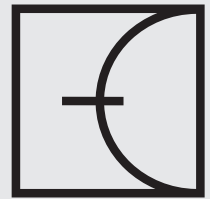


ANNUAL REPORT 2017-18



Late Mr. R. N. Kapur

Founder and Former Chairman

BOARD OF DIRECTORS

Mr. R. Kapur, *Chairman*

- Mr. T. Currimbhoy • Dr. D. J. Corbishley
- Mr. R. S. Sidhu • Ms. S. Bhagwati Dalal • Mr. M. Singh

PRESIDENT & CEO

Mr. N. Sethi

CHIEF FINANCIAL OFFICER

Mr. A. K. Maurya

COMPANY SECRETARY

Ms. Meenu Goswami

STATUTORY AUDITORS

J. A. Martins & Company, Chartered Accountants, New Delhi

COST AUDITOR

Mr. R. Krishnan

BANKERS

Yes Bank • State Bank of India • Corporation Bank

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Ltd., 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 31 March 2018.

Financial Review

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

(in ₹ lakhs)

	2015-16	2016-17	2017-18
Net Sales	6,203	5,584	7,661
EBIDTA	4,761	4,311	5,448
EBIDTA / Net Sales	77%	77%	71%

Total Reserves and Surplus of the Company have increased from ₹26,579 lakhs to ₹27,800 lakhs as on 31 March 2018. During the year under review, an amount of ₹5.65 lakhs transferred to Site Restoration Fund.

Review of Operations

The Company has significantly increased profitability and cash flow from operations year over year, due to increased production as a result of focused capital investment in production enhancement, supported by improved hydrocarbon prices. Oil production increased to 201,276 bbls in 2017-18 from 165,262 bbls in 2016-17 and gas production increased from 6,048,214 m3 to 7,622,988 m3 in 2017-18. The company has successfully delivered four quarters of growth in production.

Organizational enhancement with internationally accomplished management and technical advisory team has been the key factor in delivering these results, with demonstrable improvement in operational execution, better understanding of reservoir geology and production potential as well as more effective deployment of capital for production enhancement.

Indrora field has delivered its highest production since the discovery of the field in 1968. Karjisan oil discovery has been put on regular production. Karjisan gas production has also commenced. Pilot production enhancement activities have also been successful in Lohar which hold promise of improved recovery over the long term.

Last but not the least, Bakrol, the primary producing field in the Company has undergone significant production enhancement activities in terms of hydraulic stimulation and production optimization and significantly improved production over last year and continues to deliver higher production.

During the year, the Company has also submitted its application for a 10-year extension beyond March-2020 of its Production Sharing Contracts for Lohar, Bakrol and Indrora to DGH. The company believes that all regulatory, operational and compliance requirements for contract extension are in place and the applications are under review with DGH.

Please also refer to the Management Discussion and Analysis section of the Annual Report for further clarification regarding Company's operations and policies.

Final Dividend

The Directors are pleased to inform that in the financial year 2017-18, 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 2017-18 subject to approval by the shareholders of the Company in the forthcoming AGM.

Transfer to IEPF

During the year, in accordance with the provisions of section 124(5) and 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016 and subsequent amendment thereto ("the Rules"), an amount of ₹718,186.50 being Unclaimed Dividend for the Financial Year 2010-11 alongwith 87,988 equity shares were duly transferred to the Investor Education and Protection Fund established by the Central Government.

Number of Meetings of the Board

There were eight Board Meetings held during the Financial Year 2017-18. 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. Judgments / 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. 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 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 excluding Promoter Directors are paid sitting fees for attending the meetings of the Board / Committees thereof.

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. The Nomination and Remuneration Policy as approved by the Board may be accessed on Company's website at www.selanoil.com. 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 entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. Details of all related party transactions are reported to the Audit Committee for scrutiny / review and referred for approval of the Board on a quarterly basis. There are no materially significant related party transactions made by the Company with Promoters, Directors or KMP etc. which may have potential conflict with the interest of the Company at large which warrants the approval of shareholders. Accordingly, the disclosure of related party transactions as required under Section 134 (3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company. Omnibus

approval is obtained for the transactions which are foreseen and repetitive in nature. 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.

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. This policy is available on the Company's website at www.selanoil.com.

Risk Management

Risk Management is a formal and disciplined practice for addressing risk. Selan has in place comprehensive risk assessment and minimization procedures, which are reviewed by Board periodically. The objective of risk management in the Company is to act as an enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost, time and quality, resulting in improved turnover and profitability. The Company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. It includes identifying risks, assessing their probabilities and consequences, developing management strategies and monitoring their state to maintain situational awareness of changes in potential threats.

Corporate Social Responsibility

The Company has in place CSR Policy in line with Schedule VII of the Companies Act, 2013 which is available at our Company's website www.selanoil.com. Selan is committed to driving societal progress, while fulfilling its business objectives. 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. The Corporate Social Responsibility Committee comprises of five members, out of which four are non- executive and independent Directors including the Chairman. 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

In compliance with the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

Board of Directors and KMP

During the year under review, Mr. V. B. Mahajan passed away peacefully on 05 August 2017. Mr. Mahajan had been a member of the Board for over 22 years, since 1995, and was the senior most member of the Board of Directors. The Company places on record its appreciation for the guidance provided by Mr. V. B. Mahajan over the years.

Mr. R. S. Sidhu was inducted as an Additional Director with effect from 18 August 2017 to hold office upto the ensuing Annual General Meeting of the Company.

Dr. D. J. Corbishley and Mr. T. Currimbhoy, Independent Directors, whose term expires on 01 April 2019, being eligible, offers themselves for re-appointment as Independent Directors, with effect from 01 April 2019 to 31 March 2019.

The Company has received requisite notices in writing from members proposing their candidature for the same. The Nomination and Remuneration Committee has recommended their re-appointment for a further period of 5 years up to 31 March 2024. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges. The Board has approved their re-appointment subject to approval of shareholders in the ensuing Annual General Meeting.

Mr. R. Kapur, Whole- time Director whose term expires on 01 October 2018, being eligible, offers himself for re- appointment. The Board has approved his re-appointment with effect from 01 October 2018 for a period of 5 years, subject to approval of shareholders in the ensuing Annual General Meeting.

The brief details relating to aforesaid appointments are furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

Auditors and Their Report

M/s J. A. Martins & Co., Chartered Accountants, (FRN:010860N) Statutory Auditors of the Company, were appointed in the 32nd AGM to hold office until the conclusion of 37th AGM, subject to ratification at every AGM. Therefore, ratification of appointment of Statutory Auditors is being sought from the members at the ensuing AGM.

There are no qualifications or reservations or remarks or frauds reported by the Auditors in their Report.

Cost Accounting Records

During the year under review, Mr. R. Krishnan, Cost Accountant (Membership No. 7799) was appointed as Cost Auditor for the Financial Year 2017-18 in place of Mr. S. N. Balasubramanian, Cost Auditor who expired on 20 November 2017. The remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors will be ₹120,000/- per annum which is subject to ratification by the members in the ensuing Annual General Meeting.

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of Mr. R. Krishnan, Cost Accountant (Membership No. 7799) as the Cost Auditor of the Company for the Financial Year 2018-19 at a remuneration of ₹120,000/- per annum. The proposed remuneration of the Cost Auditor would be ratified by the members in the ensuing AGM. The Cost Audit for the year ended 31 March 2017 was carried out by Mr. S. N. Balasubramanian and the report was filed on 16 October 2017.

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 V. Sankar Aiyar & Co., Chartered Accountants were appointed as Internal Auditors for the Financial Year 2017-18 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

Corporate Governance stems from the belief and realization that corporate citizenship has a set of responsibilities, which must be fulfilled for a company to progress and succeed over the long term. In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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.

Internal Financial Controls and their adequacy

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regard to reporting, operational and compliance risks. The Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned with business requirements, risk based internal audits, risk management framework and whistle blower mechanism. These are routinely tested and certified by Statutory as well as Internal Auditors. The Audit Committee evaluates the internal financial control system periodically.

Significant and Material orders passed by the Regulators/ Courts/ Tribunals

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

Women Empowerment

SELAN has always believed that appropriate standard of conduct should be maintained by the employees in their conduct and that there should be a safe, indiscriminatory and harassment free (including sexual harassment) work environment for every individual working in the company. 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 redressal of such complaints. During the year under review, the Company has not received any complaint of sexual harassment from any of the woman employee of the Company.

Audit Committee

The Audit Committee comprises of four members, out of which three are non-executive and independent Directors including the Chairman. The Audit Committee's composition, powers and role are included in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

CEO / CFO Certification

Mr. N. Sethi, President & CEO and Mr. A. K. Maurya, CFO of the Company have certified to the Board that all the requirements of the Listing Obligations, *inter alia*, dealing with the review of financial statements and Cash flow statement for the year ended 31 March 2018, 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.

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. 48 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 31 March 2018 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 would like to express their earnest appreciation for the valuable efforts of every employee at all levels for their hard work, dedication and commitment without which the Company would not have been able to undertake the challenging targets in all areas of operations. The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. 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 also wish to place on record their deep sense of appreciation for the committed services by all 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, particularly, wish to acknowledge and place on record the continuous support and guidance of all the shareholders and, more importantly, for the confidence reposed in the Company's management.

For and on behalf of the Board

Place : New Delhi
Date : 15 May 2018

R. KAPUR
Chairman
(DIN : 00017172)

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Developments

Oil and Gas sector is critical to the functioning of the economy and is one of its driving forces. India is moving steadily towards emerging as a leading global economy aided by several transformational reforms and innovative campaigns by the Government. With continued focus on high technology and improving efficiency, Company is likely to achieve its production targets. The Company is taking effective steps to improve operational efficiency to maintain the earnings. The Company is in the process of executing elaborate plans for the development of its oil and gas fields. Efforts are made in terms of enhancement of production from existing pay zones, workover of existing wells and drilling of new wells.

Exploration and production sector has remained a main focus area, more so after Hon'ble Prime Minister asked India to reduce import dependence by 10% by 2022. The Government is also working proactively on a number of other fronts to make the upstream sector vibrant on the regulation side as we are aware, marketing and pricing freedom has been given to operators for blocks awarded under CBM, DSF, difficult areas and HELP policies. At present, India is the third largest oil consumer in the World, thus placing an enormous focus on its energy security. Government is committed to transform the Indian hydrocarbon sector and provide clean, reliable and affordable energy to its citizenry alongwith pursuing the green path to progress. Having come thus far, the Government now wants to propel Indian E & P to the next higher orbit. The Industry is expecting significant changes with new oil and gas policies introduced by the Government which will lead to easy approval processes and easy implementation of business plans.

Government is consciously trying to reduce administrative and regulatory road blocks and to infuse new technology. Government remains committed for making sustained and significant efforts to liberalize the sector by simplifying processes, increasing market access and bringing developments in the technology domain with the aim to enhance the efficiency of our oil and gas industry. There is a need for introducing new thinking, new technologies and remaining ahead of the curve. At Selan, we view these developments positively and consider them to be opportunities for us to leverage our potential and contribute to Nation's energy security in a meaningful way.

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 submitted PSC extension applications with DGH for extension of PSCs of Bakrol, Indrora and Lohar as these applications have to be submitted 2 years in advance of the expiry date of PSCs. The Company has also made ongoing efforts to strengthen its management team.

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

The oil and gas sector is among the core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. The hydrocarbon business is a high investment, high risk business with long gestation periods. Therefore, the fiscal stability and taxation structure should be progressive and long-term. Far reaching reform like the Goods & Services Tax (GST), must include the hydrocarbon sector as a principal element in implementation.

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. Therefore, the data is constantly being reanalyzed and reinterpreted with modern software and technology to help improve recovery of oil and gas reserves.

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 inherent risks of dealing with nature cannot be completely overlooked and therefore drilling activity poses an enormous challenge and risk. The fluctuation 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

Shortage of drilling rigs and associated oilfield services has been a major problem in the region where the Company operates. Due to the limited number of service providers available, the Company is required to tie-up with oilfield service 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 urbanization and 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 service 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. Opportunities and Threats

The Government has approved a policy for granting extension to the PSCs signed by Government awarding Pre-NELP Exploration Blocks, to have a transparent and defined framework. This will help operators in planning their investments and operations in these fields which will help in optimal exploitation of the reserves. Selan recognizes the critical importance of innovation and research and development to achieve sustainable growth. The growth of the Company is subject to opportunities and threats as are applicable from time to time. The Oil and gas Industry represents one of the most important and complex industry segments in the market and is ready to meet the nation's future energy needs aided with the support of Government. New methods and new sources of oil and gas are driving productivity in the Oil and gas industry. Despite the risks, there is still a very real demand for energy and this sector fills part of that demand.

7. Internal Control Systems and their Adequacy

Internal Control is an integral component of an organization's management that provides reasonable assurance of the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. This system forms an integral part of the entire cycle of planning, budgeting, management, accounting and auditing. It supports the effectiveness and the integrity of every step of the process and provides continuous feedback to management. The Company carefully considers the appropriate balance between controls and risk in their programs and operations. The Internal Control system ensures that our resources are allocated in the most appropriate manner to ensure that operational and financial objectives are being met and complied. We treasure integrity and transparency as the core value in all our business dealings. We have dedicated Internal Auditors who make sure that transactions taking place under due authority / power are received and reported in a prudent manner. 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.

8. Human Resources Development / Industrial Relations

SELAN believes that a prerequisite for dealing with people is respect and trust. Selan acknowledges that long-term success of the Company depends on its capacity to attract, retain and develop employees who are able to ensure its growth on a continuing basis. Selan promotes a good work morale and encourages its employees to show their co-workers and others appropriate respect, tolerance and a pleasant manner. 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 and this is an integral part in charting the success story of the Company. The Company has a total strength of 32 employees as on 31 March 2018.

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.

9. Disclosure of Accounting Treatment

The Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning 01 April 2017, the Company has for the first time adopted Ind AS with a transition date of 01 April 2016.

CORPORATE GOVERNANCE



1. SELAN's philosophy on Code of Governance

Selan is committed to good Corporate Governance and endeavors to implement the Code of Corporate Governance in its true spirit, which goes beyond mere regulatory compliances. Our Philosophy on Corporate Governance is based on formulation of Integrity, Excellence and Ethical values which have been in practice since inception. The Company has in place processes and systems whereby the Company complies with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Board of Directors

a) Composition of Board

The Board of Directors of the Company comprises of :

- One Executive Director
- Five Non – Executive Independent Directors

Name of Director	Executive/ Non-Executive/ Independent	Number of other Directorships	Number of Committee Memberships in other Companies		Attendance in Board Meetings	Attendance in Last AGM
			Chairman	Member		
R. Kapur	Chairman and Whole-Time Director	-	-	-	8	Yes
M. Singh	Non – Executive and Independent Director	-	-	-	07	Yes
T. Currimbhoy*	Non – Executive and Independent Director	-	-	-	01	No
R. S. Sidhu	Non – Executive and Independent Director	-	-	-	03	No
D. J. Corbishley*	Non – Executive and Independent Director	-	-	-	02	Yes
S. Bhagwati Dalal	Non-Executive and Independent Director	-	-	02	01	No

* Non – Resident Directors

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

None of the Director is related to the other Directors

b) Number of Board Meetings held and the dates on which held

There were eight Board Meetings held during the financial year 2017-18. The dates on which the meetings were held are : 20 May 2017, 03 June 2017, 10 August 2017, 18 August 2017, 09 September 2017, 04 November 2017, 03 February 2018 and 07 March 2018.

c) Directors' Shareholding

Details of Directors' Shareholding in the Company as on 31 March 2018 are as follows:

Name of Director	Number of Shares
R. Kapur, Whole -Time Director	86,846

d) Familiarisation Programme for Independent Directors

The Company's Policy of conducting the Familiarisation Programme and the details of Familiarisation Programmes imparted to Independent Directors during Financial Year 2017-18 have been disclosed on the website of the Company at <http://www.seloil.com/wp-content/uploads/2018/04/FAMILIARIZATION-PROGRAM-FOR-DIRECTORS.pdf>

3. Audit Committee

The Audit Committee comprises of four members, out of which three are non-executive and independent Directors, including the Chairman. Four meetings of Audit Committee were held during the year viz. on 13 May 2017, 31 August 2017, 13 October 2017 and 31 January 2018. The composition of the Committee and details of their attendance at the meetings is as follows:

Name of Director	Number of Meetings	
	Held	Attended
D. J. Corbishley	4	0
M. Singh (Chairman)	4	4
R. Kapur	4	4
T. Currimbhoy	4	3
V. B. Mahajan	4	1

Brief description of terms of reference:

- Review of the financial reporting process and the Company's financial statements.
- Review of the adequacy of accounting records as maintained in accordance with the provisions of the Companies Act, 2013.
- Review of the adequacy of internal control system.
- The detailed terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in overseeing the method, criteria and quantum of compensation for Directors and Senior Management based on their performance and defined assessment criteria. The detailed terms of reference of the Committee cover the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. The Committee met once during the year on 28 July 2017. The composition of the Committee and details of their attendance at the meeting is as follows:

Name of Director	Number of Meetings	
	Held	Attended
D. J. Corbishley (Chairman)	1	-
M. Singh	1	1
R. Kapur	1	1
T. Currimbhoy	1	-
V. B. Mahajan	1	1

Performance Evaluation

As stipulated by the Code of Independent Directors under the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 03 February 2018 to assess the performance of Non- Independent Director and the Chairperson of the Company and the Board as a Whole. The performance evaluation of all the Independent Directors was conducted by the entire Board, excluding the Director being evaluated. The overall consensus was the performance of Directors, which was significant and it clearly met the guidelines issued by SEBI. 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.

5. Remuneration of Directors

- There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the Financial Year 2017-18 excluding Dr. D. J. Corbishley, Non-Executive Director who was paid Consultancy Fee as disclosed in Note No. 43.
- Independent / Non-Executive Directors excluding Promoter Directors of the Company are paid Sitting fee for attending the meetings of the Board / Committees subject to ceiling / limits as provided under Companies Act, 2013 and rules made thereunder.
- Payment of remuneration to Whole - Time Director is governed by the terms and conditions of his 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. The Whole-Time Director was paid remuneration during the year as disclosed in Note no. 43 of Notes on Accounts. Details of remuneration of Directors for the year ended 31 March 2018 are as follows:

(in ₹)

Name of Director	Salary, Allowances & Perquisites	Sitting Fees paid	Total
D. J. Corbishley	-	100,000	100,000
M. Singh	-	600,000	600,000
R. S. Sidhu	-	300,000	300,000
S. Bhagwati Dalal	-	100,000	100,000
T. Currimbhoy	-	200,000	200,000
V. B. Mahajan	-	200,000	200,000

6. Stakeholders Relationship Committee

The terms of reference of this Committee are wide enough

covering the matters specified under the Listing Regulations and the Companies Act, 2013. The Committee is headed by Mr. M. Singh (Non- Executive and Independent Director).

Particulars	As on 31 March 2018
No. of shareholders' complaints received	06
No. of complaints not solved to the satisfaction of Shareholders	Nil
No. of pending complaints	Nil

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 the Listing Regulations.

Compliance Officer

Name : Ms. Meenu Goswami
 Designation : Company Secretary
 E-mail Id : investors@selanoil.com

7. General Body Meetings

- Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2014-15	AGM	Ashok Country Resort, New Delhi	11.08.2015	10:00 a.m.
2015-16	AGM	Ashok Country Resort, New Delhi	28.09.2016	10:00 a.m.
2016-17	AGM	Ashok Country Resort, New Delhi	10.08.2017	10:00 a.m.

- Whether any Special Resolutions (SR) passed in the previous three AGMs : No
- Whether any Special Resolution passed last year through postal ballot : None
- Whether any Special Resolution is proposed to be conducted through postal ballot : No

8. Means of Communication

a) Quarterly Results	Published in the newspapers every quarter
b) Newspapers wherein results normally published	Financial Express and Jansatta
c) Any website, where results are displayed	www.selanoil.com
d) Whether it also displays official news releases	Yes
e) Presentations made to institutional investors or to the analysts	A Corporate presentation has been made during the year and hosted on website of the Company

9. General Shareholder Information

- Annual General Meeting :

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

- Financial Year :

The Financial Year under review covers the period from 01 April 2017 to 31 March 2018.

Calendar for financial year 2018-19 (tentative):

Annual General Meeting To be decided

Results for quarter ending Second week of August, 2018
 30 June 2018



Results for quarter ending 30 September 2018	Second week of November, 2018
Results for quarter ending 31 December 2018	Second week of February, 2019
Results for quarter ending 31 March 2019	Fourth week of May, 2019

c) Dividend :

During the year 2017-18, 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 26 February 2018. This is now being put for approval of the shareholders as final dividend for the year 2017-18 at the forthcoming AGM.

d) Listing of Equity Shares on Stock Exchanges :

BSE Ltd. and National Stock Exchange of India Ltd. (NSE), Mumbai.

The Company had paid Annual Listing Fees for the Financial Year 2017-18.

e) Stock Code :

Scrip Code on National Stock Exchange : SELAN

Scrip Code on BSE : 530075

f) Stock Market Data :

National Stock Exchange (NSE)				
MONTH	SHARE PRICE (IN ₹)		NIFTY	
	HIGH	LOW	HIGH	LOW
Apr 2017	204.40	175.20	9367.15	9075.15
May 2017	191.80	168.80	9649.60	9269.90
Jun 2017	175.00	154.70	9709.30	9448.75
Jul 2017	175.50	155.55	10114.85	9543.55
Aug 2017	206.80	156.60	10137.85	9685.55
Sep 2017	210.00	176.05	10178.95	9687.55
Oct 2017	250.30	178.50	10384.50	9831.05
Nov 2017	270.00	206.00	10490.45	10094.00
Dec 2017	242.40	212.00	10552.40	10033.35
Jan 2018	256.00	215.20	11171.55	10404.65
Feb 2018	232.90	201.25	11117.35	10276.30
Mar 2018	210.00	184.55	10525.50	9951.90

g) During the period i.e. 01 April 2017 to 31 March 2018, Selan's stock price on NSE rose by 5.70% and 5.61% on BSE, whereas NSE (NIFTY) rose by 9.48% and BSE (Sensex) rose by 10.23%.

h) 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

E - mail : helpdeskdelhi@mcsregistrars.com

i) 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.

j) Distribution of shareholding as on 31 March 2018 :

Category	No. of Shares Held as on 31.03.2018	% Holding
Promoters :		
- Indian	4,487,000	27.36
- Foreign	86,846	0.53
Mutual Funds / AIF	450,894	2.75
Financial Institution / Banks	27,924	0.17
Foreign Institutional Investors	352,487	2.15
Private Corporate Bodies	1,847,242	11.26
Indian Public	8,321,562	50.74
Trusts and Foundations	1,550	0.01
NRIs / OCBs	633,498	3.86
NBFCs	103,009	0.63
IEPF	87,988	0.54
GRAND TOTAL	16,400,000	100.00

k) Dematerialization of shares :

96.97 % of the outstanding shares have been dematerialized upto 31 March 2018.

l) Liquidity :

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

m) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity :

Not Applicable

n) Commodity price risk / foreign exchange risk and hedging activities :

The selling price of Crude oil is determined at the prevailing international market rates in US Dollars. Fluctuations in the international price of crude oil and Dollar vs. Rupee Exchange rates, affect the profitability of the Company. However, the Company has not undertaken any hedging activities.

o) 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.

p) Address for Correspondence :

- For transfer of physical shares, request for dematerialisation of shares, change of mandates / address or any other query :

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

- Any query on the Annual Report :

E - mail : investors@selanoil.com

10. Other Disclosures

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large :

There are no materially significant related party transactions made by the Company with Promoters, Directors or KMP etc. which may have potential conflict with the interest of the Company at large which warrants the approval of shareholders. Dr. D. J. Corbishley, Director was paid Consultancy Fee and Mr. R. Kapur, the Whole-Time Director was paid remuneration during the year as disclosed in Note No. 43 of Notes on Accounts.

- b) 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
 - c) Whistle Blower Policy : The Company has 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.
 - d) The Company has complied with all the mandatory requirements specified in the regulations.
 - e) Web link where policy for determining 'material' subsidiaries is disclosed : Not Applicable
 - f) Web link where policy on dealing with related party transactions is disclosed : The Related Party Transactions Policy is uploaded on the Company's website at : <http://www.selanoil.com/annual-report-and-policies/>
 - g) Disclosure of Commodity price risks and commodity hedging activities : The Company has not undertaken any hedging activities.
11. There has been no instance of non-compliance of any requirement of Corporate Governance Report.
12. **Non - mandatory requirements:**
- The Chairman of the Company is an Executive Director.
 - The Company does not send Half-yearly declaration of financial performance to each household of shareholders. Quarterly financial results are displayed on the Company's website and therefore Half-yearly declaration is not sent.
 - There are no audit qualifications for the year under review.
 - The Internal Auditor reports directly to the Audit Committee.
13. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations.
14. Disclosure with respect to demat suspense account / unclaimed suspense account : Not Applicable

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 31 March 2018 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 : 15 May 2018

N. Sethi
President & CEO

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Selan Exploration Technology Limited

1. We have examined the compliance of the conditions of Corporate Governance by Selan Exploration Technology Limited ('the Company') for the year ended on 31 March 2018, as stipulated in Schedule V(C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the 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 statement 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, in all material respects, complied with the conditions of Corporate Governance as stipulated in Schedule V(C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.
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 J. A. Martins & Co.
Chartered Accountants
(Firm's Regn. No. 010860N)
J. A. Martins
Proprietor
(Membership No. 082051)

Place : New Delhi
Date : 15 May 2018

**SECRETARIAL AUDIT REPORT**
for the financial year ended 31 March 2018

[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 of 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 our opinion thereon.

Based on our verification of the Company's 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 for the financial year ended on 31 March 2018, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2018, in accordance to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder to the extent applicable;
 - 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') to the extent applicable to the Company :-
 - 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - VI. Other Laws which are applicable to the Company:
 - The Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
 - The Employees State Insurance Act, 1948.
 - The Payment of Gratuity Act, 1972.
 - The Labour Laws and Law relating to Payment of Wages.
 - Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
 - Direct Taxes –Income Tax Act 1961, Service Tax, Customs Act, Value Added Tax Act,
- Miscellaneous Acts:
 - a) The Petroleum Act, 1934.
 - b) The Petroleum & Natural Gas Rules, 1959 and amendments thereunder.
 - c) The Oilfields (Regulations and Development) Act, 1948.
 - d) The Oil Industry (Development) Act, 1974.
 - e) The Water (Prevention and Control of Pollution) Act, 1974.
 - f) The Air (Prevention and Control of Pollution) Act, 1981.
 - g) The Environment (Protection) Act, 1986.
 - h) The Factories Act, 1948.
 - i) The Industries (Development & Regulation) Act, 1951.
 - j) Acts and Laws relating to carrying out Mining Activities.
 - k) Information Technology Act, 2000.
 - l) Indian Contract Act, 1872.

We have also examined compliance with the applicable clauses of the Secretarial Standard-1, Secretarial Standard-2 and Secretarial Standard-3 formulated by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

We further report that:

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.

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. During the period, all the decisions in the Board meetings were carried out unanimously.

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 there has been no instance of following during the audit period:

- 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.

We also report that the compliances of other applicable laws, as listed in Para (VI) above, are based on the Management Certifications.

**For Nityanand Singh & Co.,
Company Secretaries**

**Place : New Delhi
Date : 05 May 2018**

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

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
for the financial year ended on 31 March 2018

Annexure - B

[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	90%
2	Extraction of Natural Gas	062	10%

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 2017				No. of shares held on 31 March 2018				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
Individual/HUF	2,986,000	-	2,986,000	18.2073	2,986,000	-	2,986,000	18.2073	-
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)	4,487,000	-	4,487,000	27.3598	4,487,000	-	4,487,000	27.3597	-
(2) Foreign									
NRIs - Individuals	162,413	-	162,413	0.9904	86,846	-	86,846	0.5295	0.4608
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub - total (A)(2)	162,413	-	162,413	0.9903	86,846	-	86,846	0.5295	0.4608
Total shareholding of Promoters (A)=(A)(1)+(A)(2)	4,649,413	-	4,649,413	28.3501	4,573,846	-	4,573,846	27.8892	0.4608
B. Public Shareholding									
(1) Institutions									
Mutual Funds	33,439	-	33,439	0.2039	16,276	-	16,276	0.0992	0.1047
Banks/ Financial Institutions	18,410	-	18,410	0.1123	27,924	-	27,924	0.1703	(0.0580)



Category of Shareholders	No. of shares held on 01 April 2017				No. of shares held on 31 March 2018				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII's/ FPI	245,568	-	245,568	1.4974	352,487	-	352,487	2.1493	(0.6519)
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others- (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	434,618	-	434,618	2.6501	(2.6501)
Sub-total (B)(1)	297,417	-	297,417	1.8135	831,305	0	831,305	5.0690	(3.2554)
(2) Non-Institutions									
(a) Bodies Corporate	2,461,841	7,431	2,469,272	15.0565	1,845,972	1,270	1,847,242	11.2637	3.7929
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	5,617,110	501,755	6,118,865	37.3102	5,416,569	410,240	5,826,809	35.5293	1.7808
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,877,215	28,886	1,906,101	11.6226	2,465,867	28,886	2,494,753	15.2124	(3.5893)
(c) Others (Specify)									
NBFC	93,929	-	93,929	0.5728	103,009	-	103,009	0.6281	(0.0554)
Trusts & Foundations	550	-	550	0.0034	1,550	-	1,550	0.0095	(0.0061)
Non Resident Individual	795,508	68,285	863,793	5.2670	576,953	55,885	632,838	3.8588	1.4083
OCB	-	660	660	0.0040	-	660	660	0.0040	-
IEPF	-	-	-	-	87,988	-	87,988	0.5365	(0.5365)
Sub-total (B)(2)	10,846,153	607,017	11,453,170	69.8364	10,497,908	496,941	10,994,849	67.0418	2.7946
Total Public Shareholding (B)=(B)(1)+(B)(2)	11,143,570	607,017	11,750,587	71.6499	11,329,213	496,941	11,826,154	72.1108	(0.4608)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15,792,983	607,017	16,400,000	100	15,903,059	496,941	16,400,000	100	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of shares held on 01 April 2017			No. of shares held on 31 March 2018			% 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 LLP	1,501,000	9.1524	-	1,501,000	9.1524	-	-
Raj Kapur	1,206,000	7.3536	-	1,206,000	7.3536	-	-
R. Kapur	86,846	0.5295	-	86,846	0.5295	-	-
Rohini Kapur	1,780,000	10.8537	-	1,780,000	10.8537	-	-
Aroon Mahajan	567	0.0035	-	0	0	-	0.0035
Asha Mahajan	0	0.0000	-	0	0	-	-
Ramesh Mahajan	75,000	0.4573	-	0	0	-	0.4573
Total	4,649,413	28.3500	-	4,573,846	27.8892	-	0.4608

(iii) Change in Promoters' Shareholding

Shareholder's Name	Shareholding at the beginning of the year		Date / Week Traded	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
Winton Roavic LLP	1,501,000	9.1524	-	0	No Change	1,501,000	9.1524	1,501,000	9.1524
Raj Kapur	1,206,000	7.3537	-	0	No Change	1,206,000	7.3537	1,206,000	7.3537
R. Kapur	86,846	0.5295	-	0	No Change	86,846	0.5295	86,846	0.5295
Rohini Kapur	1,780,000	10.8537	-	0	No Change	1,780,000	10.8537	1,780,000	10.8537
Aroon Mahajan	567	0.0035	14.04.17-21.04.17	(567)	Sale	0	0.0000	0	0.0000
Asha Mahajan	0	0.0000	-	0	No Change	0	0.0000	0	0.0000
Ramesh Mahajan	75,000	0.4573	01.04.17-07.04.17	(75,000)	Sale	0	0.0000	0	0.0000

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

Shareholder's Name	Shareholding at the beginning of the year		Date / Week Traded	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
Baring Private Equity India AIF	0	0.0000	24.11.2017	36,851	Purchase	36,851	0.2247	289,618	1.7660
			01.12.2017	10,000	Purchase	46,851	0.2857		
			08.12.2017	125,383	Purchase	172,234	1.0502		
			15.12.2017	14,439	Purchase	186,673	1.1383		
			22.12.2017	19,164	Purchase	205,837	1.2551		
			09.02.2018	54,991	Purchase	260,828	1.5904		
			16.02.2018	6,000	Purchase	266,828	1.6270		
			23.02.2018	22,790	Purchase	289,618	1.7660		
Rajasthan Global Securities Private Limited	190,637	1.1624	07.04.2017	(185,874)	Sale	4,763	0.0290	261,585	1.5950
			14.04.2017	135,000	Purchase	139,763	0.8522		
			12.05.2017	(1,728)	Sale	138,035	0.8417		
			26.05.2017	(128,000)	Sale	10,035	0.0612		
			14.07.2017	12,485	Purchase	22,520	0.1373		
			21.07.2017	30,107	Purchase	52,627	0.3209		
			28.07.2017	77,372	Purchase	129,999	0.7927		
			25.08.2017	21,668	Purchase	151,667	0.9248		
			15.09.2017	183,000	Purchase	334,667	2.0407		
			29.09.2017	(65,411)	Sale	269,256	1.6418		
			06.10.2017	(19,242)	Sale	250,014	1.5245		
			27.10.2017	25,220	Purchase	275,234	1.6783		
			31.10.2017	8,859	Purchase	284,093	1.7323		
			03.11.2017	(10,000)	Sale	274,093	1.6713		
			10.11.2017	(70,763)	Sale	203,330	1.2398		
			17.11.2017	(12,638)	Sale	190,692	1.1628		
			24.11.2017	1,242	Purchase	191,934	1.1703		
			08.12.2017	42,325	Purchase	234,259	1.4284		
15.12.2017	6,299	Purchase	240,558	1.4668					
22.12.2017	15,946	Purchase	256,504	1.5640					
09.02.2018	197	Purchase	256,701	1.5653					
16.03.2018	2,628	Purchase	259,329	1.5813					
31.03.2018	2,256	Purchase	261,585	1.5950					
Yodhan Sachdev	224,000	1.3659	18.08.2017	(150,000)	Sale	74,000	0.4512	224,000	1.3659
			24.11.2017	100,000	Purchase	174,000	1.0609		
			15.12.2017	50,000	Purchase	224,000	1.3659		
Esvee Capital	205,634	1.2539	-	-	No Change	205,634	1.2539	205,634	1.2539
Paulastya Sachdev	170,000	1.0366	-	-	No Change	170,000	1.0366	170,000	1.0366



JM Financial Services Limited	1	0.0000	21.04.2017	1,000	Purchase	1,001	0.0061	150,000	0.9146
			28.04.2017	(1,000)	Sale	1	0.0000		
			26.05.2017	5,000	Purchase	5,001	0.0305		
			02.06.2017	(5,000)	Sale	1	0.0000		
			07.07.2017	999	Purchase	1,000	0.0061		
			22.09.2017	1,500	Purchase	2,500	0.0152		
			29.09.2017	1,200	Purchase	3,700	0.0226		
			10.11.2017	(700)	Sale	3,000	0.0183		
			17.11.2017	2,000	Purchase	5,000	0.0305		
			24.11.2017	(500)	Sale	4,500	0.0274		
			22.12.2017	(2,500)	Sale	2,000	0.0122		
			26.01.2018	(46)	Sale	1,954	0.0119		
			02.02.2018	2,000	Purchase	3,954	0.0241		
			09.03.2018	(2,000)	Sale	1,954	0.0119		
31.03.2018	148,046	Purchase	150,000	0.9146					
Tarra Fund	0	0.0000	08.12.2017	68,596	Purchase	68,596	0.4183	146,853	0.8954
			15.12.2017	36,257	Purchase	104,853	0.6393		
			19.01.2018	42,000	Purchase	146,853	0.8954		
EQ India Fund	0	0.0000	25.08.2017	145,000	Purchase	145,000	0.8841	145,000	0.8841
Pace Stock Broking Services Pvt Ltd.	681,909	4.1580	07.04.2017	(578,972)	Sale	102,937	0.6277	119,250	0.7271
			14.04.2017	(400)	Sale	102,537	0.6252		
			21.04.2017	(51,752)	Sale	50,785	0.3097		
			28.04.2017	25	Purchase	50,810	0.3098		
			05.05.2017	1,250	Purchase	52,060	0.3174		
			19.05.2017	(950)	Sale	51,110	0.3116		
			26.05.2017	(50)	Sale	51,060	0.3113		
			02.06.2017	250	Purchase	51,310	0.3129		
			09.06.2017	12,700	Purchase	64,010	0.3903		
			16.06.2017	(200)	Sale	63,810	0.3891		
			23.06.2017	(9,700)	Sale	54,110	0.3299		
			30.06.2017	(1,593)	Sale	52,517	0.3202		
			07.07.2017	1,593	Purchase	54,110	0.3299		
			14.07.2017	(1,000)	Sale	53,110	0.3238		
			21.07.2017	2,820	Purchase	55,930	0.3410		
			28.07.2017	(15,450)	Sale	40,480	0.2468		
			11.08.2017	(6,550)	Sale	33,930	0.2069		
			18.08.2017	3,330	Purchase	37,260	0.2272		
			25.08.2017	27,868	Purchase	65,128	0.3971		
			01.09.2017	(6,465)	Sale	58,663	0.3577		
			08.09.2017	(15,714)	Sale	42,949	0.2619		
			15.09.2017	33,268	Purchase	76,217	0.4647		
			22.09.2017	(1,177)	Sale	75,040	0.4576		
			29.09.2017	(68,290)	Sale	6,750	0.0412		
			06.10.2017	250	Purchase	7,000	0.0427		
			13.10.2017	5,250	Purchase	12,250	0.0747		
			20.10.2017	21,890	Purchase	34,140	0.2082		
			27.10.2017	(21,890)	Sale	12,250	0.0747		
			03.11.2017	29,780	Purchase	42,030	0.2563		
			10.11.2017	(41,680)	Sale	350	0.0021		
			17.11.2017	38,500	Purchase	38,850	0.2369		
			24.11.2017	2,000	Purchase	40,850	0.2491		
			01.12.2017	16,095	Purchase	56,945	0.3472		
			08.12.2017	2,905	Purchase	59,850	0.3649		
			15.12.2017	580	Purchase	60,430	0.3685		
			22.12.2017	420	Purchase	60,850	0.3710		
05.01.2018	(14,600)	Sale	46,250	0.2820					
12.01.2018	(2,400)	Sale	43,850	0.2674					
19.01.2018	(1,808)	Sale	42,042	0.2564					
25.01.2018	5,221	Purchase	47,263	0.2882					
02.02.2018	15,300	Purchase	62,563	0.3815					
09.02.2018	19,594	Purchase	82,157	0.5010					
16.02.2018	(500)	Sale	81,657	0.4979					
23.02.2018	2,000	Purchase	83,657	0.5101					
02.03.2018	(1,394)	Sale	82,263	0.5016					
09.03.2018	(213)	Sale	82,050	0.5003					
16.03.2018	(1,800)	Sale	80,250	0.4893					
23.03.2018	39,000	Purchase	119,250	0.7271					

Dheeraj Kumar Lohia	11,293	0.0689	07.04.2017	7,604	Purchase	18,897	0.1152	94,358	0.5754
			12.05.2017	(1,795)	Sale	17,102	0.1043		
			28.07.2017	5,876	Purchase	22,978	0.1401		
			25.08.2017	6,127	Purchase	29,105	0.1775		
			01.09.2017	8,574	Purchase	37,679	0.2298		
			20.10.2017	7,500	Purchase	45,179	0.2755		
			27.10.2017	1,531	Purchase	46,710	0.2848		
			12.01.2018	2,201	Purchase	48,911	0.2982		
			25.01.2018	18,288	Purchase	67,199	0.4098		
			09.02.2018	7,157	Purchase	74,356	0.4534		
			09.03.2018	10,066	Purchase	84,422	0.5148		
			16.03.2018	2,000	Purchase	86,422	0.5270		
			23.03.2018	1,024	Purchase	87,446	0.5332		
			31.03.2018	6,912	Purchase	94,358	0.5754		

(v) Shareholding of Directors and Key Managerial Personnel :

For each of the Directors and KMP	Shareholding at the beginning of the year		Date / Week Traded	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shareholding of Directors									
R. Kapur	86,846	0.5295	-	-	No Change	86,846	0.5295	86,846	0.5295
V. B. Mahajan	6,248	0.0381			Expired on 05.08.17	0	0	0	0
T. Currimbhoy					NONE				
D. J. Corbishley					NONE				
M. Singh					NONE				
S. Bhagwati Dalal					NONE				
R. S. Sidhu					NONE				
Shareholding of KMP									
P. S. Oberoi (Manager)					NONE				
N. Sethi (President & CEO)	0	0	28.04.2017	5,000	Purchase	5,000	0.0305		
			05.05.2017	5,000	Purchase	10,000	0.0610		
			12.05.2017	2,997	Purchase	12,997	0.0793		
			23.06.2017	10,000	Purchase	22,997	0.1402		
			07.07.2017	9,000	Purchase	31,997	0.1951	31,997	0.1951
A. K. Maurya (CFO)					NONE				
Meenu Goswami (CS)					NONE				

V. INDEBTEDNESS

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

(In ₹ Lakhs)

	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	49.37	-	-	49.37
- Reduction	(4.19)	-	-	(4.19)
Net Change	45.18	-	-	45.18
Indebtedness at the end of the financial year				
(i) Principal Amount	45.18	-	-	45.18
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.34	-	-	0.34
Total (i+ii+iii)	45.52	-	-	45.52



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
	R. Kapur	P. S. Oberoi	
Gross Salary			
a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	₹ 4,800,000	₹ 2,331,267	₹ 7,131,267
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	₹ 12,700,000	-	₹ 12,700,000
- as % of profit	3.58%	-	-
- others, specify	-	-	-
Others, please specify	-	-	-
Total (A)	₹ 17,500,000	₹ 2,331,267	₹ 19,831,267
Ceiling as per the Act	₹ 35,438,958 (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
	D. J. Corbishley	M. Singh	R.S. Sidhu	S. Bhagwati Dalal	T. Currimbhoy	V. B. Mahajan	
Independent Directors							
Fee for attending Board Committee meetings	₹ 100,000	₹ 600,000	₹ 300,000	₹ 100,000	₹ 200,000	₹ 200,000	₹ 1,500,000
Commission	-	-	-	-	-	-	-
Others, (Consultancy fee)	₹ 455,126	-	-	-	-	-	₹ 455,126
Total	₹ 555,126	₹ 600,000	₹ 300,000	₹ 100,000	₹ 200,000	₹ 200,000	₹ 1,955,126

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

Particulars of Remuneration	Key Managerial Personnel			
	CEO	CFO	Company Secretary	Total
Gross Salary				
a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	₹ 11,563,000	₹ 1,388,940	₹ 833,200	₹ 13,785,140
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	₹ 11,563,000	₹ 1,388,940	₹ 833,200	₹ 13,785,140

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.

Selan's Policy on CSR is focused on demonstrating care for the society through its focus on eradicating Hunger and Poverty, Education and skill development, Women Empowerment and Uplifting of underprivileged. Our CSR policy is available on our website : www.selanoil.com.

SELAN has been taking concrete actions to release its social responsibility objectives and these are executed through reputed NGO's, trusts and foundations which are dedicated in this regard.

Our vision is to effectively contribute towards the society and economic development of the communities in which we operate. In doing so we intend to build a better, sustainable way of life for the weaker sections of society.

2. The Composition of the CSR Committee.

Mr. M. Singh	Member
Mr. R. Kapur	Member
Mr. R. S. Sidhu	Member
Ms. S. Bhagwati Dalal	Member
Mr. T. Currimbhoy	Chairman

3. Average net profit of the company for last three financial years - ₹264,032,387/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) – ₹5,280,648/-
5. Details of amount spent on CSR during the financial year;
- (a) Total amount to be spent for the financial year- ₹5,280,648/-
- (b) Amount unspent, if any- ₹ 1,830,648/-

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.	ISKCON	Hunger eradication	Haryana	100,000	100,000	100,000	Through Implementing Agency
2.	Immaculate Ideal Human Foundation	Art & culture	New Delhi	100,000	100,000	100,000	Through Implementing Agency
3.	Nari Niketan Trust	Empowering Women	Jalandhar	100,000	100,000	100,000	Through Implementing Agency
4.	Foundation for Aviation & Sustainable Tourism	Promote Heritage	New Delhi	200,000	200,000	200,000	Through Implementing Agency
5.	Rajnusa Foundation	Empowering Women, Education	New Delhi	200,000	200,000	200,000	Through Implementing Agency
6.	DAV College Managing Committee	Promoting Education	New Delhi	250,000	250,000	250,000	Through Implementing Agency
7.	Bai Jerbai Wadia Hospital for Children	Healthcare	Mumbai	500,000	500,000	500,000	Through Implementing Agency
8.	Centre for Fuel Studies and Research	Special Education	Vadodara	500,000	500,000	500,000	Through Implementing Agency
9.	D. P. Dhar Memorial Trust	Promoting Education	J & K	500,000	500,000	500,000	Through Implementing Agency
10.	Shri Sevantilal Tribhovan Das Javeri Charitable Trust	Promoting Education	Gujarat	1,000,000	1,000,000	1,000,000	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 has spent more than 60% of the amount specified in the guidelines. The shortfall is intended to be utilized in a phased manner in future upon identification of suitable projects within the Company's CSR policy. The Company is consulting with organizations in the area of education, health, poverty eradication and livelihood generation.

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
Date: 15 May 2018

T. Currimbhoy
Chairman CSR Committee
DIN : 00729714

M. Singh
Director
DIN : 07585638

INDEPENDENT AUDITORS' REPORT



To the Members of Selan Exploration Technology Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of SELAN EXPLORATION TECHNOLOGY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made by company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS:

- of the state of affairs of the Company as at 31 March 2018;
- of the profit (including Other Comprehensive Income) for the year ended on that date;
- of the changes in equity for the year ended on that date; and
- of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the said Order.
- As required by section 143(3) of the Act, we report that:
 - 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;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) (Amendment) Rules, 2016;
 - On the basis of written representations received from the Directors as on 31 March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 from being appointed as a Director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the Internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our knowledge and information and according to the explanations given to us:
 - The Company does not have any pending litigation which would impact its financial position;
 - There is no long-term contracts including derivative contracts, requiring provision for material foreseeable losses under the applicable law or accounting standards;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For J.A. Martins & Co.
Chartered Accountants
(Firm Regn. No. 010860N)
J. A. Martins
Proprietor
(Membership No. 082051)

Place : New Delhi
Date : 15 May 2018

ANNEXURE -A REFERRED TO IN THE AUDITORS' REPORT TO THE MEMBERS OF SELAN EXPLORATION TECHNOLOGY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Management has physically verified the fixed assets during the year and the frequency of which, in our opinion, is reasonable. No material discrepancies were noticed on such physical verification.
- (c) The Company does not own any Land and hence clause 3(i) (c) is not applicable to the Company.
- (ii) 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. No material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a),(b) & (c) of the Order are not applicable to the Company.
- (iv) The Company has not given any loan or nor furnished any guarantee nor provided any security to the parties covered under Section 185 of the Companies Act,2013. The Company has not given any loans or made any investments or provided guarantees or security. Hence, clause 3(iv) is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public, within the meaning of sections 73 to 76 of the Act and the rules framed there under. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- (vi) We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made under sub-section (1) of Section 148 of the Act for maintenance of cost records and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax and other statutory dues, wherever applicable.
- According to the information and explanations furnished to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on 31 March 2018 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, duty of Excise, Value Added Tax, Goods and Service Tax or cess, which have remain unpaid as on 31 March 2018.
- (viii) Based on our verification and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions, Banks, Government.
- (ix) The Company had not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(ix) is not applicable to the Company.
- (x) Based on the audit procedures adopted and information and explanations furnished to us by the management, no case of material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a nidhi company. Hence, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 177 and Section 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi
Date : 15 May 2018

For J.A. Martins & Co.
Chartered Accountants
(Firm Regn. No. 010860N)
J. A. Martins
Proprietor
(Membership No. 082051)



ANNEXURE B –REFERRED TO IN THE AUDITORS’ REPORT TO THE MEMBERS OF SELAN EXPLORATION TECHNOLOGY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018.

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Selan Exploration Technology Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi
Date : 15 May 2018

For J.A. Martins & Co.
Chartered Accountants
(Firm Regn. No. 010860N)
J. A. Martins
Proprietor
(Membership No. 082051)

BALANCE SHEET AS AT 31 MARCH 2018

(₹ in Lakhs)

Particulars	Note No.	31 March 2018	31 March 2017	1 April 2016
I ASSETS				
(1) Non-current assets				
Property, plant and equipment	5			
- Tangible assets		1,070.50	946.44	1,003.16
Development of hydrocarbon properties	8	20,080.70	19,687.82	20,576.94
Capital work-in-progress	6	180.37	241.14	251.99
Intangible assets	7	111.42	1.63	0.01
Financial assets				
- Other financial assets	9	48.71	38.86	80.86
Non-current tax asset (net)		65.09	65.13	42.58
Other non-current assets	10	25.18	9.46	4.51
		21,581.97	20,990.48	21,960.05
(2) Current assets				
Inventories	11	828.59	915.98	953.71
Financial assets				
- Investment	12	3,505.50	-	-
- Trade receivables	13	1,865.95	1,331.55	1,109.07
- Cash and cash equivalents	14	2,216.01	1,874.00	184.16
- Other bank balances	15	6,433.95	9,422.06	10,479.27
- Other financial assets	16	198.02	164.95	199.45
Other current assets	17	189.78	184.86	453.27
		15,237.80	13,893.40	13,378.93
Total assets		36,819.77	34,883.88	35,338.98
II EQUITY AND LIABILITIES				
(1) Equity				
Equity share capital	18	1,640.00	1,640.00	1,640.00
Other equity	19	27,800.37	26,578.96	26,696.90
		29,440.37	28,218.96	28,336.90
(2) LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	20	36.21	-	-
Provisions	21	60.60	15.54	6.59
Deferred tax liabilities (net)	22	6,435.73	6,011.04	5,813.98
		6,532.54	6,026.58	5,820.57
Current liabilities				
Financial liabilities				
- Trade payables	23	459.83	374.29	922.80
- Other financial liabilities	24	218.15	162.67	146.27
Other current liabilities	25	136.62	78.13	109.44
Provisions	26	23.39	23.25	3.00
Current tax liabilities (net)		8.87	-	-
		846.86	638.34	1,181.51
Total equity and liabilities		36,819.77	34,883.88	35,338.98
Significant accounting policies	3			

Notes are an integral parts of these financial statements

This is the Balance Sheet referred to in our report of even date

 For J. A. Martins & Co.
 Chartered Accountants
 ICAI Firm Regn. No. 010860N

 J. A. Martins
 Proprietor
 (M.No. 082051)

 New Delhi
 15 May 2018

MEENU GOSWAMI
 COMPANY
 SECRETARY

A. K. MAURYA
 CHIEF FINANCIAL
 OFFICER

N. SETHI
 CHIEF EXECUTIVE
 OFFICER

M. SINGH
 DIRECTOR
 DIN : :07585638

R. KAPUR
 CHAIRMAN
 DIN : :00017172



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lakhs)

Particulars	Note No.	2017-18	2016-17
A INCOME			
Revenue from operations	27	7,661.48	5,583.82
Other income	28	764.87	810.53
Total income (A)		8,426.35	6,394.35
B EXPENSES			
Operating expenses	29	687.24	488.14
Handling and processing charges		277.60	258.63
Changes in inventories of finished goods	30	168.72	(110.89)
Employee benefits expense	31	542.15	355.14
Finance costs	32	3.90	0.98
Royalty and Cess		465.14	386.07
Development of hydrocarbon properties	33	2,229.80	1,720.64
Development of hydrocarbon properties amortised	8	1,836.92	2,609.76
Depreciation and amortisation expenses	5,7	255.53	217.27
Other expenses	34	837.89	706.36
		7,304.89	6,632.10
Transfer to: Development of hydrocarbon properties	8	(2,229.80)	(1,720.64)
Total expenses (B)		5,075.09	4,911.46
C Profit for the year before taxation (A-B)		3,351.26	1,482.89
Less: Tax expense	35		
Current tax		1,003.59	852.59
Taxes relating to earlier years		-	79.23
Deferred tax		142.00	(332.34)
		1,145.59	599.48
D Profit for the year after tax		2,205.67	883.41
E Other comprehensive income	36		
A. Items that will not be reclassified to profit or loss (net of taxes)		2.68	(14.42)
B. Items that will be reclassified to profit or loss (net of taxes)		-	-
Other comprehensive income/ (loss) for the year (net of taxes)		2.68	(14.42)
F Total comprehensive income for the year, net of tax		2,208.35	868.99
Earning per Equity Share of ₹ 10 each	37		
- Basic (In Rupees)		13.45	5.39
- Diluted (In Rupees)		13.45	5.39
Significant accounting policies	3		

Notes are an integral parts of these financial statements

This is the statement of Profit and Loss referred to in our report of even date

For J. A. Martins & Co.
Chartered Accountants
ICAI Firm Regn. No. 010860N

J. A. Martins
Proprietor
(M.No. 082051)

New Delhi
15 May 2018

MEENU GOSWAMI
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CHAIRMAN
DIN : :00017172

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lakhs)

Particulars	2017-18	2016-17
A. Cash flow from Operating activities :-		
Net Profit / (Loss) before taxation	3,351.26	1,482.89
Add : Depreciation for the year	255.53	217.27
Other Comprehensive Income	2.68	(14.42)
Amortisation of DHP	1,836.92	2,609.76
Loss on sale of Fixed Assets	-	7.53
Interest on borrowings	2.46	-
	2,097.59	2,820.14
Less: Interest income	687.91	814.42
Profit on change in fair value of Investments through FVTPL	53.16	-
	741.07	814.42
Operating profit before working capital changes	4,707.78	3,488.61
Adjustment for working capital changes		
(Increase) / Decrease in inventories	87.39	37.73
(Increase) / Decrease in trade receivables	(534.40)	(222.48)
(Increase) / Decrease in financial assets	2,945.19	1,133.71
(Increase) / Decrease in other Non-Current Assets	(1.17)	1.01
(Increase) / Decrease in other Current Assets	(4.92)	268.41
(Increase) / Decrease in Non Current Tax Assets	0.04	(22.55)
Increase / (Decrease) in trade payable	85.54	(548.51)
Increase / (Decrease) in financial liabilities	46.51	16.40
Increase / (Decrease) in Provision	0.14	20.25
Increase / (Decrease) in Non Current Provisions	45.06	8.95
Increase / (Decrease) in Current Tax Liabilities	8.87	-
Increase / (Decrease) in other current liabilities	58.49	(31.31)
	2,736.74	661.61
Cash generated from operation	7,444.52	4,150.22
Less: Income Tax Paid	720.90	402.41
Net cash from Operating activities (A)	6,723.62	3,747.81
B. Cash flow from Investing activities :-		
Purchase of fixed assets (including CWIP & advance)	(443.16)	(176.70)
Additions to DHP	(2,229.80)	(1,720.64)
Net (Purchase) / Sales of Current Investments	(3,452.35)	-
Sale of fixed assets	-	11.88
Interest income received	687.91	814.42
Net cash generated (used) in Investing activities (B)	(5,437.40)	(1,071.04)
C. Cash flow from Financing activities :-		
Long Term Borrowings taken	45.18	-
Dividend paid (Including CDT)	(986.93)	(986.93)
Interest on Borrowings paid	(2.46)	-
Net cash generated (used) in Financing activities (C)	(944.21)	(986.93)
Net change in cash and cash equivalents (A+B +C)	342.01	1,689.84
Balance at the beginning of the year	1,874.00	184.16
Balance at the end of the year	2,216.01	1,874.00
Net change in cash and cash equivalents	342.01	1,689.84

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

For J. A. Martins & Co.
Chartered Accountants
ICAI Firm Regn. No. 010860N

J. A. Martins
Proprietor
(M.No. 082051)

New Delhi
15 May 2018

MEENU GOSWAMI
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A. K. MAURYA
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N. SETHI
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M. SINGH
DIRECTOR
DIN : :07585638

R. KAPUR
CHAIRMAN
DIN : :00017172



NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1 Corporate Information

Selan Exploration Technology Limited (The 'Company') was incorporated in India on 5th July, 1985. The Company is a public limited company whose shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The registered office is located at J-47/1, Shyam Vihar, Dindarpur, Najafgarh, Delhi -110043. 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, Indora, Lohar, Ognaj and Karjisan fields.

2 Authorization of Financial Statements

The financial statements of the Company for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Board of Directors approved on 15 May 2018.

3 Significant Accounting Policies

3.1 Statement of Compliance

The Financial Statements for the year ended 31 March 2018 are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain assets and liabilities which are measured at fair value (refer note 3.2).

The Company has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP).

The Company's presentation currency and functional currency is Indian Rupees. All figures appearing in the Financial Statements are rounded off to the nearest lakhs (₹ in lakhs), except where otherwise indicated.

3.2 Basis of Measurement

The financial statements have been prepared on historical cost basis (which includes deemed cost as per Ind AS-101), except for the following :

- Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans - plan assets measured at fair value.

The Financial Statements as prepared in India Rupees (₹), which is the functional currency and all values are rounded to the nearest Lakhs, except wherever otherwise stated.

3.3 Current and non-current classification

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is current when it is;

- Expected to be realised or intended to be sold or consumed in a normal operating cycle.
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle,
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets / liabilities are classified as non-current. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. As the operating cycle can not be identified in normal course due to the special nature of industry, the same have been assumed to have duration of 12 months.

3.4 Use of estimates and judgements

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below :

- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies; and
- Evaluation of recoverability of deferred tax assets;

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected.

3.5 Inventories

Inventories are valued in the balance sheet as follows :

- Crude oil : Valued at cost or net realisable value whichever is lower. Cost is calculated on absorption cost method (at FIFO basis).
- Component, stores, spares and consumables (including items related to hydrocarbon properties): at cost (on FIFO basis) or net realizable value, whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.6 Cash and Cash Equivalent

Cash and cash equivalent in the financial statements comprise cash at bank and on hand, short-term deposits with an original maturity of three months or less and highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

3.7 Tax Expenses

Tax expenses represents the sum of the tax currently payable and deferred tax. It is recognised in the statement of profit

and loss except to the extent that it relates to items directly in equity or in other comprehensive income.

a) Current income tax

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity and not in the statement of profit and loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Minimum alternate Tax

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

3.8 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, (a) it is probable

that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably. Property, plant and equipment are stated at original cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognises the replaced part, and recognise the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All others repair and maintenance costs are recognised in the statement of profit & loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of an item of property, plant and equipment held by the Company as a lessee under a finance lease is determined in accordance with Ind AS 17-Leases.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The Company has elected to continue with the carrying values of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1 April 2016 as deemed cost.

3.9 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment loss, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Intangible assets consisting of computer software are amortised over a period of 3-5 Years.

Gain or losses arising from derecognising of an intangible asset are measured as the difference between the net disposal proceed and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

3.10 Depreciation on Property, Plant and Equipment (PPE)

Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets specified therein. On additions costing less than ₹ 5,000/-, depreciation is provided at 100% in the year of addition.

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual value of PPE has been considered as Nil. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of specified in schedule II of the companies Act, 2013. Property, plant and equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the date of addition/deletion.



3.11 Development of Hydrocarbon Properties

It has been considered appropriate to show the development expenses of oil wells 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 modeling costs and other related expenditures on development of oil fields.

Amortisation for the same is done on straight line basis over the remaining lease period as this method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and this method is applied consistently from period to period.

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 and they have written to the Company that it can apply for a 10 year extension. Management is of the opinion that there is a reasonable likelihood of this extension, especially keeping in view that 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. Of this extension period, a 5 year extension period was incorporated in the accounts effective 2014-15 and the balance 5 year extension period is being made effective F.Y. 2017-18, whereby the amortisation for Year ended 31 March 2018 is lower by ₹ 9.41 crores and consequently the profit before tax for the said period is higher by ₹ 10.09 crores.

3.12 Impairment of non-financial assets

As at each reporting date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised, in the statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and
- In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3.13 Leases

Company as a Lessee

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leases item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease

term and disclosed as leased assets . Lease payments are apportioned between finance charges and a reduction in the lease liability based on the internal rate of return. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

Company as a Lessor

The Company has recognized assets under a finance lease as a receivable at an amount equal to the net investment in the lease. The finance income has been recognised on a pattern reflecting a constant rate of return on the net investment in the finance lease. In case of operating lease, rental income is recognized on a straight line basis over the term of relevant lease.

3.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty.

a) Sale of Goods:

Income on sale of crude oil and gas is accounted for net of VAT and profit petroleum to the Government of India is recognised when the risk and rewards are transferred to the buyer's representative, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transactions will flow to the Company.

b) Dividend Income:

Dividend income is accounted for when the right to receive the same is established, which is generally when the mutual fund / shareholders approve the dividend.

c) Interest Income

For all financial instrument measured at amortised cost, interest income is recorded using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash payments or receipt through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss. Interest on fixed deposits are accounted for on accrual basis.

3.15 Employee benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment towards un-availed leave and other terminal benefits.

a) Short term employee benefits

All short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be settled wholly before twelve months after the year end, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Long term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. It includes compensation for accumulated absences. The cost of providing benefits are determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out using the projected unit credit method. A liability is recognised for the amount not expected to be settled wholly before twelve months after the year end.

c) Post employment benefits:

Defined Contribution Plan: Retirement benefits in the form of contribution to Provident Fund is defined contribution plan. The contributions are charged to statement of profit and loss for the year when the contributions are due. The Company has no obligation other than the contribution payable to the fund.

Defined Benefit Plan: The Company operates a defined benefit gratuity plan with Life Insurance Corporation of India. The cost of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

3.16 Foreign Currency transactions

a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. The outstanding liabilities/ receivables are translated at the year end rates and the resultant exchange difference is recognised in the Statement of Profit and Loss.

b) In terms of Production Sharing Contracts (PSCs) with the 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.

3.17 Segment Reporting

The Company operates in a single segment of production of Oil and Natural Gas. Therefore, Ind AS-108 on Segment Reporting is not applicable to the Company.

3.18 Earning per share

Basic earnings per share is calculated by dividing the profit from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.19 Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources will be required to settle the obligation and can be reasonably estimated. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to the provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provision are discounted using a current pre-tax rate that reflects, when appropriate the risks specific to the

liability. When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

b) Contingent liabilities and contingent assets

In case of contingent liabilities, where there is no certainty of outflow or the amount of obligations cannot be measured reliably and a disclosure is made in the notes. Contingent assets are not recognised but disclosed in the financial statements when economic inflows is probable.

3.20 Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is observable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.21 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.



3.21.1 Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value and in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition in the same manner as described in subsequent measurements.

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Measured at amortised cost;
- Measured at Fair value through Other Comprehensive Income (FVTOCI);
- Measured at Fair value through Profit or Loss (FVTPL); and
- Equity instrument measured at Fair value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

All other financial assets are measured at fair value through profit or loss.

De-recognition

The Company de-recognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another entity.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss Method (ECLs) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.21.2 Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including Cash Credit limits, and derivative financial instruments.

b) Subsequent measurement

Financial liabilities are measured subsequently at amortized cost or Fair Value through Profit and Loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.22 Site Restoration

The Company has three oilfields at Bakrol, Indrora, Lohar wherein the Leases ends in 2020 but the said Leases are expected to be extended upto 2030. The Company has two other oilfields at Karjisan and Ognaj, wherein the Lease period ends in 2033.

At expiry of the Lease period, the Company's Management expects to handover the aforementioned Oil Wells in working condition to new operator(s), assuming the leases are not extended in favour of the Company. This is similar to the manner in which the said oilfields were handed over to the Company in earlier years.

In view of the above, Management believes that the Company would not be required to abandon these fields, with any corresponding abandonment costs. Hence the Company does not recognize any provision for Decommissioning / Site Restoration. However, as per the decisions taken at Management Committee Meeting (MCM) with Directorate General of Hydrocarbons (DGH), the Company creates earmarked funds, each year, in the form of Bank Deposits, towards Site Restoration Fund which is determined on the basis of Production to Reserve ratio. The said deposits are shown as under the Other Bank balances as "Under Lien to Government of India, State Government – For Site Restoration Fund Account".

Management believes that this treatment provides a more prudent and faithful view of Financial Statements and reflects the economic substance of the transactions, other events and conditions, and not merely the legal form.

3.23 Cash Flow Statement

The cash flow statement is prepared by indirect method set out in Ind AS 7 on cash flow statements and presents the cash flows by operating, investing & financing activities of the company. Cash & cash equivalent presented in the cash flow statement consist of balance in the Bank account and cash in hand.

3.24 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

4 Significant accounting judgements and key sources of estimates in applying the accounting policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in the following notes:

4.1 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such

obligation are determined during actuarial Valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.2 Fair value measurement of financial instrument

When the fair value of financial asset and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in an active market then their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to this model are taken from observable markets where possible but where this is not feasible a degree of judgement is required in establishing the fair value. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumption about this factor could affect the reported fair value of financial instruments.

4.3 Impairment of financial assets

The impairment provision for financial asset is based on assumption about risk of default and expected loss rates. The company uses judgement in making the assumptions and selecting the inputs to the impairment calculation based on company's past history, the existing market condition as well as forward looking estimates at the end of each reporting period.

4.4 Estimate of provision for decommissioning

The Company estimates provision for decommissioning for the future decommissioning of Oil & Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The impairment provision for financial asset is based on assumption about risk of default and expected loss rates. The Company uses judgements in making the assumptions and selecting the inputs for the impairment calculation based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil & Gas assets is estimated on the basis of long term production profile of the relevant Oil & Gas asset.

4.5 Evaluation of indicators for impairment of Development of Hydrocarbon Properties

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors such as significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc. and internal factors such as obsolescence or physical damage of an asset, poor economic performance of the asset etc. which could result in significant change in recoverable amount of the Oil and Gas Assets.

4.6 Evaluation of Reserves

Management estimates production profile (proved and developed reserves) in relation to all the Oil and Gas Assets determined by the G&G team as per industry practice. The estimates so determined are used for the computation of depletion and impairment testing.



NOTE 5 - PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Cost or Value	Tangible assets							
	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Fittings	Buildings	Total
As on 01.04.16	2,699.34	39.49	104.70	49.28	26.55	97.77	24.47	3,041.60
Additions	145.44	0.84	16.37	1.70	1.24	1.54	12.74	179.87
Disposals/deletions	308.20	25.83	-	-	0.70	-	-	334.73
Other adjustments	-	-	-	-	-	-	-	-
Borrowing cost	-	-	-	-	-	-	-	-
As on 31.03.17	2,536.58	14.50	121.07	50.98	27.09	99.31	37.21	2,886.74
Additions	213.54	5.69	70.36	6.00	12.05	18.50	16.04	342.18
Disposals/deletions	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-
Borrowing cost	-	-	-	-	-	-	-	-
As on 31.03.18	2,750.12	20.19	191.43	56.98	39.14	117.81	53.25	3,228.92

Depreciation

As on 01.04.16	1,891.72	11.71	58.75	34.21	24.88	15.44	1.73	2,038.44
Charge for the year	180.37	2.51	10.33	5.86	1.45	9.33	7.32	217.17
Disposal/adjustments	308.20	6.41	-	-	0.70	-	-	315.31
As on 31.03.17	1,763.89	7.81	69.08	40.07	25.63	24.77	9.05	1,940.30
Charge for the year	172.36	1.69	15.84	5.04	3.78	10.60	8.81	218.12
Disposal/adjustments	-	-	-	-	-	-	-	-
As on 31.03.18	1,936.25	9.50	84.92	45.11	29.41	35.37	17.86	2,158.42

Impairment loss

As on 01.04.16	-	-	-	-	-	-	-	-
As on 31.03.17	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
As on 31.03.18	-	-	-	-	-	-	-	-

Net block (Gross value-depreciation-impairment loss)

As on 31.03.17	772.69	6.69	51.99	10.91	1.46	74.54	28.16	946.44
As on 31.03.18	813.87	10.69	106.51	11.87	9.73	82.44	35.39	1,070.50

The Company has availed the deemed cost exemption in relation to the property, plant and equipment and intangible assets (refer note 7) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Tangible assets							
	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Fittings	Buildings	Total
Gross block	2,699.34	39.49	104.70	49.28	26.55	97.77	24.47	3,041.60
Accumulated depreciation	1,891.72	11.71	58.75	34.21	24.88	15.44	1.73	2,038.44
Net block	807.62	27.78	45.95	15.07	1.67	82.33	22.74	1,003.16

(₹ in Lakhs)

Particulars		31 March 2018	31 March 2017	1 April 2016
6	CAPITAL WORK-IN-PROGRESS	180.37	241.14	251.99
	Total	180.37	241.14	251.99

(₹ in Lakhs)

Particulars		31 March 2018	31 March 2017	1 April 2016
7	INTANGIBLE ASSETS			
	Computer software			
	Gross amount	72.77	71.05	71.05
	Addition during the year	147.20	1.72	-
	Disposal / deletion during the year	-	-	-
	Total (A)	219.97	72.77	71.05
	Accumulated amortisation	71.14	71.04	71.02
	Amortisation for the year	37.41	0.10	0.02
	Total (B)	108.55	71.14	71.04
	Net amount (A-B)	111.42	1.63	0.01

8	DEVELOPMENT OF HYDROCARBON PROPERTIES (DHP)			
	Balance as per last financial statements	19,687.82	20,576.94	20,472.87
	Additions during the year	2,229.80	1,720.64	2,454.32
		21,917.62	22,297.58	22,927.19
	Less: Amortised during the year	1,836.92	2,609.76	2,350.25
	Closing balance	20,080.70	19,687.82	20,576.94

9	NON-CURRENT FINANCIAL ASSETS- OTHERS			
	(Unsecured, considered good, unless otherwise stated)			
	Security deposits			
	- With government departments	12.27	8.69	16.60
	- Others	16.96	13.94	14.26
	Term deposits with bank	19.48	16.23	50.00
	Total	48.71	38.86	80.86

10	OTHER NON CURRENT ASSETS			
	(Unsecured, considered good, unless otherwise stated)			
	Capital advances	20.51	5.96	-
	Prepaid rent expense	4.67	3.50	4.51
	Total	25.18	9.46	4.51

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

11	INVENTORIES (REFER NOTE NO. 3.5 FOR MODE OF VALUATION)			
	Stores and components relating to hydrocarbon properties	609.13	545.75	674.11
	Stores, spares and consumables	53.46	35.51	55.77
	Stock of crude oil	166.00	334.72	223.83
	Total	828.59	915.98	953.71

Particulars	No. of Units			Amounts (₹ in Lakhs)		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
12	CURRENT FINANCIAL ASSETS-INVESTMENTS					
	In Mutual Funds-Quoted					
	(Carried at fair value through profit & loss)					
	Aditya Birla Sun Life Balanced Advantage Fund-Growth	524,902.000		-	261.03	-
	DSP BlackRock Equity Savings Fund-Reg-Growth	1,088,564.000		-	133.39	-
	Franklin India Ultra Short Bond Fund-Super Institutional Plan	373,384.342		-	37.63	-
	Franklin India Ultra Short Bond Super Inst-G	8,611,086.601		-	2,071.23	-
	Kotak Equity Arbitrage Fund-Monthly Dividend (Regular Plan)	2,561,266.481		-	273.87	-
	HDFC Equity Savings Fund-Regular Plan-Growth	1,289,543.721		-	445.56	-
	ICICI Prudential Balanced Advantage Fund-Growth	854,088.082		-	282.79	-
					3,505.50	-
	Quoted Investments					
	Book value of quoted investments				3,452.35	-
	Market value of quoted investments				3,505.50	-



(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
13 CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES			
(a) Secured (considered good)	-	-	-
(b) Unsecured, considered good			
(i) Others	1,865.95	1,331.55	1,109.07
(ii) Related parties *	-	-	-
(c) Unsecured, considered doubtful	-	-	-
	1,865.95	1,331.55	1,109.07
Less:- Provision for doubtful debts	-	-	-
Total (net of provision)	1,865.95	1,331.55	1,109.07

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

The Company is exposed to credit risk from its operating activities, primarily trade receivables which the Company minimizes by dealing with high credit rating counterparties. Outstanding customer receivables are regularly monitored on individual basis and are reconciled at regular intervals. Impairment analysis of trade receivables is done at each reporting date on an individual basis. The expected loss recognised at each reporting date is ₹ Nil.

14 CURRENT FINANCIAL ASSETS-CASH & CASH EQUIVALENTS			
Balance with banks			
In current accounts	83.76	77.73	42.98
In term deposits with banks	2,130.00	1,795.52	140.00
Cash on hand	2.25	0.75	1.18
Total	2,216.01	1,874.00	184.16

15 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES			
Balance with banks:			
In unpaid dividend account	120.98	118.94	106.57
In fractional bonus account	0.43	0.43	0.43
In term deposits with banks	5,765.16	8,832.03	9,803.37
Under lien			
For Government of India/ State Government	173.78	118.28	218.79
For site restoration fund account *	71.89	62.69	50.96
Total term deposit	6,010.83	9,013.00	10,073.12
Interest accrued on term deposit	301.71	289.69	299.15
Total	6,433.95	9,422.06	10,479.27

* Site Restoration Fund Account : This amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with the Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment, etc.. This amount is considered as restricted cash and hence not considered as 'Cash and cash equivalents'.

16 CURRENT FINANCIAL ASSETS- OTHERS			
Recoverable from others	198.02	164.95	199.45
Total	198.02	164.95	199.45

17 OTHER CURRENT ASSETS			
(Unsecured, considered good, unless otherwise stated)			
Advance to vendors	98.19	100.66	373.40
Prepaid expenses	87.13	80.63	75.18
Prepaid rent/interest expense	1.23	1.01	0.98
Other advances recoverable in kind	3.23	2.56	3.71
Total	189.78	184.86	453.27

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

(₹ in Lakhs)

Particulars		31 March 2018	31 March 2017	1 April 2016
18	EQUITY SHARE CAPITAL			
	Authorised share capital			
	2,90,00,000 (previous year 2,90,00,000) Equity shares of ₹ 10/- each	2,900.00	2,900.00	2,900.00
	1,00,000 (previous year 1,00,000) Preference shares of ₹ 100/- each	100.00	100.00	100.00
	Total	3,000.00	3,000.00	3,000.00
	Issued, subscribed and fully paid equity capital			
	1,64,00,000 Equity shares (previous year 1,64,00,000) of Rs 10/- each	1,640.00	1,640.00	1,640.00
	Total	1,640.00	1,640.00	1,640.00
	a) Reconciliation of the number of Equity shares			
	At the beginning of the period	1,640.00	1,640.00	1,640.00
	Bought back during the year	-	-	-
	Outstanding at the end of the year	1,640.00	1,640.00	1,640.00

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 dividend in Indian rupees.
- In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

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

Name of Share Holders	31 March 2018		31 March 2017		1 April 2016	
	No. of share held	% of Holding	No. of share held	% of Holding	No. of share held	% of Holding
Mrs. Rohini Kapur	1,780,000	10.85%	1,780,000	10.85%	1,400,000	8.54%
Winton Roavic LLP	1,501,000	9.15%	1,501,000	9.15%	1,501,000	9.15%
Mrs. Raj Kapur	1,206,000	7.35%	1,206,000	7.35%	1,206,000	7.35%
Mr. A. Mahajan	-	-	567	0.00%	1,185,910	7.23%

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 period :

Particulars	31 March 2018	31 March 2017	1 April 2016
Number of equity shares allotted as fully paid bonus shares by capitalisation of Securities premium account	-	-	1,544,277
Number of equity shares bought back by the Company	425,525	587,043	587,043

19 STATEMENT OF CHANGES IN EQUITY AS ON 31 MARCH 2018

A. Share Capital

Particulars	Balance at 1 April 2017		Changes during the year		Balance at 31 March 2018	
	Share application money pending allotment	Equity component of compound financial instruments	General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve
Equity share capital		1,640.00	-	-	-	1,640.00

B. Other equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus				Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI (specify nature)	Money received against share warrants	Total
			General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve								
Balance at 1 April 2016			5,770.54	142.37	94.05	487.43	-							26,696.90
Changes in accounting policy or prior period errors														-
Restated balance as at 1 April 2016	-	-	5,770.54	142.37	94.05	487.43	-							26,696.90
Profit for the year														883.41
Other comprehensive income for the year														(14.42)
Dividends														(820.00)
Corporate dividend tax on above														(166.93)
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at 31 March 2017	-	-	5,770.54	142.37	94.05	487.43	-							26,578.96
Changes in accounting policy or prior period errors														-
Restated balance as at 1 April 2017	-	-	5,770.54	142.37	94.05	487.43	-							26,578.96
Profit for the year														2,205.67
Other comprehensive income for the year														2.67
Dividends														(820.00)
Corporate dividend tax on above														(166.93)
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at 31 March 2018	-	-	5,770.54	142.37	94.05	487.43	-							27,800.37

Nature of reserves :

Capital reserve: Capital reserve was created from profit on forfeiture of warrants/ forfeiture of shares. The Company may use this reserve for issue of fully paid bonus shares to its members.

Capital redemption reserve: Capital redemption reserve was created on buy back of equity shares. The Company may use this reserve in paying up unissued shares of company to be issued to members of the company as fully paid bonus shares.

Securities premium reserve: Security premium reserve was created on issue of equity shares at premium. The Company may use this reserve for issue of fully paid bonus shares to its members and for buy-back of its shares.

General reserve: General reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

Retained earnings: Retained earnings represents the undistributed profit of the Company.

Other comprehensive income (re-measurements of defined benefit plans): This reserve is the cumulative actuarial gain/ (loss) on measurement of defined benefit liability (Gratuity).



(₹ in Lakhs)

	Particulars	31 March 2018	31 March 2017	1 April 2016
20	NON CURRENT FINANCIAL LIABILITIES-BORROWINGS			
	Secured loan			
	From others *	45.18	-	-
		45.18	-	-
	Less:- Current maturities of non current borrowings (refer note no. 24)	8.97	-	-
	Total	36.21	-	-
	* Vehicle loan by way of hypothication of respective vehicle.			
21	NON CURRENT PROVISIONS			
	Provision for employee benefits			
	Gratuity (funded) (refer note no. 44)	48.90	11.71	3.17
	Leave encashment (unfunded) (refer note no. 44)	11.70	3.83	3.42
	Total	60.60	15.54	6.59
22	DEFERRED TAX LIABILITIES / (ASSETS)			
	Deferred tax liabilities provided during the year (net)	7,132.54	6,990.54	7,322.88
	MAT credit entitlement	(696.81)	(979.50)	(1,508.90)
	Deferred tax liabilities (net)	6,435.73	6,011.04	5,813.98
	Reconciliation of Deferred tax liabilities / (assets) net			
	Balance at the beginning of the year	6,011.04	5,813.98	5,485.13
	Tax (benefit) / expenses during the period recognized in profit or loss	142.00	(332.34)	197.93
	MAT credit entitlement used	282.69	529.40	130.92
	Balance at the end of the year	6,435.73	6,011.04	5,813.98
23	CURRENT FINANCIAL LIABILITIES- TRADE PAYABLE			
	Due to micro and small enterprises (see note below)	-	-	-
	Due to others	459.83	374.29	922.80
	Total	459.83	374.29	922.80
24	CURRENT FINANCIAL LIABILITIES-OTHERS			
	Current maturities of long-term debt (Refer note no 20)	8.97	-	-
	Interest accrued but not due on Loan	0.34	-	-
	Unpaid dividends #	121.03	119.00	106.62
	Fractional bonus entitlement	0.43	0.43	0.43
	Profit petroleum payable to Government of India	2.92	20.22	-
	Remuneration payable to whole time director	81.94	20.50	36.70
	Retention money / security deposits	2.52	2.52	2.52
	Total	218.15	162.67	146.27
	# This does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund.			
25	OTHER CURRENT LIABILITIES			
	Advance from customers and others	4.21	1.71	7.79
	Statutory dues	132.41	76.42	101.65
	Total	136.62	78.13	109.44
26	CURRENT PROVISIONS			
	Provision for employee benefits (refer note no. 44)			
	Gratuity (funded)	21.33	21.19	1.23
	Leave encashment (unfunded)	2.06	2.06	1.77
	Total	23.39	23.25	3.00



(₹ in Lakhs)

	Particulars	2017-18	2016-17
27	REVENUE FROM OPERATIONS (Refer note no. 3.13 on revenue recognition)		
	Sale of products		
	Crude oil	7,274.05	5,164.91
	Less: Profit petroleum paid to Gol	(385.34)	(271.91)
		6,888.71	4,893.00
	Natural gas	772.77	690.82
		7,661.48	5,583.82
28	OTHER INCOME		
	Gain on financial assets	61.32	-
	Interest income on term deposits	699.93	804.96
	Miscellaneous income	2.14	4.71
	Interest income (Fair valuation of security deposits)	1.48	0.86
		764.87	810.53
29	OPERATING EXPENSES		
	Payment to contractor for services	207.34	161.88
	Transportation	200.94	148.68
	Generator hire charges	128.34	81.01
	Other direct operative expenses	150.62	96.57
		687.24	488.14
30	CHANGE IN INVENTORIES OF FINISHED GOODS		
	Inventories at the beginning of the year	334.72	223.83
	Inventories at the end of the year	166.00	334.72
		168.72	(110.89)
31	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	514.89	333.15
	Contribution to provident and others funds	8.26	7.49
	Staff welfare expenses	19.00	14.50
		542.15	355.14
32	FINANCE COSTS		
	Other borrowing Costs	2.46	-
	Interest expense fair valuation of security deposit	1.44	0.98
		3.90	0.98
33	DEVELOPMENT OF HYDROCARBON PROPERTIES (Expenditure on specialized materials and services)		
	Cementing and pumping services	-	56.83
	Contract rig charges & rig site preparation	43.47	362.45
	Insurance	-	4.68
	Management and drilling supervision	79.52	143.59
	Materials consumed for drilling of oil wells	6.02	78.45
	Miscellaneous expenses	29.61	40.28
	Mud chemical, engineering & logging services	564.06	227.59
	Perforation and well cleaning services	1,438.64	353.46
	Rent	48.94	87.36
	Sesimic survey, data processing & wireline services	(96.00)	224.46
	Travelling and conveyance	115.54	141.49
		2,229.80	1,720.64

(₹ in Lakhs)

Particulars		2017-18	2016-17
34	OTHER EXPENSES		
	Administrative services and supplies	128.38	110.69
	Advertisement and business development	29.38	25.27
	Advisory services	69.09	63.37
	Communication	15.78	14.03
	Consumption of stores and spares	80.66	47.70
	Director fees	17.64	23.00
	Insurance	28.27	20.48
	Loss on foreign exchange variation	6.22	7.99
	Loss on sale/write off of fixed assets	-	7.53
	Miscellaneous expenses	41.96	55.50
	CSR expenses (refer note 41)	34.50	40.77
	Power and fuel	79.47	54.22
	Rent	148.67	161.09
	Repairs- others	75.38	20.51
	Repairs- machinery	32.11	11.13
	Travelling and conveyance	42.55	38.00
	Interest on payment of statutory dues	7.83	5.08
		837.89	706.36
35	TAX EXPENSES		
	Income tax related to items charged or credited directly to profit or loss during the year :		
	Statement of profit and loss		
	(i) Current income tax (continuing operations)	1,003.59	852.59
	(ii) Mat credit entitlement	-	79.23
	(iii) Deferred tax expenses relating to origination and reversal of temporary differences (continuing operations)	142.00	(332.34)
	Total	1,145.59	599.48
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017 :		
	Accounting profit / (loss) before income tax	3,351.26	1,482.89
	Income tax rate	34.608%	34.608%
	Computed tax expenses (A)	1,159.80	513.20
	Tax effect of items that are not deductible for tax purpose	754.43	1,028.73
	Tax effect of items that are not taxable for tax purpose	(910.64)	(689.34)
	Earlier year taxes	-	79.23
	Sub-total (B)	(156.21)	418.62
	Income tax expenses charged to the statement of profit & loss (A-B)	1,003.59	931.82
36	OTHER COMPREHENSIVE INCOME		
	(A (i)) Items that will not be reclassified to profit or loss		
	- Re-measurement gains (losses) on defined benefit plans	4.09	(22.05)
	(A (ii)) Income tax relating to items that will not be reclassified to profit or loss		
	- Re-measurement gains (losses) on defined benefit plans	(1.41)	7.63
	Total (A)	2.68	(14.42)
	(B (i)) Items that will be reclassified to profit or loss	-	-
	(B (ii)) Income tax relating to items that will be reclassified to profit or loss	-	-
	Total (B)	-	-
	Total (A) + (B)	2.68	(14.42)
37	DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS 33)		
	EARNING PER SHARE		
	Face value of Equity share of ₹	10.00	10.00
	Profit for the year	2,205.67	883.41
	Weighted average number of Equity shares outstanding	1,64,00,000	1,64,00,000
	Earning per share (basic) ₹	13.45	5.39
	Earning per share (diluted) ₹	13.45	5.39
38	COMMITMENTS AND CONTINGENT LIABILITIES		
	Commitments		
A	Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) and not provided for	5.05	0.34
	Contingent Liabilities		
B	a) Claims against the Company not acknowledged as debts:	Nil	Nil
	b) 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 received 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 Delhi High Court and the same is sub judice.		



39 MINIMUM ALTERNATE TAX (MAT)

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.

40 DISCLOSURES AS REQUIRED FOR LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013:

The Company has not given any loan, security or provided any guarantee, nor made any investment during the year as per section 186(4) of the Companies Act, 2013.

		(₹ in Lakhs)	
Particulars		2017-18	2016-17
41	CORPORATE SOCIAL RESPONSIBILITY		
i	Gross amount required to be spent during the year [Including ₹ 124.27 lacs unspent balance at the beginning of the year (previous year : ₹ 117.54 Lakhs)]	183.35	165.04
ii	Amount spent during the year :		
	For constructions /acquisition of assets	-	-
	For other purpose	34.50	40.77
iii	Unspent amount at the end of year	148.85	124.27

42 DISCLOSURES AS REQUIRED BY IND AS 108, OPERATING SEGMENTS

The Company operates in a single segment of production of Oil and Natural Gas. Therefore, Ind AS-108 is not applicable to the Company.

		(₹ in Lakhs)	
Particulars		2017-18	2016-17
43	RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD (IND AS 24) ARE AS FOLLOWS :		
A)	Related parties and their relationships		
i)	Key Managerial Personnel		
	- Mr. R. Kapur Chairman and Whole Time Director		
	- Dr. D. J. Corbishley Director		
B)	Transactions with the above in the ordinary course of business		
i)	Key Management Personnel		
	Remuneration to Mr. R. Kapur, Whole Time Director		
(a)	Short term employment benefits	175.00	75.00
(b)	Long term employment benefits		
(c)	Payable at the year end		
	Consultancy fee to Dr. D. J. Corbishley, Director	4.55	4.28

Note : Provision for accruing liability for gratuity & leave encashment, which are provided on actuarial basis for the Company as a whole and is not separately ascertainable and, therefore, not included above.

Disclosure as required by Ind AS-19, Employee Benefits

44 DEFINED BENEFIT PLANS

I Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of ₹ 20 Lakhs. Vesting occurs upon completion of five continuous years of service in accordance with Indian Law. The Company has taken a policy with Life Insurance Corporation of India approved by IRDA for meeting the accruing liability on account of gratuity. The premium, actuarially ascertained by the insurance company is charged to profit and loss account. The amount debited to profit and loss account is ₹ 1.30 lacs.

Other long-term employee benefits:

II Leave encashment

The Company provides for the expected cost of accumulating paid leave which can be carried forward and used in future periods by the employees. The obligation for accumulating paid leaves has been recognised at the end of the reporting period.

In respect of Gratuity & Leave Encashment, provision is made based on the actuarial valuation by an independent actuary. The following information as required under Ind AS-19 are based on the report of the Actuary :

		2017-18		2016-17	
Particulars		Leave encashment (unfunded)	Gratuity (Funded)	Leave encashment (unfunded)	Gratuity (Funded)
A)	Actuarial assumption				
i)	Discounting rate	7.73%	7.73%	7.54%	7.54%
ii)	Future salary increase	5.50%	5.50%	5.50%	5.50%
iii)	Expected rate of return on plan assets	-	-	-	-
iv)	Retirement age	58	58	58	58
v)	Mortality rates (% of IALM 2006-08)	100.00%	100.00%	100.00%	100.00%
vi)	Withdrawal rates, based on age				

(₹ in Lakhs)

Particulars	2017-18		2016-17	
	Leave encashment (unfunded)	Gratuity (Funded)	Leave encashment (unfunded)	Gratuity (Funded)
Upto 30 years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%
B) Expenses recognised in the statement of profit and loss				
i) Current service cost	6.29	39.78	1.07	8.41
ii) Net interest cost	0.44	2.48	0.41	0.35
iii) Expected return on plan assets	-	-	-	-
iv) Net actuarial (gain) / loss recognized in the period	7.88	-	3.80	-
v) Expenses recognized in the statement of Profit & Loss	14.61	42.26	5.28	8.76
C) Recognised in other comprehensive income				
i) Actuarial (gain) / loss arising on assets	-	(0.26)	-	(0.03)
ii) Actuarial (gain) / loss on PBO arising from:				
Change in demographic assumptions	-	-	-	-
Change in financial assumptions	-	(1.27)	-	2.34
Change in experience assumptions	-	(2.56)	-	19.74
iii) Net (gain)/ loss recognised in other comprehensive income	-	(4.09)	-	22.05
D) Change in present value of obligation				
i) Present value of obligation as at year beginning	5.89	87.05	5.19	55.18
ii) Interest cost	0.44	6.56	0.41	4.41
iii) Current service cost	6.29	15.38	1.07	8.41
iv) Past service cost incl. Curtailment gains and loss	-	24.40	-	-
v) Benefits paid	(6.74)	-	(4.59)	(3.03)
Actuarial (gain) / loss on PBO arising from:				
Change in demographic assumptions	-	-	-	-
Change in financial assumptions	(0.23)	(1.27)	0.17	2.34
Change in experience assumptions	8.11	(2.56)	3.63	19.74
vi) Present value of obligation as at year end	13.76	129.56	5.88	87.05
E) Change in fair value of plan assets				
i) Fair value of plan assets at year beginning	-	54.15	-	50.78
ii) Actual return on plan assets	-	4.34	-	4.09
iii) Contributions	-	1.30	-	2.74
iv) Fund management charges (FMC)	-	(0.46)	-	(0.43)
v) Benefits paid	-	-	-	(3.03)
vi) Actuarial gain / (loss) on plan assets	-	-	-	-
vii) Fair value of plan assets at year end	-	59.33	-	54.15
F) Liability /(Assets) recognised in Balance Sheet (E-F)	13.76	70.23	5.89	32.90
G) Expected contribution to the defined benefit plan for the next annual reporting period	-	28.31	-	13.76
H) 100% plan assets managed by Insurer Company.				
I) Maturity profile of employee benefit obligation valued on undiscount basis				
i) Within the next 12 months (next annual reporting period)	4.23	39.00	-	-
ii) Between 1 and 5 years	1.21	19.05	-	-
iii) Beyond 5 years	8.32	71.51	-	-
iv) Total Expected Payments	13.76	129.56	-	-
J) Sensetive Analysis of the defined benefit obligation				
i) Impact of the change in the discount rate				
Present value of obligation at the end of the period	13.76	-	-	-
Impact due to increase of 0.50%	(0.57)	-	-	-
Impact due to decrease of 0.50%	0.63	-	-	-
ii) Impact of the change in the salary increase				
Present value of obligation at the end of the period	13.76	-	-	-
Impact due to increase of 0.50%	0.64	-	-	-
Impact due to decrease of 0.50%	(0.59)	-	-	-
Sensitivities due to mortality and withdrawals are insignificant and hence ignored.				

Defined Contribution Plans

(₹ in Lakhs)

Particulars	2017-18	2016-17
III Contribution to defined contribution plan, recognised as expenses for the year as under :		
i) Recognised provident fund (including family pension)	8.26	7.49
ii) Medical insurance premium	6.98	5.29



(₹ in Lakhs)

Particulars		2017-18	2016-17
45	REMUNERATION TO AUDITORS:		
a)	Statutory audit fee	8.00	7.50
b)	Tax audit fee	-	0.90
c)	Certification of matters	3.20	3.20
d)	Taxation matters	0.60	1.80
e)	Service tax /GST	2.11	2.01
f)	Expenses for audit and other work	0.28	0.20
46	REMUNERATION TO COST AUDITORS:		
a)	Cost audit fees	1.20	1.30
b)	Expenses for cost audit and other work	-	0.12
c)	Service tax / GST	0.22	0.22
47	DISCLOSURE AS REQUIRED BY IND AS 17, LEASES		
A	Finance lease		
(a)	Company as lessee		
	The Company does not have any finance lease agreement.		
B	Operating Lease		
(a)	Company as Lessee		
i)	The Company has entered into operating leases on premises and land		
ii)	The future minimum non-cancellable operating lease payables are as follows:		
	Not Later than one year	168.55	148.67
	Later than one year and not later than five years	590.66	286.20
	Later than five years	976.03	787.04
	General description of lease terms:		
i)	Lease rentals are charged on the basis of terms and conditions.		
ii)	Assets are taken on lease for a period of fifteen months to sixty months.		

48 FOREIGN CURRENCY EXPOSURE OF THE ENTITY IS AS MENTIONED BELOW

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	US Dollars	₹	US Dollars	₹	US Dollars	₹
(a) Foreign currency exposures:						
i) Receivables	22.94	1474.75	15.43	988.75	12.06	795.10
ii) Payables	3.98	261.40	1.44	94.22	2.54	169.86
(b) Foreign currency exposures:						
i) Receivables	-	-	-	-	-	-
ii) Payables	0.01	0.50	-	-	-	-

49 FAIR VALUE MEASUREMENT

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- 1 Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2 Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

The following tables provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities.

(₹ in Lakhs)

Particulars	Fair Value				
	Carrying Value	Fair Value	Level -1	Level -2	Level -3
(a) Disclosures for the year ended 31 March 2018					
1 Financial Assets					
At amortised cost					
Cash & cash equivalents	2,216.01	2,216.01	-	-	-
Bank balance other than above	6,433.95	6,433.95	-	-	-
Trade receivables	1,865.95	1,865.95	-	-	1,865.95
Other financial assets	246.73	246.73	-	-	246.73
Investments					
Tax Free Bonds and Government Bonds		-	-	-	-
	10,762.64	10,762.64	-	-	2,112.68
Fair value through profit and loss					
Investments in mutual fund	3,505.50	3,505.50	3,505.50	-	-
	3,505.50	3,505.50	3,505.50	-	-
Fair value through other comprehensive income					
Investments					
Mutual Fund (Equity Investment)	-	-	-	-	-
	-	-	-	-	-
Grand total	14,268.14	14,268.14	3,505.50	-	2,112.68
2 Financial Liabilities					
At amortised cost					
Borrowings	36.21	36.21	-	-	36.21
Trade payables	459.83	459.83	-	-	459.83
Other financial liabilities	218.15	218.15	-	-	218.15
	714.19	714.19	-	-	714.19
(b) Disclosures for the year ended 31 March 2017					
1 Financial assets					
At amortised cost					
Cash & cash equivalents	1,874.00	1,874.00	-	-	-
Bank balance other than above	9,422.06	9,422.06	-	-	-
Trade receivables	1,331.55	1,331.55	-	-	1,331.55
Other financial assets	203.81	203.81	-	-	203.81
	12,831.42	12,831.42	-	-	1,535.36
Fair value through profit and loss					
Investments					
Investments in Mutual Fund	-	-	-	-	-
	-	-	-	-	-
Fair value through other comprehensive income					
Investments					
Mutual Fund (Equity Investment)		-	-	-	-
		-	-	-	-
Grand total	12,831.42	12,831.42	-	-	1,535.36
2 Financial liabilities					
At amortised cost					
Borrowings	-	-	-	-	-
Trade payables	374.29	374.29	-	-	374.29



(₹ in Lakhs)

Particulars			Fair Value		
	Carrying Value	Fair Value	Level -1	Level -2	Level -3
Other financial liabilities	162.67	162.67	-	-	162.67
	536.96	536.96	-	-	536.96
(c) Disclosures for the year ended 1 April 2016					
1 Financial assets					
At amortised cost					
Cash & cash equivalents	184.16	184.16	-	-	-
Bank balance other than above	10,479.27	10,479.27	-	-	-
Trade receivables	1,109.07	1,109.07	-	-	1,109.07
Other financial assets	280.31	280.31	-	-	280.31
	12,052.81	12,052.81	-	-	1,389.38
Fair value through profit and loss					
Investments					
Investments in mutual fund	-	-	-	-	-
	-	-	-	-	-
Grand total	12,052.81	12,052.81	-	-	1,389.38
2 Financial liabilities					
At amortised cost					
Borrowings	-	-	-	-	-
Trade payables	922.80	922.80	-	-	922.80
Other financial liabilities	146.27	146.27	-	-	146.27
	1,069.07	1,069.07	-	-	1,069.07

(d) Description of significant unobservable inputs to valuation		
Financial Assets/ Liability	Valuation Technique	Significant unobservable Input
Trade receivables	ECL	Realisation pattern or past experience
Borrowings	DCF Method	Discount Rate

50 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. The Company's principal financial assets include Investment, trade and other receivables and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Board of Directors reviews and finalises policies for managing each of these risks, which are summarised below :

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risk: interest rate risk, currency risk and commodity price risk. Financial instrument affected by market risk include investments and deposits, receivables, payables, loans and borrowings.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The Company has not availed any floating interest borrowings, hence is not exposed to interest rate risk.

(ii) Foreign Currency risk

The Indian Rupee is the entity's most significant currency. As a consequence, the entity's results are presented in Indian Rupees and exposures are managed against Indian Rupees accordingly. The entity has limited foreign currency exposure which are mainly on account of purchases and exports.

The company has not hedged its foreign currency exposure as at 31 March 2018, 31 March 2017 and 1 April 2016.

(iii) Commodity price risk

The Company is exposed to volatility of the oil and gas prices since the Company does not undertake any oil price hedge. The impact of a falling oil price is however partly mitigated via the production sharing formula in the PSCs, whereby the Company's share of gross production increases

in a falling oil price environment due to the cost recovery mechanism. Gas prices are fixed for a certain duration of time and the same are based on policy guidelines issued by the Government.

(b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to individual group of customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The ageing analysis of the receivables (gross of provisions) have been considered from the date the invoice falls due.

Particulars	(₹ in Lakhs)		
	31 March 2018	31 March 2017	1 April 2016
Less than 6 months	1,572.81	1,109.98	1,057.16
6 to 12 months	50.63	92.70	35.82
More than 12 months	242.51	128.87	16.09
Total	1,865.95	1,331.55	1,109.07

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	(in %)	
	2017-18	2016-17
Revenue from Top Customer	90%	88%
Revenue from Five Customers	99%	100%

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on a regular basis. All balances with banks and financial institutions is subject to low credit risk due to the good credit ratings assigned to these entities.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flow.

The table below summaries the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Particulars	(₹ in Lakhs)			
	Less than 1 year	1 to 5 years	More than 5 years	Total
31 March 2018				
Borrowings				
Vehicle Loan from others	8.97	36.21	-	45.18
Other financial liabilities	209.18	-	-	209.18
Trade & Other payables	459.83	-	-	459.83
Total	677.98	36.21	-	714.19
31 March 2017				
Borrowings				
Vehicle Loan from others	-	-	-	-
Other financial liabilities	162.67	-	-	162.67
Trade & Other payables	374.29	-	-	374.29
Total	536.96	-	-	536.96
1 April 2016				
Borrowings				
Vehicle Loan from others	-	-	-	-
Other financial liabilities	146.27	-	-	146.27
Trade & Other payables	922.80	-	-	922.80
Total	1,069.07	-	-	1,069.07



51 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

		(₹ in Lakhs)		
Particulars		31 March 2018	31 March 2017	1 April 2016
Borrowings		45.18	-	-
Less: current investments		3,505.51	-	-
Less: Cash and cash equivalents		2,216.02	1,874.01	184.16
Net Debt	(a)	(5,676.35)	(1,874.01)	(184.16)
Equity	(b)	29,440.37	28,218.96	28,336.90
Equity and Net Debt	(c) = (a+b)	23,764.02	26,344.95	28,152.74
Gearing Ratio	(a) / (c)	(23.89)%	(7.11)%	(0.65)%

52 EXPLANATION OF TRANSITION TO IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

An explanation of how the transition from GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows is set out below :

Exemptions and exceptions availed

In preparing the Financial Statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions in transition from Indian GAAP to Ind AS :

a) Optional Exemptions

- i. Deemed Cost - Property, plant and equipment and intangible assets (including Development of Hydrocarbon Properties):

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the GAAP and use that as its deemed cost as on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Company has chosen to retain the cost of the Property, plant & equipment and intangible assets and Development of Hydrocarbon Properties at their value as per Indian GAAP.

b) Mandatory Exemptions

- i. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimate made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is unassailable evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- Impairment of financial assets based on expected credit loss model
- Fair value through Other Comprehensive Income

- ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

		(₹ in Lakhs)	
Particulars	Note Reference	31 March 2017	1 April 2016
Net Worth as per previous Indian GAAP	e(i)	26,580.35	26,698.21
Effect of Fair Valuation of Security Deposit and amortisation of Prepaid Rent	e(ii)	(1.39)	(1.31)
Net Worth as per Ind AS		26,578.96	26,696.90

d) Profit reconciliation

(₹ in Lakhs)

Particulars	Note Reference	31 March 2017
Net Profit/ (Loss) as per Indian GAAP	e(i)	869.07
Ind AS Adjustments : Add / (Less)		
Actuarial (gain) / loss on Employee defined benefit Plan recognised in other Comprehensive Income	e(iii)	22.05
Effect of Fair Valuation of Security Deposit and amortisation of Prepaid Rent	e(ii)	(0.12)
Tax impact on Ind AS Adjustments		(7.59)
Other comprehensive income (Net of income tax)	e(iii)	(14.42)
Total Comprehensive Income for the period		868.99

e) Notes to the Reconciliation

- i. Figures as per IGAAP as on 01.04.2016 and 31.03.2017 have been re-classified / re-grouped / re-stated wherever necessary.
- ii. Fair valuation of Long term Security Deposit
Under Indian GAAP, interest free security deposits (that are refundable in cash on completion of contract) are recorded at their transaction value. Under Ind AS all financial assets are required to be recognised at fair value. Accordingly, the company has done fair valuation of security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent / interest expense.
- iii. Actuarial gains/(losses)
Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plans on actuarial report basis. Under Indian GAAP, actuarial gain and losses were charged to statement of profit and loss. Under Ind AS, the Company's accounting policy is to recognise all actuarial gains and losses on post-employment benefit plans in other comprehensive income.

53. MANAGERIAL REMUNERATION :

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Salary and allowance to Manager	23.31	22.55
Remuneration to Whole time director (including salary)	175.00	75.00

Note : Provision for accruing liability for gratuity & leave encashment, which are provided on actuarial basis for the Company as a whole and is not separately ascertainable and, therefore, not included above.

54. CIF VALUE OF IMPORTS (INCLUDING ITEMS IN STOCK) :

a) Capital goods	4.16	-
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55. VALUE OF SPARE PARTS AND COMPONENTS CONSUMED :

i) Imported	69.86	89.88
Percentage to the total	56%	76%
ii) Indigeneous	54.96	28.87
Percentage to the total	44%	24%
iii) Total	124.82	118.75

56. EXPENDITURE IN FOREIGN CURRENCY :

a) Technical Services (Net of TDS)	222.17	385.09
b) Travel	75.19	92.79

57 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.

58 Presentation of Negative Amounts

Unless otherwise stated or the context requires it to be interpreted otherwise, figures in bracket in the financial statements represent negative amounts.

59 Previous year figures have been rearranged / regrouped where ever necessary.

60 In the opinion of management, the value of the assets, other than fixed assets, on realization in the ordinary course of business, will not be less than the value at which they are stated in the Balance Sheet.

For J. A. Martins & Co.
Chartered Accountants
ICAI Firm Regn. No. 010860N

J. A. Martins
Proprietor
(M.No. 082051)

New Delhi
15 May 2018

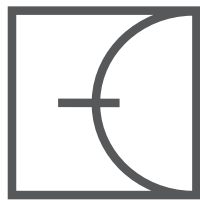
MEENU GOSWAMI
COMPANY
SECRETARY

A. K. MAURYA
CHIEF FINANCIAL
OFFICER

N. SETHI
CHIEF EXECUTIVE
OFFICER

M. SINGH
DIRECTOR
DIN : :07585638

R. KAPUR
CHAIRMAN
DIN : :00017172



SELAN EXPLORATION TECHNOLOGY LIMITED

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Email: investors@selayoil.com

Web: www.selayoil.com



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

NOTICE

NOTICE is hereby given that the Thirty third Annual General Meeting of Selan Exploration Technology Limited will be held at Ashok Country Resort, Rajokri Road, Kapashera, New Delhi – 110037 on Thursday, 12 July 2018 at 10:00 A.M. to transact the following business :

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Balance Sheet as at 31 March 2018 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.

2) RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s J. A. Martins & Co., Chartered Accountants (FRN:010860N) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company without any further annual ratification at the Annual General Meetings hereinafter, at a remuneration and out of pocket expenses to be fixed by the Board of Directors of the Company for each such year.”

3) To declare the interim dividend of 50 % amounting to ₹ 5/- per equity share paid during the year as final dividend for the financial year 2017-18.

SPECIAL BUSINESS

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

AS ORDINARY RESOLUTION

4) APPOINTMENT OF DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the rules made there under read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R. S. Sidhu (DIN 00121906), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 18 August 2017 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria

for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 18 August 2017.”

5) RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2017- 18.

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. R. Krishnan, Cost Accountant (Membership No. 7799) appointed as the Cost Auditor by the Board of Directors of the Company in place of Mr. S. N. Balasubramanian, Cost Auditor, who expired on 20 November 2017 to conduct the audit of the cost records of the Company for the financial year 2017-18 on a remuneration of ₹ 120,000/- per annum, be and is hereby ratified.”

6) RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2018- 19.

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. R. Krishnan, Cost Accountant (Membership No. 7799) appointed as the Cost Auditor by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 on a remuneration of ₹ 120,000/- per annum, be and is hereby ratified.”

7) RE-CLASSIFICATION FROM PROMOTER GROUP CATEGORY TO NON-PROMOTER CATEGORY

“RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, and pursuant to the communication received by / on behalf of Outgoing Promoters (Late Mr. Ramesh Mahajan, Mrs. Asha Mahajan and Mr. Aroon Mahajan), the approval of the Company be and is hereby accorded for re-classification of “Late Mr. Ramesh Mahajan”, “Mrs. Asha Mahajan” and “Mr. Aroon Mahajan”, the existing promoters of the Company from Promoter Category to Non-Promoter Category.

Promoter and Promoter Group	Number of Equity Shares
Late Mr. Ramesh Mahajan	NIL
Mrs. Asha Mahajan	NIL
Mr. Aroon Mahajan	NIL

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for re-classification of the aforementioned applicants, the Company shall effect such re-classification and the aforesaid applicants shall cease to be in the Promoter and Promoter group of the Company.

RESOLVED FURTHER THAT any one of the Directors or Ms. Meenu Goswami, Company Secretary, be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution."

8) RE-APPOINTMENT OF WHOLE-TIME DIRECTOR

"RESOLVED THAT in accordance with the provisions of Sections 188, 196, 197, 198, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Company be and is hereby accorded subject to approval of Central Government / Ministry of Corporate Affairs (MCA), if required, the re-appointment of Mr. R. Kapur (DIN : 00017172) as a Whole-Time Director of the Company for a period of five (5) years with effect from 01 October 2018 on a remuneration, including salary, commission and perquisites, as per Schedule V of the Companies Act, 2013, as amended from time to time and such other guidelines as may be issued hereinafter in this regard be and is hereby approved.

RESOLVED FURTHER THAT such payment may be made by way of a monthly remuneration or otherwise as legally permissible and that the Nomination and Remuneration Committee of the Board be and is hereby fully empowered to make these payments within the overall ceilings stipulated by law.

RESOLVED FURTHER THAT the payment of commission be permitted in accordance with Section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, in addition to the salary and perquisites as spelt out in Categories A and B of Part II of the Schedule V and within the limits therein stipulated and also to such other benefits such as reimbursement of reasonable repairs and maintenance of his residence as may be permitted by circulars or prevailing laws.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, in the absence or inadequacy of profits, the payment of a minimum remuneration of ₹ 200,000/- (Rupees Two lakhs only) per month to Mr. R. Kapur be and is hereby approved, with the stipulation that variation to this amount be and are hereby also approved, such variations being caused by changes in the amount of minimum remuneration specified in this schedule or due to the change in the amount of effective capital of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall include any duly authorised Committee thereof, which the Board may constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised to do all such acts, deeds, matter and things for the purpose of giving effect to this resolution, including but not limited to the execution of the agreement between the Company on one part and the Whole-Time Director on the other part and the compliance of the

requirements of Section 190 of the Act, filing of e-forms as per the provisions of the Companies Act, 2013, and that the Board is further empowered to, alter, vary and modify the terms and conditions of the said appointment /remuneration, as may be deemed fit, proper and expedient or as may be necessary to comply with any conditions that the authorities may stipulate in their approval.

RESOLVED FURTHER THAT the arrangement / agreement entered between Mr. R. Kapur and the Company pursuant to the authority conferred by this resolution shall, notwithstanding any prior resolution / agreement / arrangement, be the full and complete arrangement in regard to appointment and remuneration of Mr. R. Kapur as Whole-Time Director."

AS SPECIAL RESOLUTION

9) RE-APPOINTMENT OF DR. D. J. CORBISHLEY AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. D. J. Corbishley (DIN : 06515723), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 01 April 2019 to 31 March 2024."

10) RE-APPOINTMENT OF MR. T. CURRIMBHOY AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. T. Currimbhoy (DIN : 00729714), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 01 April 2019 to 31 March 2024."

By Order of the Board

for SELAN EXPLORATION TECHNOLOGY LTD.

15 May 2018
New Delhi

MEENU GOSWAMI
Company Secretary

NOTES :

- 1) A member entitled to attend and vote is entitled to appoint a proxy and such proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument appointing proxy may be sent in the form enclosed

and in order to be effective must reach the Registered Office of the Company at least 48 hours before the Meeting.

- 2) (i) Members holding shares in physical form are requested to notify change in their address, if any, quoting their folio number to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Ltd., Unit : Selan Exploration Technology Ltd., F-65, First Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020.
- (ii) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, e-mail addresses, nominations, power of attorney, change of address/ name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Share Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company’s subsequent records.
- 3) Register of Members and Share Transfer Books of the Company will remain closed from 05 July 2018 to 12 July 2018 (both days inclusive).
- 4) Memorandum & Articles of Association of the Company and documents related to the resolutions will be available for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days except Saturdays and will also be available at the meeting.
- 5) Ministry of Corporate Affairs (“MCA”) has vide Circular No. 17/2011 dated 21.04.2011 & Circular No. 18/2011 dated 29.04.2011 allowed the service of documents on members by a Company through electronic mode. Accordingly, as a part of its Green initiative in Corporate Governance and in terms of circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for the year ended 31 March 2018 has been sent to all the members whose e-mail address is registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same. All those members, who have not yet registered their e-mail address with the Company / Depository Participant, are requested to do the same at the earliest.
- 6) The members are requested to send their queries, if any, on accounts or proposed resolutions at least 48 hours in advance of the meeting to the Company, so that the same may be answered satisfactorily at the meeting.
- 7) Members / Proxies should bring the Attendance slip duly filled-in for attending the meeting.
- 8) Voting through electronic means:
 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (‘Amended Rules, 2015’) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Thirty Third Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-Voting”) will be provided by National Securities Depository Limited (NSDL). The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (Remote e-Voting).

II. The facility for voting through polling paper shall be made available at the AGM and members attending the meeting who have not cast their votes by remote e-Voting shall be able to exercise their right at the meeting through polling paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The instructions for e-Voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to selan.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- V. The remote e-Voting period commences on 09 July 2018 (9:00 a.m.) and ends on 11 July 2018 (5:00 p.m.). During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 05 July 2018, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights shall be as per the number of equity shares held by the member(s) as on Thursday, 05 July 2018. Mr. S. R. Iyer, Practising Chartered Accountant (Membership No. FCA082039) has been appointed as the Scrutinizer to scrutinize voting by Poll and remote e-Voting process in a fair and transparent manner.
- VII. Any person, who acquire shares of the Company and become member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e., 05 July 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or helpdeskdelhi@mcsregistrars.com.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through polling paper.
- IX. The Chairman shall, at the AGM, at the end of discussion on resolution on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared along with the Scrutinizer's Report shall be

placed on the Company's website www.selanoil.com and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorised by him in writing and the same be communicated to the BSE Ltd. and National Stock Exchange of India Ltd.

EXPLANATORY STATEMENT

(Under Section 102 of the Companies Act, 2013)

Item No. 2

M/s J.A. Martins & Co., Chartered Accountants (FRN:010860N) were appointed as Statutory Auditors of the Company at its last Annual General Meeting (AGM) for a term of five years, upto the conclusion of the 37th AGM, subject to ratification of appointment at every AGM. The requirement of ratification of appointment of the Statutory Auditor at every Annual General Meeting has been omitted vide Companies (Amendment) Act, 2017. Accordingly, the Company is not required to ratify the appointment of the Statutory Auditor at each AGM and such annual ratification at the subsequent AGMs shall not be taken till the 37th AGM to be held in the year 2022.

Your Directors recommend the above Ordinary Resolution for approval. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the above said resolution.

Item No. 4

Mr. R. S. Sidhu (DIN 00121906) was appointed as an Additional (Independent) Director of the Company with effect from 18 August 2017, by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, he holds office upto the date of this Annual General Meeting and is eligible for appointment as an Independent Director.

The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of Director. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. R. S. Sidhu stating that he meets the criteria of Independence as prescribed under Section 149 (6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the recommendations of Nomination & Remuneration Committee and in terms of Section 149 and 152 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, Mr. R. S. Sidhu, being eligible offers himself for appointment. The Board feels that he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. R. S. Sidhu as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of Company on any working day excluding Saturday, upto the date of General Meeting between 11:00 a.m. and 1:00 p.m.

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

Except Mr. R. S. Sidhu, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. Please refer Table given in this Notice for disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards II.

Item No. 5

The Board on the recommendation of the Audit Committee has appointed Mr. R. Krishnan (Membership no. 7799) in place of Mr. S. N. Balasubramanian, who expired on 20 November 2017 as the Cost Auditor of the Company for the financial year 2017-18 which was approved by the Board in its meeting held on 03 February 2018. As per Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditors is to be ratified by the shareholders. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in this resolution. Your Directors recommend the above Ordinary Resolution for approval.

Item No. 6

The Board on the recommendation of the Audit Committee has appointed Mr. R. Krishnan (Membership no. 7799) as the Cost Auditor of the Company for the financial year 2018-19 which was approved by the Board in its meeting held on 15 May 2018. As per Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditors is to be ratified by the shareholders. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in this resolution. Your Directors recommend the above Ordinary Resolution for approval.

Item No. 7

Late Mr. Ramesh Mahajan left for his heavenly abode early this year. Subsequently, his family members Mrs. Asha Mahajan and Mr. Aroon Mahajan have requested the Company to re-classify all three of them from Promoter to Non-Promoter Category pursuant to the provisions of Regulation 31A of SEBI (LODR) Regulations, 2015. Under these regulations, the persons being not desirous to be classified as the Promoter of the company, must submit a request to the Company stating the same, which is to be accepted by the Company subject to the approval of the shareholders and concerned Stock Exchanges, where the shares of the Company are listed.

In reference to above and taking into consideration request of aforesaid applicants, the Board decided to accept their request to re-classify them as Non-Promoter as they do not have any shareholding in the Company since over a year and are not actively involved in the management and business of the Company. Further, in terms of the provisions of Regulation 31A of the SEBI (LODR) Regulations, 2015, re-classification of Promoters requires the approval of the Members of the Company.

Subsequently, the company would make necessary applications to the Stock Exchange(s) and any other relevant authority, wherever required, to obtain their approval for re-classification of the aforementioned Promoters.

Except Mr. R. Kapur and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution. Your Directors recommend the above Ordinary Resolution for approval.

Item No. 8

Mr. R. Kapur has been associated with the Company since its inception and has been instrumental in growing the business of the Company. His knowledge and experience has been invaluable to the Company and his presence on the Board of Directors has enabled the Company in maintaining the continuity in strategic leadership and governance.

Mr. R. Kapur, aged about 63 years, has held senior management positions with American Cyanamid Inc., a Fortune 100 Company, including General Manager of one of its worldwide subsidiaries. A graduate of Columbia College (BA) and Columbia Business School (MBA), he has been actively involved with SELAN since its inception.

The broad particulars of remuneration payable to and terms of the appointment of Mr. R. Kapur are as under :

The Whole-Time Director shall be entitled to the salary and perquisites and allowances of ₹ 400,000/- (Rupees Four Lakhs only) per month, leave travel allowance for self and his family including dependents, club fees, medical insurance, telephone expenses and such other perquisites and / or allowances, subject to overall ceiling of remuneration stipulated in Section 197 and 198 read with Schedule V to the Companies Act, 2013 and rules made thereunder or any statutory modification(s) or re-enactment(s) thereof, for the time being in force. In addition to the salary, perquisites and allowances as above, the Whole-Time Director shall also be entitled to receive commission in terms of Section 197 or any other provisions of the Companies Act, 2013.

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of tenure of Mr. R. Kapur, the Company has no profits or profits are inadequate, the Company will pay remuneration of ₹ 200,000/- (Rupees Two Lakhs only) by way of Salary, besides perquisites and allowances as minimum remuneration, with the stipulation that variation to this amount be and are hereby also approved, such variations being caused by changes in the amount of minimum remuneration specified in this schedule or due to the change in the amount of effective capital of the Company. The Whole-Time Director shall also be allowed compensation for loss of office to the extent permissible u/s 202 of the Companies Act, 2013.

The Draft Agreement including other terms and conditions of employment to be entered into between the Company and Mr. R. Kapur are available for inspection at the Registered Office of the Company on any working day excluding Saturday, upto the date of the General Meeting between 11:00 a.m. and 1:00 p.m.

The terms and conditions set out for appointment and payment of remuneration herein and / or in the Agreement may be altered, varied and modified from time to time by the Board of Directors of the Company or by Nomination and Remuneration Committee, as may be deemed fit, proper and desirable, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.

The above remuneration of Mr. R. Kapur is approved by the Nomination and Remuneration Committee of Board of Directors, subject to the approval of the members in General Meeting, after taking into account the remuneration profile with respect to nature of industry, size and activities of the Company and suitability of the incumbent.

The above details of remuneration of Mr. R. Kapur may also be treated as an abstract and Memorandum of the terms of the contract between the Company and Mr. R. Kapur under Section

190 of the Companies Act, 2013. Once GOI approval is received (if required), any change necessitated in the terms of appointment by such approval shall also be made known to the members by a notice / letter to comply with the requirements of Section 190.

Except Mr. R. Kapur and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. Please refer Table given in this Notice for disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards II.

Item No. 9

Dr. D. J. Corbishley (holding DIN 06515723) is an Independent Non-Executive Director of the Company. He joined the Board of Directors of Company in February, 2013. Pursuant to the Act, Dr. D. J. Corbishley, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 31 March 2019, by the members of the Company in the 29th AGM held on 07 August 2014.

As per Sec 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Performance Evaluation of Dr. Corbishley was carried out by the Nomination and Remuneration Committee covering the various aspects of SEBI Guidance Note and based on its recommendation, he is being proposed to be re-appointed for a further period of five (5) years. In terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, Dr. D. J. Corbishley being eligible, offers himself for re-appointment as an Independent Director for five consecutive years for a term upto 31 March 2024. A notice has been received from a member proposing Dr. D. J. Corbishley as a candidate for the office of Director of the Company.

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

In the opinion of the Board, Dr. D. J. Corbishley fulfils the conditions specified under the Act, the Companies (Appointment & Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter of appointment of Dr. D. J. Corbishley as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday upto the date of General meeting between 11:00 a.m. and 1:00 p.m.

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

Except Dr. D. J. Corbishley, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in this resolution.

Your Directors recommend the above Special Resolution for approval. Please refer Table given in this Notice for disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards II.

Item No. 10

Mr. T. Currimbhoy (holding DIN 00729714) is an Independent Non-Executive Director of the Company. Pursuant to the Act, Mr. T. Currimbhoy was appointed as an Independent Non-executive Director to hold office for five consecutive years for a term upto 31 March 2019, by the members of the Company in the 29th AGM held on 07 August 2014.

As per Sec 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the company for another term of upto five consecutive years on the Board of the Company.

He is a leading architect and non-resident Indian, living and practicing in New York. Mr. Currimbhoy did his post graduate studies from Cornell University. He is well known to the Indian community in the US and the Middle East; and member of the Board of Directors of SELAN since June, 1995.

Performance Evaluation of Mr. T. Currimbhoy was carried out by the Nomination and Remuneration Committee covering the various aspects of SEBI Guidance Note and based on its recommendation, he is being proposed to be re- appointed for a further period of five

(5) years. In terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and the Listing Regulations, Mr. T. Currimbhoy being eligible, offers himself for re- appointment as an Independent Director for five consecutive years for a term upto 31 March 2024. A notice has been received from a member proposing Mr. T. Currimbhoy as a candidate for the office of Director of the Company.

In opinion of the Board, Mr. T. Currimbhoy fulfils the conditions specified under the Act, the Companies (Appointment & Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter of appointment of Mr. T. Currimbhoy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company on any working day excluding Saturday, upto the date of General Meeting between 11:00 a.m. and 1:00 p.m.

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

Except Mr. T. Currimbhoy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in this resolution.

Your Directors recommend the above Special Resolution for approval. Please refer Table given in this Notice for disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards II.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 12 JULY 2018

Name of the Director	Mr. R. S. Sidhu	Mr. R. Kapur	Mr. T. Currimbhoy	Dr. D. J. Corbishley
DIN	00121906	00017172	00729714	06515723
Date of birth	06.07.1957	05.06.1955	27.11.1954	23.12.1943
Date of appointment	18.08.2017	24.09.1988	28.06.1995	16.02.2013
Qualification	1. Institute of Chartered Accountants in England & Wales. Membership No. 7293860 2. Institute of Chartered Accountants of India. Membership No 082978	MBA from Columbia University, New York, U.S.A.	Post Graduate from Cornell University, New York, U.S.A.	Ph. D in Geo Physics
Experience & Expertise in specific functional area	Mr. Sidhu has had an illustrious career in Banking and Finance, having served as a Senior Director & Board Director – HSBC Securities & Capital Markets (India) and as Director Fidelity Fund Management & Barclays Bank PLC. He has also served as an Independent Director on several Boards, including BHEL, NHPC and India Infrastructure Finance Company Ltd. (IIFCL).	Held senior management positions with American Cyanamid Inc., a Fortune 100 Company, including General Manager of one of its worldwide subsidiaries. A graduate of Columbia College (BA) and Columbia Business School (MBA), he has been actively involved with SELAN since its inception.	A leading architect and non-resident Indian, living and practising in New York. Mr. Currimbhoy did his post-graduate studies from Cornell University. He is well known to the Indian community in the US and the Middle East; and member of Board of Directors of SELAN.	In a career spanning over three decades, Dr. Corbishley worked exclusively for Shell, after having spent a few years initially with the Department of Defense in the United Kingdom. In a long and distinguished career with Shell worldwide, Dr. Corbishley has worked for Shell in Africa, South America and in Brunei, and at Shell Headquarters in the UK and in The Hague, Netherlands. He has also served in India as Managing Director of Shell India for five years.
Terms & Conditions of appointment/ re-appointment	As per Company's Policy on Appointment of Board Members	As mentioned in the Explanatory Statement attached to this Notice	As per Company's Policy on Appointment of Board Members	

Name of the Director	Mr. R. S. Sidhu	Mr. R. Kapur	Mr. T. Currimbhoy	Dr. D. J. Corbishley
Remuneration last drawn	As mentioned in the Corporate Governance Report (forming part of Annual Report 2017-18)			
Shareholding in the Company as on 31.03.2018	Nil	86,846 equity shares of ₹10/- each	Nil	Nil
Relationship with other directors and KMPs of the Company	None	None	None	None
No. of Meetings of Board attended during the year	03	08	01	02
List of Companies* in which outside directorship held	1. Chairman, EBG Federation. 2. Partner, India Pathfinders Strategic Advisors LLP. 3. Vice President & Co-Founder, Public Affairs Forum of India.	None	Currimbhoy Architecture and Desine Pvt. Ltd.	None
Chairman/Member of the Committees* of Board of Directors of Indian Companies	None	None	None	None

* includes directorship/ committee positions in other Indian companies

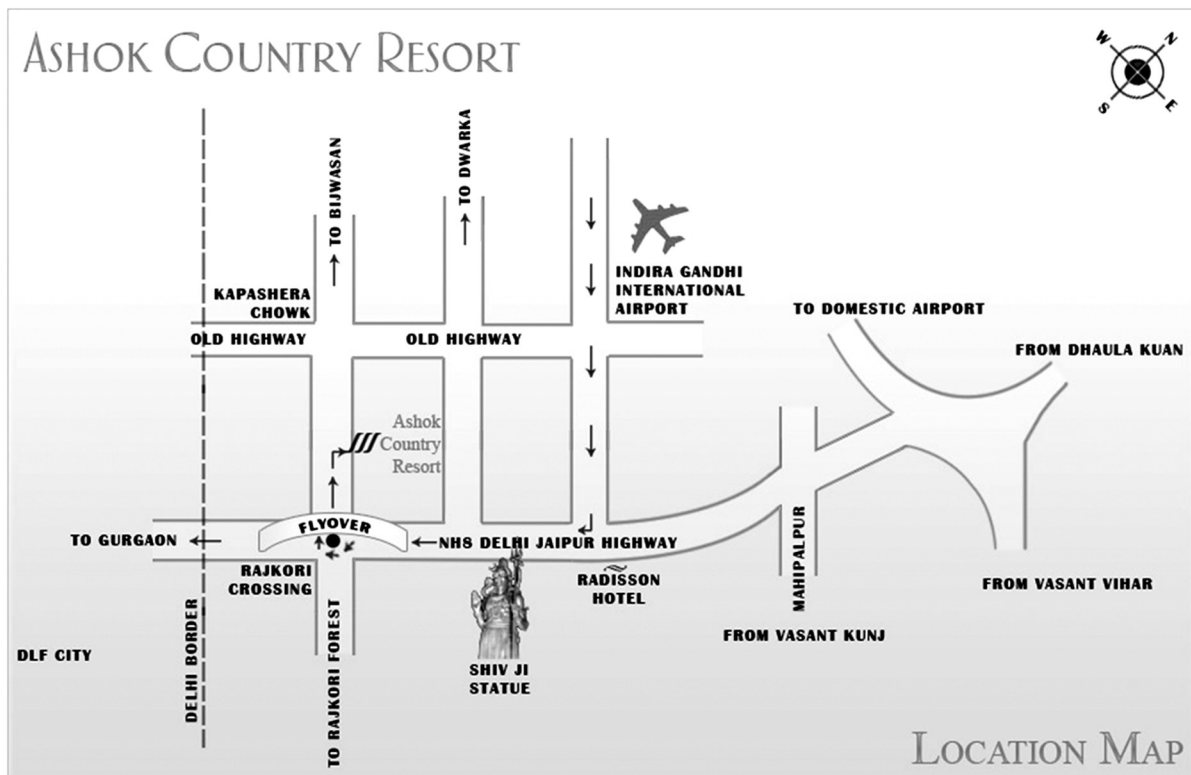
By Order of the Board
for SELAN EXPLORATION TECHNOLOGY LTD.

15 May 2018
New Delhi

MEENU GOSWAMI
Company Secretary

ROUTE MAP TO AGM VENUE

VENUE : Ashok Country Resort, Rajkri Road, Kapashera, New Delhi - 110037



SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office : J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi - 110 043

CIN : L74899DL1985PLC021445; Website : www.seloil.com

E-mail Id : investors@selanoil.com; Telefax No. : 0124-4200326

ATTENDANCE SLIP

Annual General Meeting, 12 July 2018

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

I certify that I have / have not cast my E-Vote.

I hereby record my presence at the Annual General Meeting of the Company at Ashok Country Resort, Rajokri Road, Kapashera, New Delhi-110 037 on Thursday, 12 July 2018 at 10:00 a.m.

Member's / Proxy's name in BLOCK LETTERS

Member's / Proxy's Signature

Note : Please fill in this Attendance Slip and hand it over at the Entrance of the Meeting Hall.

Kindly also note that no gifts, conveyance etc. will be given at the Meeting.

E-VOTING PARTICULARS

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

Note : Please read instructions given at Note No. 8 of the Notice of the 33rd Annual General Meeting carefully before voting electronically.

SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office : J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi - 110 043

CIN : L74899DL1985PLC021445; Website : www.seloil.com

E-mail Id : investors@selanoil.com; Telefax No. : 0124-4200326

PROXY FORM

Annual General Meeting, 12 July 2018

Name of the member (s) :

Registered Address :

E-mail Id :

Folio / DP ID - Client ID No. :

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

- 1) Name : Address :
E-mail Id : Signature :, or failing him;
- 2) Name : Address :
E-mail Id : Signature :, or failing him;
- 3) Name : Address :
E-mail Id : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company, to be held on Thursday, 12 July 2018 at 10:00 a.m. at Ashok Country Resort, Rajokri Road, Kapashera, New Delhi - 110 037 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements for the year ended 31 March 2018.
2. Ratification of Appointment of Statutory Auditors and fixing their remuneration.
3. Declaration of Interim Dividend as Final Dividend for the Financial Year 2017-18.
4. Appointment of Director.
5. Ratification of Remuneration of Cost Auditor For Financial Year 2017-18.
6. Ratification of Remuneration of Cost Auditor For Financial Year 2018-19.
7. Re-classification From Promoter Group Category to Non- Promoter Category.
8. Re-appointment of Whole-Time Director
9. Re-appointment of Dr. D. J. Corbishley as an Independent Director.
10. Re-appointment of Mr. T. Curimbhoy as an Independent Director.

Signed this day of 2018

Signature of shareholder

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

Affix
Revenue
Stamp

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