

**SELAN EXPLORATION TECHNOLOGY LTD.**

CIN : L74899DL1985PLC021445

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

**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

(Rs. in Lakhs)

PARTICULARS	Quarter Ended			Year Ended	
	31.03.18	31.12.17	31.03.17	31.03.18	31.03.17
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. (a) Revenue from Operations	2472	2216	1519	8047	5856
Less : Profit Petroleum paid to Gol	142	94	63	386	272
Revenue from Operations (Net)	2330	2122	1456	7661	5584
2. (b) Other Income	179	189	199	765	810
<b>3. Total Income</b>	<b>2509</b>	<b>2311</b>	<b>1655</b>	<b>8426</b>	<b>6394</b>
<b>4. Expenses</b>					
a) Operating Expenses	226	271	186	965	747
b) Changes in inventories of finished goods	75	(19)	(64)	169	(111)
c) Finance Cost	2	2	1	4	1
c) Employee expenses	202	116	107	542	355
d) Royalty and Cess	127	124	93	465	386
e) Development of Hydrocarbon Properties amortised	445	538	812	1,837	2610
f) Depreciation	71	68	51	255	217
g) Other expenses	246	202	208	838	706
<b>Total (a to g)</b>	<b>1,394</b>	<b>1302</b>	<b>1394</b>	<b>5,075</b>	<b>4911</b>
<b>5. Profit before tax</b>	<b>1115</b>	<b>1009</b>	<b>261</b>	<b>3351</b>	<b>1483</b>
<b>6. Tax Expenses :</b>					
a) Provision for Current Tax	374	257	386	1,004	932
b) Deferred Tax	(4)	93	(210)	142	(332)
<b>7. Net Profit for the period</b>	<b>745</b>	<b>659</b>	<b>85</b>	<b>2,205</b>	<b>883</b>
8. Other Comprehensive Income / (Loss) (net of tax)	3	2	(3)	3	(14)
9. Total Comprehensive Income (after tax)	748	661	82	2,208	869
<b>10. Cash Profit</b>	<b>1257</b>	<b>1358</b>	<b>738</b>	<b>4,439</b>	<b>3378</b>
11. Paid-up Equity Share Capital (face value Rs. 10/-)	1640	1640	1640	1640	1640
12. Basic EPS (not annualised)	4.54	4.02	0.52	13.45	5.39
13. Diluted EPS (not annualised)	4.54	4.02	0.52	13.45	5.39

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**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

(1)	<b>Non-current assets</b>	31.03.18	31.03.17
	Property, plant and equipment		
	- Tangible assets	1,071	946
	Development of hydrocarbon properties	20,081	19,688
	Capital work-in-progress	180	241
	Intangible assets	111	2
	Financial assets		
	- Other financial assets	49	39
	Non-current tax asset (net)	65	65
	Other non-current assets	25	9
		21,582	20,990
(2)	<b>Current assets</b>		
	Inventories	829	916
	Financial assets		
	- Investment	3,505	-
	- Trade receivables	1,866	1,332
	- Cash and cash equivalents	2,216	1,874
	- Other bank balances	6,434	9,422
	- Other financial assets	198	165
	Other current assets	190	185
		15,238	13,894
	<b>Total assets</b>	<b>36,820</b>	<b>34,884</b>
II	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Equity</b>		
	Equity share capital	1,640	1,640
	Other equity	27,800	26,579
		29,440	28,219
(2)	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	36	-
	Provisions	61	16
	Deferred tax liabilities (net)	6,436	6,011
		6,533	6,027
	<b>Current liabilities</b>		
	Financial liabilities		
	- Trade payables	460	374
	- Other financial liabilities	218	163
	Other current liabilities	137	78
	Provisions	23	23
	Current tax liabilities (net)	9	-
		847	638
	<b>Total equity and liabilities</b>	<b>36,820</b>	<b>34,884</b>

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**Notes :**

1 The Statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2017, the Company has for the first time adopted Ind AS with a transition date of 1 April 2016.

2 Reconciliation of net profit previously reported in accordance with Indian GAAP to Total Comprehensive Income in accordance with Ind AS is given hereunder:-

Particulars	(Rs. in Lakhs)	
	Quarter Ended 31.03.17	Year Ended 31.03.17
Net Profit/ (Loss) as per Indian GAAP	82.73	869.07
Ind AS Adjustments : Add / (Less)		
Actuarial (gain) / loss on Employee defined benefit Plan recognised in other Comprehensive Income	5.51	22.05
Effect of Fair Valuation of Security Deposit	(0.76)	(0.12)
Tax impact on Ind AS Adjustments	(1.64)	(7.59)
Other comprehensive income (Net of income tax)	(3.60)	(14.42)
Total Comprehensive Income for the period	82.24	868.99

This reconciliation statement has been provided in accordance with Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by SEBI.

3 **Reconciliation of total equity as at 31 March 2017 :**

(Rs. in Lakhs)

Particulars	31.03.17
Net Worth as per previous Indian GAAP	26,580.35
Effect of Fair Valuation of Security Deposit and amortisation of Prepaid	(1.39)
<b>Net Worth as per Ind AS</b>	<b>26,578.96</b>

4 Residual value of Property Plant and Equipment (PPE) is considered as Nil for the purpose of depreciation calculation.

5 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.

6 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.

7 Previous period figures have been reclassified / regrouped / restated, wherever necessary.

8 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 Selan. 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.

9 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 Rs. 9.41 crores and consequently the profit before tax for the said period is higher by Rs. 10.09 crores.

10 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 15.05.2018.

for SELAN EXPLORATION TECHNOLOGY LTD.



R. KAPUR

Place : New Delhi  
Date : 15 May 2018

www.selanoil.com

DIN : 00017172  
Chairman