



SELAN
EXPLORATION
TECHNOLOGY LIMITED

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

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

18 July 2020

Dear Sir :

Sub : Outcome of Board Meeting

The Board of Directors of the company in their meeting held today, have approved and taken on record the Audited Financial Results for the year ended 31 March 2020. A copy of the same along with the Auditors' Report and declaration under Reg. 33(3)(d) is enclosed herewith for your reference.

The Meeting commenced at 02:00 P.M. and concluded at 02:45 P.M.

Thanking You.

Yours faithfully

Deepa Bhalla
Company Secretary

J. A. Martins & Co.

Chartered Accountants

Independent Auditor's Report

To the Board of Directors of

SELAN EXPLORATION TECHNOLOGY LIMITED

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **Selan Exploration Technology Limited** ("the Company") for the three months and year ended 31 March 2020 ("the Statement") being submitted by the Company pursuant to requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

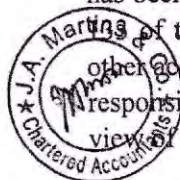
- (i) is presented in accordance with requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"); and
- (ii) gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income, cash flows and other financial information of the Company for the year ended 31 March 2020.

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 standalone financial results 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 standalone financial results 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 standalone financial results.

Management's Responsibility for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial results which has been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. The Company's Board of Directors is responsible for the preparation of these standalone financial results that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including



J. A. Martins & Co.

Chartered Accountants

Other Comprehensive Income), cash flows and other financial information 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 and in compliance with Regulation 33 of the Listing Regulations.

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

In preparing the standalone financial results, 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 Financial Results

Our responsibility is to express an opinion on these standalone financial results 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 standalone financial results 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 standalone financial results 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 standalone financial results. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial results, 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 standalone financial results that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.



J. A. Martins & Co.

Chartered Accountants

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 standalone financial results.

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

For J.A. Martins & Co.
Chartered Accountants
FRN: 010860N

J.A. Martins



J.A Martins

Proprietor

M. No. 082051

UDIN: *20082051AAAA BS 9489*

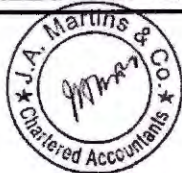
Place: New Delhi

Date: 18 July 2020

SELAN EXPLORATION TECHNOLOGY LTD.
CIN : L74899DL1985PLC021445
J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi-110 043
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in Lakhs)

PARTICULARS	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. (a) Revenue from Operations	2,215	2,555	2,145	9,476	9,664
Less : Profit Petroleum paid to Gol	151	143	(33)	516	331
Revenue from Operations (Net)	2,064	2,412	2,178	8,960	9,333
2. (b) Other Income	119	259	306	916	1,070
3. Total Income	2,183	2,671	2,484	9,876	10,403
4. Expenses					
a) Operating Expenses	367	341	319	1,240	1,048
b) Changes in inventories of finished goods	49	(73)	18	3	(4)
c) Finance Cost	11	2	2	17	7
d) Employee expenses	107	171	123	590	601
e) Royalty and Cess	185	133	120	565	455
f) Development of Hydrocarbon Properties amortised	491	490	469	1,906	1,786
g) Depreciation & Amortisation	91	74	76	315	294
h) Other expenses	340	289	224	1,113	833
Total Expenses (a to h)	1,641	1,427	1,351	5,749	5,020
5 Profit before Exceptional Items and Taxation	542	1,244	1,133	4,127	5,383
Less : Exceptional Items					
- Impairment of Hydrocarbon Properties (DHP)	900	-	-	900	-
6 Profit before tax	(358)	1,244	1,133	3,227	5,383
7 Tax Expenses :					
a) Provision for Current Tax	280	430	284	1,495	1,575
b) Deferred Tax	(312)	(83)	(291)	(511)	(1,343)
8 Net Profit for the period	(326)	897	1,140	2,243	5,151
9 Other Comprehensive Income / (Loss) (net of tax)	18	8	8	24	9
10 Total Comprehensive Income (after tax)	(308)	905	1,148	2,267	5,160
11 Cash Profit	844	1,378	1,394	4,853	5,888
12 Paid-up Equity Share Capital (face value Rs. 10/-)	1,520	1,520	1,583	1,520	1,583
13 Basic EPS (not annualised)	(2.15)	5.90	7.20	14.64	31.54
14 Diluted EPS (not annualised)	(2.15)	5.90	7.20	14.64	31.54



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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF ASSETS AND LIABILITIES AS ON 31 MARCH 2020

		(Rs. in Lakhs)	
PARTICULARS		31.03.2020	31.03.2019
(1)	Non-current assets		
	Property, plant and equipment		
	- Tangible assets	838	1,048
	Development of hydrocarbon properties	17,914	19,523
	Capital work-in-progress	132	162
	Right of Use assets	90	-
	Intangible assets	9	62
	Financial assets		
	- Other financial assets	43	76
	Non-current tax asset (net)	-	-
	Other non-current assets	25	6
		19,051	20,877
(2)	Current assets		
	Inventories	739	811
	Financial assets		
	- Investment	12,682	13,257
	- Trade receivables	1,753	1,846
	- Cash and cash equivalents	941	176
	- Other bank balances	3,631	1,418
	- Other financial assets	257	227
	Other current assets	252	210
		20,255	17,945
	Total assets	39,306	38,822
II	EQUITY AND LIABILITIES		
(1)	Equity		
	Equity share capital	1,520	1,583
	Other equity	31,256	30,998
		32,776	32,581
(2)	LIABILITIES		
	Non-current liabilities		
	Financial liabilities		
	- Borrowings	22	51
	- Lease liabilities	70	-
	Provisions	39	50
	Deferred tax liabilities (net)	5,278	5,478
		5,409	5,579
	Current liabilities		
	Financial liabilities		
	- Trade payables	520	263
	- Lease liabilities	23	-
	- Other financial liabilities	336	172
	Other current liabilities	171	163
	Provisions	10	23
	Current tax liabilities (net)	61	41
		1,121	662
	Total equity and liabilities	39,306	38,822



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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	(Rs. in Lakhs)	
PARTICULARS	2019-2020	2018-2019
A. Cash flow from Operating activities :-		
Net Profit / (Loss) before taxation	3,227	5,383
Add :		
Depreciation for the year	315	294
Other comprehensive income	24	9
Amortisation of DHP	1,906	1,786
Impairment of DHP	900	-
Interest on borrowings	6	5
Interest - Lease liabilities	8	-
	3,159	2,094
Less:		
Interest income	(87)	(448)
(Profit) / Loss on change in fair value of investments through FVTPL	586	(728)
(Profit) / Loss on sale / write-off of property, plant and equipment	90	(1)
	589	(1,177)
Operating profit before changes in assets and liabilities	6,975	6,300
Adjustment for changes in assets and liabilities		
(Increase) / Decrease in inventories	72	18
(Increase) / Decrease in trade receivables	93	20
(Increase) / Decrease in financial assets	(2,210)	4,960
(Increase) / Decrease in prepaid rent / interest expense	(5)	-
(Increase) / Decrease in other current assets	(42)	(20)
(Increase) / Decrease in tax asset	-	65
Increase / (Decrease) in trade payable	257	(197)
Increase / (Decrease) in financial liabilities	147	(50)
Increase / (Decrease) in provisions	(24)	(11)
Increase / (Decrease) in current tax liabilities	20	32
Increase / (Decrease) in other current liabilities	9	26
	(1,683)	4,843
Cash generated from operations	5,292	11,143
Less: Income tax paid	1,184	1,190
Net cash from Operating activities (A)	4,108	9,953
B. Cash flow from Investing activities :-		
Purchase of property, plant & equipment and Additions to DHP	(113)	(184)
Net (purchase) / sales of current investments	(1,197)	(1,229)
Sale of property, plant & equipment	(11)	(9,022)
Interest income received	4	1
	87	448
Net cash generated / (used) in Investing activities (B)	(1,230)	(9,986)
C. Cash flow from Financing activities :-		
Increase / Decrease in :		
Long term borrowings taken / (paid)(Net)	(13)	19
Dividend paid (Including DDT)	(916)	(989)
Interest paid on borrowings	(6)	(5)
Buyback of equity shares	(63)	(57)
Premium on buyback of equity shares	(1,064)	(942)
Expenses on buyback of equity shares	(29)	(33)
Payment of lease liabilities	(22)	-
Net cash generated / (used) in Financing activities (C)	(2,113)	(2,007)
Net change in cash and cash equivalents (A+B+C)	765	(2,040)
Balance at the beginning of the year	176	2,216
Balance at the end of the year	941	176
Net change in cash and cash equivalents	765	(2,040)



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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

Notes :

- 1 The Statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 2 Residual value of Property Plant and Equipment (PPE) is considered as Nil for the purpose of depreciation calculation.
- 3 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.
- 4 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.
- 5 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.

- 6 The Company completed buy-back of 12,00,000 Equity Shares of Rs. 10 each (representing 7.32% of total pre buy-back paid up equity share capital) on 2 July 2019 for an aggregate amount of Rs.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 Rs.142.37 Lakhs and Rs. 1,663.30 Lakhs was utilized from the Securities Premium Account and Retained Earnings respectively for the Buy-Back. Further, Capital Redemption Reserve of Rs.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 Rs.1,127.11 Lacs(excluding expenses on Buy-Back) during the current financial year 2019-20. An amount of Rs.1,054.11 Lacs has been utilized from the Retained Earnings for the Buy-Back during the current financial year. Further, Capital Redemption Reserve of Rs. 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.

- 7 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.

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.



SELAN EXPLORATION TECHNOLOGY LTD.
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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

Some of the measures taken are as follows :

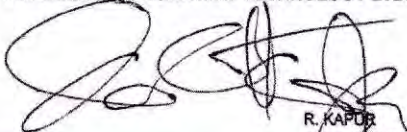
- a) The field manpower residing in city areas have been restricted and deployment of only the people living in the vicinity of the field areas has been adopted to ensure continuous production operations during lockdown situation.
 - b) Arrangements have been immediately made to provide extra medical 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.
- 8 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.
- 9 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".
- 10 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.
- 11 The Board of Directors at their meeting held on 08.02.2020 declared an interim dividend of 50% (i.e. Rs. 5 per equity share) for the Financial Year 2019 -2020.
- 12 Previous period figures have been reclassified / regrouped / restated, wherever necessary.
- 13 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 18 July 2020.

Annexure to our report of even date
For J.A. Martins & Co.
Chartered Accountants
FRN: 010860N


J.A. Martins
Proprietor
(M.No. 082051)
Place : New Delhi
Date : 18.07.2020



For SELAN EXPLORATION TECHNOLOGY LTD.


R. KAPUR
DIN : 90017172
Chairman





SELAN
EXPLORATION
TECHNOLOGY LIMITED

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

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

18 July 2020

Dear Sir :

Sub : Declaration Pursuant to Reg. 33(3)(d) of the SEBI (LODR) Regulations. 2015

I, Vijay Kirpal, CFO of the Company, hereby declare that the Statutory Auditors of the Company, M/s J. A. Martins & Co., Chartered Accountants have issued an Audit Report with unmodified opinion on Audited Standalone Financial Results of the Company for the quarter and year ended 31 March 2020.

Kindly take this declaration on records.

Thanking you.

Yours faithfully

Vijay Kirpal
CFO

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