



**SELAN**  
EXPLORATION  
TECHNOLOGY LIMITED

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)

15 May 2018

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 2018. 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 12:00 P.M. and concluded at 01:30 P.M.

Thanking You.

Yours faithfully

Meenu Goswami

Company Secretary

# *J. A. Martins & Co.*

Chartered Accountants

## **Independent Auditor's Report**

**To the Board of Directors of**

### **SELAN EXPLORATION TECHNOLOGY LIMITED**

1. We have audited the accompanying Statement of Financial Results of **Selan Exploration Technology Limited** ("the Company") for the year ended 31 March 2018 ("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 (the "Listing Regulations, 2015") read with SEBI circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements 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. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

2. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

3. 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 (the "Listing Regulations, 2015") read with SEBI circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016; and
  - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net



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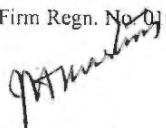
*J. A. Martins & Co.*

Chartered Accountants

profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2018.

4. The Statement includes the results for the Quarter ended 31 March 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

  
J.A Martins  
Proprietor  
Mem No. 082051



Place: Delhi  
Date: 15 May 2018

**SELAN EXPLORATION TECHNOLOGY LTD.**  
**CIN : L74899DL1985PLC021445**  
**J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi-110 043**  
**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

(Rs. in Lakhs)

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

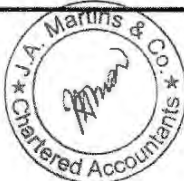


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**SELAN EXPLORATION TECHNOLOGY LTD.**  
**J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi-110 043**  
**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

**STATEMENT OF ASSETS AND LIABILITIES**

		(Rs. in Lakhs)	
(1)	<b>Non-current assets</b>	31.03.18	31.03.17
	Property, plant and equipment		
	- Tangible assets	1,071	946
	Development of hydrocarbon properties	20,081	19,688
	Capital work-in-progress	180	241
	Intangible assets	111	2
	Financial assets		
	- Other financial assets	49	39
	Non-current tax asset (net)	65	65
	Other non-current assets	25	9
		21,562	20,990
(2)	<b>Current assets</b>		
	Inventories	829	916
	Financial assets		
	- Investment	3,505	-
	- Trade receivables	1,866	1,332
	- Cash and cash equivalents	2,216	1,874
	- Other bank balances	6,434	9,422
	- Other financial assets	198	165
	Other current assets	190	185
		15,238	13,894
	<b>Total assets</b>	<b>36,820</b>	<b>34,884</b>
II	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Equity</b>		
	Equity share capital	1,640	1,640
	Other equity	27,800	26,579
		29,440	28,219
(2)	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	36	-
	Provisions	61	16
	Deferred tax liabilities (net)	6,436	6,011
		6,533	6,027
	<b>Current liabilities</b>		
	Financial liabilities		
	- Trade payables	460	374
	- Other financial liabilities	218	163
	Other current liabilities	137	78
	Provisions	23	23
	Current tax liabilities (net)	9	-
		847	638
	<b>Total equity and liabilities</b>	<b>36,820</b>	<b>34,884</b>



**SELAN EXPLORATION TECHNOLOGY LTD.**  
**J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi-110 043**  
**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

**Notes:**

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

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

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

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

3 Reconciliation of total equity as at 31 March 2017 : (Rs. in Lakhs)

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

- 4 Residual value of Property Plant and Equipment (PPE) is considered as Nil for the purpose of depreciation calculation.
- 5 The selling price of crude oil is determined at the prevailing international market rates in US Dollars. Fluctuations in the international price of crude oil and Dollar vs Rupee Exchange rates, affect the profitability of the Company.
- 6 The Company operates in a single segment of production of Oil and Natural Gas. Therefore, Ind AS-108 on Segment Reporting is not applicable to the Company.
- 7 Previous period figures have been reclassified / regrouped / restated, wherever necessary.
- 8 The Company has three oilfields at Bakrol, Indrora, Lohar wherein the Leases ends in 2020 but the said Leases are expected to be extended upto 2030. The Company has two other oilfields at Karjisan and Ognaj, wherein the Lease period ends in 2033. At expiry of the Lease period, the Company's Management expects to handover the aforementioned Oil Wells in working condition to new operator(s), assuming the leases are not extended in favour of Selan. This is similar to the manner in which the said oilfields were handed over to the Company in earlier years.

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

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

- 9 It has been considered appropriate to show the development expenses of oil wells under "Development of Hydrocarbon Properties" as a separate item. "Development of Hydrocarbon Properties" includes the cost incurred on the collection of seismic data, drilling of wells, reservoir modeling costs and other related expenditures on development of oil fields. Amortisation for the same is done on straight line basis over the remaining lease period as this method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and this method is applied consistently from period to period. Till 31.03.2014 these expenses were being amortised over a period not exceeding the remaining period of the contract. In the case of oil fields at Bakrol, Indrora and Lohar, the original contract period ends in 2020, while in the case of Karjisan and Ognaj, the contract ends in 2030 and 2033, respectively. Under the Production Sharing Contract (PSC), the Government has the power to extend the contract and they have written to the Company that it can apply for a 10 year extension. Management is of the opinion that there is a reasonable likelihood of this extension, especially keeping in view that investments made in recent years for drilling of new wells are expected to continue to result in oil and gas production significantly beyond the original contract period. Of this extension period, a 5 year extension period was incorporated in the accounts effective 2014-15 and the balance 5 year extension period is being made effective F.Y. 2017-18, whereby the amortisation for Year ended 31 March 2018 is lower by Rs. 9.41 crores and consequently the profit before tax for the said period is higher by Rs. 10.09 crores.

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

Annexure to our report of even date

for J.A. MARTINS & CO  
Chartered Accountants  
ICAI FRN 010850

J.A. MARTINS  
Proprietor

(M No. 082051)

Place : New Delhi

Date : 15 May 2018



www.selanoil.com

for SELAN EXPLORATION TECHNOLOGY LTD.

  
R. KAPUR

DIN : 00017172

Chairman

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

15 May 2018

Dear Sir :


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

I, Ashok Kumar Maurya, 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, 2018.

Kindly take this declaration on records.

Thanking you.

Yours faithfully



Ashok Kumar Maurya  
CFO