



# **SELAN EXPLORATION TECHNOLOGY LIMITED**



**ANNUAL REPORT 2022-23**

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**TOWARDS BECOMING A  
LEADING ENERGY COMPANY**

# ABOUT THE REPORT

We welcome you to Selan's Integrated Annual Report for FY 2022-23. The Report provides our stakeholders with a holistic view of Company's business. In addition, it also details the sustainable impact we have created for our stakeholders while balancing the needs of people and our planet, ensuring the profitability of our operations during the financial year from April 01, 2022, to March 31, 2023. This report details out Company's Vision, Mission, along with an in-depth and transparent view of both financial and non-financial information. The Report also presents the successes and challenges of our value creation journey during this period, including the process of identifying material issues. We made significant improvements in our Environmental, Social, and Governance (ESG) implementation and are working on devising a comprehensive ESG strategy to cover a medium to long-term roadmap.

## REPORTING BOUNDARY AND SCOPE:

The Report covers all operations of the Company, with a focus on reporting Key Material Topics

identified through a systematic process by engaging various stakeholders.

## RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge their accountability for the integrity and completeness of the Report.

## FEEDBACK:

In line with our goal to accelerate our journey in partnership with our stakeholders, we seek your valuable feedback and suggestions to continually improve our reporting standards and related processes. Please send your suggestions at [cs@selanoil.com](mailto:cs@selanoil.com).

## FORWARD-LOOKING STATEMENTS:

Certain statements in this Report may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify, update, or revise any such statements on the basis of subsequent developments, information, or events.



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# FY'23 HIGHLIGHTS

SNAPSHOT/OVERVIEW ON FINANCIALS, OPERATIONAL, SOCIAL, GOVERNANCE, HUMAN RESOURCE PARAMETERS

## FINANCIAL:



**₹ 122 CRORES**

Revenue from sale of crude oil and natural gas  
(53% - Y-o-Y growth)



**₹ 63 CRORES**

Earnings Before Interest Taxes Depreciation and Amortisation (EBITDA)  
(80% - Y-o-Y growth)



**₹ 31 CRORES**

Profit After Tax  
(3x - Y-o-Y growth)



**Cash Profits**

58cr, YoY- 2x



**Market Cap**

500cr



**Net 2P Reserves**

2 million barrels

## OPERATIONAL (SALES):



**BAKROL**

1,34,868boe



**LOHAR**

34,160bbl



**KARJISAN**

17,211boe

## CORPORATE SOCIAL RESPONSIBILITY:



**₹ 30 LAKHS**

CSR Expenditure



**20,000+**

Beneficiaries Impacted







## GOVERNANCE:



**> 50 %**

Board Comprises of  
Independent Directors



**97.5%**

Average Attendance  
of Current Directors  
in Board Meetings

## HR:



**2X**

Increase in  
Headcount



**30%**

Diversity Growth



# CHAIRMAN'S MESSAGE



## Dear Shareholders,

On behalf of the Board and the team at Selan, I would like to share my pleasure in addressing all of you for the first time since becoming Chairman in July 2022.

FY 2022-23 has been a strong year for your company, supported by stable production volumes and favourable commodity prices.

I am delighted to report that we closed FY 2022-23 with a 53% growth in revenue, reaching ~ ₹ 122 crore. EBITDA for the year was ₹ 63 crore, with a top-quartile industry margin of ~50%. As of 31st March, 2023, the balance sheet position remains strong, with healthy cash and cash equivalents. The cash reserves have increased to ₹ 199 crores, while overall average sales for the year were 186239 barrels of oil equivalent. FY 2022-23 has been a significant year of change for the company due to numerous reasons:

### A. CHANGE OF MANAGEMENT CONTROL

Pursuant to an open offer by Blackbuck Energy Investments Limited and a change in management control of the company on 30th June, 2022, your company is now under a new management team that brings in a wealth of experience in the E&P sector. The team consists of individuals who are highly respected both in the Indian & Global Oil and Gas sector with primary focus on maintaining highest standards of Health, Safety, Security, and Sustainability (HSSE).

### B. INITIATION OF A DRILLING CAMPAIGN

The company commenced a drilling campaign across all our Oil and Gas fields. The drilling campaign was executed in a period of less than 6 months (from planning to production of the first well) setting a global benchmark for any onshore operations. The campaign is expected to continue to mid FY 2023-24, for increasing reserves base and production during commodity upswing.

### FY 2022-23: INDIA CENTERED FOCUS

Geopolitical factors, such as the conflict between Russia and Ukraine, rising inflation, and volatile commodity prices, have caused a slowdown in global growth and created stress in the overall economic environment. However, FY 2022-23 has been an incredible year for India, and we have been among the world's fastest-growing economies, even as most developed nations faced slower growth amidst high inflation.

Our industry, too, is navigating through some important transitions, owing to structural changes in the industry and the ever-changing geo-political environment. A key emphasis has been on Energy Transition, with natural gas playing a significant role in this transition for India.

As one of India's oldest private E&P operator, your company, with the right resources in place, is geared up and well-positioned to ride these changes and be a significant contributor to India's energy security.

### FOCUS ON GOVERNANCE

Enhancing governance practices has been one of the key focus areas of the company during FY 2022-23. We have implemented internal policies on good governance practices. This year, we have taken proactive steps to enhance our disclosure practices and proactively enhance communication with our shareholders.

The company has reconstituted its Board of Directors by bringing in senior industry leaders who can guide your company on the growth path while simultaneously ensuring the highest standards of governance.

### FOCUS ON ZERO HARM AND SAFETY-FIRST CULTURE

Our operational philosophy is based on a safety-first culture, wherein utmost importance is given to the health and safety of our employees and contractors. During the year, across all our assets and plants, the company has invested in upgrading safety infrastructure, which is continually being assessed and upgraded. The company follows a top-driven safety philosophy, with the senior leadership team spending more time in the field to ensure safe operations. Continual safety focused trainings are being conducted to ensure the culture of safety becomes a key pillar of growth for the company.

### OPERATIONAL AND STRATEGIC REVIEW

In FY'23, which was a significant year of change for the company, we have reported significantly strong financial results. Our key focus has been to enhance asset integrity activities, increase productivity from wells, re-assess our resource base, and commence a drilling campaign. We have right-sized the team by hiring experienced Oil and Gas professionals to focus on adding reserves and resources and unlock the true potential of our fields.

### AN EXCITING PATH OF GROWTH AHEAD

A significant growth path awaits the company. In the near term, the focus of the company is to maximise the recovery of Oil and Gas from its fields, with a stringent emphasis on Health Safety and Environment parameters, and ensuring the fields are monetised in a sustainable manner.

With a robust demand for energy in place, in the medium to long-term, we aim to emerge as India's leading energy company. We rely on our agility and nimbleness to execute value-accretive projects, and scale up innovation, and focus on green and sustainable energy transition.

On behalf of the Board of Directors of Selan Exploration Technology Limited, I want to once again thank you for your continued trust, confidence, and support.

Warm regards,

**SUNITI KUMAR BHAT**  
Managing Director



# BOARD OF DIRECTORS



**Mr. Suniti Kumar Bhat**

**Ms. Vishruta Kaul**

**Mr. Raman Singh Sidhu**



**Mr. Siva Kumar Pothepalli**

**Mr. Manjit Singh**

**Mr. Baikuntha Nath Talukdar**

**Mr. Raajeev Tirupati | Chief Financial Officer**

**Ms. Yogita | Company Secretary**

## Registered Office

Unit No. 455-457, 4th Floor,  
JMD Megapolis, Sector-48,  
Sohna Road, Gurgaon,  
Haryana- 122018, India

## Site office

Unit Office no. 2, Infocity Tower-II,  
Gandhinagar, Gujarat-382 009

<b>Statutory Auditors</b>	V. Sankar Aiyar & Co. Chartered Accountants
<b>Internal Auditors</b>	J.A. Martins, Chartered Accountants
<b>Cost Auditors</b>	Mr. R. Krishnan, Cost Accountants
<b>Secretarial Auditors</b>	Nityanand Singh & Co. Practicing Company Secretaries
<b>Bankers</b>	Kotak Mahindra Bank, Union Bank of India, HDFC Bank, State Bank of India
<b>Registrar &amp; Share Transfer Agents</b>	MCS Share Transfer Agent Ltd. F-65, First Floor, Okhla Industrial Area Ph-I, New Delhi-110 020
<b>Website</b>	<a href="http://www.selanoil.com">www.selanoil.com</a>



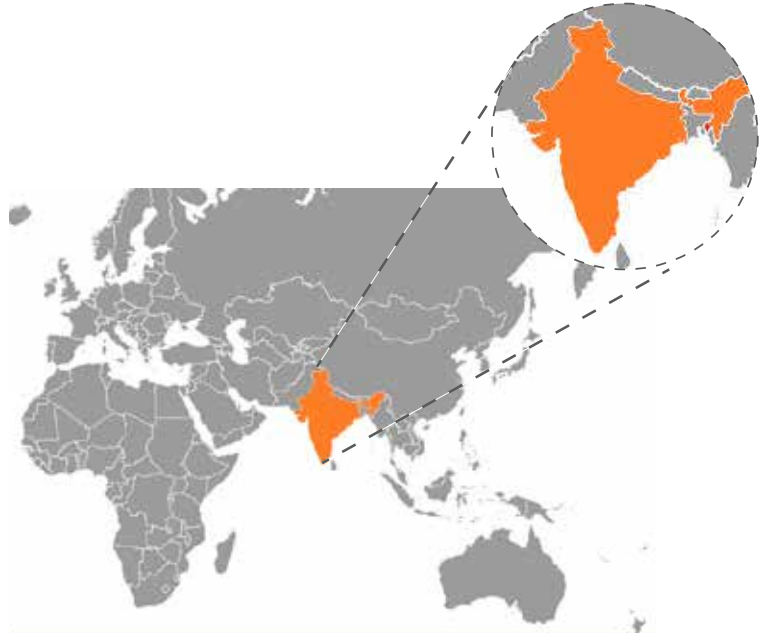
# ABOUT SELAN EXPLORATION TECHNOLOGY LIMITED

Established in 1985, Selan Exploration Technology Limited is a leading private sector listed company engaged in Oil & Gas Exploration and Production (E&P) since 1992. The company is listed in the National Stock Exchange & BSE Ltd.

As one of the pioneers in the Indian E&P sector, the company was among the first private sector entities to obtain rights for developing discovered oilfields in Gujarat after the Government of India opened the sector to private players in 1992.

At present, the company holds a portfolio of three Oil and Gas fields, namely Bakrol, Lohar, and Karjisan, located in the Indian state of Gujarat.

Driven by the vision to become a leader in India's Energy sector, the company is committed to making significant contributions to the nation's energy security in a safe and sustainable manner. Their development and production operations are guided by the highest standards of Health, Safety, Sustainability, and Environment.



## CORE VALUES:



### TECHNOLOGY

Spearheading safe, sustainable Oil & Gas advancements



### EFFICIENCY

Responding to stakeholders with utmost urgency



### INTEGRITY

Honesty in every action



### COMMITMENT

Delivering as promised, rooted in unwavering integrity



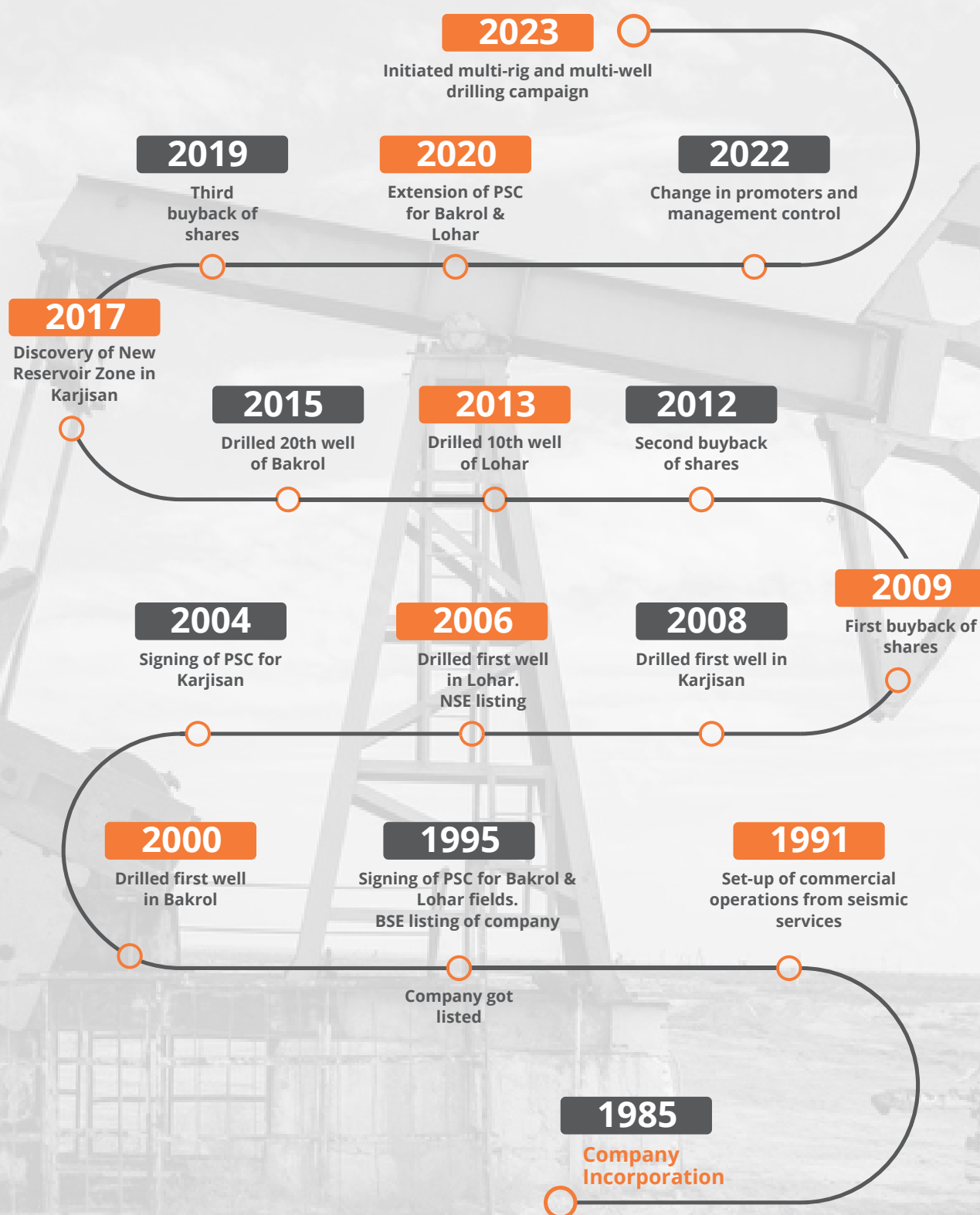
### PASSION

Fuelled by an unwavering zeal for our work

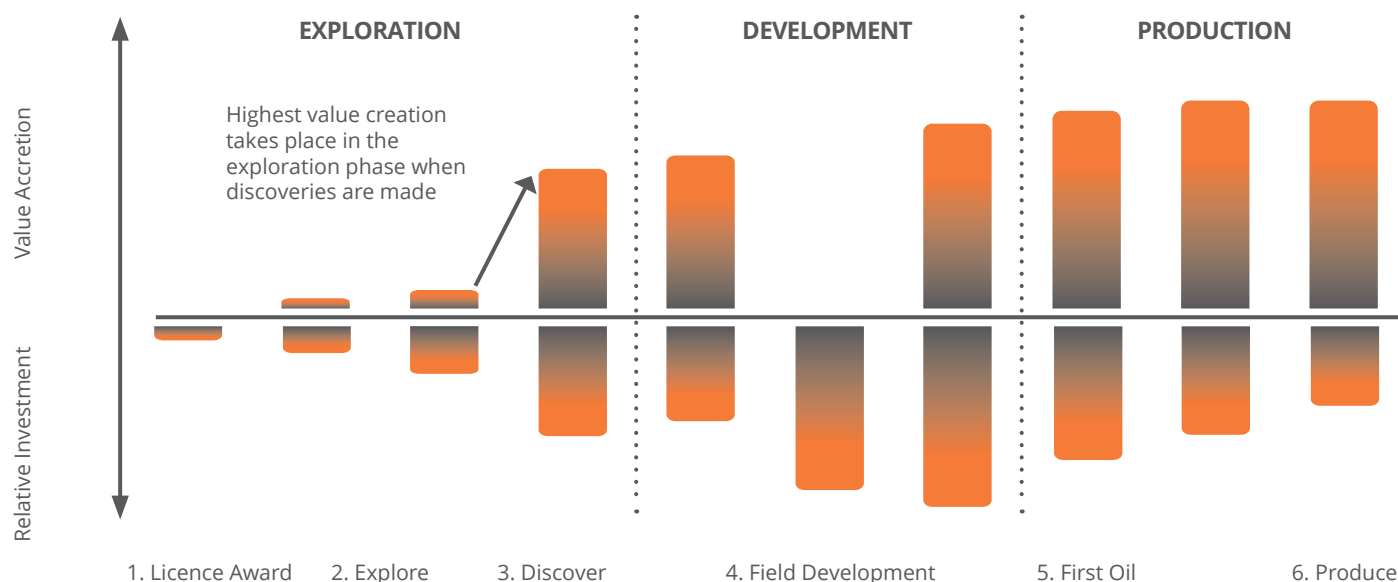




# COMPANY OVER THE YEARS



# INVESTMENT AND VALUE CREATION IN THE OILFIELD LIFE CYCLE



## DECREASING GEOLOGICAL RISK

### RESOURCES

STAGE	1. LICENSE AWARD	2. EXPLORE	3. DISCOVER
Reserves/Resources	Prospective Resources		Contingent Resources
Investment/Activity	Competitive bidding or direct negotiation with authorities	Geological and regional data integration	Drill exploration well
Risks	High geological risks	Geological risks	Reduced geological risks
Typical GCoS range		0-25%	25-55%
Value Creation	Signing a concession agreement in order to secure the right to explore acreage	Identification and recognition of drilling prospects. Defining GCos and prospective resource	Discovery of hydrocarbons

#### Notes:

- The table above does not account for unconventional concepts in field development.
- Inherent operational risks are not included.
- Information presented is reflective of the Company's portfolio of assets.

#### Key:

- FID - Final Investment Decision.
- GCoS - Geological Chance of Success.

