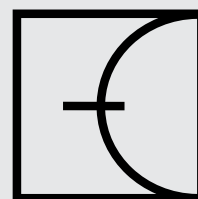


ANNUAL REPORT 2021-22



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 • Kotak Mahindra Bank • Union Bank of India • HDFC 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



Chairman's Message

Your Company began the Production of Oil and Gas in 1995, over 25 years ago. During this period we have produced nearly 4 million boe, and continue to have significant reserves for further production.

At present the Company also has over ₹ 200 crores in Net Current Assets, and has paid dividends continuously for over 15 years.

The Promoters of the Company have now entered into an agreement to sell 21% to 25% of their shareholding to Blackbuck Energy Investments Limited, who will now become the new promoters of the Company.

Blackbuck Energy is owned largely by Oak Tree Capital, and they also have a controlling stake in Antelope Energy Private Limited in India.

We are very confident that under new ownership and management the shareholders of SELAN can continue to expect a very bright future for the Company, with a significant growth in sales & profits and shareholder value.

I would also like to take this opportunity to thank all the wonderful employees of the Company who have devoted their time and energy to help your Company achieve the significant results we have achieved over the years.

With Best Wishes for the Future,

*Rohit Kapur
Chairman*



Your directors have the pleasure of presenting the Annual Report for the year ended 31 March 2022.

Review of Operations

The Company continues to achieve high levels of profitability, aided by higher oil prices during the year. However, as a result of demand disruptions owing to outbreak of unprecedented second wave of Covid pandemic in the Country and partial/ complete lockdowns, there were severe supply chain disruptions during the year.

Nonetheless, your Company continued its best efforts towards streamlining and optimizing the crude oil and gas E&P operations during the last financial year. Your Company also took effective measures in managing the uncertainties by ensuring that field operations continue smoothly. Necessary/ precautionary measures were undertaken to ensure the health and safety of its workforce as well as the safety and hygiene of its installation and production facilities.

As the Covid situation started easing out during the third quarter of the last financial year, the Company increased its scale of operations in stages in an effort to accelerate Oil and Gas production and sales from its Oil and Gas fields.

Your Company is also pleased to inform you that it has signed the long-pending Crude Offtake and Sales Agreement (COSA) with Indian Oil Corporation Limited, who is the Government's nominee to offtake the entire Crude Oil production of the Company on behalf of the Government of India as per the applicable provisions of the Production Sharing Contracts (PSCs).

Please also refer to the Management Discussion and Analysis section of the Annual Report for further clarification regarding the Company's operations and policies.

OPEN OFFER

Blackbuck Energy Investments Limited ("the Acquirer") along with Antelopus Energy Private Limited ("PAC") has entered into a share purchase agreement ("Share Purchase Agreement" or "SPA") dated 17 March 2022 with Mr. Rohit Kapur, Mrs. Rohini Kapur, Mrs. Raj Kapur and Winton Roavic LLP i.e., the Sellers (pursuant to which the Acquirer alongwith the PAC has agreed to acquire from the Sellers a minimum of 31,92,000 (Thirty One Lakhs and Ninety Two Thousand Only) Equity Shares of Selan Exploration Technology Limited ("Target Company") representing 21% of the Voting Share Capital and upto a maximum of 38,15,200 (Thirty Eight Lakhs and Fifteen Thousand Two Hundred Only) Equity Shares representing 25.10% of the Voting Share Capital, at ₹ 200.00/- (Rupees Two Hundred Only) per Equity Share, subject to the satisfaction of certain conditions precedent (including, but not limited to, receipt of the required Statutory/ Regulatory Approvals) under the Share Purchase Agreement.

As per the provisions of the SPA and subject to the conditions precedent therein, upon completion of the Open Offer and the Underlying Transaction, if the shareholding of the Acquirer in the Target Company computed as the sum of:

- number of Equity Shares validly tendered by the Public Shareholders and accepted in the Open Offer; and
- the Equity Shares agreed to be purchased by the Acquirer from the Sellers under the SPA, is below 25.10% of the Voting Share Capital of Target Company, then the Acquirer will acquire such number of additional Equity Shares from the Sellers pursuant to the SPA so as to ensure that the aggregate shareholding of the Acquirer in the Target Company is 25.10% of the Voting Share Capital of Target Company upon completion of the transaction.

The Share Purchase Agreement also sets forth the terms and conditions agreed between the Acquirer and the Sellers, and their respective rights and obligations.

Since the Acquirer has entered into the SPA to acquire voting rights which may be in excess of 25% of the Voting Share Capital and control over the Target Company, this Open Offer was made under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, 2011. Pursuant to the Open Offer and consummation of the Underlying Transaction, the Acquirer will have control over the Target Company and the Acquirer and PAC shall become the promoter and promoter group respectively, of the Target Company in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") and the Sellers will cease to be the promoter and/ or promoter group of the Target Company. Accordingly, the Sellers will be re-classified from promoter and/or promoter group to public, subject to receipt of necessary approvals required in terms of the SEBI (LODR) Regulations, 2015 and conditions prescribed therein.

Final Dividend

The Board of Directors in their meeting held on 05 February 2022 has declared an interim dividend of 50% i.e, ₹ 5/- per share, which shall be declared as the final dividend for the year 2021-22 in the upcoming AGM subject to approval by the shareholders of the Company.

The dividend resulted in a cash outflow of ₹760.00 lakhs, and represents a continuous record of 15 years of annual dividend payments.

Transfer to IEPF

An amount of ₹15,46,645 (Fifteen lakhs forty six thousand six hundred & forty five only), being unclaimed dividend for the Financial Year 2014-15, along with 22,718 (Twenty Two Thousand Seven Hundred and Eighteen only) equity shares was/ were duly transferred to the Fund established by the Central Government during the year.

Members/Claimants whose shares and /or unclaimed dividend, have/ has been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim their 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 the requisite fee as decided by the IEPF authority from time to time in accordance with the provisions of the Companies Act, 2013 and the IEPF Rules.

Only one consolidated claim in a financial year can be filed by the Member/ Claimant as per the IEPF Rules.

In compliance with the 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"), an Investor Education and Protection Fund ("IEPF" or "Fund") has been established by the Central Government whereby all unpaid or unclaimed dividends by the members are required to be transferred by the Company to the aforesaid Fund after completion of seven years from the date of dividend becoming unpaid/ unclaimed. It is further clarified that 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.

The Company had sent individual notices to the concerned members and also advertised in the newspapers to enable those members who have not claimed any such dividends for a period of seven consecutive years or more to take appropriate action to claim their unpaid dividend amount which has not been claimed by them for seven consecutive years or more as per the provisions of the IEPF Rules.

Accordingly, the Company has transferred all the unpaid or unclaimed dividend amounts to The Investor Education and Protection Fund (IEPF) within the timelines as provided by the Companies Act, 2013 and the IEPF Rules.

Members can visit our website at www.selanoil.com for details of shares/ shareholders in respect of which dividend has not been claimed. The

shareholders are requested to verify their records and claim their unclaimed dividends for past seven years, if not claimed.

Year	Amount	The due date for transfer of unclaimed/ unpaid amount of Dividend to IEPF
2015 - 16	16,09,375	14 April 2023
2016 - 17	20,62,525	16 April 2024
2017 - 18	15,10,050	07 April 2025
2018 - 19	12,23,875	23 February 2026
2019 - 20	12,46,700	02 April 2027
2020 - 21	10,13,187	22 March 2028
2021 - 22	10,69,937	11 March 2029

The Company has appointed a Nodal Officer under the provisions of IEPF Rules. Kindly refer to our website at www.selanoil.com for further details under the Investor Information section.

Financial Review

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

(in ₹ lakhs)

	2021-22	2020-21
Net Sales	7,731	4,882
EBITDA	3,480	2,105
EBITDA / Net Sales	45%	43%
Reserve and Surplus	31,353	31,121

As on 31 March 2022, the total Reserves and Surplus of the Company stand at ₹ 31,353 Lakhs. It may kindly be noted that the Board has not recommended any transfer to General Reserves from the profits during the year under review.

Meetings of the Board & Committees

Eleven Board Meetings were held during the Financial Year 2021-22. The Corporate Governance Report contains details of the Board and Committee meetings held during the year. All the intervening gaps between the meetings were within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and subsequent amendments thereof.

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

A Declaration made by the Independent Directors of the Company 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, has been taken on record. Compliance with the Code for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 has also been noted for all the Independent Directors of the Company.

Directors' Responsibility Statement

As per Section 134 (5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it states that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for 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;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

Policy on Directors' Appointment and Remuneration

Section 178 of the Companies Act, 2013 along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015 lays down a framework for the appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and further provides for the constitution of Nomination and Remuneration Committee of the Company.

The Committee formulates a criterion for the evaluation of the Board of Directors of the Company including the Independent Directors. It also recommends to the Board on the remuneration payable to the Directors, Key Managerial Personnel and Senior Management. The role of the Committee is to guide the Board in matters specifically concerning the appointment and remuneration of Directors and formulate the criterion for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors and Key Managerial Personnel.

The Committee considers suitable nominations for appointments to the Board and makes appropriate recommendations based on qualifications, skills and experience of the Managerial Personnel together with recommending the remuneration of the Directors and Key Managerial Personnel, which is further approved by the Board of Directors, subject to the approval of shareholders wherever necessary. Considering the requirement of skill set on the Board, eminent people having an independent standing in their respective field/ profession having been recommended by the Committee have been appointed by the Board.

The Committee gives due consideration to ethical standards of integrity, qualification, expertise and experience of the person for appointment as a Director and ensures that such a person is not disqualified under the Companies Act, 2013 and rules made thereunder and accordingly recommends his/ her appointment to the Board.

The Whole-Time Director of the Company is paid remuneration under the relevant provisions of Companies Act, 2013 and rules made thereunder. Independent/ Non-Executive Directors excluding Promoter Directors are only paid sitting fees as per the provisions of the Companies Act, 2013 for attending the meetings of the Board/ Committees thereof. The objective and broad framework of the Remuneration Policy as adopted by the Company is to consider and determine the remuneration, based on the fundamental principles of payment for performance, potential and growth. Please refer to the Company's website at www.selanoil.com for the Nomination and Remuneration Policy as approved by the Board. Any decision by the Board on the appointment and remuneration of Directors, KMPs and Senior Managerial personnel is taken only after consideration of the recommendations of the Nomination and Remuneration Committee.

Contracts/ Arrangements with Related Parties

The Company has incorporated and taken note of all amendments with respect to the Related Party Transactions which had taken place during the year. 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.

Your Company has adopted a Related Party Transaction Policy. The Audit Committee reviews this policy from time to time and 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. 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. Kindly refer to our website at www.selanoil.com for our Company's policy on Related Party Transactions.

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 warrant 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.

Risk Management

SELAN operates in a dynamic operating environment, having in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. 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. 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. The compliance related to the Risk Management Committee as per Regulation 21 of SEBI (LODR) Regulations, 2015 are not applicable on our Company, hence the Company need not to comply with the provisions relating to the formation of a Risk Management Committee.

Board Evaluation

An Annual Performance Evaluation is carried out by the Board of its performance, the performance of 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. A Separate Meeting of Independent Directors was held on 8 March 2022 to review the performance of Non-Independent Directors, the Chairperson of the Company as well as the Board as a whole taking into account the views of the Executive Director and Non-Executive Directors. Contribution to the Company's objectives and plans, efficient discharge of responsibilities, participation in Board/ Committee meetings and other relevant parameters form basis of the performance evaluation.

Board of Directors and KMP

There was no change in the composition of the Board of Directors and KMPs during the year under review.

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

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, Manesar ('IICA') as required under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. They have served for more than three years on the Board of listed entities and hence are not required to pass the online proficiency self-assessment test as per the proviso to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Whistle Blower Policy

The Company's Whistleblower Policy (Policy) is an important element in detecting corrupt, illegal or any other undesirable conduct. It strongly encourages one to speak up if they suspect or witness any matters of concern. This Policy describes the protection available to whistleblowers, what matters are reportable, how you can report your concerns without any fear of detriment.

The policy can be viewed on the Company's website at www.selanoil.com. It provides a formal mechanism for the directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. It also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to Chairman of the Audit Committee.

Further, it is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee on any account whatsoever.

Audit Committee

The Audit Committee of the Company coordinates with the management team, independent auditors and internal auditors to monitor the choice of accounting policies, principles and to ensure compliance with the applicable laws and regulations.

The Audit Committee of the Company 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 the Corporate Governance Report. All the recommendations made by the Audit Committee are put before the Board of Directors for their approval.

Mr. M. Singh, was the Chairman of the committee during the financial year. Having adequate financial and accounting knowledge, Mr. Singh not only ensured compliance with the internal financial control system but also devised appropriate systems and framework aligned with the business requirements.

Internal Financial Controls and their adequacy

As per Section 134 of the Companies Act, 2013, the term 'Internal Financial Controls' means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

Internal Control over Financial Reporting (ICFR) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The following are the benefits of adopting a system of Internal Financial Control:

1. Accurate and fair reflection of transactions and disposition of the assets of the company;
2. Provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and
3. Provides 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 financial statements.

The Financial Control Systems are routinely assessed and certified by the Statutory as well as Internal Auditors of the Company.

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.

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 has in accordance with the terms of Section 148 of the Companies Act, 2013 and on the recommendation of the 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 2022-23 at a remuneration of ₹120,000/- per annum to conduct the audit of 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 2021 was carried out by Mr. R. Krishnan and the report was filed on 28 August 2021. There are no qualifications, reservations, adverse remarks or frauds reported by the Auditors in their Cost Audit Report.

Internal Auditor

In Compliance with the provisions of Section 138 of the Companies Act, 2013 M/s V. Sankar Aiyar & Co. (FRN: 109208W), Chartered Accountants were appointed as Internal Auditors for the Financial Year 2021-22 to conduct the internal audit of the functions and activities of the Company. Their report was submitted to the Chairman, reviewed by the Management and taken on record thereafter.

Secretarial Auditor

The Board of Directors of the Company has reappointed M/s Nityanand Singh & Co. (ICSI Membership No. 2668 and Certificate of Practice No. 2388), Practising Company Secretaries for conducting Secretarial Audit of the Company for financial year 2021-22. According to the 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.

Corporate Governance Report

The Company adheres to a high standard of Corporate governance which includes establishing a system of rules, practices and processes to ensure that ethical business decisions are taken in a fair and transparent manner, with a commitment to values while meeting stakeholders' expectations. Corporate governance practices in the Company essentially involve balancing the interests of the company's stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the Government, and community at large.

The Company's system of corporate governance also provides a framework for attaining the company's objectives, and it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

In compliance with the SEBI (LODR) Regulations, 2015, Management Discussion and Analysis and a Report on Corporate Governance, along with the Certificate from the Auditors regarding compliance of conditions of Corporate Governance is annexed to the Directors' Report. A declaration by the Whole-Time Director regarding compliance with the Code of Conduct also forms part of this Annual Report.

Annual Return

A copy of the Annual Return is placed on the website of the Company at www.selanoil.com.

Loans, Guarantees or Investments

The Company has not given any loan or guarantee or provided securities during the year 2021-22 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 on 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.

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 impact the going concern status and Company's operations in future.

Women Empowerment

The Company has in place a Corporate Policy on Anti-Sexual Harassment of Employees, in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An 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 wishes to register a complaint under the Policy. During the year under review, the Company did not receive any complaint under the Policy.

SELAN has always believed that an 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.

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 & Cash Flow Statement for the year ended 31 March 2022 and transactions entered into by the Company during the said year have been complied with. Also, vis a vis 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, the aforesaid regulations 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. 57 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 2022 and the date of this report.

General Information

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



Capital Structure

There was no Change in the Capital Structure of the Company during the year under review.

Corporate Social Responsibility

At SELAN we believe that "Corporate Social Responsibility is the continuing commitment by a Company to behave ethically and contribute to economic development while improving the quality of life of the workforce as well as of the local community and society at large."

With safety, health and environmental protection being high on its corporate agenda, SELAN is committed to conducting business with a strong environmental conscience, so as to ensure sustainable development, safe work places and enrichment of life of its employees, clients and the community. The Company has in place a CSR Policy in line with Schedule VII of the Companies Act, 2013 which is available on the Company's website at www.selanoil.com. Brief details about the CSR Committee and CSR Policy developed and implemented by the Company on CSR initiatives taken during the year are given in Annexure-B to this Report. In accordance with the recent amendments made in the Companies Act relating to Corporate Social Responsibility Rules an Annual Action Plan is also available on the website of the Company.

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 Statements and Reports 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 neither commenced any new business nor discontinued / sold or disposed of its existing business.
8. Currently, the Company operates in only one Business Segment which is Production of Crude Oil and Natural Gas. There is no change in the status of the Company in this 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. All material events which have an impact on the affairs of the Company, have been disclosed in this report, including the impact of Covid 19 pandemic.
11. During the financial year ended 31 March 2022, 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-C.

Appreciation

Your directors place on record their gratitude for the support and cooperation received from Government agencies namely the Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbons, Ministry of Defence, Ministry of Environment and the authorities collaborating with them. Your directors also express their gratitude to the Company's stakeholders, shareholders, business partners and the bankers for their understanding and support and look forward to their continued support in the future.

The Directors also place on record the enthusiasm and unstinting efforts of all the employees 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 our organization as a whole. Your directors value the professionalism, dedication and commitment shown by the team members of SELAN.

For and on behalf of the Board

R. KAPUR
Chairman
(DIN: 00017172)

Place : New Delhi
Date : 30 April 2022

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Developments

Worldwide the economies got affected significantly owing to the onset of the Covid-19 pandemic two years back, with two waves coming one after the other to disrupt the entire value chain and supply lines across industries including Oil and Gas. As a result of lockdowns, supply chain disruptions, drop in demand and related uncertainties, several industries were forced to reconfigure their strategies to adapt to the changing economic environment. Oil Industry witnessed one of the steepest falls in demand for crude oil & gas as well as that of the refined products as a result of the pandemic control measures implemented by the Countries worldwide leading to plunge in global demand. This forced the Oil and Gas Industry led by Opec countries to curtail the output to offset the downward drop in crude oil and gas prices.

With the Indian Government's accelerated push towards administering the immunization dosage to a significant percentage of the population together with spread of pandemic awareness and control measures, the effects of Covid pandemic tapered down largely towards the end of the Q3 of FY 2021-22. As a result, demand for crude oil & gas gradually witnessed a recovery with average price of crude oil increasing consistently.

The Crude prices surged further in Q4 of FY 2021-22 with the outbreak of war between Russia and Ukraine. The crude prices rose above US\$ 100 due to the supply chain disruptions and uncertainties owing to the war.

On the domestic front, however, the Government continues to focus and give thrust to, its policy initiatives towards an 'Atmanirbhar Bharat'. This applies to the Oil & Gas industry as well, where the Government further strengthened its commitment to reducing oil import dependence. These policies include some very welcome changes. The move to a revenue sharing regime, rationalization of royalty and cess, full pricing and marketing freedom for Oil & Gas and the ability to quickly identify areas of interest, bid and secure them are noteworthy.

India imports a large proportion of its crude Oil and Gas requirements to meet the increasing energy needs of its vast population. It is in this context and in line with 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 (HELP) are a few to name. These new policy frameworks are 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. The policy framework for reforms in the exploration and licensing sector has been approved by the Government for enhancing domestic exploration and production of Oil and Gas. 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.

In wake of the above, SELAN continues to focus on production enhancement activities as well as encourages collaboration among the industry, investors, service providers and consultants to bring in new technology, cost and operational efficiency. India

is one of the fastest growing economies in the world and will continue to remain so in the 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, optimizing yields, resource utilization, efficiency and development of new business opportunities. With a continued focus on technology enhancement and improving efficiency, the Company is most likely to achieve its production targets. SELAN is committed to active development of its field operations and maximizing its ultimate recovery.

2. Outlook

With Government's policy initiatives and incentives through Atmanirbhar Bharat and PLI schemes, it is expected that a substantial investment is going to be made in Oil and Gas sector to significantly improve production within the Country and to reduce the foreign exchange outflow for import of crude oil and gas to meet the increasing domestic demand.

At SELAN, our vision is to improve value maximization by benefiting from increasing prices & also to enhance production through optimising existing facilities and exploring opportunities to identify and drill new prospects, to further augment recoveries from the Oil and Gas blocks.

We seek to realize our vision by exploring Oil & Gas, executing to transform resources to reserves and enhancing value for all stakeholders by converting reserves to revenues.

We work closely with all stakeholders to explore, develop and produce hydrocarbons in a safe and responsible manner.

The Company has made consistent 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 to find the most appropriate completion 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 objective 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

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 with many new and small fields, which require access to existing infrastructure if they are to be economically viable to develop.

The Company identifies and monitors the key risks and uncertainties affecting its operations and runs the business in a way that minimizes their impact wherever possible. 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.