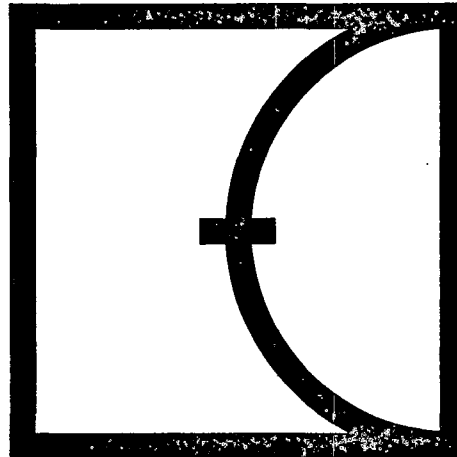


MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	Stl	✓
YE	✓			✓



also notice



**13th ANNUAL REPORT
1997-98**

SELAN EXPLORATION TECHNOLOGY LTD.

ANNUAL REPORT 1997-98

DIRECTORS

Mr. R.N. Kapur *Chairman*
Mr. A. Mahajan
Dr. B.K. Barman
Mr. B.M. Mirza
Mr. N.I. Mehta
Ms. R. Kapur
Mr. Rohit Kapur *Vice Chairman*
Mr. T. Currimbhoy

PRESIDENT

Mr. C. Ratnam

EXECUTIVE DIRECTOR

Mr. V.B. Mahajan

SENIOR ADVISORS

Mr. A.M. Awasthi – *Seismic*
Mr. P.K. Kulkarni – *Reservoir*
Dr. S. Srinivasan – *Exploration*

COMPANY SECRETARY & VICE PRESIDENT– (Corp. Affairs)

Wg. Cdr. (Retd.) Azad B. Saxena

BANKERS

ABN Amro Bank
Corporation Bank

AUDITORS

V. Sankar Aiyar & Company,
Chartered Accountants, New Delhi

REGISTERED OFFICE

First Floor, 11 Hauz Khas Village
New Delhi - 110 016

REGISTRARS AND SHARE TRANSFER AGENTS

MCS Ltd.
Sri Venkatesh Bhavan
212A, Shahpurjat
Behind Panchsheel Club
New Delhi - 110 016

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956 AND THE RULES MADE THEREUNDER, FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

Sl. No.	Name	Age	Qualification	Experience (Yrs.)	Date of Employment	Designation /Nature of Duties	Gross Remuneration (Rs.)	Last Employment / Designation
1	2	3	4	5	6	7	8	9
1	R.N. Kapur	69	B.Com., CA., A.C.M.A. (U.K.)	45	01.08.1991	Whole Time Director	10,50,000	President, Kapur Consultancy Services

1. Remuneration includes salary, allowances, bonus, encashment of earned leave, reimbursement of medical expenses and leave travel assistance, wherever applicable.
2. Mr. R.N. Kapur is related to Ms. Raj Kapur and Mr. Rohit Kapur, Directors of the Company and his employment is contractual.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report for the year ended 31 March 1998.

The year under review witnessed political uncertainty in the country which pushed the other major issues to the background. On the economic front, the successive governments just about managed to sustain the pace of liberalisation.

The oil industry welcomed the announcement of New Exploration Licensing Policy (NELP) by the Government, which aims at simplifying the bidding process under the open acreage system, bringing parity between the national oil companies and private sector oil companies. NELP aims at providing a level playing field to both public and private sector companies as well as the MNC's. The Industry now awaits the effective implementation of the policy announced by the Government and expects the speedy finalisation of pending issues as well as the award of contracts for new fields.

The Company has been pursuing the matter of finalisation of signing of the Production Sharing Contracts (PSCs) of two more fields viz., Karjisan and Ognaj, awarded to it.

Financial Performance

The Company sustained its growth at par with that of last year. The major financial highlights are as shown hereunder :

(Rs. Million)	1997-98	% to Total	1996-97	% to Total
a) Sale of Crude Oil	34	56	33	51
b) Geophysical Services	01	10	19	30
c) Other Income	20	34	13	19
TOTAL	55	100	65	100
NET PROFIT	12		12	
CASH PROFIT	18		18	

The Company's Net Profit for the year was Rs. 12 million and provision for tax was Rs. 1.2 million. The cash profit for the year was Rs. 18 million. Your Company's reserves have increased to Rs. 62 million from Rs. 41 million last year.

Oil Exploration Business Development

The Company produced 49,320 barrels of crude oil in 1997-98 (vs. 41,564 barrels in 1996-97) primarily from the BAKROL oilfield. Despite a significant drop in the international crude oil prices, revenue levels were maintained.

Your Company has proposed an extensive development plan for the three oil fields viz. BAKROL, INDRORA and LOHAR to the Ministry of Petroleum and Natural Gas (MoPNG).

Under the first phase, seismic surveys were conducted in the BAKROL area. The Company now plans to implement the drilling of about six more wells to enhance crude oil production during the current year. The Company has invited tenders for Project Management Services from companies of International repute and it is hoped they would undertake the assignment including execution of the drilling programme.

Seismic Business Activity

The Seismic Crew has also undertaken seismic data acquisition work in the INDRORA oil field, which would be completed during the current year. To conduct these surveys, a carefully evaluated area encompassing existing/producing wells at INDRORA has been selected. The surveys being conducted are 3D surveys, thus significantly enhancing the accuracy and quality of data that is expected to be received and subsequently processed.

As a result, income from Geophysical Services is expected to increase substantially in the coming year.