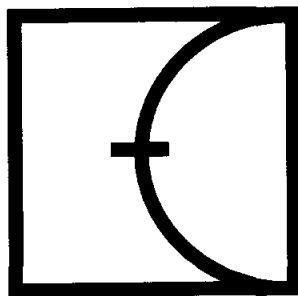


**SELAN EXPLORATION TECHNOLOGY LIMITED**



**ANNUAL REPORT 2001 – 2002**

Report  Junction.com

**BOARD OF DIRECTORS**

Mr. R. N. Kapur

*Chairman*

Mr. Rohit Kapur \*

*Vice Chairman*

Mr. A. Mahajan • Dr. B. K. Barman \* • Mr. R. Mathrani  
Mr. B. M. Mirza \* • Mr. T. Currimbhoy • Mr. V. B. Mahajan \*

\* *Members of the Audit Committee*

**CORPORATE ADVISORS**

Dr. D.J. Corbishley

Mr. C. Ratnam

**SENIOR ADVISORS**Mr. A.M. Awasthi – *Seismic* • Mr. P.K. Kulkarni – *Reservoir*Dr. S. Srinivasan – *Exploration***COMPANY SECRETARY**

Mr. Manvinder Singh

**AUDITORS**

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

**BANKERS**

Corporation Bank • Hongkong &amp; Shanghai Banking Corporation

**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

**SELAN EXPLORATION TECHNOLOGY LIMITED**  
**First Floor, 11 Hauz Khas Village**  
**New Delhi – 110 016**

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**AGM NOTICE**

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NOTICE is hereby given that the Seventeenth Annual General Meeting of Selan Exploration Technology Limited will be held at The Executive Club, Vill. Shaoorpur, P.O. Fatehpur Beri, New Delhi - 110 030 on Tuesday, 24 September 2002 at 10 : 00 A.M. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2002 and Profit and Loss Account for the year ended on that date alongwith the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. B. K. Barman, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh Mathrani, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment.
4. To appoint M/s V. Sankar Aiyar & Co., Chartered Accountants, as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company.

By Order of the Board  
**for SELAN EXPLORATION TECHNOLOGY LTD.**

**26 July 2002**  
New Delhi

**MANVINDER SINGH**  
Company Secretary & Manager - Legal

## AGM NOTICE (CONTD...)

### NOTES :

- 1) **A member entitled to attend and vote is entitled to appoint a proxy and such proxy need not be a member of the Company. The instrument appointing proxy may be sent in the form enclosed and in order to be effective must reach the Registered Office of the Company at least 48 hours before the Meeting.**
- 2) Members are requested to notify change in their address, if any, quoting their folio number to the Registrar and Share Transfer Agents, MCS Ltd., Unit : Selan Exploration Technology Ltd., Sri Venkatesh Bhawan, 212-A Shahpurjat, Behind Panchsheel Club, New Delhi-110 016.
- 3) Register of members and Shares transfer books of the Company will remain closed from 16 September 2002 to 24 September 2002 (both days inclusive).
- 4) Memorandum & Articles of Association of the Company and documents related to the Resolutions will be available for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days except Saturdays and will also be available at the meeting.
- 5) At the ensuing Annual General Meeting, Dr. B. K. Barman and Mr. Rajesh Mathrani retire by rotation and being eligible offer themselves for re-appointment. The information or details to be provided in respect of aforesaid Directors under code of Corporate Governance is as under :
  - (a) Dr. B. K. Barman holds a Ph.D. in Fuel Technology, Sheffield University, England and is widely experienced in the petroleum industry in India and U.K.. He was Chief Executive for India of Castrol Ltd. for several years. He has served as a consultant to the United Nations for Petroleum Industry & Conservation of Energy Resources and as member ANZ Grindlays Bank Advisory Committee.
  - (b) Mr. Rajesh Mathrani, an NRI, is a Banker and was with Chase Manhattan Bank for ten years in Senior Management positions, and subsequently as a Director with Dresdner Kleinworth Benson Private Bank prior to joining Citibank recently in London.
- 6) The members are requested to send their queries, if any, on accounts or proposed resolutions at least 48 hours in advance of the meeting to the Company, so that the same may be answered satisfactorily at the meeting.
- 7) Members/ Proxies should bring the Attendance slip duly filled-in for attending the meeting.

By Order of the Board  
for **SELAN EXPLORATION TECHNOLOGY LTD.**

**26 July 2002**  
New Delhi

**MANVINDER SINGH**  
Company Secretary & Manager – Legal

**DIRECTORS' REPORT****SELAN**

Your Directors have pleasure in presenting the Annual Report for the year ended 31 March 2002.

The international price of crude oil dropped significantly during the last financial year, only to recover by the end of the year. The drop in oil prices affected the profit margins of your Company.

During the last financial year, Government of India continued the process of planned liberalisation of Oil Sector. The dismantling of Administered Price Mechanism (APM) effective from 1 April 2002, is not likely to have any material impact on your Company.

**FINANCIAL REVIEW**

At the provisional international prices of crude which your Company is receiving from Government of India, the Company achieved the following results :

(Rs. Millions)	2001-02	% to Total Sales	2000-01	% to Total Sales
a) Sale of Crude Oil	64	91	74	91
b) Other Income	6	9	7	9
<b>TOTAL</b>	<b>70</b>	<b>100</b>	<b>81</b>	<b>100</b>
<b>PROFIT BEFORE TAX</b>	<b>14</b>	<b>NA</b>	<b>17</b>	<b>NA</b>

During the year, the Profit before Income Tax of the Company stood at Rs. 14.39 million as against Rs. 17.05 million during the year 2000-01.

During the year, the Company has carried Rs. 7.4 million out of current profits to the Surplus after provision for taxation. In accordance with Accounting Standard 22 – Taxes on Income which is applicable from 1 April 2001, deferred tax liability is required to be reflected in the accounts. As a result net cumulative deferred tax liability of Rs. 23.55 million upto 31 March 2001 has been reduced from brought forward surplus and shown separately in the Balance Sheet. Consequently, the total of Reserves and Surplus have reduced from Rs. 98.36 million to Rs. 79.76 million.

**OPERATIONS REVIEW**

During the financial year 2001 – 02 the Company produced 65,038 barrels of crude oil cumulatively from its three fields (viz. Bakrol, Indrora and Lohar) which is marginally more in comparison to last years production of 63,102 barrels of crude oil. The Company has been taking steps to develop its fields in a phased manner (especially the Bakrol oilfield), so that production from the fields can further be enhanced.

The Company has also been engaged in negotiations for the partial assignment / farm-out of its participating interest in the Bakrol oilfield in an effort to enhance the shareholders' value.

The Company is in the process of negotiations with the Government of India for signing two more Production Sharing Contracts for Karjisan Gas Field and Ognaj Oil Field in onshore Gujarat. The turnover and profitability of your Company is expected to improve after the signing of these Contracts.

**BUYBACK OF SHARES**

The Company successfully completed the planned Buyback of Equity Shares on 22 November 2001. The Company in this buyback purchased 1,493,200 shares for a total cumulative consideration of Rs. 17.39 million. Consequently, the paid – up share capital of the Company is reduced to Rs. 153.00 million as on 31 March 2002. In terms of Section 77AA of the Companies Act, 1956, the Company has transferred a sum of Rs. 14.93 million to Capital Redemption Reserve Account.

The Company is continuing the Buyback scheme of Equity Shares in the current fiscal year for which it is eligible to buyback its shares from the open market through The Stock Exchange, Mumbai.

**DIRECTORS' REPORT (CONTD...)****SELAN****BOARD OF DIRECTORS**

Dr. B. K. Barman and Mr. Rajesh Mathrani retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Ms. Raj Kapur has resigned from the Board of Directors on 10 July 2002. Your Directors convey their thanks for the guidance and advice rendered by her during the years of her association with the Company.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors do hereby state that in preparation of the Annual Accounts, the applicable Accounting Standards have been duly followed, that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as 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 or loss of the Company for that period, that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and that the Directors have prepared the annual accounts on a going concern basis.

**AUDITORS AND THEIR REPORT**

The Auditors, M/s V. Sankar Aiyar & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Auditors' observation on the repayment of the ERAS loan to the All India Financial Institutions is self explanatory in Note 2 of Notes on Accounts.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis and a Report on Corporate Governance alongwith certificate from Auditors regarding compliance of conditions of Corporate Governance is annexed to Directors' Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

The activities undertaken by your Company do not fall under the purview of disclosure of particulars under Section 217(1)(e) of the Companies Act, 1956, in so far as it relates to the conservation of energy and technology absorption. Particulars with regard to foreign exchange outgo appear as point nos. 17 & 18 of the Notes forming Part of the Accounts.

**PERSONNEL**

The Company does not have any employee whose name and particulars are required to be included in the report of Directors as per the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

**ACKNOWLEDGEMENTS**

Your Directors appreciate the devoted service by the employees of the Company for its continued success and also express their gratitude to Ministry of Petroleum and Natural Gas, Government of India and the Bankers of the Company for their broad assistance and co-operation. Your Directors immensely value the continued support and encouragement received from the shareholders and view the coming year with optimism.

for and on Behalf of the Board

26 July 2002  
New Delhi

**R.N. KAPUR**  
Chairman