

Bombay Stock Exchange  
25<sup>th</sup> Floor, P. J. Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Code # 530075

National Stock Exchange of India Ltd.  
5<sup>th</sup> Floor, Exchange Plaza,  
Bandra – Kurla Complex  
Bandra (E), Mumbai – 400 051  
Scrip Code : Selan (Equity)

25 August 2020

Dear Sir :

Sub : Submission of Annual Report & Notice

In compliance with Regulation 34 of the SEBI (LODR) Regulations, 2015,  
please find enclosed copy of the Annual Report & Notice for your reference  
and records.

Kindly take the above on record.

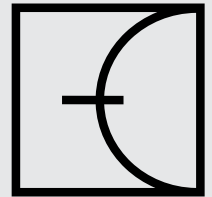
Thanking you.

Yours faithfully



Deepa Bhalla  
Company Secretary

**ANNUAL REPORT 2019-20**



**Late Mr. R. N. Kapur**

*Founder and Former Chairman*

**BOARD OF DIRECTORS**

Mr. R. Kapur, Chairman

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

**CHIEF FINANCIAL OFFICER**

Mr. Vijay Kirpal

**COMPANY SECRETARY**

Ms. Deepa Bhalla

**STATUTORY AUDITORS**

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

**COST AUDITOR**

Mr. R. Krishnan

**BANKERS**

State Bank of India • Corporation Bank • Kotak Mahindra 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 2020.

## Financial Review

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

(in ₹ lakhs)

	2018-19	2019-20
Net Sales	9,333	8,960
EBIDTA	7,470	6,365
EBIDTA / Net Sales	80%	71%

Total Reserves and Surplus of the Company have increased from 310 crores to 312 crores as on 31 March 2020. The Board has not recommended any transfer to General Reserves from the profits during the year under review.

## Review of Operations

The Company continues to achieve high levels of profitability, despite severe downward pressure on oil prices, demand disruptions and severe political upheaval in many oil producing nation states.

The Company had submitted applications for 10 year extension for the Bakrol and Lohar fields, and these approvals were received from Ministry of Petroleum and Natural Gas (MoPNG).

The Company also returned the Indrora field to ONGC, on completion of the 25 year lease period as the field continued to remain highly unprofitable and capital intensive despite various attempts by the Company to improve its productivity by application of various technologies that were of limited success. The Company is also in the process of surrendering the Ognaj field due to rapid urbanisation in the block area.

The Company also continued its efforts at streamlining and optimizing its operations and management structure, and was able to achieve faster decision making while reducing the overall cost burden to the Company.

Most importantly, the Company has remained actively engaged along with industry bodies with the Government of India on a host of measures aimed at improving the overall performance of oil and gas producing assets in the country. In the areas of fiscal reforms, operational freedom for implementation of work programmes, ease of doing business, attracting foreign investment in the sector, ongoing reporting requirements, and incentives for introduction of new technologies have all been areas that discussions are being held with the Government on an ongoing basis.

Finally, towards the end of the fiscal year, the Company along with the rest of the Country and the world, faced the unprecedented assault of the Covid-19 pandemic on businesses and their ability to deal with challenges of the kind never experienced in the past. This issue has been addressed in greater detail in the Section on Material Changes and Commitments on pages 3 and 4 of this Annual Report. We are confident, that the Company will be able to address this situation in a proactive manner, continue its operations, and produce the best financial results possible given the circumstances, while maintaining focus on the health and safety of our employees and service providers.

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

An interim dividend of 50% i.e. ₹ 5/- per share has been declared by the Board of Directors, which shall be declared as final dividend for the year 2019-20 in the upcoming AGM subject to approval by the shareholders of the Company. The dividend together with dividend distribution tax resulted in cash outlay of ₹ 916.22 lakhs.

## Transfer to IEPF

An Investor Education and Protection Fund ("IEPF" or "Fund") has been established by the Central Government, in compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto ("IEPF Rules"), whereby all unpaid or unclaimed dividends by the members are required to be transferred by the Company to the Fund after completion of seven years from the date of the dividend becoming unpaid / unclaimed, the shares in respect of which dividend has not been paid or claimed by the members for a period of seven consecutive years or more shall also be transferred to a demat account created by the IEPF Authority.

Further, according to the IEPF Rules, the Company had sent individual notices to the concerned members and also advertised in the newspapers to enable those members who have not claimed their dividends for seven consecutive years or more to take appropriate action to claim their unpaid dividend amount which has not been claimed for seven consecutive years or more.

During the year, an amount of ₹ 1,760,920 being unclaimed dividend for the Financial Year 2012-13 alongwith 14,111 equity shares were duly transferred to the Fund established by the Central Government.

In Compliance with the Companies Act, 2013 and the IEPF Rules Members /claimants whose shares and /or unclaimed dividend, Which have/have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF authority from time to time. Only one consolidated claim in a financial year can be filed by the member/claimant as per the IEPF Rules.

Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. Details of shares /shareholders in respect of which dividend has not been claimed, are provided on our website at [www.selanoil.com](http://www.selanoil.com). The shareholders are encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

Year	Amount	Due date for transfer of unclaimed/unpaid amount of Dividend to IEPF
2013 - 14	1,561,095	06 April 2021
2014 - 15	1,557,095	06 April 2022
2015 - 16	1,625,685	10 April 2023
2016 - 17	2,078,995	09 April 2024
2017 - 18	1,529,195	25 March 2025
2018 - 19	1,243,285	23 February 2026
2019 - 20	1,463,125	02 April 2027

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at [www.selanoil.com](http://www.selanoil.com) under Investor Information section.

## Buyback Of Equity Shares

The Company successfully completed the planned Buyback of Equity Shares on 05 July 2019. The Company in this Buyback purchased 1,200,000 equity shares for a total cumulative consideration of ₹ 2,125.66 lakhs. Consequently, the paid-up share capital of the Company is reduced to ₹1,520.00 lakhs as on 31 March 2020.

## Meetings of the Board & Committees

There were eleven Board Meetings held during the Financial Year 2019-20. Details of the Board and Committee meetings forms part of the Corporate Governance Report.

### **Declaration of Independence by Directors and statement on compliance of Code of Conduct**

The Independent Directors of the Company have submitted a declaration meeting the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and regulation 25(8) of SEBI (LODR) Regulations, 2015. The above Declaration has been taken on record. Further, The Independent Directors have also complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

### **Directors Responsibility Statement**

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 in accordance with the provisions of Section 134(5) of the Companies Act, 2013. Judgments / estimates have been made that are even handed 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. In accordance with the provisions of the Companies Act, 2013 the Directors have ensured that Proper and sufficient care has been taken for the maintenance of adequate accounting records, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Directors have prepared the annual accounts on a going concern basis, and have laid down internal financial controls to be followed by the Company and such Internal financial controls are adequate and operating effectively. Finally, proper systems have been devised by the Directors to ensure compliance with the provisions of all applicable laws and to ensure that such systems are adequate and operating effectively.

### **Policy on Directors' Appointment and Remuneration**

The role of the Nomination Committee is to review the structure, skills and composition of the Company Board. The Committee considers suitable nominations for appointments to the Boards, and makes appropriate recommendations based on qualifications, skill and experience of the Key Managerial Personnel. It recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to approval of shareholders where necessary. 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 gives due consideration to ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director and ensures that such a person is not disqualified under Companies Act, 2013 and rules made thereunder and accordingly recommends his / her appointment to the Board.

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 as per the provisions of the Companies Act, 2013 for attending the meetings of the Board / Committees thereof.

The level and composition of remuneration so determined by the Nomination and Remuneration Committee 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, potential and growth. The Nomination and Remuneration Policy as approved by the Board may be accessed on Company's website at [www.seloil.com](http://www.seloil.com). The Board considers the Nomination and Remuneration Committee's recommendations and subsequently takes appropriate decisions.

### **Contracts / Arrangements with Related Parties**

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 and 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. However, 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 SEBI (LODR) Regulations, 2015. 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. 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.seloil.com](http://www.seloil.com).

### **Whistle Blower Policy**

To provide a formal mechanism for 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 the Company has adopted a Vigil Mechanism/Whistler Blower 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.seloil.com](http://www.seloil.com).

### **Risk Management**

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. As Selan operates in a dynamic operating environment, we have 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.

### **Board Evaluation**

The Board has carried out an Annual Performance Evaluation of its own performance, Directors individually and that of its Committees in compliance with the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, 2015. During the year, a Separate Meeting of Independent Directors was held to assess the performance of Non-Independent Directors, 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**

Ms. Pooja Agnihotri and Ms. Vinni Gupta, Company Secretary & Compliance Officer of the Company resigned during the year. Ms. Gunjan Gupta, Compliance Officer of the Company also resigned during the year. Ms. Deepa Bhalla has been subsequently appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 16 May 2020. The Board places on record its appreciation for the services rendered by Ms. Pooja Agnihotri, Ms. Vini Gupta and Ms. Gunjan Gupta.

The Company has eminent individuals from diverse fields as Directors on its Board, who bring in the required skills, integrity, competence, expertise and experience that are required for making effective contribution to the Board.

### **Statutory Auditors**

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.

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



### Cost Auditor

The Board of Directors have in accordance with the terms of Section 148 of the Companies Act, 2013 and 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 2020-21 at a remuneration of ₹120,000/- per annum to conduct the audit of its cost accounting records. The proposed remuneration of the Cost Auditor shall be ratified by the members in the ensuing AGM. The Cost Audit for the year ended 31 March 2019 was carried out by Mr. R. Krishnan and the report was filed on 04 October 2019. There are no qualifications or reservations or adverse remarks or frauds reported by the Auditors in their Cost Audit Report.

### Secretarial Auditor

M/s Nityanand Singh & Co. (ICSI membership no. 2668 and Certificate of Practice no. 2388), Practicing Company Secretaries have been reappointed by the Board of Directors of the Company for conducting Secretarial Audit of the Company for financial year 2019-20. In terms of provisions of section 204(1) of the Companies Act, 2013, the Secretarial Audit Report forms part of this Annual Report as Annexure - A. There are no qualifications or reservations or adverse remarks or frauds reported by the Auditors in their Secretarial Audit Report.

### Internal Auditor

M/s V. Sankar Aiyar & Co. (FRN: 109208W), Chartered Accountants were appointed as Internal Auditors for the Financial Year 2019-20 in compliance with the provisions of Section 138 of the Companies Act, 2013 to conduct the internal audit of the functions and activities of the Company. Their Report to the Chairman of the Audit Committee had been submitted and this was further reviewed by the Management and had been taken on record.

### Corporate Governance Report

Corporate Governance is ensured by taking ethical business decisions in a fair and transparent manner with a fair commitment to values, while meeting stakeholder's expectations. In compliance with the SEBI (LODR) Regulations, 2015, Management Discussion and Analysis and a Report on Corporate Governance along with Certificate from Auditors regarding compliance of conditions of Corporate Governance is annexed to Directors' Report. A declaration by the Whole-Time Directors regarding the compliance with the Code of Conduct also forms part of this Annual Report.

### Annual Return

Relevant Extract of the Annual Return is given in Annexure - B to this Report. A copy of the Annual Return is placed on the website of the Company at [www.seloil.com](http://www.seloil.com).

### Loans, Guarantees or Investments

The Company has not given any loan or guarantee or provided securities during the year 2019-20 which may attract the provisions of Section 186 of the Companies Act, 2013, however details of investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements provided in this Annual Report.

### Deposits

No Deposits had been accepted by the Company during the year under report. Further, the Company also did not have any deposits remaining unpaid or unclaimed at the end of the year.

### Internal Financial Controls and their adequacy

In compliance with the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a 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 Audit Committee evaluates the internal financial control systems periodically and ensures that 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.

### Significant and Material orders passed by the Regulators, Courts, Tribunals, Statutory or Quasi- Judicial bodies

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

### Women Empowerment

SELAN's 'Policy on Prevention of Sexual Harassment of Women at Workplace' is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints received by the Company. 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. Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. We affirm that adequate access would be provided to any complainant who wished to register a complaint under the Policy. During the year under review, the Company has not received any complaint under the Policy.

### Audit Committee

The Audit Committee comprises of five members, out of which four 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. Mr. M. Singh, Chairman of the committee during the financial year has adequate financial and accounting knowledge.

### CEO / CFO Certification

Mr. R. Kapur, Whole-Time Director and Mr. V. Kirpal, CFO of the Company have certified to the Board that all the requirements of the SEBI (LODR) Regulations, 2015, inter- alia, dealing with the review of Financial Statements and Cash Flow Statement for the year ended 31 March 2020, 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 systems 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. 52 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 2020 and the date of this report.

The outbreak of Covid-19 (Coronavirus) has been posing a very big challenge not only to the individuals but also to the businesses worldwide. It has impacted the Global Economy unprecedentedly by creating an all round scare, uncertainty and exposing the entire business ecosystem to risks. As a consequence there has been a sudden and rapid drop in demand of products & services as safety & survival come to the core in this pandemic.

The Company has also been facing the challenges due to the Covid-19 and consequent lockdown situation. A brief of the challenges being faced are as follows:

- a) Getting the Field Labour to attend field work and to keep them healthy and safe.

- b) Obtaining timely tanker services to ensure crude transportation to custody transfer point of ONGC.
- c) Challenges in the timely supply of material and services for continued & uninterrupted operations during the ongoing lockdown situation.
- d) Low capacity utilization by the Indian Oil Corporation Limited (IOCL) refinery due to drop in demand with a potential cut in the crude offtake.
- e) Challenges being faced by gas buyers of the Company in obtaining the raw material and chemicals affecting their ability to offtake allotted quantities of gas. Further, due to drop in demand, their customers not picking up the finished product resulting in stock piles.
- f) With a view to mitigate the challenges described above and to ensure continued oilfield operations, the Company has decided to scale down operations. The impact of these actions will be felt in F.Y. 2020–21, with possibly lower production and profitability. Further, keeping the safety of people and operations paramount, the Company undertook a series of preventive measures to minimize or nullify the potential impact of Covid-19 situation on business continuity.

### General Information

Please refer to the Management Discussion and Analysis section of this Annual Report.

### Capital Structure

The Company has bought back 1,200,000 equity shares from the shareholders during the buyback period due to which the paid-up equity share capital of the Company stood at ₹ 1,520 lakh (Rupees Fifteen Crore and Twenty Lakh Only) consisting of 152 lakh equity shares of face value of ₹ 10/- each as on 31 March 2020.

The Company has not issued any equity shares or preference shares or any securities which carry a right or option to convert such securities into shares, employee stock options, debentures, bonds or any non-convertible securities, warrants, etc.

### Corporate Social Responsibility

Selan as a responsible Corporate is committed to drive 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 environmental conscience, so as to ensure sustainable development, safe work places and enrichment of life of employees, clients and the community. The Company has in place a CSR Policy in line with Schedule VII of the Companies Act, 2013 and is available at the Company's website [www.selanoil.com](http://www.selanoil.com). 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.

### Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### GENERAL DISCLOSURES

1. Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:
  - (a) Issue of shares or other convertible securities.
  - (b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
  - (c) Issue of equity shares (including sweat equity shares and employee stock options) to employees of the Company, under any scheme.
  - (d) Issue of debentures, bonds, warrants or any other non-convertible securities.

2. The Company does not have any subsidiaries. Hence, Whole-time Director of the Company did not receive any remuneration or commission during the year, from any of its subsidiaries.
3. The Company has not revised its Financial Statement and Report during the three preceding financial years.
4. There are no applications filed for corporate insolvency process, by a financial or operational creditor or by the company itself under the Insolvency and Bankruptcy Code, 2016 before the NCLT.
5. The Company has not obtained any credit rating from any credit rating agency.
6. Disclosures relating to Subsidiaries, Associates and Joint Ventures – Not Applicable.
7. The Company has not commenced any new business nor discontinued / sold or disposed off its existing business.
8. Currently, the Company operates in only one Business Segment that is Production of Crude Oil and Natural Gas. There is no change in the status of the Company and financial year.
9. The Company has not made any acquisition, merger, expansion, modernization or diversification and there is no development or acquisition or assignment of material Intellectual Property Rights.
10. No material event has taken place which has impact on the affairs of the Company except the impact of Covid -19 pandemic.
11. During the financial year ended 31 March 2020, securities of the Company have not been suspended from trading on any of the Stock Exchanges where they are listed.
12. Company has obtained a certificate from Mr. Nityanand Singh, Company Secretary in practice confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

### 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 is provided in Annexure - D.

### Appreciation

The Directors hereby wish to place on record the enthusiasm and unstinting 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. SELAN 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 rendered 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

R. KAPUR  
Chairman  
(DIN : 00017172)

Place : New Delhi  
Date : 18 July 2020



## 1. Industry Structure and Developments

India is one of the fastest growing major economy in the world and will remain so for years to come. Oil and Gas sector is one of the driving forces in the functioning of the economy. The value addition is made through improvements in process capability, casting yields, resource utilization, efficiency and development of new business opportunities. The Company focusses on production enhancement as well as encourages collaboration among the industry, investors, service providers and consultants to bring in new technology, cost and operational efficiency. With continued focus on high technology and improving efficiency, Company is likely to achieve its production targets. Selan is committed to active development of its field operations and maximize its ultimate recovery.

Hon'ble Prime Minister Shri Narendra Modi and the US President Mr. Donald Trump have had excellent discussion on India – US bilateral relations. Due emphasis was given on the importance of further strengthening the energy pillar of the bilateral strategic partnership. Shri Dharmendra Pradhan, Minister of Petroleum & Natural Gas, in an event said that it is a significant development that US is emerging as the 6th largest source for crude oil imports and India is also now the 4th largest export destination for US crude. Being positive about the relations of the two countries, he talked about India's bilateral hydrocarbon trade which has increased remarkably during the last three years, and it touched US \$7.7 billion mark last year, accounting for 11% of total two-way trade. These developments are reflective of a new and emerging dynamic between the two countries.

Policy framework on reforms in exploration and licensing sector has been approved by the Government for enhancing domestic exploration and production of oil and gas. The decision of the Government signals a paradigm shift in the core goal moving from revenue-maximization to production-maximization, with focus on exploration. This will incentivize increased investment and production. India imports a large proportion of its crude oil and gas requirements to meet the exploding energy needs of its vast population. It is in this context and in line to the vision of our Hon'ble Prime Minister to cut down India's import dependence for domestic energy needs by 10% in the near future, the Ministry has introduced landmark changes in the Indian Upstream E&P sector by launching a slew of policy initiatives. The launch of Discovered Small Fields (DSF) Policy and Hydrocarbon Exploration and Licensing Policy are a few to name. This new policy framework is characterized by progressive features such as uniform license for all forms of hydrocarbons, low regulatory burden through revenue sharing model, easy entry through DSF, marketing and pricing freedom for all the oil and gas produced so as to ensure a level playing field for the global investor community. Continuing reforms in the oil and gas sector include further simplification of approval processes with measures to be initiated for promoting ease of doing business through setting up coordination mechanism and simplification of approval of DGH, alternate dispute resolution mechanism etc. With a stable political regime in place, backed by strong economic fundamentals, the country is expected to move forward with more reforms in the oil and gas sector and set the direction for future economic growth.

At Selan, we view these developments positively and consider them to be opportunities for us to leverage our potential and contribute to the Nation's energy security in a meaningful way.

## 2. Outlook

The Government of India and Selan signed Production Sharing Contracts (PSCs) in 1995 for Bakrol, Indrora and Lohar oilfields. Further, Ministry of Petroleum and Natural Gas (MoPNG) also awarded Contracts for the Karjisan field and the Ognaj oilfield to the Company in 2004. The Company has most recently received a 10 year extension of PSCs of Bakrol and Lohar oilfields. The PSC for Indrora field expired on 12 March 2020. The Company had initially applied for an extension of the PSC, however, considering techno – economic reasons, the Company decided not to pursue the said extension. DGH and MoPNG have written to the Company that on expiry of the PSC, the field should be handed over to ONGC. This process completed on 12 March 2020.

The Company has made ongoing efforts to strengthen its management team. Selan is also committed to making investments in technology and drilling as necessary. The Company is actively pursuing various reservoir

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

## 3. Segment-wise Performance

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

## 4. Operations and Financial Review

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

## 5. Risks and Concerns

### (i) Business Risks

Oil and gas sector is a high yielding sector that involves equally high risks. Data acquired for seismic evaluation of oilfields & reservoir modeling involves interpretation by technologically advanced software and equipment which is highly capital intensive and is largely 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 interpretation of data is done by using highly sophisticated and technologically advanced systems. However, the results may still be quite unpredictable.

A key aspect of oil and gas Company's strategic planning and decision making is the varying amounts of risk inherent in the available asset investment options. Extending the production of old fields often entails making significant investment in existing pipelines, platforms and hubs to extend their lives. This is also an issue for many new small fields, which require access to existing infrastructure if they are to develop economically. Without investment, this key infrastructure will be decommissioned earlier than necessary, potentially meaning recoverable resources are left stranded.

The entire oil and gas value chain requires much more capital than labour to produce results, so it is termed capital-intensive industry. Oil and gas production is highly capital intensive and so the tax treatment of capital expenditure is a key element of the regime.

The hydrocarbon business is a high investment, high risk with long gestation periods. 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. The uneven nature of production is part of what makes the prices of oil and gas so volatile. Other economic factors also play into this, as financial Crises and macroeconomic factors can dry up capital or otherwise affect the industry independently of the usual price risks.

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 and gas prices as well as in the dollar value of the rupee is another factor which adds to the unpredictability of profits and is constant threat of revenue loss in this industry.

### (ii) Project Constraints

Natural ageing of existing equipment and facilities like SRPs, tubings, pipelines, etc. and changing technologies pose a risk as aged facilities are prone to increased maintenance, increased operating costs and at times shutdown. 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. The cost of operating in the basin have risen significantly over recent years.

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. In view of the rapid town planning and urbanization activities in and around Ognaj block area and consequent impossibility to gain access to land as well as high risk to urbanized areas developed around Ognaj block, it had become impossible for the Company to undertake any further operations in the block. Therefore, the Company is left with no choice but to abandon the operations and surrender the block.

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 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 the Government. Government has taken a series of policy decisions to promote exploration and production of oil and gas, and to remove obstacles to investment and incentivize oil and gas sector on the lines of ease of doing business, 'minimum government, maximum governance' and promote Make in India initiative. Our focus on efficiency, cost control and operational excellence will yield results during the year as we build a strong foundation for our next phase of growth. New methods and new sources of oil and gas are driving productivity in the oil and gas industry.

Volatility in global oil and gas prices pose a constant threat of revenue loss as the revenue is directly driven by the market price. 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**

Reasonable assurance of the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations help ensure that Selan's Corporate Governance structure is robust. Together, our management systems, organizational structures, processes, standards and Code of Conduct and Ethics form the system of internal control that governs how the Company conducts its business and manages the associated risks. The Board has ultimate responsibility for the management of risks and for ensuring the effectiveness of internal control systems. This system forms an integral part of the entire cycle of planning, budgeting, management, accounting and auditing. It is a proactive methodology to control and mitigate risks and 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 controls are designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. We treasure integrity and transparency as the core value in all our business dealings. We have dedicated Internal Auditors who make sure that transactions are taking place under due authority / power and 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. During the year, due care has been exercised by the Company with respect to all the requirements of the Company Law and SEBI (LODR) Regulations, 2015.

**8. Human Resources Development / Industrial Relations**

Selan understands that Human Resource refers to the talents and energies of people and respect and trust is a prerequisite for dealing with

people. SELAN has always considered its employees as its key resource and the major driving force behind the performance and success of the Company. Selan promotes a good work morale and encourages its employees to show their co-workers and others appropriate respect, tolerance, harmony and a pleasant manner. Human Resource Development is a continuous process and building of managerial and technical competencies is an area of constant focus. 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 28 employees as on 31 March 2020. We constantly strive to improve our operations, integrate our business through the value chain and optimize our performance through operational efficiencies and innovative technological solutions. We employ these tools to further ensure that our operations have a positive impact on our stakeholders and more broadly on society.

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.

**10. Details of significant changes in Key Financial Ratios, alongwith detailed explanations, therefore, including:**

Particulars	2020	2019
Current Ratio	18.06x	27.15x
Average Collection Period (in days)	69	70
Inventory Turnover Ratio	13.51x	10.46x
Operating Margin (%)	39.38%	48.12%
Net Profit Margin (%)	23.68%	53.30%
Basic Earning Per Share	14.64	31.54
PE Ratio	4.7	5.7

- (a) Current Ratio has decreased due to increase in provision for payment to service providers as compared to previous year.
- (b) Inventory Turnover ratio has increased due to increase in cost of goods sold in fiscal 2020 as compared to fiscal 2019.
- (c) Current year's profits from continuing operations (EBIT) at ₹ 3,731.70 Lakhs being 19.76% lower than previous year's ₹ 4,650.58 Lakhs due to lower oil prices and an increase in operating costs.
- (d) Net profit after tax at ₹ 2,243.54 Lakhs was 56.44% lower as compared to previous year's ₹ 5,151.16 Lakhs due to decrease in current year profits as per (c) above and impairment loss of Development cost of Hydrocarbon properties (DHP).
- (e) Price Earning ratio is computed as share price divided by basic earnings per share. PE ratio has decreased on account of decrease in market price of share and decrease in Basic EPS on fiscal 2020 to fiscal 2019.

**11. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

Particulars	2020	2019
Return on Net Worth	6.87%	16.6%

Return on net worth is computed as net profit by average net worth. Net Profit has decreased from ₹ 5,151.16 Lakhs to ₹ 2,243.54 Lakhs as explained above.

# 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 SEBI (LODR) 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 Committee Memberships in other Companies		Attendance in Board Meetings#	Attendance in Last AGM
		Chairman	Member		
R. Kapur DIN : 00017172	Chairman related to Promoter and Whole -Time Director	-	-	11	Yes
S. Bhagwati Dalal DIN : 01105028	Non-Executive and Independent Director	-	02	02	No
T. Currimbhoy* DIN : 00729714	Non – Executive and Independent Director	-	-	02	No
D. J. Corbishley* DIN : 06515723	Non – Executive and Independent Director	-	-	02	Yes
M. Singh DIN : 07585638	Non – Executive and Independent Director	-	-	07	Yes
R. S. Sidhu DIN : 00121906	Non – Executive and Independent Director	-	-	07	Yes

\* Foreign Directors

# including meeting(s) attended through Video Conference.

- None of the Director is related to the other Directors.

b) Core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as follows :

Sr. No.	Core skills / expertise / competencies	Name of Directors					
		D. J. Corbishley	M. Singh	R. Kapur	R.S. Sidhu	S. Bhagwati Dalal	T. Currimbhoy
1.	Vision: The Company's Directors are visionary leaders who always see the big picture. They are able to inspire the employees to emulate them and perform at optimum levels.	✓	✓	✓	✓	✓	✓
2.	Calculated Risk Factor: The Directors have the ability to recognize when it makes sense to take a risk and when that risk can be worth it.		✓	✓	✓		✓
3.	The Directors have effective leadership qualities.		✓	✓	✓		✓
4.	They are Action oriented.	✓	✓	✓	✓	✓	✓
5.	The Company has Board with strong ethics.	✓	✓	✓	✓	✓	✓

• In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

• No Independent Director has resigned before the expiry of his tenure.

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

There were eleven Board Meetings held during the financial year 2019-20. The dates on which the meetings were held are : 15 April 2019, 20 April 2019, 29 May 2019, 05 July 2019, 10 August 2019, 18 September 2019, 11 October 2019, 09 November 2019, 20 December 2019, 18 January 2020 and 08 February 2020. Maximum time gap between two consecutive meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

d) Directors' Shareholding

Details of Directors' Shareholding in the Company as on 31 March 2020 are as follows:

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

Non-executive Directors do not hold any shares in the Company.

e) Other listed entities where Director of the Company is a Director

Name of Director	Name of other listed entities
S. Bhagwati Dalal	Greenply Industries Limited (Non – Executive and Independent Director)
	Greenlam Industries Limited (Non – Executive and Independent Director)

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

f) 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 2019-20 have been disclosed on the website of the Company at <http://www.seloil.com/wp-content/uploads/2019/11/Familiarisation-Programme-for-Independent-Directors.pdf>

3. Committees of the Board

The Company has constituted various Committees for smooth functioning of the Board. The composition of all the Committees is in accordance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

(a) Audit Committee

The Audit Committee comprises of five members, out of which four are Non-Executive and Independent Directors, including the Chairman. Four meetings of Audit Committee were held during the year viz. on 29 May 2019, 10 August 2019, 09 November 2019 and 08 February 2020. The composition of the Committee and details of their attendance at the meetings is as follows :

Name of Director	Number of Meetings	
	Held	Attended
M. Singh (Chairman)	4	4
D. J. Corbishley	4	1
R. Kapur	4	4
T. Currimbhoy	4	3
R. S. Sidhu (w.e.f. 01.08.2019)	3	3

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 systems.
- The detailed terms of reference of Audit Committee covers the areas mentioned under Part C of Schedule II of the SEBI (LODR) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

(b) 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 (LODR) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. The Committee met four times during the year on 10 April 2019, 09 November 2019, 20 December 2019 and 18 January 2020. 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)	4	-
T. Currimbhoy	4	1
R. Kapur	4	4
M. Singh	4	1

Performance Evaluation

As stipulated by the Code of Independent Directors under the Companies Act, 2013, and the SEBI (LODR) Regulations, 2015, Annual Evaluation was conducted by the Board of its own performance and that of its Committees and Individual Directors. A Separate Meeting of Independent Directors was held on 08 February 2020 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.

Remuneration of Directors

- There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the Financial Year 2019-20 excluding Dr. D. J. Corbishley, Non-Executive Director who was paid Consultancy Fee as disclosed in Note No. 47.
- 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. 47 of Notes on Accounts. Details of remuneration of Directors for the year ended 31 March 2020 are as follows:

(in ₹)

Name of Director	Salary, Allowances & Perquisites	Sitting Fees paid	Total
S. Bhagwati Dalal	-	100,000	100,000
D. J. Corbishley	-	100,000	100,000
T. Currimbhoy	-	300,000	300,000
M. Singh	-	800,000	800,000
R. S. Sidhu	-	700,000	700,000

(c) Stakeholders Relationship Committee

The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The Committee met once during the year on 08 February 2020. The Stakeholder Relationship Committee comprises of four members, out of which three are Non-Executive and Independent Directors, including the Chairman of the



committee. The composition of the Committee and details of their attendance at the meetings is as follows :

Name of Director	Number of Meetings	
	Held	Attended
M. Singh (Chairman)	1	1
D. J. Corbishley	1	-
R. Kapur	1	1
R. S. Sidhu	1	1

Following are the details of Complaints received during the year:

Particulars	As on 31 March 2020
No. of shareholders' complaints received	01
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 SEBI (LODR) Regulations, 2015.

#### Compliance Officer

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

#### (d) Corporate Social Responsibility Committee

Please refer to the Annexure -C of this Report.

#### (e) Buyback Committee

The Board has established a Buyback Committee comprising of Mr. M. Singh as Chairman and Mr. R. Kapur, Mr. R. S. Sidhu and Mr. V. Kirpal as members to review the Buyback programme undertaken by the Company. The Committee met once during the year on 05 July 2019 and Mr. R. Kapur and Mr. V. Kirpal were present at the meeting.

#### f) Investment Committee

The Board has established an Investment Committee comprising of Mr. V. Kirpal as Chairman and Mr. M. Singh, Mr. R.S. Sidhu and Mr. R. Kapur as members to review the investments undertaken by the Company. The composition of the Committee and details of their attendance at the meetings is as follows :

Name of Director	Number of Meetings	
	Held	Attended
V. Kirpal (Chairman)	3	2
R. Kapur	3	3
M. Singh	3	1
R. S. Sidhu	3	2

#### 4. General Body Meetings

a) Location and time for last three Annual General Meetings were :

Year	AGM	Location	Date	Time
2016-17	AGM	Ashok Country Resort, New Delhi	10.08.2017	10:00 a.m.
2017-18	AGM	Ashok Country Resort, New Delhi	12.07.2018	10:00 a.m.
2018-19	AGM	Ashok Country Resort, New Delhi	18.09.2019	10:00 a.m.

b) Whether any Special Resolutions (SR) passed in the previous three AGMs : Yes

- c) Whether any Special Resolution passed last year through postal ballot : None  
d) Whether any Special Resolution is proposed to be conducted through postal ballot : No

#### 5. 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 is available on website of the Company
f)	NEAPS and BSE (listing centre)	Periodical and event based compliance filings
g)	SCORES	Portal for investors' complaints

#### 6. General Shareholder Information

a) Annual General Meeting :

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

b) - Financial Year :

The Financial Year under review covers the period from 01 April 2019 to 31 March 2020.

- Calendar for financial year 2020-21 (tentative)

Annual General Meeting to be decided

Results for quarter ending 30 June 2020 Second week of August, 2020

Results for quarter ending 30 September 2020 Second week of November, 2020

Results for quarter ending 31 December 2020 Second week of February, 2021

Results for quarter ending 31 March 2021 Fourth week of May, 2021

c) Dividend :

During the year 2019-20, 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 04 March 2020. This is now being put for approval of the shareholders as final dividend for the year 2019-20 at the forthcoming AGM.

d) Details of Stock Exchanges :

Stock Exchanges	Stock Code
BSE Ltd. (BSE) 25th Floor, P.J. Towers, Dalal Street, Mumbai - 400 001	530075
National Stock Exchange of India Limited (NSE) 5th Floor, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	SELAN

The Company had paid the requisite Annual Listing Fees to the Stock Exchanges.

e) Stock Market Data :

National Stock Exchange (NSE)				
Month	Share Price (in ₹)		Nifty	
	High	Low	High	Low
Apr 2019	196.90	180.05	11,856.15	11,549.10
May 2019	188.70	164.30	12,041.15	11,108.30
Jun 2019	180.00	167.65	12,103.05	11,625.10
Jul 2019	178.75	144.30	11,981.75	10,999.40
Aug 2019	154.95	127.65	11,181.45	10,637.15
Sep 2019	165.00	128.65	11,694.85	10,670.25
Oct 2019	146.00	130.10	11,945.00	11,090.15
Nov 2019	177.00	137.00	12,158.80	11,802.65
Dec 2019	165.80	134.20	12,293.90	11,832.30
Jan 2020	181.70	141.60	12,430.50	11,929.60
Feb 2020	145.00	111.00	12,246.70	11,175.05
Mar 2020	120.00	62.00	11,433.00	7,511.10

(BSE)				
Month	Share Price (in ₹)		SENSEX	
	High	Low	High	Low
Apr 2019	197.00	181.00	39,487.45	38,460.25
May 2019	188.00	167.30	40,124.96	36,956.10
Jun 2019	185.00	167.25	40,312.07	38,870.96
Jul 2019	181.00	145.10	40,032.41	37,128.26
Aug 2019	153.85	128.10	37,807.55	36,102.35
Sep 2019	165.00	129.90	39,441.12	35,987.80
Oct 2019	144.00	130.25	40,392.22	37,415.83
Nov 2019	174.95	137.35	41,163.79	40,014.23
Dec 2019	165.95	128.80	41,809.96	40,135.37
Jan 2020	181.00	142.20	42,273.87	40,476.55
Feb 2020	148.00	111.05	41,709.30	38,219.97
Mar 2020	117.95	62.35	39,083.17	25,638.90

f) During the period i.e. 01 April 2019 to 31 March 2020, Selan's stock price on NSE fell by 63.76% and by 63.47% on BSE, whereas NSE (NIFTY) fell by 26.32% and BSE (Sensex) fell by 24.19%.

g) 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

h) Share Transfer System :

Except in the case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

i) Distribution of shareholding as on 31 March 2020

Category	No. of Shares Held as on 31.03.2020	% Holding
Promoters :		
- Indian	4,487,000	29.53
- Foreign	86,846	0.57
Mutual Funds / AIF	326,310	2.15
Financial Institution / Banks	0	0.00
Foreign Institutional Investors / FPI	366,472	2.21
Private Corporate Bodies	1,087,251	7.15
Indian Public	8,125,990	53.4

Category	No. of Shares Held as on 31.03.2020	% Holding
Trusts and Foundations	4,850	0.03
NRIs / OCBs	588,935	3.87
NBFCs	9,700	0.06
IEPF	116,646	0.78
GRAND TOTAL	15,200,000	100.00

Note : The outstanding share capital as on 31 March 2020 is after considering extinguishment of 700,000 equity shares pursuant to Buyback.

j) Dematerialization of shares:

97.39% of the outstanding shares have been dematerialized upto 31 March 2020.

k) 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.

l) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity : Not Applicable.

m) 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.

n) Field Locations :

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

The Production Sharing Contract (PSC) for Indrora field expired on 12 March 2020 and the field was handed over to ONGC.

o) Address for Correspondence :

- For transmission or transposition of physical shares, request for dematerialisation of shares, change 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

7. 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. 47 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/wp-content/uploads/2019/02/Related-Party-Transaction-Policy.pdf>
- g) Disclosure of Commodity price risks and commodity hedging activities : The Company has not undertaken any hedging activities.
- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) : Not Applicable
- i) A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority: Duly enclosed as Annexure- E
- j) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year : The Board has accepted all recommendations of Committees of the Board.
- k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part: ₹15.10 lakhs per annum.
- (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Number of complaints filed during the financial year : Nil
  - Number of complaints disposed of during the financial year : Nil
  - Number of complaints pending as on end of the financial year : Nil
8. There has been no instance of non-compliance of any requirement of Corporate Governance Report.
9. **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

as the Quarterly financial results are displayed on the Company's website.

- There are no audit qualifications for the year under review.
- The Internal Auditor reports directly to the Audit Committee.

10. 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 SEBI (LODR) Regulations, 2015.

11. 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 2020, 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 : 18 July 2020

R. Kapur  
Whole-Time Director

#### **Auditors' Certificate on Corporate Governance**

To the Members of Selan Exploration Technology Limited

- 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 2020, as stipulated in Schedule V(C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
- 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.
- 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 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.
- 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)

Place : New Delhi  
Date : 18 July 2020

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

**Form No. MR-3****Annexure - A****SECRETARIAL AUDIT REPORT****For The Financial Year Ended 31st March, 2020**

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

To,  
The Members  
Selan Exploration Technology Limited  
J- 47/1, SHYAM VIHAR, DINDARPUR,  
NAJAFGARH NEW DELHI-110043

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 compliance 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 period for the financial year ended on 31st March, 2020, 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 on 31st March, 2020, 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, 2018;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - e. 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;
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- g. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- 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.
  - 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.

- VII. Management has, in its Representation Letter, identified and confirmed the applicability and compliance of all laws as being specifically applicable to the company, relating to Labour/ Pollution/Environment/Production process etc, apart from other general laws.

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

- i) Mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) Listing Agreements entered into by the Company with Stock Exchanges.

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, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had declared an interim dividend of ₹ 5 per equity share of ₹ 10 each fully paid up (50% of Face Value) for FY 2019-20 amounting to ₹ 76,000,000 (excluding tax on dividend).

We further report that during the audit period, the Company had made a Buy-Back of 630,000 equity shares up to 31 March 2020 and all the shares have been extinguished as at 31 March 2020. The Company has also extinguished 70,000 equity shares bought back in the financial year 2018-19. The Issued and paid up capital of the Company after extinguishment stands reduced to ₹ 152,000,000/- comprising of 15,200,000 Equity shares of ₹ 10/- each. The Company has closed

the Buy-Back with effect from 05 July 2019 after the closure of trading hours. The said event deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

There has been no instance of:

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

For Nityanand Singh & Co.,  
Company Secretaries

Place: New Delhi  
Date: 29 June 2020

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

## Form No. MGT - 9 EXTRACT OF ANNUAL RETURN

Annexure - B

for the financial year ended on 31 March 2020

[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	88%
2	Extraction of Natural Gas	062	12%

### 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 2019				No. of shares held on 31 March 2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
Individual/HUF	2,986,000	-	2,986,000	18.2073	2,986,000	-	2,986,000	19.6447	1.4374
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	1,501,000	-	1,501,000	9.1524	1,501,000	-	1,501,000	9.8750	0.7226
Banks/Financial institutions	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>4,487,000</b>	<b>-</b>	<b>4,487,000</b>	<b>27.3597</b>	<b>4,487,000</b>	<b>-</b>	<b>4,487,000</b>	<b>29.5197</b>	<b>2.1600</b>



## SELAN EXPLORATION TECHNOLOGY LIMITED

Category of Shareholders	No. of shares held on 01 April 2019				No. of shares held on 31 March 2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Foreign									
NRIs - Individuals	86,846	-	86,846	0.5295	86,846	0	86,846	0.5714	0.0418
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A)(2)</b>	<b>86,846</b>	<b>-</b>	<b>86,846</b>	<b>0.5295</b>	<b>86,846</b>	<b>-</b>	<b>86,846</b>	<b>0.5714</b>	<b>0.0418</b>
<b>Total shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>4,573,846</b>	<b>-</b>	<b>4,573,846</b>	<b>27.8892</b>	<b>4,573,846</b>	<b>-</b>	<b>4,573,846</b>	<b>30.0911</b>	<b>2.2018</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
Mutual Funds	40,882	-	40,882	0.2571	36,692	-	36,692	0.2414	(0.0157)
Banks/ Financial Institutions	14,391	-	14,391	0.0905	-	-	-	-	(0.0905)
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII/ FPI	366,473	-	366,473	2.3049	366,472	-	366,472	2.4110	0.1061
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others- (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	289,618	-	289,618	1.8215	289,618	-	289,618	1.9054	0.0839
<b>Sub-total (B)(1)</b>	<b>711,364</b>	<b>-</b>	<b>711,364</b>	<b>4.4740</b>	<b>692,782</b>	<b>-</b>	<b>692,782</b>	<b>4.5578</b>	<b>0.0838</b>
(2) Non-Institutions									
(a) Bodies Corporate	1,429,942	-	1,429,942	8.99	1,087,251	-	1,087,251	7.1530	(1.8404)
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	5,902,567	347,419	6,249,986	39.3081	5,529,284	318,910	5,848,194	38.4750	(0.8331)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,158,335	28,886	2,187,221	13.7561	2,248,910	28,886	2,277,796	14.9855	1.2294
(c) Others (Specify)									
NBFC	19,700	-	19,700	0.12	9,700	-	9,700	0.0638	(0.0601)
Trusts & Foundations	4,850	-	4,850	0.03	4,850	-	4,850	0.0319	0.0014
Non Resident Individual	598,654	7,131	605,785	3.81	541,690	46,585	588,275	3.8702	0.0603
OCB	-	660	660	0.00	-	660	660	0.0043	0.0002
IEPF	116,646	-	116,646	0.73	116,646	-	116,646	0.7674	0.0338
<b>Sub-total (B)(2)</b>	<b>10,230,694</b>	<b>384,096</b>	<b>10,614,790</b>	<b>66.76</b>	<b>9,538,331</b>	<b>395,041</b>	<b>9,933,372</b>	<b>65.3511</b>	<b>(1.4086)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>10,942,058</b>	<b>384,096</b>	<b>11,326,154</b>	<b>71.23</b>	<b>10,231,113</b>	<b>395,041</b>	<b>10,626,154</b>	<b>66.83</b>	<b>(4.4025)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>15,515,904</b>	<b>384,096</b>	<b>15,900,000</b>	<b>100</b>	<b>14,804,959</b>	<b>395,041</b>	<b>15,200,000</b>	<b>100</b>	<b>-</b>

Note : The outstanding share capital as on 31 March 2020 is after considering extinguishment of 700,000 equity shares pursuant to buyback.



**(ii) Shareholding of Promoters**

Shareholder's Name	No. of shares held on 01 April 2019			No. of shares held on 31 March 2020			% 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	9.4403	-	1,501,000	9.8750	-	0.4347
Raj Kapur	1,206,000	7.5849	-	1,206,000	7.9342	-	0.3493
R. Kapur	86,846	0.5462	-	86,846	0.5714	-	0.0252
Rohini Kapur	1,780,000	11.1950	-	1,780,000	11.7105	-	0.5156
<b>Total</b>	<b>4,573,846</b>	<b>28.7663</b>	<b>-</b>	<b>4,573,846</b>	<b>30.0911</b>	<b>-</b>	<b>1.3248</b>

**(iii) Change in Promoters' Shareholding**

Shareholder's Name	Shareholding at the beginning of the year		Date / Week Traded	Increase/ Decrease in Shareholding	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	9.4403	-	0	No Change	1,501,000	9.8750	1,501,000	9.8750
Raj Kapur	1,206,000	7.5849	-	0	No Change	1,206,000	7.9342	1,206,000	7.9342
R. Kapur	86,846	0.5462	-	0	No Change	86,846	0.5714	86,846	0.5714
Rohini Kapur	1,780,000	11.1950	-	0	No Change	1,780,000	11.7105	1,780,000	11.7105

**(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 Shareholding	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	289,618	1.8215	-	-	No Change	289,618	1.8215	289,618	1.9054
Esvee Capital	219,619	1.3813	-	-	No Change	219,619	1.4449	219,618	1.4449
Kimi Business Investments Advisors LLP	0	0.0000	02.08.2019	6,410	Purchase	6,410	0.0422	161,950	1.0655
			09.08.2019	57,470	Purchase	63,880	0.4203		
			16.08.2019	23,381	Purchase	87,261	0.5741		
			23.08.2019	50,438	Purchase	137,699	0.9059		
			30.08.2019	19,245	Purchase	156,944	1.0325		
			27.09.2019	665	Purchase	157,609	1.0369		
			06.03.2020	4,341	Purchase	161,950	1.0655		
Nandi Cylinders Pvt Ltd.	150,000	0.9434	-	-	No Change	150,000	0.9868	150,000	0.9868
Tarra Fund	146,853	0.9236	-	-	No Change	146,853	0.9661	146,853	0.9661
Paulastya Sachdev	136,000	0.8553	08.11.2019	(8,000)	Sale	128,000	0.8421	114,000	0.7500
			03.01.2020	(14,000)	Sale	114,000	0.7500		
Satish Kumar Subbiah	112,000	0.7044	-	-	No Change	112,000	0.7368	112,000	0.7368

Venkattu Srinivasan	34,940	0.2197	05.04.2019	(495)	Sale	34,445	0.2266		
			12.04.2019	(1,576)	Sale	32,869	0.2162		
			17.05.2019	6,632	Purchase	39,501	0.2599		
			24.05.2019	4,178	Purchase	43,679	0.2874		
			31.05.2019	107	Purchase	43,786	0.2881		
			14.06.2019	1,770	Purchase	45,556	0.2997		
			21.06.2019	10,305	Purchase	55,861	0.3675		
			28.06.2019	2,000	Purchase	57,861	0.3807		
			12.07.2019	1,000	Purchase	58,861	0.3872		
			19.07.2019	1,000	Purchase	59,861	0.3938		
			26.07.2019	2,986	Purchase	62,847	0.4135		
			02.08.2019	500	Purchase	63,347	0.4168		
			09.08.2019	1,000	Purchase	64,347	0.4233		
			13.09.2019	7,941	Purchase	72,288	0.4756		
			11.01.2019	9,650	Purchase	81,938	0.5391		
			18.10.2019	5,274	Purchase	87,212	0.5738		
			25.10.2019	1000	Purchase	88,212	0.5803		
			22.11.2019	(200)	Sale	88,012	0.5790		
			27.12.2019	849	Purchase	88,861	0.5846		
			31.01.2020	(3,191)	Sale	85,670	0.5636		
06.03.2020	13,998	Purchase	99,668	0.6557					
13.03.2020	1100	Purchase	100,768	0.6629					
20.03.2019	881	Purchase	101,649	0.6687					
27.03.2020	200	Purchase	101,849	0.6701	101,849	0.6701			
Sanghvi Cylinders Private Limited	94,177	0.5923	-	-	No Change	94,177	0.6196	94,177	0.6196
Prescient Securities Private Limited	89,100	0.5604	-	-	No Change	89,100	0.5862	89,100	0.5862
Shital Raghu Kataria	79,492	0.4999	-	-	No Change	79,492	0.5230	79,492	0.5230

Note : Difference in percentage at the end of the year is due to Buyback of the Company.

**(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 Shareholding	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	0.5462	-	-	No Change	86,846	0.5714	86,846	0.5714
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) <sup>(a)</sup>					NONE				
V. Kirpal (CFO) <sup>(b)</sup>					NONE				
Pooja Agnihotri (CS) <sup>(c)</sup>					NONE				
Vinni Gupta (CS) <sup>(d)</sup>					NONE				

(a) Ceased to be the Manager w.e.f. 01 October 2019.

(b) Appointed as the CFO w.e.f. 01 April 2019.

(c) Ceased to be the CS w.e.f. 12 October 2019.

(d) Ceased to be the CS w.e.f. 30 November 2019.



## 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	64.38	-	-	64.38
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.48	-	-	0.48
Total (i+ii+iii)	64.86	NIL	NIL	64.86
Change in Indebtedness during the financial year				
+ Addition		-	-	-
- Reduction	(12.85)	-	-	(12.85)
Net Change	(12.85)	-	-	(12.85)
Indebtedness at the end of the financial year				
(i) Principal Amount	51.58	-	-	51.58
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.43	-	-	0.43
<b>Total (i+ii+iii)</b>	<b>52.01</b>	<b>-</b>	<b>-</b>	<b>52.01</b>

## 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 (01.4.2019 to 30.09.2019)	
Gross Salary			
a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	₹ 4,800,000	₹ 1,479,100	₹ 6,279,100
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	₹ 15,200,000	-	₹ 15,200,000
- as % of profit	4.97%	-	-
- others, specify	-	-	-
Others, please specify	-	-	-
Total (A)	₹ 20,000,000	₹ 1,479,100	₹ 21,479,100
Ceiling as per the Act	402,00,430 (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	
Fee for attending Board and Committee meetings	₹ 100,000	₹ 800,000	₹ 700,000	₹ 100,000	₹ 300,000	₹ 2,000,000
Commission	-	-	-	-	-	-
Others, (Consultancy fee)	₹ 493,000	-	-	-	-	₹ 493,000
Total	₹ 593,000	₹ 800,000	₹ 700,000	₹ 100,000	₹ 300,000	₹ 2,493,000

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

Particulars of Remuneration	Key Managerial Personnel			
	CFO	Company Secretary (Ms. Pooja Agnihotri) (29.05.2019 to 12.10.2019)	Company Secretary (Ms. Vinni Gupta) (09.11.2019 to 30.11.2019)	Total
Gross Salary				
a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	₹ 720,000	₹ 326,947	₹ 75,000	₹ 1,121,947
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	₹ 720,000	₹ 326,947	₹ 75,000	₹ 1,121,947

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](http://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. CSR Committee :**

The CSR Committee comprises of five members, out of which four are Non-Executive and Independent Directors, including the Chairman of the Committee. Three meetings of CSR Committee were held during the year viz. on 31 October, 2019, 18 January, 2020 and 08 February 2020. The composition of the Committee and details of their attendance at the meetings is as follows:

Name of Director	Number of Meetings	
	Held	Attended
T. Currimbhoy (Chairman)	3	2
S. Bhagwati Dalal	3	0
M. Singh	3	0
R. Kapur	3	3
R. S. Sidhu	3	1

**3. Average net profit of the Company for last three financial years – ₹ 340,792,369**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) – ₹ 6,815,847**

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

- (a) Total amount to be spent for the financial year- ₹ 6,815,847
- (b) Total amount spent during the year- ₹ 7,050,000
- (c) Amount unspent, if any- ₹ Nil

**The manner in which 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.	Apne Aap Women's collective	Women Empowerment	Mumbai	500,000	500,000	500,000	Through Implementing Agency
2.	Arpana Research & Charitable Trust	Women Empowerment	Haryana	100,000	100,000	100,000	Through Implementing Agency
3.	Catch Foundation	Environmental	Gujrat	100,000	100,000	100,000	Through Implementing Agency
4.	Centre for Fuel Studies and Research	Special Education	Vadodara	200,000	200,000	200,000	Through Implementing Agency
5.	Delhi Council for Child Welfare	Healthcare	Gurgaon	200,000	200,000	200,000	Through Implementing Agency
6.	D. P. Dhar Memorial Trust	Promoting Education	J & K	1,000,000	1,000,000	1,000,000	Through Implementing Agency
7.	Earth Saviours Foundation	Welfare of underprivileged people and protection of environment	Gurgaon	100,000	100,000	100,000	Through Implementing Agency
8.	Goa Heritage Action Group	Protection of National Heritage	Goa	100,000	100,000	100,000	Through Implementing Agency
9.	Happy School	Education, Promoting Healthcare	Gurgaon	200,000	200,000	200,000	Through Implementing Agency
10.	Immaculate Ideal Human Foundation	Art & culture	New Delhi	200,000	200,000	200,000	Through Implementing Agency

11.	IIMPACT	Education and Women Empowerment	Rajasthan	600,000	600,000	600,000	Through Implementing Agency
12.	Indian Cancer Society	Healthcare	New Delhi	100,000	100,000	100,000	Through Implementing Agency
13.	ISKCON	Hunger Eradication	Haryana	100,000	100,000	100,000	Through Implementing Agency
14.	Mumbai Story Tellers Society	Promote Education	Mumbai	300,000	300,000	300,000	Through Implementing Agency
15.	Nari Niketan Trust	Empowering Women	Jalandhar	100,000	100,000	100,000	Through Implementing Agency
16.	People for Animals Kasauli	Animal Welfare	Himachal Pradesh	100,000	100,000	100,000	Through Implementing Agency
17.	Reimaging Higher Education Foundation	Promoting Education	New Delhi	1,000,000	1,000,000	1,000,000	Through Implementing Agency
18.	Save Life Foundation	Healthcare	New Delhi	100,000	100,000	100,000	Through Implementing Agency
19.	Socio Demographic Society	Education, Women Empowerment and Healthcare	Rajasthan	500,000	500,000	500,000	Through Implementing Agency
20.	Shri Sevantilal Tribhovan Das Javeri Charitable Trust	Promoting Education	Gujarat	1,000,000	1,000,000	1,000,000	Through Implementing Agency
21.	Sri Shanmugananda Trust	Art & Culture, Healthcare	Mumbai	250,000	250,000	250,000	Through Implementing Agency
22.	The Association of the Uphaar Tragedy Victims	Disaster Relief	New Delhi	100,000	100,000	100,000	Through Implementing Agency
23.	Tirumala Tirupati Devasthanams	Hunger Eradication	Andhra Pradesh	100,000	100,000	100,000	Through Implementing Agency

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

Not Applicable - since full amount was spent during the year.

**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 : 18 July 2020

T. Currimbhoy  
Chairman CSR Committee  
DIN : 00729714

M. Singh  
Director  
DIN: 07585638

**Annexure - D**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**(i) Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial Year 2019-20, percentage increase in remuneration of the Chief Executive Officer, the Chief Financial Officer and other Executive Directors and the Company Secretary during the Financial Year 2019-20 :**

Sr. No.	Name of Director / KMP	Designation	Remuneration of Director/ KMP for FY 2019-20 (₹ In Lakhs)	Percentage increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/KMP to median remuneration of employees
1	S. B. Dalal <sup>(a)</sup>	Independent Director	-	-	-
2	T. Currimbhoy <sup>(a)</sup>	Independent Director	-	-	-
3	D. J. Corbishley <sup>(a)</sup>	Independent Director	4.93	25.54%	0.5633
4	M. Singh <sup>(a)</sup>	Independent Director	-	-	-
5	R. S. Sidhu <sup>(a)</sup>	Independent Director	-	-	-
6	R. Kapur	Whole -time Director	20	(28.57)%	22.8519
7	P. S. Oberoi <sup>(b)</sup>	Manager	14.79	(41.67)%	1.6900
9	Vijay Kirpal <sup>(c)</sup>	CFO	7.2	-	0.8227
11	Pooja Agnihotri <sup>(d)</sup>	CS	3.26	-	0.3736
12	Vini Gupta <sup>(e)</sup>	CS	0.75	-	0.0857

(a) The Independent Directors of the Company are entitled to sitting fees as per the statutory provisions and within the limits approved by the Board of Directors and shareholders. The details of the remuneration of Independent Directors are provided in the Corporate Governance Report.

(b) Ceased to be Manager w.e.f. 30 September 2019.



- (c) Appointed as CFO w.e.f. 01 April 2019.  
 (d) Ceased to be CS w.e.f 12 October 2019.  
 (e) Ceased to be CS w.e.f 30 November 2019.

(ii) **Other details:**

Permanent employees on the rolls of the Company as on 31 March, 2020 28

Percentage increase in the median remuneration of employees (excluding Whole- time Director) during Financial Year 2019-20. 6.86%

(iii) The average percentage decrease made in the salaries of employees (other than the managerial personnel) was 17.77% while decrease in the managerial remuneration was 26.23%. The increase in salaries during the year are based on the Remuneration Policy of the Company and on annual appraisals of employees.

(iv) The remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees as recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.

On behalf of the Board of Directors

Place : New Delhi  
 Date : 18 July 2020

R. Kapur  
 Chairman  
 DIN: 00017172

M. Singh  
 Director  
 DIN: 07585638

**Annexure - E**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (LODR) Regulations, 2015)**

To,  
 The Members of  
 Selan Exploration Technology Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 'SELAN EXPLORATION TECHNOLOGY LIMITED' having CIN L74899DL1985PLC021445 and having registered office at J- 47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi – 110043 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. R. Kapur	00017172	24/09/1988
2.	Mr. R. S. Sidhu	00121906	18/08/2017
3.	Mr. T. Currimbhoy	00729714	28/06/1995
4.	Ms. S. B. Dalal	01105028	26/12/2016
5.	Mr. M. Singh	07585638	10/08/2016
6.	Dr, D. J. Corbishley	06515723	16/02/2013

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nityanand Singh & Co.  
 Company Secretaries

Date : 29 June 2020  
 Place: New Delhi

Nityanand Singh (Prop.)  
 FCS No. 2668/C. P. No. 2388



# INDEPENDENT AUDITORS' REPORT

To the Members of Selan Exploration Technology Limited

## Report on the Financial Statements

### Opinion

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 2020, 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.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India:

- of the state of affairs of the Company as at 31 March 2020;
- 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.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter
Accuracy of recognition, measurement, presentation and disclosures of revenue from sale of crude oil in accordance with Ind AS 18 "Revenue recognition."
Revenue from sale of crude oil forms significant portion of total revenue of the Company which has a material impact on Ind AS Financial Statements. There exists a risk of error resulting in overstatement or understatement of revenue due to incorrect recording of sales or recording of sales in an incorrect period.
Therefore, we consider the abovementioned issues to be a key audit matter.
Auditor's Response

### Principal Audit Procedures

We made enquiries of management and analyzed contracts to evaluate whether revenue was recognised in accordance with their terms. We also performed procedures to address the risk of error in accounting records and the ability to override controls

- We cross-verified the Sales contract with the respective invoices and delivery documents.
- We cross verified the sales value recorded in the accounting records with respective invoices and delivery documents.
- We checked the pipeline transit (PLT) loss with delivery receipt and documents.
- We tested the appropriateness of journal entries impacting revenue from sale of crude oil, using data extracted from the accounting system, as well as other adjustments made in the preparation of the financial statements.
- We verified the payment collection from customers.
- We also cross-checked the sales volume and value with the statutory taxes paid in the form of VAT, Royalty and Cess on sale of crude oil which is based on sales volume and value.
- We checked whether the product was delivered to the customer on or before close of financial year for which revenue has been recognised during the period.
- The accounting records was checked for arithmetical accuracy.
- We cross-checked the relevant debtors balances with the payments that were received subsequent to year-end.

We consider that revenue is recognised in accordance with sales agreements and Ind AS 18. We also consider the financial statements disclosures with respect to revenue are reasonable and adequate.

### Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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 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 relevant rules issued thereunder.

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.

In preparing the Ind AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibility for the Audit of the Standalone Ind AS Financial Statements**

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend 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.

#### **Report on Other Legal and Regulatory Requirements**

1. 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.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (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;
  - (d) 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;
  - (e) On the basis of written representations received from the Directors as on 31 March 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) 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.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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:
    - (i) The Company does not have any pending litigation which would impact its financial position;
    - (ii) There is no long-term contracts including derivative contracts, requiring provision for material foreseeable losses under the applicable law or accounting standards;
    - (iii) 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  
M.No. 082051

Place: New Delhi  
Date: 18 July 2020

**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 2020.**

- (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 2020 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 remained unpaid as on 31 March 2020.
- (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.

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

Place: New Delhi  
Date: 18 July 2020

J.A Martins  
Proprietor  
M.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 2020.**

**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 2020 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 2020, 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.

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

J.A Martins  
Proprietor  
M.No. 082051

Place: New Delhi  
Date: 18 July 2020

**BALANCE SHEET AS AT 31 MARCH 2020**

(₹ in Lakhs)

Particulars	Note No.	31 March 2020	31 March 2019
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	5		
- Tangible assets		837.76	1,047.68
Development of hydrocarbon properties	7	17,914.07	19,523.49
Capital work-in-progress	6	131.64	162.35
Right of Use assets	8	90.34	-
Intangible assets	5	9.23	61.89
Financial assets			
- Other financial assets	9	43.31	75.61
Other non-current assets	10	24.66	5.80
		<b>19,051.01</b>	<b>20,876.82</b>
<b>(2) Current assets</b>			
Inventories	11	738.68	810.54
Financial assets			
- Investment	12	12,682.42	13,256.51
- Trade receivables	13	1,752.98	1,846.37
- Cash and cash equivalents	14	941.04	175.82
- Other bank balances	15	3,630.82	1,418.25
- Other financial assets	16	257.30	227.25
Other current assets	17	251.66	209.98
		<b>20,254.90</b>	<b>17,944.72</b>
<b>Total assets</b>		<b>39,305.91</b>	<b>38,821.54</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	18	1,520.00	1,583.00
Other equity	19	31,256.06	30,997.86
		<b>32,776.06</b>	<b>32,580.86</b>
<b>(2) LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	20	21.82	51.57
- Lease Liabilities		70.00	-
Provisions	21	38.82	50.07
Deferred tax liabilities (net)	22	5,277.88	5,478.00
		<b>5,408.52</b>	<b>5,579.64</b>
<b>Current liabilities</b>			
Financial liabilities			
- Trade payables	23	519.97	262.56
- Lease Liabilities		23.33	-
- Other financial liabilities	24	336.05	172.17
Other current liabilities	25	171.34	162.60
Provisions	26	9.97	22.72
Current tax liabilities (net)		60.67	40.99
		<b>1,121.33</b>	<b>661.04</b>
<b>Total equity and liabilities</b>		<b>39,305.91</b>	<b>38,821.54</b>
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)

Place: New Delhi

Date: 18 July 2020

**DEEPA BHALLA**

 COMPANY  
SECRETARY

**VIJAY KIRPAL**

 CHIEF FINANCIAL  
OFFICER

**M. SINGH**

 DIRECTOR  
DIN : 07585638

**R. KAPUR**

 CHAIRMAN  
DIN : 00017172



# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	Note No.	2019-2020	2018-2019
<b>A INCOME</b>			
Revenue from operations	27	8,959.76	9,332.66
Other income	28	916.38	1,069.18
<b>Total income (A)</b>		<b>9,876.14</b>	<b>10,401.84</b>
<b>B EXPENSES</b>			
Operating expenses	29	971.85	790.39
Handling and processing charges		267.78	257.97
Changes in inventories of finished goods	30	3.45	(4.45)
Employee benefits expense	31	589.81	600.69
Finance costs	32	17.03	6.50
Royalty and Cess		564.87	454.91
Development of hydrocarbon properties	33	1,196.80	1,228.65
Development of hydrocarbon properties amortised	7	1,906.22	1,785.86
Depreciation and amortisation expenses	5 & 8	315.32	294.07
Other expenses	34	1,113.05	832.66
		<b>6,946.18</b>	<b>6,247.25</b>
Transfer to: Development of hydrocarbon properties	33	(1,196.80)	(1,228.65)
<b>Total Expenses (B)</b>		<b>5,749.38</b>	<b>5,018.60</b>
<b>C Profit before exceptional items and taxation</b>		<b>4,126.76</b>	<b>5,383.24</b>
<b>Less: Exceptional items</b>			
-Impairment of hydrocarbon properties (DHP)	7	900.00	-
<b>D Profit for the year before taxation</b>		<b>3,226.76</b>	<b>5,383.24</b>
<b>Less: Tax expense</b>			
Current tax	35	1,494.83	1,550.87
Taxes relating to earlier years		-	24.26
Deferred tax		(511.61)	(1,343.05)
		<b>983.22</b>	<b>232.08</b>
<b>E Profit in the year after tax</b>		<b>2,243.54</b>	<b>5,151.16</b>
<b>F Other comprehensive income</b>	36		
A. Items that will not be reclassified to profit or loss (net of taxes)		23.60	9.11
B. Items that will be reclassified to profit or loss (net of taxes)		-	-
Other comprehensive income/ (loss) for the year (net of taxes)		23.60	9.11
<b>G Total comprehensive income for the year, net of tax</b>		<b>2,267.14</b>	<b>5,160.27</b>
<b>Earning per Equity Share of ₹ 10 each</b>	37		
- Basic (In ₹)		14.64	31.54
- Diluted (In ₹)		14.64	31.54
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)

Place: New Delhi

Date: 18 July 2020

**DEEPA BHALLA**

COMPANY  
SECRETARY

**VIJAY KIRPAL**

CHIEF FINANCIAL  
OFFICER

**M. SINGH**

DIRECTOR  
DIN : 07585638

**R. KAPUR**

CHAIRMAN  
DIN : 00017172

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
<b>A. Cash flow from Operating activities :-</b>		
Net profit / ( Loss ) before taxation	3,226.76	5,383.24
Add :		
Depreciation for the year	315.32	294.07
Other comprehensive income	23.60	9.11
Amortisation of DHP	1,906.22	1,785.86
Impairment of DHP	900.00	-
Interest on borrowings	5.75	5.22
Interest - lease liabilities	8.15	-
	<b>3,159.04</b>	<b>2,094.26</b>
Less:		
Interest income	(87.30)	(447.50)
(Profit) / Loss on change in fair value of investments through FVTPL	585.54	(728.62)
(Profit) / Loss on sale / write-off of property, plant and equipment	89.52	(1.14)
	<b>587.76</b>	<b>(1,177.26)</b>
Operating profit before changes in assets and liabilities	6,973.56	6,300.24
Adjustment for changes in assets and liabilities		
(Increase) / Decrease in inventories	71.86	18.05
(Increase) / Decrease in trade receivables	93.39	19.58
(Increase) / Decrease in financial assets	(2,210.32)	4,959.57
(Increase) / Decrease in prepaid rent / interest expense	(4.81)	0.17
(Increase) / Decrease in other current assets	(41.75)	(20.03)
(Increase) / Decrease in tax asset	-	65.09
Increase / (Decrease) in trade payable	257.41	(197.27)
Increase / (Decrease) in financial liabilities	146.93	(49.82)
Increase/ (Decrease) in provisions	(24.00)	(11.21)
Increase/ (Decrease) in current tax liabilities	19.68	32.12
Increase / (Decrease) in other current liabilities	8.74	25.98
	<b>(1,682.87)</b>	<b>4,842.23</b>
Cash generated from operations	5,290.69	11,142.47
Less: Income Tax	1,183.34	1,189.81
<b>Net cash from Operating activities (A)</b>	<b>4,107.35</b>	<b>9,952.66</b>
<b>B. Cash flow from Investing activities :-</b>		
Purchase of property, plant & equipment and intangible assets (including CWIP & capital advances)	(112.59)	(184.67)
Additions to DHP	(1,196.80)	(1,228.65)
Net (purchase) / sales of current investments	(11.46)	(9,022.38)
Sale of property, plant & equipment	3.84	1.14
Interest income received	87.30	447.50
<b>Net cash generated / (used) in Investing activities (B)</b>	<b>(1,229.71)</b>	<b>(9,987.06)</b>
<b>C. Cash flow from Financing activities :-</b>		
Increase / Decrease in :		
Long term borrowings taken / (paid)(Net)	(12.80)	19.20
Dividend paid (Including DDT)	(916.22)	(988.55)
Interest paid on borrowings	(5.75)	(5.22)
Share capital buyback	(63.00)	(57.00)
Premium on buyback of equity shares	(1,064.11)	(941.56)
Expenses on buyback of equity shares	(28.61)	(32.66)
Payment of lease liabilities	(21.93)	-
<b>Net cash generated / (used) in Financing activities (C)</b>	<b>(2,112.42)</b>	<b>(2,005.79)</b>
<b>Net change in cash and cash equivalents ( A+B+C )</b>	<b>765.22</b>	<b>(2,040.19)</b>
Balance at the beginning of the year	175.82	2,216.01
Balance at the end of the year	941.04	175.82
<b>Net change in cash and cash equivalents</b>	<b>765.22</b>	<b>(2,040.19)</b>

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'.

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

**For J. A. Martins & Co.**
**Chartered Accountants**

ICAI Firm Regn. No. 010860N

**J. A. Martins**

Proprietor

(M. No. 082051)

Place: New Delhi

Date: 18 July 2020

**DEEPA BHALLA**

 COMPANY  
SECRETARY

**VIJAY KIRPAL**

 CHIEF FINANCIAL  
OFFICER

**M. SINGH**

 DIRECTOR  
DIN : 07585638

**R. KAPUR**

 CHAIRMAN  
DIN : 00017172



# NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 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, Lohar, Ognaj and Karjisan fields. The Production Sharing Contract (PSC) for Indrora field expired on 12 March 2020 and the field was handed over to ONGC on expiry of PSC.

## 2 Authorization of Financial Statements

The financial statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors approved on 18 July 2020.

## 3 Significant Accounting Policies

### 3.1 Statement of Compliance

The Financial Statements for the year ended 31 March 2020 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 month 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 month 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.

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.

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

**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/discharged 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 a straight line basis over the remaining / extended lease period based, as considered appropriate by the Management, 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.

The Company has been granted extension of ten years upto 12 March 2030 to the Production Sharing Contract (PSC) with respect to the Bakrol and Lohar Oilfields under the extant policy of the Government of India dated 28 March 2016. The Production Sharing Contract (PSC) for Indrora field expired on 12 March 2020 and the field was handed over to ONGC on expiry of PSC. The Company's PSC contracts for Karjisan and Ognaj oilfields are valid upto 22 November 2030 and 4 August 2033 respectively. However, the Company is in the process of surrendering the Ognaj oilfield due to the rapid urbanisation in the block area.

### 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

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset

through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Company has used the following practical expedients: (i) Applying a single discount rate to a portfolio of leases with similar remaining lease term. (ii) Not applying the transition requirements to leases for which the lease term ends within 12 months of the date of initial application i.e. April 01, 2019 and for low value leases. (iii) Not applying this Standard to contracts that were not previously identified to contain a lease element under erstwhile Ind AS 17.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(Refer to Note No. 51 on transition to Ind AS 116)

### 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 exemption 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 costs 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 or loss for the period attributable to equity shareholders (after deducting preference dividend, if any, and attributable taxes) of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period after adjusting for the effect of all dilutive potential equity shares.

**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 measurements 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 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 unobservable.

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 asset 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 asset is 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 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 Prior Period Items

All incomes and expenditures in aggregate pertaining to prior year(s) above the threshold limit of ₹ 150 Lakhs are corrected and accounted retrospectively.

### 3.23 Site Restoration

The Company's lease for the Bakrol and Lohar oilfields end in 2030. The Company has two other oilfields at Karjisan and Ognaj, wherein the lease period ends in 2030 and 2033 respectively.

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 Indrora oilfield was handed over to ONGC during the year FY 2019-20.

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.

### 3.24 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.

### 3.25 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 a 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.

#### **4.7 Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**NOTE 5 - Property, Plant & Equipment (PPE) and Intangible Assets**
**Gross Block**

(₹ in Lakhs)

Cost or Value	Tangible assets								Intangible assets	Grand Total
	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Fittings	Buildings	Total Tangible Assets	Computer Software	Total Assets
As on 01.04.19	2,890.95	26.04	228.56	68.18	41.25	126.82	60.34	3,442.14	220.14	3,662.28
Additions	80.43	8.04	7.16	4.24	3.77	20.97	4.70	129.31	-	129.31
Disposals/deletions	149.05	19.28	18.58	20.26	6.06	3.40	7.98	224.61	36.61	261.22
Other adjustments	1,583.52	0.45	42.55	20.67	19.13	15.16	1.74	1,683.22	71.04	1,754.26
Exchange difference	-	-	-	-	-	-	-	-	-	-
Borrowing cost	-	-	-	-	-	-	-	-	-	-
<b>As on 31.03.20</b>	<b>1,238.81</b>	<b>14.35</b>	<b>174.59</b>	<b>31.49</b>	<b>19.83</b>	<b>129.23</b>	<b>55.32</b>	<b>1,663.62</b>	<b>112.49</b>	<b>1,776.11</b>
<b>Depreciation / Amortisation</b>										
As on 01.04.19	2,121.37	11.36	100.08	50.51	34.24	47.74	29.16	2,394.46	158.25	2,552.71
Charge for the year	184.51	2.59	24.43	6.04	5.74	13.47	12.15	248.93	49.61	298.54
Disposal/ Deletions	156.83	3.02	12.20	20.10	5.80	1.30	3.70	202.95	33.56	236.51
Other Adjustments	1,510.57	6.30	42.55	19.13	19.13	15.17	1.73	1,614.58	71.04	1,685.62
<b>As on 31.03.20</b>	<b>638.48</b>	<b>4.63</b>	<b>69.76</b>	<b>17.32</b>	<b>15.05</b>	<b>44.74</b>	<b>35.88</b>	<b>825.86</b>	<b>103.26</b>	<b>929.12</b>
<b>Impairment loss</b>										
As on 01.04.19	-	-	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-	-	-
<b>As on 31.03.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net block (Gross value-depreciation-impairment loss)</b>										
As on 31.03.19	769.58	14.68	128.48	17.67	7.01	79.08	31.18	1,047.68	61.89	1,109.57
<b>As on 31.03.20</b>	<b>600.33</b>	<b>9.72</b>	<b>104.83</b>	<b>14.17</b>	<b>4.78</b>	<b>84.49</b>	<b>19.44</b>	<b>837.76</b>	<b>9.23</b>	<b>846.99</b>

The Company has availed the deemed cost exemption in relation to the property, plant and equipment and intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Particulars	(₹ in Lakhs)	
	31 March 2020	31 March 2019
<b>6 Capital work-in-progress</b>		
Total	131.64	162.35
	<b>131.64</b>	<b>162.35</b>
<b>7 Development of hydrocarbon properties (DHP)</b>		
Balance as per last financial statements	19,523.49	20,080.70
Additions during the year	1,196.80	1,228.65
	<b>20,720.29</b>	<b>21,309.35</b>
Less: Amortised during the year	1,906.22	1,785.86
	<b>18,814.07</b>	<b>19,523.49</b>
Less: Impairment of hydrocarbon properties (DHP)	900.00	-
<b>Closing balance</b>	<b>17,914.07</b>	<b>19,523.49</b>
<b>8 Right of Use assets</b>		
Opening Balance	-	-
Addition during the year	107.12	-
<b>Sub-Total</b>	<b>107.12</b>	<b>-</b>
Less: Depreciation / Amortisation during the year	16.78	-
Closing Balance	<b>90.34</b>	<b>-</b>
<b>9. Non-current financial assets- others</b>		
(Unsecured, considered good, unless otherwise stated)		
Security deposits		
- With government departments	20.90	14.08
- Others	13.49	20.90
Term deposits with bank	8.92	40.63
<b>Total</b>	<b>43.31</b>	<b>75.61</b>



(₹ in Lakhs)

Particulars		31 March 2020	31 March 2019
<b>10 Other Non Current Assets</b>			
(Unsecured, considered good, unless otherwise stated)			
Capital advances		15.45	1.47
Prepaid rent expense		9.21	4.33
<b>Total</b>		<b>24.66</b>	<b>5.80</b>
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.			
<b>11 Inventories (refer note no. 3.5 for mode of valuation)</b>			
Stores and components relating to hydrocarbon properties		545.56	614.45
Stores, spares and consumables		26.12	25.64
Stock of crude oil		167.00	170.45
<b>Total</b>		<b>738.68</b>	<b>810.54</b>

Particulars	No. of Units		₹ In Lakhs	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>12 Current Financial Assets-Investments</b>				
In Mutual Funds- Quoted (Carried at fair value through profit & loss)				
- Franklin India Ultra Short Bond Fund - Super	-	1,57,449.163	-	4,389.94
- Franklin India Ultra Short Bond Fund Super Inst G	-	1,60,64,984.098	-	4,220.08
- Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	1,85,40,733.18	40,81,930.234	3,187.31	1,076.92
- SBI Magnum Ultra Short Duration Fund - Growth	5,161.447	5,161.447	229.59	214.03
- Aditya Birla Sun Life Floating Rate Fund	93,383.848	93,383.848	231.76	214.53
- Kotak Mahindra Prime Ltd - NCD	-	100.000	-	1,055.00
- IIFL Wealth Finance Limited - NCD	-	1,200.000	-	1,238.34
- India Infoline Finance Limited - NCD	-	81.000	-	847.67
- Kotak Equity Arbitrage Fund - Regular Growth	1,12,37,416.72	-	3,151.85	-
- HDFC Liquid Fund	11,051.565	-	429.20	-
- ICICI Prudential Equity Arbitrage Fund - Dividend	2,94,16,406.03	-	4,022.31	-
- IDFC Arbitrage Fund - Growth (Regular Plan)	57,96,618.029	-	1,430.40	-
			<b>12,682.42</b>	<b>13,256.51</b>
Quoted Investments				
Book value of quoted investments			12,486.19	12,474.73
Market value of quoted investments			12,682.42	13,256.51

<b>13 Current financial assets-trade receivables</b>				
(a) Secured (considered good)			-	-
(b) Unsecured, considered good				
(i) Others			1,752.98	1,846.37
(ii) Related parties *			-	-
(c) Unsecured, considered doubtful			-	-
			<b>1,752.98</b>	<b>1,846.37</b>
Less:- Provision for doubtful debts				
<b>Total (net of provision)</b>			<b>1,752.98</b>	<b>1,846.37</b>

\*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.



(₹ In Lakhs)

Particulars	Amount	
	31 March 2020	31 March 2019
<b>14 Current financial assets-cash &amp; cash equivalents</b>		
Balance with banks		
In current accounts	134.71	174.29
In term deposits with banks	800.00	-
Cash on hand	6.33	1.53
<b>Total</b>	<b>941.04</b>	<b>175.82</b>
<b>15 Current financial assets-other bank balances</b>		
Balance with banks:		
In unpaid dividend account	128.19	113.80
In fractional bonus account	-	-
In term deposits with banks	3,333.55	1,024.45
Under lien	-	-
Bank Guarantee to GOI / State Government	80.50	128.38
For site restoration fund account *	70.83	75.43
Total term deposit	<b>3,484.88</b>	<b>1,228.26</b>
Interest accrued on term deposit	17.75	76.19
<b>Total</b>	<b>3,630.82</b>	<b>1,418.25</b>
* 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'.		
<b>16 Current Financial Assets- Others</b>		
Recoverable from others	257.30	227.25
<b>Total</b>	<b>257.30</b>	<b>227.25</b>
<b>17 Other Current Assets</b>		
(Unsecured, considered good, unless otherwise stated)		
Advance to vendors	125.38	122.62
Prepaid expenses	81.30	83.09
Prepaid rent/interest expense	1.33	1.40
Other advances recoverable in kind	43.65	2.87
<b>Total</b>	<b>251.66</b>	<b>209.98</b>

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	Amount	
	31 March 2020	31 March 2019
<b>18 Equity share capital</b>		
<b>Authorised share capital</b>		
2,90,00,000 (previous year 2,90,00,000) Equity shares of ₹ 10/- each	2,900.00	2,900.00
1,00,000 (previous year 1,00,000) Preference shares of ₹ 100/- each	100.00	100.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, subscribed and fully paid equity capital</b>		
1,52,00,000 Equity shares (previous year 1,58,30,000) of Rs 10/- each	1,520.00	1,583.00
<b>Total</b>	<b>1,520.00</b>	<b>1,583.00</b>
<b>a) Reconciliation of the number of Equity shares</b>		
At the beginning of the period (No. of Equity Shares)	1,58,30,000	1,64,00,000
Shares Bought back and extinguished during the year (No. of Equity Shares)	(6,30,000)	(5,00,000)
Shares Bought back and pending for extinguishment (No. of Equity Shares)	-	(70,000)
Outstanding at the end of the year (No. of Equity Shares)	1,52,00,000	1,58,30,000

**b) Rights, preferences and restrictions attaching to Equity Shares**

- The Company has issued only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays 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 2020		31 March 2019	
	No. of share held	% of Holding	No. of share held	% of Holding
Mrs. R. Kapur	17,80,000	11.71%	17,80,000	11.24%
Winton Roavic LLP	15,01,000	9.88%	15,01,000	9.48%
Mrs. Raj Kapur	12,06,000	7.93%	12,06,000	7.62%

**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 2020	31 March 2019
Number of equity shares allotted as fully paid bonus shares by capitalisation of Securities premium account		
Number of equity shares bought back by the Company	5,70,000	4,25,525

19 STATEMENT OF CHANGES IN EQUITY AS ON 31 MARCH 2020

A. Share capital

(₹ in Lakhs)

Particulars	Balance at 1 April 2019	Changes during the year	Balance at 31 March 2020
Equity share capital	1,583.00	(63.00)	1,520.00

B. Other equity

(₹ in Lakhs)

Particulars	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 as at 1 April 2018	5,770.54	142.37	94.05	487.43	-	-	-	-	-	-	-	27,800.36
Profit for the year	-	-	-	-	-	21,305.97	-	-	-	-	-	5,151.16
Other comprehensive income for the year	-	-	-	-	-	9.11	-	-	-	-	-	9.11
Dividends	-	-	-	-	-	(820.00)	-	-	-	-	-	(820.00)
Corporate dividend tax on above	-	-	-	-	-	(168.55)	-	-	-	-	-	(168.55)
Buyback premium	-	(142.37)	-	-	-	(799.19)	-	-	-	-	-	(941.56)
Buyback expenses	-	-	-	-	-	(32.66)	-	-	-	-	-	(32.66)
Transfer to capital redemption reserve	-	-	-	57.00	-	(57.00)	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>5,770.54</b>	<b>-</b>	<b>94.05</b>	<b>544.43</b>	<b>-</b>	<b>24,588.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,997.86</b>
Profit for the year	-	-	-	-	-	2,243.54	-	-	-	-	-	2,243.54
Other comprehensive income for the year	-	-	-	-	-	23.60	-	-	-	-	-	23.60
Dividends	-	-	-	-	-	(760.00)	-	-	-	-	-	(760.00)
Corporate dividend tax on above	-	-	-	-	-	(156.22)	-	-	-	-	-	(156.22)
Buyback premium	-	-	-	-	-	(1,064.11)	-	-	-	-	-	(1,064.11)
Buyback expenses	-	-	-	-	-	(28.61)	-	-	-	-	-	(28.61)
Transfer to capital redemption reserve	-	-	-	63.00	-	(63.00)	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>5,770.54</b>	<b>-</b>	<b>94.05</b>	<b>607.43</b>	<b>-</b>	<b>24,784.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,256.06</b>

**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 2020	31 March 2019
<b>20</b>	<b>Non current financial liabilities-borrowings</b>		
	Secured loan		
	From others *	51.58	64.38
		51.58	64.38
	Less:- Current maturities of non current borrowings (refer note no. 24)	29.76	12.81
	<b>Total</b>	<b>21.82</b>	<b>51.57</b>
	* Vehicle loan by way of hypothecation of respective vehicle.		
<b>21</b>	<b>Non current provisions</b>		
	Provision for employee benefits (refer note no. 48)		
	Gratuity (funded)	33.13	42.81
	Leave encashment (unfunded)	5.69	7.26
	<b>Total</b>	<b>38.82</b>	<b>50.07</b>
<b>22</b>	<b>Deferred tax liabilities / (assets)</b>		
	Deferred tax liabilities provided during the year (net)	5,277.88	5,789.49
	MAT credit entitlement	-	(311.49)
	<b>Deferred tax liabilities (net)</b>	<b>5,277.88</b>	<b>5,478.00</b>
	<b>Reconciliation of Deferred tax liabilities / (assets) net</b>		
	Balance at the beginning of the year	5,478.00	6,435.73
	Tax (benefit) / expenses during the period recognized in profit or loss	(511.61)	(1,343.05)
	MAT credit entitlement used	311.49	385.32
	<b>Balance at the end of the year</b>	<b>5,277.88</b>	<b>5,478.00</b>
<b>23</b>	<b>Current financial liabilities- trade payable</b>		
	Due to micro and small enterprises (see note below)	-	-
	Due to others	519.97	262.56
	<b>Total</b>	<b>519.97</b>	<b>262.56</b>
<b>24</b>	<b>Current financial liabilities-others</b>		
	Current maturities of long-term debt (Refer note no 20)	29.76	12.81
	Interest accrued but not due on Loan	0.43	0.48
	Unpaid dividends #	128.35	113.95
	Profit petroleum payable to Government of India	172.99	0.41
	Remuneration payable to whole time director	2.00	42.00
	Retention money / security deposits	2.52	2.52
	<b>Total</b>	<b>336.05</b>	<b>172.17</b>
	# This does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund.		
<b>25</b>	<b>Other current liabilities</b>		
	Advance from customers and others	18.39	15.45
	Statutory dues	152.95	147.15
	<b>Total</b>	<b>171.34</b>	<b>162.60</b>
<b>26</b>	<b>Current provisions</b>		
	Provision for employee benefits (refer note no. 48)		
	Gratuity (funded)	7.09	20.14
	Leave encashment (unfunded)	2.88	2.58
	<b>Total</b>	<b>9.97</b>	<b>22.72</b>

(₹ In Lakhs)

Particulars		2019-2020	2018-2019
<b>27</b>	<b>Revenue from operations</b> (Refer note no. 3.13 on revenue recognition)		
	<b>Sale of products</b>		
	Crude oil	8,330.87	8,772.84
	Less: Profit petroleum paid to GoI	(515.57)	(331.16)
		7,815.30	8,441.68
	Natural gas	1,144.46	890.98
		<b>8,959.76</b>	<b>9,332.66</b>
<b>28</b>	<b>Other income</b>		
	Professional Income	-	13.76
	Gain on financial assets	876.00	823.73
	Interest income on term deposits	28.86	221.98
	Miscellaneous income	9.24	8.49
	Interest income (Fair valuation of security deposits)	2.28	1.22
		<b>916.38</b>	<b>1,069.18</b>
<b>29</b>	<b>Operating expenses</b>		
	Payment to contractor for services	290.20	242.21
	Transportation	227.17	209.29
	Generator hire charges	218.92	137.70
	Other direct operative expenses	235.56	201.19
		<b>971.85</b>	<b>790.39</b>
<b>30</b>	<b>Change in inventories of finished goods</b>		
	Inventories at the beginning of the year	170.45	166.00
	Inventories at the end of the year	167.00	170.45
		<b>3.45</b>	<b>(4.45)</b>
<b>31</b>	<b>Employee benefits expense</b>		
	Salaries, wages and bonus	563.62	575.62
	Contribution to provident and others funds	7.09	7.95
	Staff welfare expenses	19.10	17.12
		<b>589.81</b>	<b>600.69</b>
<b>32</b>	<b>Finance Costs</b>		
	Other borrowing Costs	5.75	5.22
	Interest expense - fair valuation of security deposit	3.13	1.28
	Interest - lease liabilities	8.15	-
		<b>17.03</b>	<b>6.50</b>
<b>33</b>	<b>Development of hydrocarbon properties</b> (Expenditure on specialized materials and services)		
	Contract rig charges & rig site preparation	67.02	46.37
	Insurance	0.11	0.10
	Management and drilling supervision	121.36	128.68
	Materials consumed for drilling of oil wells	24.34	25.28
	Miscellaneous expenses	92.37	68.61
	Mud chemical, engineering & logging services	291.68	498.52
	Perforation and well cleaning services	484.80	323.75
	Rent	48.49	53.55
	Travelling and conveyance	66.63	83.79
		<b>1,196.80</b>	<b>1,228.65</b>
<b>34</b>	<b>Other expenses</b>		
	Administrative services and supplies	172.63	138.25
	Advertisement and business development	23.39	31.18
	Advisory services	68.95	49.70
	Communication	14.60	15.68
	Consumption of stores and spares	121.53	70.66
	Director fees	23.73	23.01



(₹ In Lakhs)

Particulars	2019-2020	2018-2019
Insurance	25.05	14.33
Loss on foreign exchange variation	0.29	0.62
Loss/ (Profit) on sale/write off of property, plant and equipment	89.52	(0.55)
Miscellaneous expenses	65.60	55.72
CSR expenses (refer note 45)	70.50	40.00
Power and fuel	117.41	76.24
Rent	158.17	183.72
Repairs- others	82.38	48.53
Repairs- machinery	46.40	29.13
Travelling and conveyance	28.70	39.78
Interest on payment of statutory dues	4.20	16.66
	<b>1,113.05</b>	<b>832.66</b>
<b>35 Tax expenses</b>		
<b>Income Tax</b>		
<b>Income tax related to items charged or credited directly to profit or loss during the year :</b>		
Statement of profit and loss		
(i) Current income tax (continuing operations)	1,494.83	1,550.87
(ii) MAT credit entitlement	-	-
(iii) Deferred tax expenses relating to origination and reversal of temporary differences (continuing operations)	(511.61)	(1,343.05)
<b>Total</b>	<b>983.22</b>	<b>207.82</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:</b>		
Accounting profit / (loss) before income tax	3,226.75	5,383.24
Income tax rate	29.12%	29.12%
<b>Computed tax expenses (A)</b>	<b>939.63</b>	<b>1,567.60</b>
Tax effect of items that are not deductible for tax purpose	950.97	618.87
Tax effect of items that are deductible or are not taxable for tax purpose	(395.77)	(635.60)
Earlier year taxes	-	24.26
<b>Sub-total (B)</b>	<b>555.20</b>	<b>7.53</b>
Income tax expenses charged to the statement of profit & loss (A-B)	<b>1,494.83</b>	<b>1,575.13</b>
<b>36 Other comprehensive income</b>		
(A (i)) Items that will not be reclassified to profit or loss		
- Re-measurement gains (losses) on defined benefit plans	33.30	12.85
(A (ii)) Income tax relating to items that will not be reclassified to profit or loss		
- Re-measurement gains (losses) on defined benefit plans	9.70	3.74
<b>Total (A)</b>	<b>23.60</b>	<b>9.11</b>
(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	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>23.60</b>	<b>9.11</b>
<b>37 Disclosure as required by Indian Accounting Standard (Ind AS) 33 - Earnings per share</b>		
Face value of Equity share of ₹	10	10
Profit for the year	2,243.54	5,151.16
Weighted average number of Equity shares outstanding	1,53,20,616	1,63,32,022
Earning per share (basic) ₹	14.64	31.54
Earning per share (diluted) ₹	14.64	31.54

(₹ In Lakhs)

Particulars	2019-2020	2018-2019
<b>38 Commitments and Contingent Liabilities</b>		
<b>A Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) and not provided for	15.45	1.47
<b>B 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.

**41 Buyback of Shares**

The Company completed buy-back of 12,00,000 Equity Shares of ₹ 10 each (representing 7.32% of total pre buy-back paid up equity share capital) on 2 July 2019 for an aggregate amount of ₹2,125.67 Lakhs (excluding expenses on buyback) in accordance with the provisions of the Companies Act, 2013 and the Buy-Back of Securities Regulations, 2018. In line with the requirement of the Companies Act, 2013, an amount of ₹142.37 Lakhs and ₹ 1,863.30 Lakhs was utilized from the Securities Premium Account and Retained Earnings respectively for the Buy-Back. Further, Capital Redemption Reserve of ₹120 Lakhs (representing the nominal value of the shares bought back) was created.

Out of the above, the Company bought back 6,30,000 Equity Shares resulting in total cash outflow of ₹1,127.11 Lacs(excluding expenses on Buy-Back) during the current financial year 2019-20. An amount of ₹1,064.11 Lacs has been utilized from the Retained Earnings for the Buy-Back during the current financial year. Further, Capital Redemption Reserve of ₹ 63 lacs (representing the nominal value of the shares bought back) has been created during the current financial year.

As per the resolution passed at the meeting of the Buy - Back Committee held on 5 July 2019, the Company, having purchased in excess of the requisite minimum number of equity shares, decided to close the Buy - Back of equity shares from the Open Market through the Stock Exchanges with effect from 5 July 2019.

**42 Note on pricing of Crude Oil supplied from Karjisan field**

The Company is receiving an interim price for the oil produced from Karjisan field. As per the terms of the Karjisan PSC, the interim price is 70% of the Brent price. Negotiations with Indian Oil Corporation Limited (IOCL) are ongoing to arrive at a final price, so that payment of differential can be realised by the company, inclusive of amounts related to reimbursement of VAT.

**43 Note on Impairment of Hydrocarbon Properties (DHP)**

In light of the uncertainties in oil prices and impact on operations following the ongoing Covid-19 pandemic, Management has provided for impairment loss of Hydrocarbon Properties (DHP) at approximately 5% of the closing balance in DHP as a matter of abundant caution.

**44 Note on Covid-19 (Coronavirus) Impact**

The outbreak of Covid-19 (Coronavirus) has been posing a very big challenge not only to the individuals but also to the businesses worldwide. It has impacted the Global Economy unprecedentedly by creating an all round scare, uncertainty and exposing the entire business ecosystem to risks. As a consequence there has been a sudden and rapid drop in demand of products & services as safety & survival come to the core in this pandemic.

The Company has also been facing the challenges due to the Covid-19 and consequent lockdown situation. A brief of the challenges being faced are as follows :

- a) Getting the Field Labour to attend field work and to keep them healthy and safe.
- b) Obtaining timely tanker services to ensure crude transportation to custody transfer point of ONGC.
- c) Challenges in the timely supply of material and services for continued & uninterrupted operations during the ongoing lockdown situation.
- d) Low capacity utilization by the IOCL refinery due to drop in demand with a potential cut in the crude offtake.
- e) Challenges being faced by gas buyers of the Company in obtaining the raw material and chemicals affecting their ability to offtake allotted quantities of gas. Further, due to drop in demand, their customers not picking up the finished product resulting in stock piles.



With a view to mitigate the challenges described above and to ensure continued oilfield operations, the Company has decided to scale down operations. The impact of these actions will be felt in F.Y. 2020 – 21, with possibly lower production and profitability. Further, keeping the safety of people and operations paramount, the Company undertook a series of preventive measures to minimize or nullify the potential impact of Covid-19 situation on business continuity. Some of the measures taken are as follows :

- a) The field manpower residing in city areas have been restricted and deployment of only the people living in the vicinity of the field areas has been adopted to ensure continuous production operations during lockdown situation.
- b) Arrangements have been immediately made to provide extra medical and health safety PPE's to all the field persons and office staff on duty.
- c) Preventive health care awareness to tackle Covid-19 has been imparted to all the persons deployed on duty at the Oilfields, and these measures continue to be reinforced on a frequent / periodic basis.
- d) The site office, installations, wellsites and vehicles are being frequently sanitized.
- e) Contactless infrared thermal scanners have been provided at all the oilfield installations to scan every worker and third party service provider and to keep a daily temperature record.
- f) Provision of hand sanitizers and wash soaps have been adequately made at all the Installations and wellsites to maintain the personal hygiene.
- g) The duty timings and rotation of field staff and field engineers has been carried out to ensure social distancing and adequate rest to the people going off duty.
- h) The office staff has been assigned the duties to work from home with very minimal exposure outside, if required due to work exigency.
- i) The Company continues to take the aforementioned measures and is confident that it will continue to carry out the safe and secure oil field operations to overcome these difficult times.

Particulars		(₹ In Lakhs)	
		2019-2020	2018-2019
<b>45 Corporate Social Responsibility</b>			
i	Gross amount required to be spent during the year [Including unspent balance at the beginning of the year]	257.14	228.98
ii	Amount spent during the year :		
	For constructions /acquisition of assets	-	-
	For other purpose	70.50	40.00
iii	Unspent amount at the end of year	186.64	188.98

**46 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.

**47 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. Rohit 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. Rohit Kapur, Whole Time Director

(a) Short term employment benefits

(b) Long term employment benefits

(c) Payable at the year end

Consultancy fee to Dr. D. J. Corbishley, Director

	200.00	280.00
	-	-
	-	-
	4.79	3.92

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.

**48 Disclosure as required by Ind AS-19, Employee Benefits**

**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 ₹0.15 Lakhs.



**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 :

(₹ In Lakhs)

Particulars	2019-2020		2018-2019	
	Leave encashment (unfunded)	Gratuity (Funded)	Leave encashment (unfunded)	Gratuity (Funded)
<b>A) Actuarial assumption</b>				
i) Discounting rate	6.76%	6.76%	7.66%	7.66%
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) Morality rates (% of IALM 2006-08)	100.00%	100.00%	100.00%	100.00%
vi) Withdrawal rates, based on age				
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>B) Expenses recognised in the statement of profit and loss</b>				
i) Current service cost	1.90	5.20	2.16	11.67
ii) Net interest cost	0.75	4.82	1.06	5.43
iii) Expected return on plan assets	-	-	-	-
iv) Net actuarial (gain) / loss recognized in the period	3.02	-	1.68	-
v) Expenses recognized in the statement of Profit & Loss	5.67	10.02	4.90	17.10
<b>C) Recognised in other comprehensive income</b>				
i) Actuarial gain / (loss) arising on assets	-	(0.47)	-	0.02
ii) Actuarial gain / (loss) on PBO arising from:				
Change in demographic assumptions	-	0.04	-	-
Change in financial assumptions	-	(4.05)	-	(0.47)
Change in experience assumptions	-	37.78	-	13.30
iii) Net gain/ (loss) recognised in other comprehensive income	-	33.30	-	12.85
<b>D) Change in present value of obligation</b>				
i) Present value of obligation as at year beginning	9.84	137.04	13.76	129.56
ii) Interest cost	0.75	10.50	1.06	10.01
iii) Current service cost	1.90	5.20	2.16	11.67
iv) Past service cost incl. Curtailment gains and loss	-	-	-	-
v) Benefits paid	(6.94)	(36.35)	(8.82)	(1.37)
Actuarial (gain) / loss on PBO arising from:				
Change in demographic assumptions	-	(0.04)	-	-
Change in financial assumptions	0.50	4.05	0.06	0.47
Change in experience assumptions	2.52	(37.78)	1.62	(13.30)
vi) Present value of obligation as at year end	8.57	82.62	9.84	137.04
<b>E) Change in fair value of plan assets</b>				
i) Fair value of plan assets at year beginning	-	74.09	-	59.33
ii) Actual return on plan assets	-	5.21	-	4.61
iii) Contributions	-	-	-	12.03
iv) Fund management charges (FMC)	-	(0.55)	-	(0.51)
v) Benefits paid	-	(36.35)	-	(1.37)
vi) Actuarial gain / (loss) on plan assets	-	-	-	-
vii) Fair value of plan assets at year end	-	42.40	-	74.09
<b>F) Liability / (Assets) recognised in Balance Sheet (D-C)</b>	8.57	40.22	9.84	62.95
<b>G) Expected contribution to the defined benefit plan for the next annual reporting period</b>	-	11.13	-	18.65



(₹ In Lakhs)

Particulars	2019-2020		2018-2019	
	Leave encashment (unfunded)	Gratuity (Funded)	Leave encashment (unfunded)	Gratuity (Funded)
<b>H) 100% plan assets managed by Insurer Company.</b>				
<b>I) Maturity profile of employee benefit obligation valued on undiscount basis</b>				
i) Within the next 12 months (next annual reporting period)	2.88	14.56	2.58	43.84
ii) Between 1 and 5 years	2.16	32.43	2.11	17.41
iii) Beyond 5 years	3.53	35.64	5.15	75.79
iv) Total Expected Payments	8.57	82.63	9.84	137.04
<b>J) Sensetive Analysis of the defined benefit obligation</b>				
i) Impact of the change in the discount rate				
Present value of obligation at the end of the period	8.57	82.63	9.84	137.04
Impact due to increase of 0.50%	(0.29)	(2.39)	(0.38)	(3.39)
Impact due to decrease of 0.50%	0.30	2.56	0.41	3.61
ii) Impact of the change in the salary increase				
Present value of obligation at the end of the period	8.57	82.63	9.84	137.04
Impact due to increase of 0.50%	0.32	1.91	0.42	2.98
Impact due to decrease of 0.50%	(0.29)	(1.78)	(0.39)	(2.94)

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Particulars	2019-2020		2018-2019	
<b>Defined Contribution Plans</b>				
<b>III Contribution to defined contribution plan, recognised as expenses for the year as under :</b>				
i) Recognised provident fund (including family pension)		7.09		7.95
ii) Medical insurance premium		6.24		5.36
<b>49 Remuneration to auditors</b>				
a) Statutory audit fee		10.00		10.00
b) Tax audit fee		1.00		1.00
c) Certification of matters		3.50		4.00
d) Taxation matters		0.60		0.60
e) GST		2.72		2.81
f) Expenses for audit and other work		0.35		0.23
<b>50 Remuneration to Cost Auditors</b>				
a) Cost audit fees		1.20		1.20
b) Expenses for cost audit and other work		-		-
c) GST		0.22		0.22

**51. Disclosures as per Ind AS 116 'Leases' are as follows:**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases, replacing the existing Standard Ind AS 17, to be effective from Accounting Period beginning with 1 April 2019. The adoption of Standard calls for recognition of 'Lease Liability' & 'Right to Use Assets', wherever the term of lease is in excess of 12 months, unless the underlying Asset is of low value. Applicable for Lessees, this Standard removes distinctive recognition, measurement and disclosure requirements between Operating Lease & Finance lease, hitherto prevalent. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from measurement.

On transition to the new Standard, usage of either a full retrospective or a modified retrospective approach is permitted with options to use certain practical expedients. The Company enters into lease arrangements for underlying assets such as land, building, office premises etc. The Company had chosen modified retrospective approach and accordingly comparatives for the year ending 31 March 2019 are not separately presented. Further, measurement of 'Lease Liability' & 'Right to Use Assets' have been made prospective as though the lease term is deemed to begin with the current Accounting Period.

The Company has used the following practical expedients:

1. Applying a single discount rate to a portfolio of leases with similar remaining lease term.
2. Not applying the transition requirements to leases for which the lease term ends within 12 months of the date of initial application i.e. 1 April 2019 and low value leases.

3. Not applying this Standard to contracts that were not previously identified to contain a lease element under erstwhile Ind AS 17.

**A. Maturity analysis of lease liabilities:**

The amounts disclosed in the table below are the contractual undiscounted cash flow:

(₹ in Lakhs)

Particulars	31 March 2020
Less than one year	121.07
Between one and three years	247.37
More than three years	643.35
<b>Total</b>	<b>1,011.79</b>

**B. Disclosures under para 53:**

(₹ in Lakhs)

Particulars	31 March 2020
a) Expense relating to short-term leases	45.18
b) Expense relating to leases of low-value assets	1.12
c) Expense relating to Land rent paid to various farmers (leases of low-value assets)	111.87
d) Expense relating to variable lease payments not included in the measurement of lease liabilities	-
e) Income from sub-leasing of 'right-of-use'	-
f) Interest expense on lease liabilities	8.14
<b>Total cash outflow for leases</b>	<b>166.31</b>

**C. The following are the carrying values of Right of use ("ROU") assets:**

(₹ in Lakhs)

Particulars	Class of Underlying Asset	
	Office Premises	Total
Gross Block		
Right Of Use asset recognised on initial application of Standard	-	-
Additions/ Reclassifications	107.12	107.12
Deductions/ Reclassifications	-	-
As on 31.03.2020	107.12	107.12
<b>Depreciation/ Amortisation</b>		
For the year	16.78	16.78
Deductions/ Reclassifications	-	-
<b>As on 31.03.2020</b>	<b>16.78</b>	<b>16.78</b>
<b>Net Block as on 31.03.2020</b>	<b>90.34</b>	<b>90.34</b>

**D. Transition impact**

As on transition date the Company has recognized 'Right of Use assets' of ₹77.78 Lakhs. The lease liability of ₹ 77.78 Lakhs is recognised on transition date for operating leases with the exception of short-term leases and leases of low-value underlying assets as under:

Particulars	(₹ in Lakhs)
Operating lease commitments at 31 March 2019	-
Adjustment for:	
Effect of discounting	77.78
Low value leases	-
Short-term leases	-
Variable Lease Payments	-
Others (Please specify)	-
<b>Total lease liabilities at 1 April 2019</b>	<b>77.78</b>

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. Due to transition to Ind AS 116 "Leases", the nature of expenses in respect of certain leases has changed from "Lease Rental" to "Depreciation and amortisation expense" and "Finance Cost", for Right of use assets and for interest accrued on Lease Liability respectively and therefore these expenses for the current financial year are not comparable with the corresponding period of previous year. Due to adoption of this standard, during the current F.Y. 2019-20 the 'Depreciation and amortisation Expenses' is higher by ₹16.78 Lakhs, 'Finance Cost' is higher by ₹8.15 Lacs and 'Other Expenditure' is lower by ₹21.93 Lakhs and the profit before taxation is lower by ₹3 Lakhs.



## 52 Foreign currency exposure

Details of foreign currency exposure of the entity is as mentioned below:-

Particulars	(In Lakhs)			
	31 March 2020		31 March 2019	
	US Dollars	₹	US Dollars	₹
(a) Foreign currency exposures:				
i) Receivables	16.69	1,230.21	20.78	1,422.56
ii) Payables	2.61	196.59	0.62	43.00

## 53 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.

### (a) Disclosures for the year ended 31 March 2020

(₹ In Lakhs)

Particulars	Carrying Value	Fair Value	Fair Value		
			Level -1	Level -2	Level -3
<b>1 Financial Assets</b>					
<b>Financial Assets</b>					
At amortised cost					
Cash & cash equivalents	941.04	941.04	-	-	-
Bank balance other than above	3,630.82	3,630.82	-	-	-
Trade receivables	1,752.98	1,752.98	-	-	1,752.98
Other financial assets	300.61	300.61	-	-	300.61
Investments					
Tax Free Bonds and Government Bonds	-	-	-	-	-
	6,625.45	6,625.45			2,053.59
<b>Fair value through profit and loss</b>					
Investments in mutual fund	12,682.42	12,682.42	12,682.42	-	-
	12,682.42	12,682.42	12,682.42	-	-
<b>Fair value through other comprehensive income</b>					
Investments					
Mutual Fund (Equity Investment)	-	-	-	-	-
	-	-	-	-	-
Grand total	19,307.87	19,307.87	12,682.42	-	2,053.59
<b>2 Financial Liabilities</b>					
<b>At amortised cost</b>					
Borrowings	21.82	21.82	-	-	21.82
Trade payables	519.97	519.97	-	-	519.97
Other financial liabilities	336.05	336.05	-	-	336.05
	877.84	877.84	-	-	877.84

**(b) Disclosures for the year ended 31 March 2019**

Particulars	Carrying Value	Fair Value	Fair Value		
			Level -1	Level -2	Level -3
<b>1 Financial assets</b>					
<b>At amortised cost</b>					
Cash & cash equivalents	175.82	175.82	-	-	-
Bank balance other than above	1,418.25	1,418.25	-	-	-
Trade receivables	1,846.37	1,846.37	-	-	1,846.37
Other financial assets	302.86	302.86	-	-	302.86
Investments					
Tax Free Bonds and Government Bonds		-	-	-	-
	3,743.30	3,743.30	-	-	2,149.23
<b>Fair value through profit and loss</b>					
Investments in Mutual Fund	13,256.51	13,256.51	13,256.51	-	-
	13,256.51	13,256.51	13,256.51	-	-
<b>Fair value through other comprehensive income</b>					
Investments					
Mutual Fund (Equity Investment)	-	-	-	-	-
	-	-	-	-	-
Grand total	16,999.81	16,999.81	13,256.51	-	2,149.23
<b>2 Financial liabilities</b>					
<b>At amortised cost</b>					
Borrowings	51.57	51.57	-	-	51.57
Trade payables	262.56	262.56	-	-	262.56
Other financial liabilities	172.17	172.17	-	-	172.17
	486.30	486.30	-	-	486.30

**(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

**54. 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 2020 and 31 March 2019.

**(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 2020	31 March 2019
Less than 6 months	1,466.89	1,528.85
6 to 12 months	120.64	67.95
More than 12 months	165.45	249.57
<b>Total</b>	<b>1,752.98</b>	<b>1,846.37</b>

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

Particulars	(in %)	
	31 March 2020	31 March 2019
Revenue from Top Customer	88%	91%
Revenue from Five Customers	99%	99%

**(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
<b>31 March 2020</b>				
Borrowings				
Vehicle Loan from others	29.76	21.82	-	51.58
Other financial liabilities	306.29	-	-	306.29
Trade & Other payables	519.97	-	-	519.97
<b>Total</b>	<b>856.02</b>	<b>21.82</b>	<b>-</b>	<b>877.84</b>
<b>31 March 2019</b>				
Borrowings				
Vehicle Loan from others	12.81	51.57	-	64.38
Other financial liabilities	159.36	-	-	159.36
Trade & Other payables	262.56	-	-	262.56
<b>Total</b>	<b>434.73</b>	<b>51.57</b>	<b>-</b>	<b>486.30</b>

## 55 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 2020	31 March 2019	
Borrowings	51.58	64.38	
Less: current investments	12,682.42	13,256.51	
Less: Cash and cash equivalents	941.04	175.82	
Net Debt	(a) (13,571.88)	(13,380.45)	
Equity	(b) 31,256.06	32,580.86	
Equity and Net Debt	(c) = (a+b) 17,684.18	19,200.42	
Gearing Ratio	(a) / (c) (76.75)%	(69.69)%	

## 56 Managerial Remuneration

		(₹ In Lakhs)	
Particulars	31 March 2020	31 March 2019	
Particulars			
Salary and allowance to Manager	21.32	25.36	
Remuneration to Whole time director (including salary)	200.00	280.00	

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.

## 57 CIF Value of Imports (including items in stock)

		(₹ In Lakhs)	
Particulars	31 March 2020	31 March 2019	
a) Capital goods	-	35.73	

## 58 Value of Spare Parts and components consumed

		(₹ In Lakhs)	
Particulars	31 March 2020	31 March 2019	
i) Imported	62.84	50.49	
Percentage to the total	36%	32%	
ii) Indigeneous	112.73	107.54	
Percentage to the total	64%	68%	
iii) Total	175.57	158.03	

## 59 Expenditure in Foreign Currency

		(₹ In Lakhs)	
Particulars	31 March 2020	31 March 2019	
a) Technical Services (Net of TDS)	60.22	191.52	
b) Travel	32.32	51.46	

60 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.

## 61 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.

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

63 In the opinion of management, the value of the assets, other than property, plant and equipment and intangible 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)

Place: New Delhi

Date: 18 July 2020

**DEEPA BHALLA**

COMPANY  
SECRETARY

**VIJAY KIRPAL**

CHIEF FINANCIAL  
OFFICER

**M. SINGH**

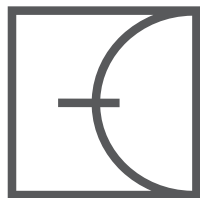
DIRECTOR  
DIN : 07585638

**R. KAPUR**

CHAIRMAN  
DIN : 00017172







SELAN EXPLORATION TECHNOLOGY LIMITED

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# SELAN EXPLORATION TECHNOLOGY LTD.

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 Fifth Annual General Meeting of Selan Exploration Technology Limited will be held on Wednesday, 23 September 2020 at 09:30 A.M. through Video Conferencing ("VC") / other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2020 along with the Reports of the Directors' and Auditors' thereon.
- 2) To declare the interim dividend of 50% amounting to ₹ 5/- per equity share paid during the year as final dividend for the financial year 2019-20.

### SPECIAL BUSINESS

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

#### AS ORDINARY RESOLUTION

- 1) RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2020-21.

"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 2020-21 on a remuneration of ₹ 120,000/- per annum, be and is hereby ratified."

By Order of the Board  
for SELAN EXPLORATION TECHNOLOGY LTD.

18 July 2020  
New Delhi

DEEPA BHALLA  
Company Secretary

### NOTES :

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 05 May 2020 read with circulars dated 08 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

- 2) In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.selanoil.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>

- 3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- (i) Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, e- mail address, change of address / name and submit PAN, 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 and submit PAN 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.

- 4) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 01 April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer & Agent Limited for assistance in this regard.

- 5) Register of Members and Share Transfer Books of the Company will remain closed from 16 September 2020 to 23 September 2020 (both days inclusive).

- 6) 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.

Ministry of Corporate Affairs ("MCA") has vide Circular No. 17/2011 dated 21 April 2011 & Circular No. 18/2011 dated 29 April 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 2020 has been sent to all the members whose e-mail address is registered with the Company / Depository Participant(s). 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.

- 7) 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.
- 8) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 9) Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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 Fifth 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 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 login to 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 e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services 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 e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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 e-mail 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](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 [scrutinizer@gmail.com](mailto:scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- III. The remote e-Voting period commences on 20 September 2020 (9:00 a.m.) and ends on 22 September 2020 (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 16 September 2020, 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.
- IV. The voting rights shall be as per the number of equity shares held by the member(s) as on 16 September 2020. 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.
- V. 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. 16 September 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com).
- VI. 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 and attend AGM through Video Conferencing ("VC") or other Audio Visual Means ("OVAM").
- VII. The Scrutinizer shall after the conclusion of the AGM, will first count the votes cast during the AGM 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.
- VIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.selanoil.com](http://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.
- IX. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investors@selanoil.com](mailto:investors@selanoil.com) from 20 September 2020 (9:00 a.m. IST) to 21 September 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## **EXPLANATORY STATEMENT**

(Under Section 102 of the Companies Act, 2013)

### **Item No. 1**

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 2020-21 which was approved by the Board in its meeting held on 18 July 2020. 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.

By Order of the Board  
for SELAN EXPLORATION TECHNOLOGY LTD.

18 July 2020  
New Delhi

DEEPA BHALLA  
Company Secretary