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ANNUAL REPORT 2014-15

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 • Mrs. Rohini Kapur

AUDITORS

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

CHIEF FINANCIAL OFFICER

Mr. Ashok Kumar Maurya

COMPANY SECRETARY

Ms. Meenu Goswami

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, 2015.

Financial Review

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

(₹)

	2012-13	2013-14	2014-15
Net Sales	970,589,105	1,012,697,496	792,893,686
EBIDTA	889,068,783	945,836,453	687,216,394
EBIDTA / Net Sales	92%	93%	87%

Total Reserves and Surplus of the Company have increased from ₹2,454,044,676 to ₹2,639,208,773 as on 31st March, 2015.

Review of Operations

The operations of the Company continued in a smooth and uninterrupted manner during the course of the year. The drilling campaign of the Company was in progress during the year, with new wells drilled in the Bakrol and Indrora fields. Efforts were also ongoing to increase higher production volumes from wells recently drilled, as new data analysis opens greater opportunities.

In terms of assessment of the complex geology formations at different depths in our oil and gas fields, the Company continued to push the limits of technical options and challenges with various service providers. Simultaneously, the Company was fully engaged on all aspects of well design and completion strategies with consulting firms in North America.

As is the case with all the Oil Companies worldwide, the dramatic decline in oil prices has affected the revenues of the Company. With this significant drop in oil prices internationally during the year, the Company continues to monitor its expense commitments more closely than ever before, to ensure that profitability levels remain the highest possible under these challenging circumstances.

Please also refer to the Management Discussion and Analysis Report section of the Annual Report for more comprehensive discussion of the Company's operations.

Final Dividend

The Directors are pleased to inform that in the financial year 2014-15, 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 2014-15 subject to approval by the shareholders of the Company in the forthcoming AGM.

Board of Directors

Mrs. Rohini Kapur was inducted as an Additional Director with effect from 31st March 2015 to hold office upto the ensuing Annual General Meeting of the Company. The brief details relating to Mrs. Rohini Kapur are furnished in the explanatory statement to the notice of the ensuing AGM.

Number of Meetings of the Board

There were nine Board Meetings held during the Financial Year 2014-15. Details of the same forms part of the Corporate Governance Report.

Declaration of Independence by Directors

Declaration given by Independent Directors meeting the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is received and taken on record.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, 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, 2013, for upkeep of the assets of the Company and for preventing and detecting fraud and other irregularities, and that the Directors have prepared the annual accounts on a going concern basis. The Directors have laid down internal financial controls to be followed by the Company and such Internal financial controls are adequate and operating effectively. And lastly, the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Policy on Directors' Appointment and Remuneration

Considering the requirement of skill set on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to Company's business and Policy decisions are considered by Nomination and Remuneration Committee for appointment as an Independent Director on the Board. The Committee considers ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director and is not disqualified under Companies Act, 2013 and rules made thereunder and accordingly recommend to the Board his/her appointment.

Remuneration to Whole-Time Director is governed under the relevant provisions of Companies Act, 2013 and rules made thereunder. Independent/ Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committees thereof. The Company's policy on Directors remuneration is given in Corporate Governance Report which forms part of this Annual Report.The Board considers the Nomination and Remuneration Committee's recommendation and takes appropriate decision.

Contracts/Arrangements with Related Parties

All the related party transactions are done on Arm's length basis. The Company presents a Statement of all related party transactions before the Audit Committee on a quarterly basis specifying the nature, value and terms and conditions of transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority. Details of such transactions are given in the accompanying Financial Statements. The Company's policy on Related Party Transactions is available at our website www.selanoil.com.

Risk Management

The Company has robust systems for Risk Assessment and mitigation which is reviewed periodically. The Company's risk identification and assessment process is dynamic and hence it has been able to identify, monitor and mitigate the most relevant strategic and operational risks, both during periods of accelerated growth and recessionary pressures.

Corporate Social Responsibility

Selan is committed to operate and grow in a socially responsible way. With Safety, health and environment protection high on its Corporate agenda, Selan is committed to conduct business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of life of employees, clients and the community. Brief details about the CSR Policy developed and implemented by the Company on CSR initiatives taken during the year is given in Annexure-C to this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance, Directors individually and that of its Committees. During the year a Separate Meeting of Independent Directors was held to assess the performance of Non Independent Director and the Chairperson of the Company as well as the Board as a whole. Performance Evaluation is based on their contribution to company's objectives and plans, efficient discharge of their responsibilities, participation in Board/ Committee meetings and other relevant parameters.

Amortisation of DHP Expenses

Effective from the current year 2014-15, the amortization of expenses has been extended by 5 years beyond the existing lease period, keeping in view that the investments made in recent years for drilling of new wells are expected to continue to result in oil and gas production significantly beyond the original contract period. The Government also has the power to extend the PSCs for upto 5 years, and management is of the view that there is a reasonable likelihood of this taking place. Despite this change in the amortization period, the provision for amortization is higher than other alternate methods of calculation generally in use by the Oil and Gas Industry, thereby maintaining an overall conservative bias in the preparation of Company's Balance Sheet and Profit & Loss Statements for the year. The Auditors have taken note of the above changes in their Audit Report and their opinion is not modified in respect of this matter.

Auditors and their Report

The Auditors, M/s V. Sankar Aiyar & Co., Chartered Accountants, have been appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 07.08.2014 for a period of three years , subject to ratification at every Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members at the ensuing AGM.

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 2014-15 are being audited by Mr. S. N. Balasubramanian, Qualified Cost Accountant. The Cost Audit for the year ended 31st March, 2014 was carried out by the same Auditor and the report was filed on 6th October, 2014.

Secretarial Audit Report

Secretarial Audit Report confirming compliance to the applicable provisions of Companies Act, 2013, Listing Agreement, SEBI guidelines and all other related rules and regulations obtained from our Secretarial Auditors, M/s Nityanand Singh & Co., Company Secretaries forms part of this Annual Report as Annexure-A.

Internal Auditor

In compliance with the provisions of Section 138 of the Companies Act, 2013 M/s S.N. Nanda & Co. were appointed as Internal Auditors for the Financial Year 2014-15 to conduct the internal audit of the functions and activities of the Company. They have submitted their Report to the Chairman of the Audit Committee and this was further reviewed by the Management and taken on record.

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.

Extract of the Annual Return

Relevant Extract of the Annual Return is given in Annexure-B to this Report.

Loans, Guarantees or Investments

The Company has not given any loan or guarantee nor has made any investment during the year under report attracting the provisions of Section 186 of the Companies Act, 2013.

Deposits

The Company has not accepted any deposits during the year under report nor did any deposits remain unpaid or unclaimed at the end of the year.

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 134(3)(m) of the Companies Act, 2013, 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. 43 of the Notes forming Part of the Accounts.

Material Changes and Commitments

There have not been any material changes and commitments affecting the financial position of the Company between the end of the Financial Year of the Company as on 31st March 2015 and the date of this report.

Personnel

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, 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 — R. KAPUR

Date : 30th May, 2015 — Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Developments

The Company is in the process of executing elaborate plans for the development of its oil and gas fields. This is expected to increase the production of crude oil/gas by implementation of the new technology coupled with the services of experienced professionals for managing its oil and gas assets. Efforts are also being made in terms of enhancement of production from existing pay zones, workover of existing wells and drilling of new wells.

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

During the year, there has been a steep fall in global crude oil prices thus adversely affecting the exploration and drilling activities world over. This has significantly impacted the profits of the Company. The issue of revenue loss is being constantly monitored for its bearing on the future plans of the Company and for purposes of ongoing cost containment.

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

Fluctuations in oil prices creates uncertainty in deciding future plans for the Company and in the minds of the investing public. Prolonged volatility will adversely affect all Companies in the industry.

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 has in place adequate systems of internal control commensurate with its size and nature of its operations . We have dedicated Internal Auditors who make sure that transactions taking place under due authority / power 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 deeply appreciates the spirit and commitment of its employees and 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. Our Company believes that it is the quality and dynamism of its Human Resource that will enable it to make a significant contribution in creating enlarged societal value.

The Company continues to set a fine record of industrial harmony with positive outcomes of effective performance. For now, and hopefully in the future, the Company foresees no major internal or external developments in this area 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 continuous 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 2014-15.

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
- One Non – Executive Director

Name of Director	Executive/ Non–Executive/ Independent	Number of other Director-ships	Number of Committee Memberships in other Companies		Attend-ance in Board Meetings	Attend-ance in Last AGM
			Chairman	Member		
R. Kapur *	Chairman and Whole-Time Director	-	-	-	09	Yes
S. K. Singh	Non – Executive and Independent Director	-	-	-	06	Yes
T. Currimbhoy*	Non – Executive and Independent Director	-	-	-	02	No
V. B. Mahajan	Non – Executive and Independent Director	-	-	-	07	Yes
D. J. Corbishley*	Non – Executive and Independent Director	-	-	-	02	Yes
Rohini Kapur	Non-Executive Director	-	-	-	-	-

** Non – Resident Directors*

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

Mrs. Rohini Kapur appointed w.e.f. 31st March 2015.

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

There were nine Board Meetings held during the financial year 2014-15 as per the provisions of Clause 49 of the Listing Agreement. The dates on which the meetings were held are : 17th April 2014, 10th May 2014, 22nd June 2014, 9th August 2014, 20th August 2014, 8th November 2014, 7th February 2015, 2nd March 2015 and 31st March 2015. 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, 2013.
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 177 of the Companies Act, 2013.

The Committee met five times during the financial year 2014-15 (5th May 2014, 4th August 2014, 14th August 2014, 1st November 2014 and 31st January 2015). All the Committee members were present at all the meetings.

4. Nomination and Remuneration Committee

During the year, at a meeting of the Board of Directors of the Company held on 22nd June 2014 in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has renamed its "Remuneration Committee" as "Nomination and Remuneration Committee" and is reconstituted w.e.f. 22.06.2014 as under:

Mr. S.K. Singh	Chairman
Mr. V.B. Mahajan	Member
Dr. D.J. Corbishley	Member
Mr. T.Currimbhoy	Member
Mr. R. Kapur	Member

The terms of reference of Nomination and Remuneration Committee shall be as envisaged in Listing Agreement and Companies Act, 2013 and rules made thereunder. The Committee met three times during the year (on 19th August 2014, 8th November 2014 and 21st March 2015)

Name of Director	Number of Meetings	
	Held	Attended
Mr. S.K. Singh	3	3
Mr. V.B. Mahajan	3	2
Dr. D.J. Corbishley	3	-
Mr. T. Currimbhoy	3	-
Mr. R. Kapur	3	3

Disclosure of Remuneration to Directors

Independent/Non-Executive Directors were not paid any remuneration except sitting fees (for attendance at each meeting of Board of Directors or Committee thereof) which is subject to ceiling/limits specified under Companies Act, 2013 and rules made thereunder. The Whole-Time Director was paid remuneration during the year as disclosed in Note no. 34 & 36 of Notes on Accounts. Details of remuneration of Directors for the year ended 31st March 2015 are as follows:

(in ₹)

Name of Director	Salary, Allowances & Perquisites	Sitting Fees paid	Total
Mr. V.B. Mahajan	-	1,000,000	1,000,000
Mr. S.K. Singh	-	1,000,000	1,000,000
Dr. D.J. Corbishley	-	100,000	100,000
Mr. T. Currimbhoy	-	100,000	100,000

* Mrs. Rohini Kapur, Non-Executive Director appointed w.e.f. 31st March 2015.

Remuneration Policy

Payment of remuneration to Whole Time Director is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of Shareholders and the Central Government, where applicable. Independent/Non-Executive Directors of the Company are paid Sitting fees for attending the meetings of the Board/ Committees subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder.

The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to approval of Shareholders where necessary. The level and composition of Remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors and Senior Management to run the Company. The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential and for growth.

Performance Evaluation

In Compliance with amended Clause 49 of the Listing Agreement and Companies Act, 2013, Annual Evaluation was conducted by the Board of its own performance and that of its Committee and Individual Directors. A Separate Meeting of Independent Directors was held on 20th March 2015 to assess the performance of Non-Independent Director and the Chairperson of the Company and the Board as a Whole. Performance Evaluation of Independent Directors was also conducted during the Financial Year 2014-15. Performance Evaluation is based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee meetings and other relevant parameters.

Directors' Shareholding

Details of Directors' Shareholding in the Company are as follows :

Name of Director*	Number of Shares
Mr. Rohit Kapur Whole -Time Director	866,846
Mr. V.B. Mahajan Non-Executive Independent Director	6,248
Mr. S.K. Singh Non-Executive Independent Director	1,100
Mrs. Rohini Kapur Non- Executive Director	1,000,000

* Others Directors are not holding any shares in the Company.

5. Stakeholders Relationship Committee

During the year, at a meeting of the Board of Directors held on 22nd June 2014, in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has renamed its existing "Shareholders/Investors Grievance Committee" to "Stakeholder Relationship Committee" under the Chairmanship of Mr. V. B. Mahajan with Mr. R. Kapur and Mr. S. K. Singh as Members for the purpose of redressal of shareholders / investors grievances and complaints including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Committee shall have the terms of reference as envisaged in Listing Agreement and Companies Act, 2013. The Committee met four times during the year. All the members of the Committee were present at these meetings. There were no pending shareholders complaints / grievances and transfer of shares as on 31st March, 2015.

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. Meenu Goswami

Designation : Company Secretary

E-mail Id : investors@selanoil.com

6. Corporate Social Responsibilty Committee

In accordance 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. The Committee met two times during the year i.e. 14th August 2014 and 5th November 2014. Details of the CSR activities undertaken during the year are given in Annexure-C to this Report.

7. Familiarisation Programme for Independent Directors

Familiarisation Programme for Independent Directors is designed to give them a review on the operations and performance of the Company so as to enable them to take well informed and timely decisions. The Familiarisation Programme framed by the Company for its Independent Directors can be accessed at our website www.selanoil.com

8. Women Empowerment

SELAN is fully committed to uphold and maintain the dignity of every woman employee working with it. It believes that every woman shall have the right to work in an environment free from any form of Sexual Harassment. SELAN has a 'Policy on Prevention of Sexual Harassment of Women at Workplace' which provides for protection against sexual harassment of women at workplace and for prevention and rederessal of such complaints. No complaints have been received under the Policy.

9. Whistle Blower Policy

The Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. This policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

10. Risk Management

The Company has in place well designed framework and procedures to inform Board members about the Risk Assessment and minimization procedures. These procedures are reviewed to ensure that Executive Management controls risk through means of properly defined framework. Our Company is aware of the risks associated with the business. It regularly analysis the risks and takes corrective actions for managing/ mitigating the same. Extract of the same is disclosed in Management Discussion and Analysis report which forms part of this report.

11. Mandatory & Non-mandatory Clauses

The Company has complied with all mandatory requirements laid down by Clause 49 of the Listing Agreement. The Non-mandatory requirements complied with has been disclosed at the relevant places.

12. CEO / CFO Certification

Mr. P. S. Oberoi, Manager and Mr. Ashok Kumar Maurya, Chief Financial Officer of the Company have certified to the Board that all the requirements of Clause 49 (IX) of the Listing Agreement, inter alia, dealing with the review of financial statements and Cash flow statement for the year ended 31st March 2015, transactions entered into by the Company during the said year, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

13. General Body Meetings

Location and time for last three Annual General Meetings were :

Year	AGM	Location	Date	Time
2011-12	AGM	Ashok Country Resort, New Delhi	08.08.2012	10.00 a.m.
2012-13	AGM	Air Force Auditorium, New Delhi	05.08.2013	10.00 a.m.
2013-14	AGM	Ashok Country Resort, New Delhi	07.08.2014	10.00 a.m.

14. Disclosures

(i) Related Party Transactions

All the related party transactions are strictly done on arm's length basis. The Company presents a statement of all related party transactions before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority. Details of such transactions are given in the accompanying financial statements.

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 No. 34 & 36 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.

15. 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 following:-

- 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.

16. General Shareholder Information

(i) Annual General Meeting :

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

(ii) Calendar for financial year 2015-16 (Tentative) :

Annual General Meeting	To be decided
Results for quarter ending 30th June, 2015	Second week of August, 2015
Results for quarter ending 30th September, 2015	Second week of November, 2015
Results for quarter ending 31st December, 2015	Second week of February, 2016
Results for quarter ending 31st March, 2016	Fourth week of May, 2016

(iii) Book Closure Date :

To be decided

(iv) Dividend :

During the year 2014-15, 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 2015. This is now being put for approval of the shareholders as final dividend for the year 2014-15 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 2014	568.50	485.00	22,939.31	22,197.51
May 2014	677.00	491.90	25,375.63	22,277.04
June 2014	673.90	574.50	25,725.12	24,270.20
Jul 2014	666.60	572.00	26,300.17	24,892.00
Aug 2014	609.00	523.25	26,674.38	25,232.82
Sept 2014	621.00	495.35	27,354.99	26,220.49
Oct 2014	527.90	445.00	27,894.32	25,910.77
Nov 2014	490.00	379.95	28,822.37	27,739.56
Dec 2014	429.80	312.65	28,809.64	26,469.42
Jan 2015	376.90	275.00	29,844.16	26,776.12
Feb 2015	317.00	273.05	29,560.32	28,044.49
Mar 2015	290.50	215.55	30,024.74	27,248.45

(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, 2015 :

Category	No. of Shares Held as on 31.03.2015	% Holding
Promoters :		
- Indian	3,707,000	22.60
- Foreign	3,059,792	18.66
Mutual Funds / UTI	174,644	1.06
Financial Institution / Banks	4,200	0.026
Foreign Institutional Investors	81,206	0.50
Private Corporate Bodies	1,310,167	7.99
Indian Public	6,922,366	42.21
Trusts and Foundations	1,715	0.01
NRIs / OCBs	1,138,910	6.94
GRAND TOTAL	16,400,000	100.00

(xi) Dematerialisation of shares :

95.97% of the outstanding shares have been dematerialized upto 31st March, 2015.

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, 2015, 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 : 30th May, 2015

(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, 2015 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 : 30th May, 2015

P. S. Oberoi
Manager

Annexure-A

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel)Rules, 2014]

To,

The Members,

Selan Exploration Technology Limited,

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Selan Exploration Technology Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Selan Exploration Technology Limited** for the financial year ended on 31st March, 2015 according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
      (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
2. We have relied on representation made by the Company and its officer for system and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations of the Company, namely as follows:
   a) The Water (prevention and control of pollution) Act, 1974.
   b) The Air (prevention and control of pollution) Act, 1981.
   c) The Environment (protection) Act 1986.
   d) Act as prescribed under Direct & Indirect Tax
   e) Acts prescribed for Drilling activities.
   f) Labour laws.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- Passed resolution at the annual general meeting held on 7th August 2014 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.

Beside above there has been no instances of :

- Public/Rights/Preferential issue of shares/debentures/sweat equity.
- Redemption/buy back of securities.
- Major Decision taken by the members in pursuance to section 180 of the Companies Act, 2013.
- Merger/amalgamation/reconstruction etc.
- Foreign technical collaborations.

For Nityanand Singh & Co.,
Company Secretaries

Place : New Delhi
Date : 13.05.2015

Nityanand Singh(Prop.)
FCS No. : 2668/ CP No. : 2388

Annexure-B

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

1. Corporate Identity Number (CIN) of the Company	L74899DL1985PLC021445
2. Registration Date	05 July 1985
3. Name of the Company	Selan Exploration Technology Limited
4. Category / Sub- Category of the Company	Public Company limited by shares/ Indian Non- Government Company
5. Address of the Registered office and contact details	J- 47/1, Shyam Vihar, Dindarpur, Najafgarh, New- Delhi - 110043, Telefax: 4200326
6. Whether listed company	Yes (listed on BSE Ltd. and National Stock Exchange of India Ltd.)
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, F-65, First Floor, Okhla Industrial Area, Phase - 1, New Delhi - 110020, Tel : 011- 41406149, Fax : 011- 41709881

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

S. No.	Name & Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Extraction of Crude Oil	061	91%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

IV SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held on 01 April, 2014				No. of shares held on 31 March, 2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
Individual/HUF	1,244,386	-	1,244,386	7.5877	2,206,000	-	2,206,000	13.4512	6
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	1,501,000	-	1,501,000	9.1524	1,501,000	-	1,501,000	9.1524	-
Banks/Financial institutions	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	2,745,386	-	2,745,386	16.7401	3,707,000	-	3,707,000	22.6036	6
(2) Foreign							-	-	-
NRIs - Individuals	4,349,216	-	4,349,216	26.5197	3,059,792	-	3,059,792	18.6573	-8
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub - total (A)(2)	4,349,216	-	4,349,216	26.5197	3,059,792	-	3,059,792	18.6573	-8
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	7,094,602	-	7,094,602	43.2598	6,766,792	-	6,766,792	41.2609	-2

Category of Shareholders	No. of shares held on 01 April, 2014				No. of shares held on 31 March, 2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
(1) Institutions									
Mutual Funds	331,299	-	331,299	2.0201	174,644	-	174,644	1.0649	-1
Banks/ Financial Institutions	460	-	460	0.0028	4,200	-	4,200	0.0256	0
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIs	1,690	-	1,690	0.0103	81,206	-	81,206	0.4952	0
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others- (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	333,449	-	333,449	2.0332	260,050	-	260,050	1.5857	0
(2) Non-Institutions									-
(a) Bodies Corporate	1,077,204	8,081	1,085,285	6.6176	1,302,686	7,481	1,310,167	7.9888	1
(b) Individuals									-
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	3,342,200	575,222	3,917,422	23.8867	3,835,577	542,151	4,377,728	26.6934	3
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2,723,536	54,846	2,778,382	16.9414	2,502,552	42,086	2,544,638	15.5161	-1
(c) Others (Specify)									
Trusts & Foundations	5,715	-	5,715	0.0348	1,715	-	1,715	0.0105	0
Non Resident Individual	1,101,480	70,905	1,172,385	7.1487	1,056,845	69,305	1,126,150	6.8668	0
OCB	12,100	660	12,760	0.0778	12,100	660	12,760	0.0778	-
Sub-total (B)(2)	8,262,235	709,714	8,971,949	54.7070	8,711,475	661,683	9,373,158	57.1534	2
Total Public Shareholding (B)= (B)(1)+(B)(2)	8,595,684	709,714	9,305,398	56.7402	8,971,525	661,683	9,633,208	58.7391	2
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15,690,286	709,714	16,400,000	100.0000	15,738,317	661,683	16,400,000	100.0000	-

(ii) Shareholding of Promoters

Shareholders' Name	No. of shares held on 01 April, 2014			No. of shares held on 31 March, 2015			% Change in shareholding during the year
	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
Winton Roavic Private Limited	1,501,000	9.1524	-	1,501,000	9.1524	-	Nil
Raj Kapur	1,206,000	7.3536	-	1,206,000	7.3536	-	Nil
Rohit Kapur	1,866,846	11.3832	-	866,846	5.2856	-	-6
Rohini Kapur	-	-	-	1,000,000	6.0976	-	6
Aroon Mahajan	1,185,910	7.2312	-	1,185,910	7.2312	-	Nil
Asha Mahajan	964,146	5.8789	-	636,336	3.8801	-	-2
Ramesh Mahajan	370,700	2.2604	-	370,700	2.2604	-	Nil
Total	7,094,602	43.2598	-	6,766,792	41.2609	-	-

(iii) Change in Promoters' Shareholding

Shareholder's Name		No. of Shares	% of total shares of the company	Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company
Asha Mahajan					
a) At the beginning of the year		964,146	5.8789		
b) Changes during the year					
Date	Reason				
10.06.2014	Sell	29,823	0.1818	934,323	5.6971
16.07.2014	Sell	4,000	0.0244	930,323	5.6727
22.07.2014	Sell	4,563	0.0278	925,760	5.6449
05.01.2015	Sell	15,835	0.0966	909,925	5.5483
19.01.2015	Sell	3,163	0.0193	906,762	5.5290
20.01.2015	Sell	23,292	0.1420	883,470	5.3870
29.01.2015	Sell	26,696	0.1628	856,774	5.2242
30.01.2015	Sell	7,818	0.0477	848,956	5.1766
02.02.2015	Sell	35,032	0.2136	813,924	4.9630
16.02.2015	Sell	4,805	0.0293	809,119	4.9337
18.02.2015	Sell	7,138	0.0435	801,981	4.8901
19.02.2015	Sell	8,606	0.0525	793,375	4.8377
20.02.2015	Sell	10,470	0.0638	782,905	4.7738
23.02.2015	Sell	2,488	0.0152	780,417	4.7586
24.02.2015	Sell	842	0.0051	779,575	4.7535
26.02.2015	Sell	5,581	0.0340	773,994	4.7195
27.02.2015	Sell	5,134	0.0313	768,860	4.6882
28.02.2015	Sell	4,239	0.0258	764,621	4.6623
16.03.2015	Sell	29,467	0.1797	735,154	4.4826
17.03.2015	Sell	98,818	0.6025	636,336	3.8801
c) At the end of the year		636,336	3.8801		
Rohit Kapur					
a) At the beginning of the year		1,866,846	11.3832		
b) Changes during the year					
Date	Reason				
27.03.2015	Transfer by way of Gift	1,000,000	6.0976	866,846	5.2856
c) At the end of the year		866,846	5.2856		
Rohini Kapur					
a) At the beginning of the year		-	-		
b) Changes during the year					

Date	Reason				
27.03.2015	Received by way of Gift	1,000,000	6.0976	1,000,000	6.0976
c) At the end of the year		1,000,000	6.0976		
Raj Kapur					
a) At the beginning of the year		1,206,000	7.3537		
b) Changes during the year				No Change during the year	
c) At the end of the year		1,206,000	7.3537		
Winton Roavic Pvt. Ltd.					
a) At the beginning of the year		1,501,000	9.1524		
b) Changes during the year				No Change during the year	
c) At the end of the year		1,501,000	9.1524		
Ramesh Mahajan					
a) At the beginning of the year		370,700	2.2604		
b) Changes during the year				No Change during the year	
c) At the end of the year		370,700	2.2604		
Aroon Mahajan					
a) At the beginning of the year		1,185,910	7.2312		
b) Changes during the year				No Change during the year	
c) At the end of the year		1,185,910	7.2312		

(iv) **Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No.	Shareholder's Name	No. of shares held on 01 April, 2014	% of total Shares of the company	No. of shares held on 31 March, 2015	% of total Shares of the company
		No. of Shares		No. of Shares	
1	Prem Nath Anand	508,647	3.1015	354,266	2.1602
2	Dolly Khanna	283,219	1.7269	182,773	1.1145
3	Yodhan Sachdev	257,400	1.5695	224,000	1.3659
4	Manish Prataprai Gandhi	216,100	1.3177	216,100	1.3177
5	Jagrut Prataprai Gandhi	214,516	1.3080	234,516	1.4300
6	Hitesh Satishchandra Doshi	175,540	1.0704	199,043	1.2137
7	PPFAS Long Term Value Fund	168,012	1.0245	168,012	1.0245
8	Paulastya Sachdev	167,900	1.0238	168,000	1.0244
9	IDFC Equity Opportunity - Series 1	162,000	0.9878	-	-
10	Runner Marketing Private Ltd.	150,000	0.9146	150,000	0.9146
11	Vanaja Sundar Iyer	104,897	0.6396	100,000	0.6098

(v) **Shareholding of Directors and Key Managerial Personnel :**

For each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total share of the company
Shareholding of Directors					
Rohit Kapur					
a) At the beginning of the year		1,866,846	11.3832		
b) Changes during the year					
Date	Reason				
27.03.2015	Transfer by way of Gift	1,000,000	6.0976	866,846	5.2856
c) At the end of the year		866,846	5.2856		
V. B. Mahajan					
a) At the beginning of the year		6,248	0.0381		
b) Changes during the year				No Change during the year	

For each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total share of the company
c) At the end of the year		6,248	0.0381		
S. K. Singh					
a) At the beginning of the year		1,100	0.0067		
b) Changes during the year				No Change during the year	
c) At the end of the year		1,100	0.0067		
Rohini Kapur					
a) At the beginning of the year		-	-		
b) Changes during the year					
Date	Reason				
27.03.2015	Received by way of Gift	1,000,000	6.0976	1,000,000	6.0976
c) At the end of the year		1,000,000	6.0976		
T. Currimbhoy	NONE				
a) At the beginning of the year					
b) Changes during the year					
c) At the end of the year					
D. J. Corbishley	NONE				
a) At the beginning of the year					
b) Changes during the year					
c) At the end of the year					
Shareholding of KMP	NONE				
P. S. Oberoi (Manager)					
a) At the beginning of the year					
b) Changes during the year					
c) At the end of the year					
Ashok Kumar Maurya (CFO)	NONE				
a) At the beginning of the year					
b) Changes during the year					
c) At the end of the year					
Meenu Goswami (CS)	NONE				
a) At the beginning of the year					
b) Changes during the year					
c) At the end of the year					

V INDEBTEDNESS

Indebtedness of the company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
+ Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole- time Director and/ or Manager :

Particulars of Remuneration	Name of WTD	Name of Manager	Total
	Rohit Kapur	P.S. Oberoi	
Gross Salary	₹23,200,000	₹ 2,124,900	₹ 25,324,900
a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	-	-	-
b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
– as % of profit	-	-	-
– others, specify	-	-	-
Others, please specify	-	-	-
Total (A)	₹ 23,200,000	₹2,124,900	₹ 25,324,900
Ceiling as per the Act	₹46,833,985.9(being 10% of the Net Profits of the Company calculated as per Sec 198 of the Companies Act, 2013)		

B. Remuneration to other Directors :

Particulars of Remuneration	Name of Directors				Total Amount
Independent Directors	V.B. Mahajan	S.K. Singh	Tarik Currimbhoy	D.J. Corbishley	
Fee for attending Board Committee meetings	₹1,000,000	₹1,000,000	₹100,000	₹100,000	₹2,200,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	₹1,000,000	₹1,000,000	₹100,000	₹100,000	₹2,200,000
Other Non- Executive Directors	Rohini Kapur				
Fee for attending Board Committee meetings	-				
Commission	-				
Others, please specify	-				
Total (2)	-				
Total (B) = (1+2)					₹2,200,000

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Particulars of Remuneration	Key Managerial Personnel		
	Company Secretary	CFO	Total
Gross Salary	₹450,000	₹1,250,000	₹1,700,000
a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	-	-	
b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	
c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
Stock Option	-	-	
Sweat Equity	-	-	
Commission	-	-	
– as % of profit	-	-	
– others, specify	-	-	
Others, please specify	-	-	
Total	₹450,000	₹1,250,000	₹1,700,000

VII Penalties/ Punishment/ Compounding of offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. Directors					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

BOARD'S REPORT ON CSR ACTIVITIES

Annexure-C

1. **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to CSR policy and projects or programs.**

   Our CSR Policy is based on the twin objective of business and social commitment which leads us to support massive programmes of education, health and infrastructural development thus actively assisting in improving the quality of life of the underprivileged. We are meeting our social objectives through contributions to reputed and dedicated Non-Governmental Organisations, trusts and foundations which are whole heartedly engaged to serve the society and raise the quality of life and economic well being. Our CSR policy is available on our website : www.selanoil.com.

   The major projects undertaken by the Company support the education of children including emphasis on the Girl child and food and skill development programs for Children.

   To pursue these objectives we will continue to:

   - Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, women empowerment, provide medical aid to the needy and down trodden.
   - Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, government and academic institutes in pursuit of our goals.

2. **The Composition of the CSR Committee.**

   Mr. V.B. Mahajan Chairman

   Mr. R. Kapur Member

   Mr. S.K. Singh Member

3. **Average net profit of the company for last three financial years** - ₹ 673,826,725

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)** - ₹ 13,476,535

5. **Details of amount spent on CSR during the financial year;**

   (a) Total amount to be spent for the financial year; ₹13,476,535

   (b) Amount unspent, if any; ₹5,047,977

   The manner of the amount spent during the financial year is detailed as follows :

Sr. No.	CSR project / activity / Beneficiary	Sector	Location of the Project/ Program	Amount outlay (budget) (in ₹)	Amount spent on the projects or programs (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent direct or through implementing agency
1	The Akshaya Patra Foundation	Malnutrition and hunger eradication	Gujarat	1,224,000	1,224,000	1,224,000	Through Foundation
2	IIMPACT	Promoting Education to women	Haryana	1,204,000	1,204,000	1,204,000	Through Foundation
3	K. C. Mahindra Education Trust A/c NanhiKali	Promoting Education to women	New Delhi	1,000,000	1,000,000	1,000,000	Through Foundation
4	Shri Sevantilal Tribhovan Das Javeri Charitable Trust	Promoting Education	Gujarat	1,000,000	1,000,000	1,000,000	Through Foundation
5	D. P. Dhar Memorial Trust	Promoting Education	Srinagar	1,000,000	1,000,000	1,000,000	Through Foundation
6	Youthreach	Promoting Education	Haryana	500,000	500,000	500,000	Through Foundation
7	Bal Raksha Bharat (Save The Children)	Promoting Education, Livelihood enhancement projects	New Delhi	500,000	500,000	500,000	Through Foundation
8	Noida Deaf Society	Special education and employment enhancing vocation skills among differently abled	Noida	500,000	500,000	500,000	Through Foundation
9	Central Fuel Studies and Research	Conservation of natural resources	Baroda	500,000	500,000	500,000	Through Foundation

Sr. No.	CSR project / activity / Beneficiary	Sector	Location of the Project/ Program	Amount outlay (budget) (in ₹)	Amount spent on the projects or programs (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent direct or through implementing agency
10	ISKCON	Hunger eradication	Gurgaon	100,000	100,000	100,000	Through Foundation
11	Action for Autism	Rehabilitation for persons with Autism Spectrum Disorder	New Delhi	100,000	100,000	100,000	Through Foundation
12	BAPS- Delhi	Rural development, Healthcare and medical facilities	New Delhi	100,000	100,000	100,000	Through Foundation
13	Tirumala Tirupati Devasthanams	Hunger eradication	Andhra Pradesh	100,000	100,000	100,000	Through Foundation
14	Shri Mata Vaishno Devi Shrine Board	Hunger eradication and medical facilities	Jammu & Kashmir	100,000	100,000	100,000	Through Foundation
15	Rural Water and Clearing Committee Alampur	Rural Development Projects	Alampur, Gandhinagar	250,000	250,000	250,000	Through Implementing Agency
16	Kujjad Gram Panchayat	Rural Development Projects	Kujad Village, Gandhinagar	50,000	50,000	50,000	Through Implementing Agency
17	Dhamatvan Gram Panchayat	Rural Development Projects	Dhamatvan Village, Gandhinagar	50,000	50,000	50,000	Through Implementing Agency
18	Bakrol Bujarang Gram Panchayat	Rural Development Projects	Bakrol Bujarang Village, Gandhinagar	50,000	50,000	50,000	Through Implementing Agency
19	M.N. Prajapati	Rural Development Projects	Dhamatwan Village, Gandhinagar	40,558	40,558	40,558	Direct
20	Principal Bakrol Bujrang Primary School	Rural Development Projects	Gandhinagar	60,000	60,000	60,000	Through Implementing Agency

6. **Reason for not spending the Amount**

SELAN is a socially conscious and responsible Company supporting organizations working in conservation, education, environmental management, sustainable development and humanitarian affairs.

Selan was able to spend more than 60% of the amount specified in the guidelines and has not been able to meet the desired level of expenditure as its process of selection of deserving organizations is a little extensive. This being the first year, Company was extra careful in evaluating the work done by the NGOs before committing money to them.

7. **Responsibility Statement of the CSR Committee**

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and CSR Policy of the company.

Place: New Delhi | **Mr. V.B. Mahajan** | **Mr. R.Kapur**

Date: 30th May, 2015 | Chairman CSR Committee | Director

INDEPENDENT AUDITORS' REPORT

To the Members of Selan Exploration Technology Limited

Report on the 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 2015, the Statement of Profit & Loss and the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made by the company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Accounting Policy No.1.07 read with the note no.31 which deals with revised amortisation period adopted in respect of expenditure on Development of Hydrocarbon Properties (DHP) and the consequential impact on the expenditure amortised, increase in profit before tax, managerial remuneration and provision for tax mentioned therein. The extension of contract is contingent on the approval of Government of India and the uncertainty associated in regard to the time for such approval. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2 As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2015 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and information and according to the explanations given to us and such checks as we considered necessary:

i. The Company does not have any pending litigations which would impact its financial position;

ii. There are no long-term contracts including derivative contracts, requiring provision for material foreseeable losses, under the applicable law or accounting standards; and

iii. The Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : New Delhi
Date : 30th May, 2015

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELAN EXPLORATION TECHNOLOGY LIMITED on the financial statements for the year ended 31st March 2015.

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Management has physically verified the assets during the year and the frequency of which in our opinion is reasonable. No material discrepancies were noticed on such verification.

(ii) (a) The inventory of the Company consisting of crude oil, spares and consumables have been physically verified once during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(a) and (b) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.

(v) The Company has not accepted deposits from the public within the meaning of sections 73 or 76 of the Act and hence clause (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made under sub-section (1) of section 148 of the Act 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.

(vii) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Duty of customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31st March, 2015, which were outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no disputed dues relating to income tax, sales tax, service tax or duty of excise or value added tax or cess, which have remained unpaid as on 31st March, 2015.

(c) The Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund and hence clause (vii)(c) is not applicable to the Company.

(viii) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.

(ix) The Company did not have any outstanding loan at the beginning or end of the year and hence clause 3(ix) of the Order is not applicable.

(x) 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.

(xi) The Company has not taken any term loan during the year and hence clause 3(xi) of the order is not applicable.

(xii) Based on the audit procedures performed and representation obtained from the management, we report that no case of 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)

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

Place : New Delhi
Date : 30th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(in ₹)

Particulars	Note No.	31st March, 2015	31st March, 2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	164,000,000	164,000,000
Reserves and Surplus	3	2,639,208,773	2,454,044,676
		2,803,208,773	2,618,044,676
Non-current liabilities			
Deferred Tax Liabilities (net)	4	712,495,000	551,927,000
Long term Provisions	5	901,455	487,275
		713,396,455	552,414,275
Current liabilities			
Trade Payables	6.1	200,655,257	155,677,292
Other Current Liabilities	6.2	82,861,117	53,173,244
Short term Provisions	7	18,876,517	7,026,978
		302,392,891	215,877,514
TOTAL		3,818,998,119	3,386,336,465
ASSETS			
Non Current Assets			
Fixed Assets	8		
Tangible Assets		107,512,675	82,445,363
Intangible Assets		2,803	1,543,984
Capital work in progress (at cost) (Plant & Equipment)		25,798,855	28,836,011
Development of Hydrocarbon Properties (DHP)	9	2,047,286,638	1,557,456,885
Long term Loans and Advances	10	169,668,929	84,887,700
Inventories relating to DHP	11	82,458,167	45,018,677
		2,432,728,067	1,800,188,620
Current Assets			
Inventories	11	29,516,213	26,866,589
Trade receivables	12	150,506,374	241,106,422
Cash and Cash Equivalents	13	1,146,628,810	1,263,440,871
Short term Loans and Advances	14	14,832,082	7,932,256
Other Current Assets	15	44,786,573	46,801,707
		1,386,270,052	1,586,147,845
TOTAL		3,818,998,119	3,386,336,465
Significant Accounting Policies	1		
Other notes forming part of Accounts	25-45		

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

New Delhi
30th May, 2015

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

MEENU GOSWAMI
COMPANY SECRETARY

ASHOK KUMAR MAURYA
CHIEF FINANCIAL OFFICER

R. KAPUR
CHAIRMAN

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(in ₹)

Particulars	Note No.	31st March, 2015	31st March, 2014
INCOME			
Revenue from Operations	16	792,893,686	1,012,697,496
Other Income	17	117,628,243	130,381,936
Total Revenue		910,521,929	1,143,079,432
EXPENSES			
Operating Expenses	18	52,028,243	39,207,191
Handling and Processing Charges		17,122,478	15,969,823
Changes in Inventories of Finished Goods	19	(1,980,000)	(4,530,000)
Employee Benefits Expense	20	52,924,654	60,222,886
Finance Costs	21	1,366,297	779,135
Royalty and Cess		41,410,413	39,732,009
Development of Hydrocarbon Properties	22	708,054,276	703,189,732
Development of Hydrocarbon Properties Amortised	31	218,224,523	250,351,941
Depreciation and Amortisation Expenses		25,062,989	13,590,563
Other Expenses	23	61,799,747	46,641,070
		1,176,013,620	1,165,154,350
Transfer to: Development of Hydrocarbon Properties	9	(708,054,276)	(703,189,732)
Total Expenses		467,959,344	461,964,618
PROFIT FOR THE YEAR BEFORE TAX		442,562,585	681,114,814
Tax Expense :			
Current Tax		92,946,000	142,930,000
Taxes relating to earlier years		(1,042,012)	3,273,548
Deferred Tax	4	160,568,000	160,438,000
		252,471,988	306,641,548
Add : MAT Credit available for Set Off		92,946,000	71,036,000
PROFIT FOR THE YEAR AFTER TAX		283,036,597	445,509,266
Basic/diluted earnings per share	24	17.26	26.97
(face value of ₹ 10/- each)			
Significant Accounting Policies	1		
Other notes forming part of Accounts	25-45		

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

New Delhi
30th May, 2015

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

MEENU GOSWAMI
COMPANY SECRETARY

ASHOK KUMAR MAURYA
CHIEF FINANCIAL OFFICER

R. KAPUR
CHAIRMAN

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(in ₹)

	Particulars	31st March, 2015	31st March, 2014
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit/(Loss) Before Tax	442,562,585	681,114,814
	Adjustments		
	Depreciation	25,062,989	13,590,563
	Finance Cost	1,366,297	779,135
	Transfer to site restoration fund	174,046	-
	Loss on sale of assets	105,354	882
	Expenditure on Development of Hydrocarbon Properties amortised	218,224,523	250,351,941
	Interest Income	(117,083,155)	(129,257,832)
	Operating Profit Before Working Capital Changes	**570,412,639**	**816,579,503**
	Adjustment For Working Capital Changes:		
	(Increase)/Decrease in inventories	(40,089,114)	42,454,144
	(Increase)/Decrease in trade receivables	90,600,048	(86,326,069)
	(Increase)/Decrease in loans and advances	(4,369,821)	759,229
	(Decrease)/increase in trade and other payables	92,651,665	113,517,888
	Cash generated from operations	709,205,417	886,984,695
	Less: Taxes paid	(91,991,330)	(140,258,973)
	Net Cash from Operating Activities	**617,214,087**	**746,725,722**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Inter corporate Deposit	-	27,000,000
	Addition to fixed assets (including work-in-progress)	(45,664,318)	(32,678,501)
	Sale proceeds of Fixed Assets	7,000	27,000
	Expenditure on Development of Hydrocarbon Properties	(708,054,276)	(703,189,732)
	Interest Received (Including ₹ 3,48,630 on Site Restoration)	119,446,919	128,034,812
	Net Cash from Investing Activities	**(634,264,675)**	**(580,806,421)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Buyback of Shares of the company	-	(109,250,868)
	Dividend paid including Corporate Dividend Tax thereon	(98,395,176)	(95,935,900)
	Finance Cost	(1,366,297)	(779,135)
	Net Cash (Used in) / Raised from Financing Activities	**(99,761,473)**	**(205,965,903)**
	Net Increase/(Decrease) In cash and cash Equivalent (A+B+C)	(116,812,061)	(40,046,602)
	Cash and cash equivalents as at 01.04.2014*	1,263,440,871	1,303,487,473
	Cash and cash equivalent as at 31.03.2015*	1,146,628,810	1,263,440,871

* Includes ₹ 33,997,975/- (previous year ₹ 29,940,100/-) 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
30th May, 2015

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

MEENU GOSWAMI
COMPANY SECRETARY

ASHOK KUMAR MAURYA
CHIEF FINANCIAL OFFICER

R. KAPUR
CHAIRMAN

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

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. Significant Accounting Policies

1.01 Basis of preparation of financial statements :

The financial statements are prepared under historical cost convention, on accrual basis and in accordance with the generally accepted accounting principle (GAAP) in India and comply with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the 2013 Act) / the Companies Act, 1956 (the 1956 Act), as applicable.

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) With effect from 01.04.2014, depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method on the basis of useful life of the assets specified therein.

c) Intangible assets comprising software are amortised on straight line basis, over estimated useful life of three 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) Component, stores, spares and consumables (including items related to hydrocarbon properties): 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 Production Sharing Contracts (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 cost incurred on the collection of seismic data, drilling of wells, reservoir modelling costs and other related expenditures. Till 31.03.2014 these expenses were being amortised over a period not exceeding the remaining period of the contract. In the case of oil fields at Bakrol, Indrora and Lohar, the original contract period ends in 2020, while in the case of Karjisan and Ognaj, the contract ends in 2030 and 2033, respectively. Under the Production Sharing Contract (PSC), the Government has the power to extend the contract for a period not exceeding 5 years and management is of the opinion that there is a reasonable likelihood of this extension. In the circumstance, effective from the current year 2014-15, the amortisation of expenses has been extended by 5 years, especially keeping in view that the investments made in recent years for drilling of new wells are expected to continue to result in oil and gas production significantly beyond the original contract period. The Auditors have taken note of the above changes in their Audit Report and their opinion is not modified in respect of this matter.

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 encashment of leave by employees. Provision for gratuity and leave encashment liability is 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 :

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates. Deferred tax assets are recognized, only if there is reasonable / virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

1.11 Minimum Alternate Tax (MAT) :

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.12 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.

1.13 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.

1.14 Site Restoration :

Estimated future liability relating to dismantling and abandoning producing well sites and facilities is charged to revenue in proportion of Production to Reserve and the same is funded by investment in earmarked funds (Bank FDRs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(in ₹)

Particulars	31st March, 2015	31st March, 2014
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 16,400,000) equity shares of ₹ 10/- each	164,000,000	164,000,000

a) Reconciliation of the number of shares - Equity

	31st March, 2015	31st March, 2014
	No. of Shares	No. of Shares
At the beginning of the period	16,400,000	16,825,525
Bought back during the year	-	(425,525)
Outstanding at the end of the year	16,400,000	16,400,000

b) 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.

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

	31st March, 2015		31st March, 2014	
	No.	% of holding	No.	% of holding
Mr. R. Kapur	866,846	5.29%	1,866,846	11.38%
Mrs. Rohini Kapur	1,000,000	6.10%	-	-
Winton Roavic Private Limited	1,501,000	9.15%	1,501,000	9.15%
Mrs. R. Kapur	1,206,000	7.35%	1,206,000	7.35%
Mr. A. Mahajan	1,185,910	7.23%	1,185,910	7.23%
Mrs. A. Mahajan	636,336	3.88%	964,146	5.88%

d) 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 :

Particulars	31st March, 2015	31st March, 2014
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**	**790,347**

(in ₹)

Particulars	31st March, 2015	31st March, 2014
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	48,742,770	44,487,520
Transfer from Securities Premium Reserve	-	4,255,250
	48,742,770	48,742,770
Securities Premium Reserve :		
Balance as per last financial statements	14,236,510	123,487,378
Less : Transfer to Capital Redemption Reserve	-	4,255,250
Less : Price paid for Buyback in excess of face value	-	104,995,618
	14,236,510	14,236,510

(in ₹)

Particulars	31st March, 2015	31st March, 2014
General Reserve :		
Balance as per last financial statements	377,054,374	277,054,374
Add: Transfer from Surplus	100,000,000	100,000,000
	477,054,374	377,054,374
Site Restoration Fund :		
Balance as per last financial statements	3,631,000	1,622,000
(i) Additions during the year	174,046	2,009,000
(ii) Interest credited on FDRs	348,630	-
	4,153,676	3,631,000
Surplus :		
Balance as per last financial statements	2,000,975,022	1,753,410,656
Profit for the year as per the statement of Profit and Loss	283,036,597	445,509,266
	2,284,011,619	2,198,919,922
Less : Appropriations :		
Interim Dividend paid (@ ₹5/- per equity share)	(82,000,000)	(82,000,000)
Corporate Dividend Tax on above	(16,395,176)	(13,935,900)
Transfer to General Reserve	(100,000,000)	(100,000,000)
Transfer to Site Restoration Fund	-	(2,009,000)
	2,085,616,443	2,000,975,022
Total of Reserves and surplus	2,639,208,773	2,454,044,676

4. DEFERRED TAX LIABILITIES (NET)

(in ₹)

		31 March 2014	Current year	31 March 2015
Deferred Tax Liabilities :				
Related to Fixed Assets		23,156,000	(2,837,000)	20,319,000
Development of Hydrocarbon Properties		529,380,000	179,145,000	708,525,000
	(A)	552,536,000	176,308,000	728,844,000
Deferred Tax Assets :				
Provision for gratuity		438,000	(216,000)	222,000
Provision for leave encashment		171,000	12,000	183,000
Carry forward Losses		-	15,944,000	15,944,000
	(B)	609,000	15,740,000	16,349,000
Deferred Tax Liability (Net)	(A)-(B)	551,927,000	160,568,000	712,495,000

(in ₹)

Particulars	31st March, 2015	31st March, 2014
5. LONG TERM PROVISIONS		
For employee benefits		
- Gratuity (Refer note 32)	533,278	209,375
- Leave Encashment (Refer note 32)	368,177	277,900
	901,455	487,275

(in ₹)

Particulars	31st March, 2015	31st March, 2014
6.1 TRADE PAYABLES		
Trade payables (Refer note 29 on dues to micro and small enterprises)	200,655,257	155,677,292
6.2 OTHER CURRENT LIABILITIES		
Profit Petroleum payable to GoI	49,791,852	293,054
Remuneration payable to Whole Time Director	6,150,000	20,825,800
Unpaid dividends #	10,391,951	8,614,597
Fractional bonus entitlement	43,214	43,630
Statutory Dues	15,961,997	22,974,060
Advances from Customers	170,603	170,603
Retention Money / Security Deposits	351,500	251,500
	82,861,117	53,173,244
# This Does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund.		
7. SHORT TERM PROVISIONS		
For employees benefits		
- Gratuity (Refer note 32)	109,449	1,078,973
- Leave encashment (Refer note 32)	161,375	225,897
For taxation (net of advance payments)	18,605,693	5,722,108
	18,876,517	7,026,978

8. FIXED ASSETS

(in ₹)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 01st Apr, 2014	Additions	Deletions	As on 31st Mar, 2015	Upto 31st Mar, 2014	For the Year	Written Back	Upto 31st Mar, 2015	As on 31st Mar, 2015	As on 31st Mar, 2014
TANGIBLE ASSETS :										
Plant And Equipment	217,983,745	43,348,833	248,646	261,083,932	151,067,915	18,090,031	136,292	169,021,654	92,062,278	66,915,830
Furniture And Fixtures	2,297,065	2,668,839	-	4,965,904	379,640	777,670	-	1,157,310	3,808,594	1,917,425
Vehicles	10,469,593	-	-	10,469,593	2,868,596	1,557,271	-	4,425,867	6,043,726	7,600,997
Office Equipments	3,649,145	852,998	26,500	4,475,643	694,679	1,833,730	26,500	2,501,909	1,973,734	2,954,466
Computers	2,559,497	148,801	96,405	2,611,893	1,400,846	904,911	96,405	2,209,352	402,541	1,158,651
Electrical Fittings	2,213,141	1,682,003	-	3,895,144	315,147	358,195	-	673,342	3,221,802	1,897,994
	239,172,186	48,701,474	371,551	287,502,109	156,726,823	23,521,808	259,197	179,989,434	107,512,675	82,445,363
INTANGIBLE ASSETS :										
Computer Software	7,105,031	-	-	7,105,031	5,561,047	1,541,181	-	7,102,228	2,803	1,543,984
Total	246,277,217	48,701,474	371,551	294,607,140	162,287,870	25,062,989	259,197	187,091,662	107,515,478	83,989,347
Previous Year	213,549,029	33,883,800	1,155,612	246,277,217	149,825,037	13,590,563	1,127,730	162,287,870	83,989,347	63,723,992

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

(in ₹)

	Particulars	31st March, 2015	31st March, 2014
9.	**DEVELOPMENT OF HYDROCARBON PROPERTIES**		
	(Refer note 1.07)		
	Balance as per last financial statements	1,557,456,885	1,104,619,094
	Additions during the year (Refer note 22)	708,054,276	703,189,732
		2,265,511,161	1,807,808,826
	Less : Amortised during the year	218,224,523	250,351,941
	Closing Balance	2,047,286,638	1,557,456,885

10.	**LONG TERM LOANS AND ADVANCES**		
	(Unsecured - considered good, unless otherwise stated)		
	Capital Advances	2,273,263	5,243,353
	Security Deposits		
	- With Government Departments	1,899,470	1,749,960
	- Others	1,514,196	1,223,621
	Income tax payment (net of provisions)	-	5,634,766
	MAT credit available for set off (Refer note 37)	163,982,000	71,036,000
		169,668,929	84,887,700

11.	**INVENTORIES**		
	(Refer note 1.05 for mode of valuation)		
11.1	**Non-current**		
	Stores and components relating to Hydrocarbon Properties	82,458,167	45,018,677
11.2	**Current**		
	Stores, spares and consumables	4,916,213	4,246,589
	Stock of crude oil	24,600,000	22,620,000
		29,516,213	26,866,589

12.	**TRADE RECEIVABLES - CURRENT**		
	(Unsecured - Considered good)		
	Outstanding for a period exceeding six months from the due date	1,608,976	812,525
	Others	148,897,398	240,293,897
		150,506,374	241,106,422

(in ₹)

	Particulars	31st March, 2015	31st March, 2014
13.	**CASH AND CASH EQUIVALENTS**		
	Balances with banks :		
	In current Accounts	9,588,665	9,265,228
	In unpaid dividend accounts	10,386,760	8,609,406
	In fractional bonus account	43,214	43,630
	In term Deposits		
	- Public Sector Banks	1,004,453,175	1,086,601,582
	- Private Sector Banks	98,500,000	137,500,000
	- Under lien		
	For Government of India / State Government	19,627,325	17,647,489
	Site Restoration Fund Account#	3,940,676	3,639,575
	# ₹ 213,000/- pertaining to 2014-15 deposited in April 2015		
	Cash on hand	88,995	133,961
		1,146,628,810	1,263,440,871
14.	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured - considered good, unless otherwise stated)		
	Advance to Vendors	6,830,476	1,144,220
	Balance with Government Department/Authorities	-	305,194
	Prepaid Expenses	7,435,975	6,060,303
	Advances recoverable in cash or kind	565,631	422,539
		14,832,082	7,932,256
15.	**OTHER CURRENT ASSETS**		
	Interest accrued on fixed deposits	44,786,573	46,801,707
		44,786,573	46,801,707
16.	**REVENUE FROM OPERATIONS**		
	(Refer note 1.03 on revenue recognition)		
	Sale of products :		
	- Crude Oil	879,332,380	1,055,387,691
	Less : Profit Petroleum paid to GoI (Refer note 28)	(156,456,870)	(111,325,158)
		722,875,510	944,062,533
	- Natural Gas	70,018,176	68,634,963
		792,893,686	1,012,697,496

(in ₹)

	Particulars	31st March, 2015	31st March, 2014
17.	**OTHER INCOME**		
	Interest Income on Bank Deposits	117,083,155	129,257,832
	Miscellaneous Income	545,088	1,124,104
		117,628,243	130,381,936
18.	**OPERATING EXPENSES**		
	Payment to Contractors for Services	10,589,791	7,301,167
	Transportation	14,705,522	11,776,968
	Generator hire charges	16,191,110	11,413,105
	Other direct operative expenses	10,541,820	8,715,951
		52,028,243	39,207,191
19.	**CHANGES IN INVENTORIES OF FINISHED GOODS**		
	Inventories at the beginning of the year	22,620,000	18,090,000
	Inventories at the end of the year	24,600,000	22,620,000
	(Increase) / Decrease	(1,980,000)	(4,530,000)
20.	**EMPLOYEE BENEFITS EXPENSE**		
	(Refer note 1.08 on employee benefits)		
	Salaries, wages and bonus	50,906,996	58,541,595
	Contribution to provident and other funds	644,547	381,772
	Staff welfare expenses	1,373,111	1,299,519
		52,924,654	60,222,886
21.	**FINANCE COSTS**		
	Interest on payment to Govt. of India	492,050	-
	Interest on payment of Income Tax	874,247	779,135
		1,366,297	779,135
22.	**DEVELOPMENT OF HYDROCARBON PROPERTIES**		
	(Expenditure on specialized materials and services)		
	Cementing and Pumping Services	60,909,793	70,211,399
	Contract Rig charges & Rig Site Preparation	215,685,272	306,218,262
	Insurance	1,524,156	4,741,113
	Management and Drilling Supervision	18,897,830	27,641,952
	Materials consumed for Drilling of Oil Wells	48,126,082	56,066,631
	Miscellaneus Expenses	14,824,801	7,067,666
	Mud Chemical, Engineering & Logging Services	72,590,765	70,668,976
	Perforation and Well Cleaning Services	137,574,144	29,437,178
	Rent	3,928,488	3,408,151
	Seismic Survey, Data Processing & Wireline Services	117,565,046	117,619,951
	Travelling and Conveyance	16,427,899	10,108,453
		708,054,276	703,189,732

(in ₹)

	Particulars	31st March, 2015	31st March, 2014
23.	**OTHER EXPENSES**		
	Administrative services and supplies	8,581,047	7,373,162
	Advertisement and Business Development	2,752,273	2,368,896
	Advisory Services	8,575,073	6,870,235
	Communication	1,259,888	2,189,291
	Consumption of stores and spares	4,377,601	2,202,706
	Directors Fees	2,471,920	1,483,152
	Insurance	1,156,280	1,595,803
	Legal Fees	569,920	94,607
	Loss on foreign exchange variation	672,716	(108,335)
	Loss on sale/write off of fixed assets	105,354	882
	Miscellaneous expenses (Refer note 33)	3,480,030	3,735,415
	CSR expenses (donations) (Refer note 38)	8,428,558	4,791,150
	Power and fuel	3,956,102	1,006,115
	Rent	8,482,208	6,095,458
	Repairs - Others	1,386,281	1,468,769
	Repairs to machinery	959,787	1,074,425
	Travelling and conveyance	4,584,709	4,399,339
		61,799,747	46,641,070
24.	**EARNINGS PER SHARE (EPS)**		
	a) Profit after tax attributable to Equity share holders	283,036,597	445,509,266
	b) Weighted Average number of equity shares of ₹ 10/- each outstanding during the year		
	- Basic	16,400,000	16,520,488
	- Diluted	16,400,000	16,520,488
	c) EPS (₹)		
	- Basic	17.26	26.97
	- Diluted	17.26	26.97

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) - ₹ 1,080,931 (previous year ₹ 6,202,065)

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 ₹ 8,482,208 (previous year ₹ 6,095,458). Amount due within one year ₹ 10,233,301.

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. As a result of change in the Accounting Policy no. 1.07 regarding the period of amortisation, the amortisation is lower by ₹ 157,921,010 and consequently the profit of the year before tax is higher by ₹ 139,515,010, as compared to the period previously followed. The corresponding impact on managerial remuneration is higher by ₹ 7,200,000 and provision for current tax on MAT basis is higher by ₹ 29,346,000.

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

i. Change in present value of obligation :

(Amount in ₹)

	31st Mar, 2015		31st Mar, 2014	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Present value of obligation as at the beginning of the period	5,109,173	503,797	4,301,420	401,301
b) Interest cost	434,280	42,823	344,114	32,104
c) Past service cost	-	-	-	-
d) Current service cost	430,473	127,400	532,046	65,404
e) Benefits paid	-	(517,682)	-	(508,948)
f) Actuarial (gain)/ loss on obligation	(969,744)	373,214	(68,407)	513,936
g) Present value of obligation as at the end of period	5,004,182	529,552	5,109,173	503,797

ii. The amounts to be recognized in Balance Sheet:

(in ₹)

	31st Mar, 2015		31st Mar, 2014	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Present value of obligation as at the end of the period	5,004,182	529,552	5,109,173	503,797
b) Fair value of plan assets at the end of the period	4,361,455	-	4,010,533	-
c) Funded status	(642,727)	(529,552)	(1,098,640)	(503,797)
d) Excess of actual over estimated	-	-	182	-
e) Net asset/ (liability) recognized in the balance sheet	(642,727)	(529,552)	(1,098,640)	(503,797)

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

(in ₹)

	31st Mar, 2015		31st Mar, 2014	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Current service cost	430,473	127,400	532,046	65,404
b) Past service cost	-	-	-	-
c) Interest cost	434,280	42,823	344,114	32,104
d) Expected return on plan assets	(350,922)	-	(307,408)	-
e) Net actuarial (gain) / loss recognized in the period	(969,744)	373,214	(68,589)	513,936
f) Expenses recognized in the statement of profit & losses	(455,913)	543,437	500,163	611,444

iv. Economic assumptions :

(in ₹)

	31st Mar, 2015		31st Mar, 2014	
	Gratuity (funded)	Leave Encashment (non funded)	Gratuity (funded)	Leave Encashment (non funded)
a) Discounting rate (%)	7.75	7.75	8.50	8.50
b) Future salary increase (%)	5.25	5.25	6.00	6.00
c) Expected rate of return on plan assets	8.75	-	8.75	-

v. Change in the fair value of plan assets (Gratuity):

(in ₹)

	31st Mar, 2015	31st Mar, 2014
a) Fair value of plan assets at the beginning of the period	4,010,533	3,513,235
b) Expected return on plan assets	350,922	307,408
c) Employer contributions	-	189,708
d) Benefits paid	-	-
e) Actuarial gain / (loss) on plan assets	-	182
f) Fair value of plan assets at the end of the period	4,361,455	4,010,533

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

33. Miscellaneous expenses include :

(in ₹)

	31st Mar, 2015	31st Mar, 2014
a) Provision for Wealth Tax	33,000	44,200

34. Managerial Remuneration :

(in ₹)

	31st Mar, 2015	31st Mar, 2014
Salary and allowances to Manager	2,124,900	1,896,500
Remuneration to Whole-time Director (including salary)	23,200,000	35,700,000

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.

35. 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.

36. 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

(b) Transactions with the above party in the ordinary course of business: -

(in ₹)

	31st Mar, 2015	31st Mar, 2014
Managerial Remuneration (To Whole-time Director)	23,200,000	35,700,000

37. Minimum Alternate Tax (MAT) :

The provision for tax has been made as per MAT under Section 115 JB of the Income Tax Act, 1961. The Company is entitled to avail Credit under Section 115 JA (1A). Accordingly, MAT credit entitlement has been considered as an asset to the extent there is convincing evidence that the Company will pay normal income tax during specified period under law.

38. Corporate Social Responsibility (CSR) :

The Company is required to spend a further sum of ₹ 5,047,977 towards Corporate Social Responsibility relating to the financial year 2014-15, as required under section 135 of the Companies Act, 2013. This is expected to be spent in the succeeding financial year.

39. CIF Value of Imports (including items in stock) :

(in ₹)

		31st Mar, 2015	31st Mar, 2014
a)	Capital Goods	16,030,508	15,870,094
b)	Components, stores & spares (including Development of Hydrocarbon Properties)	54,257,372	6,336,504

40. Value of Spare Parts and components consumed :

(in ₹)

		31st Mar, 2015	31st Mar, 2014
i)	Imported	65,097,869	65,455,061
	Percentage to the total	94%	97%
ii)	Indigeneous	4,017,926	1,879,026
	Percentage to the total	6%	3%
iii)	Total	69,115,795	67,334,087

41. Expenditure in Foreign Currency :

(in ₹)

		31st Mar, 2015	31st Mar, 2014
a)	Technical Services (Net of TDS)	166,917,667	68,821,466
b)	Travel	8,457,670	5,365,179

42. Remittance in Foreign Currency to Non-residents on account of dividends : NIL (dividend are paid in local currency to the mandated banks)

		2014-15 Interim Dividend	2013-14 Interim Dividend
a)	Number of non-resident shareholders	763	739
b)	Number of shares held by them	5,335,793	5,573,924
c)	Dividend (paid in INR)	26,678,965	27,869,620
d)	Year to which the dividend relates	2014-15	2013-14

43.

			31st Mar, 2015	31st Mar, 2014
a)	Foreign Currency Exposure (indirect)			
	Not Hedgeable - Receivables	US$	2,132,320	3,658,682
b)	Foreign Currency Exposure			
	Creditors - Non hedged	US$	27,642,919	1,447,003

44(a). Payment to Auditors :

(in ₹)

		31st Mar, 2015	31st Mar, 2014
a)	Audit Fees	750,000	550,000
b)	Tax Audit	60,000	60,000
c)	Certification / Company Law / Other Matters	320,000	174,500
d)	Taxation Matters	360,000	105,600
e)	Reimbursement of expenses	49,050	12,600
f)	Service Tax	186,636	119,286

(b) Payment to Cost Auditors:

(in ₹)

		31st Mar, 2015	31st Mar, 2014
a)	Audit Fees	110,000	100,000
b)	Other Services	16,300	14,204
c)	Service Tax	13,596	12,360

45. 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
30th May, 2015

M.S. BALACHANDRAN
PARTNER
Membership No. 024282

MEENU GOSWAMI
COMPANY SECRETARY

ASHOK KUMAR MAURYA
CHIEF FINANCIAL OFFICER

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