B. Mahajan (holding DIN 00015515) is an Independent Non-Executive Director of the Company. He has held senior management positions in both the public and private sector. Having started his career at Asea Brown Boveri, he has worked at Richardson Hindustan Ltd. (now Procter and Gamble India Ltd.) and was most recently the Managing Director of NAFED; member of the Board of Directors of SELAN since October, 1999.

Mr. V.B. Mahajan, whose period of office is liable to determination by retirement of directors by rotation; in terms of section 149 and any other applicable provisions of the Companies Act, 2013, Mr. V.B. Mahajan being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. V.B. Mahajan as a candidate for the office of Director of the Company.

The Board feels that Mr. V.B. Mahajan fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Mr. V.B. Mahajan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V.B. Mahajan as an Independent Director.

None of the Directors, except Mr. V.B. Mahajan is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

The Board on the recommendation of the Audit Committee has appointed Mr. S.N. Balasubramanian as the Cost Auditor of the Company for the financial year 2014-15 which was approved by the Board in its meeting held on 10th May, 2014. As per Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditors is to be ratified by the shareholders. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors is interested in this resolution. Your Directors recommend the above Ordinary Resolution for approval.

Item No. 9

In terms of the provisions of Portfolio Investment Scheme under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the ceiling for overall investment for NRIs/ PIO is 10% of the paid up equity share capital of the company. The limit of Investment by NRI/PIO under Portfolio Investment scheme of FEMA can be increased from 10 % to 24 % subject to the approval of the Board and general body of the company by passing a special resolution to that effect.

The Board considers increasing the NRI Investment limit in the interest of the Company. The Board recommends the resolution to increase the limit of NRI investment in the Company upto 24% of the paid-up equity share capital of the Company.

Your Directors recommend the above as a special resolution for your approval. None of the directors is interested in this resolution except as shareholders of the Company.

Item No. 10

Mr. P. S. Oberoi was appointed as Manager in October, 2008 for a period of three years and then again re- appointed for a period of three years w.e.f. 1st October, 2011 as per the provisions of Section 197A of the Companies Act, 1956.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. P.S. Oberoi as Manager and be re-appointed for a further period of five years w.e.f. 1st October, 2014.

Mr. P. S. Oberoi is working in the Company since August, 1997 and has been involved in bringing about the expansion in the business of the Company over the years. The Company's foray into development of oil fields has been supported by the foresight and technical acumen of Mr. P. S. Oberoi. Professionally an Operations Manager, he has vast experience of more than 30 years at ONGC with respect to handling drilling, production and workover services in various capacities at different places.

Your Directors recommend the above as a special resolution for your approval. None of the directors is interested in this resolution except as shareholders of the Company.

By Order of the Board

for SELAN EXPLORATION TECHNOLOGY LTD.

10th May, 2014
New Delhi

DEEPA BHALLA
Company Secretary

SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office : J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi - 110 043
CIN : L74899DL1985PLC021445; Website : www.selanoil.com
Email Id : investors@selanoil.com; Tele fax No. : 0124-4200326

PROXY FORM

Annual General Meeting, 7th August, 2014

Name of the member (s) :

Registered Address :

Email Id :

Folio / DP ID – Client ID No. :

I / We being the member (s) of ..... shares of the above named Company hereby appoint :

1) Name: ..... Address:.....

Email Id:..... ..... Signature:....., or failing him;

2) Name: ..... Address:.....

Email Id:..... Signature:....., or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Thursday, 7th August, 2014 at 10:00 a.m. at Ashok Country Resort, Rajokri Road, Kapashera, New Delhi - 110 037 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements for the year ended 31st March, 2014.
2. Appointment of M/s. V. Sankar Aiyar & Co.; Chartered Accountants, as Auditors and fixing their remuneration.
3. Declaration of Interim Dividend as Final Dividend for the Financial Year 2013-14.
4. Appointment of Mr. T. Currimbhoy as an Independent Director.
5. Appointment of Dr. D. J. Corbishley as an Independent Director.
6. Appointment of Mr. S. K. Singh as an Independent Director.
7. Appointment of Mr. V. B. Mahajan as an Independent Director.
8. Ratification of Remuneration of Cost Auditor.
9. Approval for increase in NRI Investment limit.
10. Re-appointment of Manager.

Signed this ..... day of 2014

Affix Revenue Stamp

Signature of shareholder .....

Signature of Proxy holder(s).....

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

KINDLY ALSO NOTE THAT NO GIFTS, CONVEYANCE ETC. WILL BE GIVEN AT THE MEETING.

SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office : J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi - 110 043
CIN : L74899DL1985PLC021445; Website : www.selanoil.com
Email Id : investors@selanoil.com; Tele fax No. : 0124-4200326

ATTENDANCE SLIP

Annual General Meeting, 7th August, 2014

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company.

I certify that I have / have not cast my E – vote.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at ASHOK COUNTRY RESORT, RAJOKRI ROAD, KAPASHERA, NEW DELHI - 110 037 on Thursday, 7th August, 2014 at 10.00 a.m.

Member's/Proxy's name in BLOCK LETTERS

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

KINDLY ALSO NOTE THAT NO GIFTS, CONVEYANCE ETC. WILL BE GIVEN AT THE MEETING.

SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office : J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi - 110 043
CIN : L74899DL1985PLC021445; Website : www.selanoil.com
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E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

NOTE : Please read instructions given at Note No. 8 of the Notice of the 29th Annual General Meeting carefully before voting electronically.