



SELAN EXPLORATION TECHNOLOGY LTD.

Regd. Office: J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi – 110 043

CIN: L74899DL1985PLC021445; Website: www.selanoil.com

Email id: investors@selanoil.com; Tele Fax No.: 0124-4200326

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of Selan Exploration Technology Limited will be held at Ashok Country Resort, Rajokri Road, Kapashera, New Delhi – 110037 on Tuesday, 11th August, 2015 at 10 : 00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. 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 32nd Annual General Meeting of the company subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2016.
3. To declare the interim dividend of 50% amounting to ₹ 5/- per share paid during the year as final dividend for the financial year 2014-15.

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s) the following resolutions:

AS ORDINARY RESOLUTION

4. APPOINTMENT OF DIRECTOR

"RESOLVED THAT Mrs. Rohini Kapur (DIN:00530757) who was appointed as an Additional Director of the Company with effect from 31st March 2015, in terms of the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company who is liable to retire by rotation."

5. RATIFICATION OF REMUNERATION OF COST AUDITOR

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), re-appointment of Mr. S.N. Balasubramanian, Cost Auditor; by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16 on a remuneration of ₹1,20,000/- per annum, be and is hereby ratified."

By Order of the Board
for SELAN EXPLORATION TECHNOLOGY LTD.

30th May, 2015
New Delhi

MEENU GOSWAMI
Company Secretary

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. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital 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) (i) Members holding shares in physical form are requested to notify change in their address, if any, quoting their folio number to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Ltd., Unit : Selan Exploration Technology Ltd., F-65, First Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020.
(ii) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
- 3) Register of Members and Share Transfer Books of the Company will remain closed from 4th August 2015 to 11th August 2015. (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) Ministry of Corporate Affairs ("MCA") has vide Circular No. 17/2011 dated 21.04.2011 & Circular No. 18/2011 dated 29.04.2011 allowed the service of documents on members by a Company through electronic mode. Accordingly, as a part of its Green initiative in Corporate Governance and in terms of circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for the year ended 31st March, 2015 has been sent to all the members whose email address is registered with the Company/ Depository Participant(s) unless any member has requested for a hard copy of the same. All those members, who have not yet registered their e-mail address with the Company/ Depository Participant, are requested to do the same at the earliest.
- 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.
- 8) Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the Thirtieth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (Remote e-voting).
 - II. The facility for voting through Polling Paper shall be made available at the AGM and members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The instructions for e-voting are as under:
- (a) In case a member receives an email from NSDL whose email IDs are registered with the Company/Depository Participants(s), they shall follow the following steps :
- Open e-mail and open PDF file viz; "Selan Exploration Technology Limited remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - Launch an internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - Click on Shareholder - Login
 - Put User ID and password as initial password/PIN noted in step (i) above. Click Login.
 - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of Remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
 - Select "REVEN" of Selan Exploration Technology Limited.
 - Now you are ready for e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to selan.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- (b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- Initial password is provided as follows, below the Attendance Slip for the AGM:
- | REVEN (Remote E-Voting Event Number) | USER ID | PASSWORD/PIN |
|--------------------------------------|---------|--------------|
| _____ | _____ | _____ |
- Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- V. In case of any queries, you may refer the 'Frequently Asked Questions (FAQs)' and 'e-voting user manual' for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The remote e-voting period commences on 8th August 2015 (9:00 am) and ends on 10th August 2015 (5:00 pm). During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th August 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IX. The voting rights shall be as per the number of equity shares held by the Member(s) as on Tuesday, 4th August 2015. Mr. S. R. Iyer, Practising

Chartered Accountant (Membership No. FCA082039) has been appointed as the Scrutinizer to scrutinize remote e-Voting and Voting by means of Poll in a fair and transparent manner.

- Any person, who acquire shares of the Company and become member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e., 4th August 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsdel.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling Paper.
- The Chairman shall, at the AGM, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.selanoil.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing and the same be communicated to the Bombay Stock Exchange and National Stock Exchange.

EXPLANATORY STATEMENT (Under Section 102 of the Companies Act, 2013)

Item No. 4

Mrs. Rohini Kapur was appointed as an Additional Director by the Board of Directors w.e.f. 31st March 2015 in accordance with the provisions of Section 161(1) of the Companies Act, 2013.

After completing her further studies in the United Kingdom and the United States, Mrs. Kapur returned to India. For a long period of time, Mrs. Kapur has been involved extensively with social work, under privileged children, and spends a considerable amount of time promoting and supporting the work of Not for Profit Organisations in the country. Having travelled extensively, she will be able to give the Company a Global Perspective. Having regard to the qualifications, experience and knowledge, her appointment will be in the interest of the Company. This appointment facilitates compliance with the SEBI directive for listed companies to have a Woman Director on the Board.

The Board feels that her association would be of immense benefit to the Company.

None of the Directors, except Mr. Rohit Kapur who is related to Mrs. Rohini Kapur is concerned or interested in this resolution.

Your Directors recommend the above Ordinary Resolution for approval. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 5

The Board on the recommendation of the Audit Committee has appointed Mr. S.N. Balasubramanian as the Cost Auditor of the Company for the financial year 2015-16 which was approved by the Board in its meeting held on 30th May, 2015. As per Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditors is to be ratified by the shareholders. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors is interested in this resolution. Your Directors recommend the above Ordinary Resolution for approval.

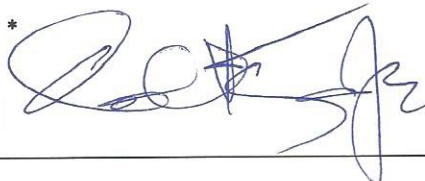


By Order of the Board
for SELAN EXPLORATION TECHNOLOGY LTD.

30th May, 2015
New Delhi

MEENU GOSWAMI
Company Secretary

FORM A

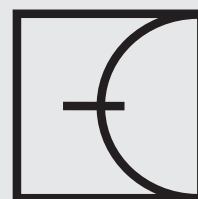
Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company:	Selan Exploration Technology Ltd.
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time - Yes /- repetitive / since how long period
5.	To be signed by-	
	• CEO/Managing Director	* 
	• CFO	A.K. Madhyan
	• Auditor of the company	For V. Sankar Aiyer & Co. Chartered Accountants ICAI FRN : 109208W  M.S. Balachadran Partner (Mem. No. 024282)
	• Audit Committee Chairman	



* The Form has been signed by the Whole-Time Director of the Company.

ANNUAL REPORT 2014-15



Late Mr. R. N. Kapur
Founder and Former Chairman

BOARD OF DIRECTORS

Mr. R. Kapur, *Chairman*

Mr. T. Currimbhoy • Mr. V. B. Mahajan • Mr. S. K. Singh • Dr. D. J. Corbishley • Mrs. Rohini Kapur

AUDITORS

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

CHIEF FINANCIAL OFFICER

Mr. Ashok Kumar Maurya

COMPANY SECRETARY

Ms. Meenu Goswami

COST AUDITOR

S. N. Balasubramanian

BANKERS

Yes Bank • State Bank of India • Corporation Bank

REGISTERED OFFICE

J-47/1, Shyam Vihar, Dindarpur, Najafgarh, New Delhi – 110 043

REGISTRARS AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F - 65, First Floor, Okhla Industrial Area Phase – I
New Delhi – 110 020



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report for the year ended 31st March, 2015.

Financial Review

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

	2012-13	2013-14	2014-15
Net Sales	970,589,105	1,012,697,496	792,893,686
EBIDTA	889,068,783	945,836,453	687,216,394
EBIDTA / Net Sales	92%	93%	87%

Total Reserves and Surplus of the Company have increased from ₹2,454,044,676 to ₹2,639,208,773 as on 31st March, 2015.

Review of Operations

The operations of the Company continued in a smooth and uninterrupted manner during the course of the year. The drilling campaign of the Company was in progress during the year, with new wells drilled in the Bakrol and Indrora fields. Efforts were also ongoing to increase higher production volumes from wells recently drilled, as new data analysis opens greater opportunities.

In terms of assessment of the complex geology formations at different depths in our oil and gas fields, the Company continued to push the limits of technical options and challenges with various service providers. Simultaneously, the Company was fully engaged on all aspects of well design and completion strategies with consulting firms in North America.

As is the case with all the Oil Companies worldwide, the dramatic decline in oil prices has affected the revenues of the Company. With this significant drop in oil prices internationally during the year, the Company continues to monitor its expense commitments more closely than ever before, to ensure that profitability levels remain the highest possible under these challenging circumstances.

Please also refer to the Management Discussion and Analysis Report section of the Annual Report for more comprehensive discussion of the Company's operations.

Final Dividend

The Directors are pleased to inform that in the financial year 2014-15, the Board of Directors have declared an interim dividend of 50%, i.e. ₹ 5/- per share, which shall be declared as final dividend for the year 2014-15 subject to approval by the shareholders of the Company in the forthcoming AGM.

Board of Directors

Mrs. Rohini Kapur was inducted as an Additional Director with effect from 31st March 2015 to hold office upto the ensuing Annual General Meeting of the Company. The brief details relating to Mrs. Rohini Kapur are furnished in the explanatory statement to the notice of the ensuing AGM.

Number of Meetings of the Board

There were nine Board Meetings held during the Financial Year 2014-15. Details of the same forms part of the Corporate Governance Report.

Declaration of Independence by Directors

Declaration given by Independent Directors meeting the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is received and taken on record.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors do hereby confirm that in the preparation of the Annual Accounts, the applicable Accounting Standards have been duly complied with, and the Directors have selected the necessary accounting policies and applied them consistently. Judgements / estimates have been made that are evenhanded and prudent, so as to give an accurate and rational view of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period. The Directors have

also taken ample care for the maintenance of adequate accounting records in conformity with the provisions of Companies Act, 2013, for upkeep of 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. The Directors have laid down internal financial controls to be followed by the Company and such Internal financial controls are adequate and operating effectively. And lastly, the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Policy on Directors' Appointment and Remuneration

Considering the requirement of skill set on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to Company's business and Policy decisions are considered by Nomination and Remuneration Committee for appointment as an Independent Director on the Board. The Committee considers ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director and is not disqualified under Companies Act, 2013 and rules made thereunder and accordingly recommend to the Board his/her appointment.

Remuneration to Whole-Time Director is governed under the relevant provisions of Companies Act, 2013 and rules made thereunder. Independent/ Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committees thereof. The Company's policy on Directors remuneration is given in Corporate Governance Report which forms part of this Annual Report. The Board considers the Nomination and Remuneration Committee's recommendation and takes appropriate decision.

Contracts/Arrangements with Related Parties

All the related party transactions are done on Arm's length basis. The Company presents a Statement of all related party transactions before the Audit Committee on a quarterly basis specifying the nature, value and terms and conditions of transaction. 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. The Company's policy on Related Party Transactions is available at our website www.selanoil.com.

Risk Management

The Company has robust systems for Risk Assessment and mitigation which is reviewed periodically. The Company's risk identification and assessment process is dynamic and hence it has been able to identify, monitor and mitigate the most relevant strategic and operational risks, both during periods of accelerated growth and recessionary pressures.

Corporate Social Responsibility

Selan is committed to operate and grow in a socially responsible way. With Safety, health and environment protection high on its Corporate agenda, Selan is committed to conduct business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of life of employees, clients and the community. Brief details about the CSR Policy developed and implemented by the Company on CSR initiatives taken during the year is given in Annexure-C to this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance, Directors individually and that of its Committees. During the year a Separate Meeting of Independent Directors was held to assess the performance of Non Independent Director and the Chairperson of the Company as well as the Board as a whole. Performance Evaluation is based on their contribution to company's objectives and plans, efficient discharge of their responsibilities, participation in Board/ Committee meetings and other relevant parameters.

Amortisation of DHP Expenses

Effective from the current year 2014-15, the amortization of expenses has been extended by 5 years beyond the existing lease period, keeping in view that the 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. The Government also has the power to extend the PSCs for upto 5 years, and management is of the view that there is a reasonable likelihood of this taking place. Despite this change in the amortization period, the provision for amortization is higher than other alternate methods of calculation generally in use by the Oil and Gas Industry, thereby maintaining an overall conservative bias in the preparation of Company's Balance Sheet and Profit & Loss Statements for the year. The Auditors have taken note of the above changes in their Audit Report and their opinion is not modified in respect of this matter.

Auditors and their Report

The Auditors, M/s V. Sankar Aiyar & Co., Chartered Accountants, have been appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 07.08.2014 for a period of three years, subject to ratification at every Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members at the ensuing AGM.

The Company has received confirmation from M/s V. Sankar Aiyar & Co. to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

Cost Accounting Records

The Company has maintained Cost Records as required by Cost Accounting Record Rules (Petroleum Industry) 2002. In terms of the Ministry of Corporate Affairs order dated 2nd May, 2011, Cost Records in respect of each year commencing from 1st April, 2011 has to be Audited by Cost Auditor, holding a valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959. In compliance with the aforesaid requirement the Cost Accounting Records of the company for the financial year 2014-15 are being audited by Mr. S. N. Balasubramanian, Qualified Cost Accountant. The Cost Audit for the year ended 31st March, 2014 was carried out by the same Auditor and the report was filed on 6th October, 2014.

Secretarial Audit Report

Secretarial Audit Report confirming compliance to the applicable provisions of Companies Act, 2013, Listing Agreement, SEBI guidelines and all other related rules and regulations obtained from our Secretarial Auditors, M/s Nityanand Singh & Co., Company Secretaries forms part of this Annual Report as Annexure-A.

Internal Auditor

In compliance with the provisions of Section 138 of the Companies Act, 2013 M/s S.N. Nanda & Co. were appointed as Internal Auditors for the Financial Year 2014-15 to conduct the internal audit of the functions and activities of the Company. They have submitted their Report to the Chairman of the Audit Committee and this was further reviewed by the Management and taken on record.

Corporate Governance Report

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. A declaration by the CEO (Manager) regarding the compliance with the Code of Conduct also forms part of this Annual Report.

Extract of the Annual Return

Relevant Extract of the Annual Return is given in Annexure-B to this Report.

Loans, Guarantees or Investments

The Company has not given any loan or guarantee nor has made any investment during the year under report attracting the provisions of Section 186 of the Companies Act, 2013.

Deposits

The Company has not accepted any deposits during the year under report nor did any deposits remain unpaid or unclaimed at the end of the year.

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. 43 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 31st March 2015 and the date of this report.

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, will be provided upon request. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid annexure is being sent to the shareholders of the Company and others entitled thereto. Any member interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

Acknowledgements

Your Directors place on record their gratitude and express their earnest appreciation for the valuable efforts of every employee of the organization without which the Company would not have been able to undertake the challenging targets in all areas of operations. We are fortunate to have such a team whose endeavors have laid a strong foundation for the success of the organization as a whole. Your Directors acknowledge the exemplary contribution made by the employees of the Company.

On behalf of the Company, we wish to convey our appreciation to the Ministry of Petroleum and Natural Gas (MoPNG), Directorate General of Hydrocarbons (DGH), Ministry of Environment and Forests (MoEF), Government of India and the Bankers of the Company for their continuous support, cooperation and guidance. The Directors value the trust shown by the shareholders in their ability to manage the Company. We expect that with the ongoing encouragement and support of our shareholders, we shall be successful in achieving the desired objectives in the near future.

For and on Behalf of the Board

Place : New Delhi
Date : 30th May, 2015

R. KAPUR
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Developments

The Company is in the process of executing elaborate plans for the development of its oil and gas fields. This is expected to increase the production of crude oil/gas by implementation of the new technology coupled with the services of experienced professionals for managing its oil and gas assets. Efforts are also being made in terms of enhancement of production from existing pay zones, workover of existing wells and drilling of new wells.

The stability and continuity of government policies is a key consideration with respect to development and execution of future business plans.

During the year, there has been a steep fall in global crude oil prices thus adversely affecting the exploration and drilling activities world over. This has significantly impacted the profits of the Company. The issue of revenue loss is being constantly monitored for its bearing on the future plans of the Company and for purposes of ongoing cost containment.

2. Outlook

Production Sharing Contracts (PSCs) with the Government of India were signed by SELAN in 1995 for Bakrol, Indrora and Lohar oilfields. Further, the Company was also awarded Contracts for the Karjisan Gasfield and the Ognaj Oilfield with the Ministry of Petroleum and Natural Gas (MoPNG) in 2004.

The Company has received certain environmental and drilling approvals during the year. However, the approvals are now valid only for the fiscal year in which they are received, irrespective of how late in the fiscal year they are received. As such, the process is ongoing and unpredictable.

The Company has laid down diverse growth and expansion plans for its oil and gas fields; which shall lead to higher production of crude oil / gas. The Company plans to implement newer technologies along with the supervision and direction of experienced professionals for its planned growth and success.

The Company is actively pursuing various reservoir engineering and production engineering technologies across the globe in an effort to find the most appropriate completions 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 objectives 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

Fluctuations in oil prices creates uncertainty in deciding future plans for the Company and in the minds of the investing public. Prolonged volatility will adversely affect all Companies in the industry.

Oil sector is a high yielding sector that involves equally high risks. Data acquired for seismic evaluation of oilfields & reservoir modeling involves interpretation by latest software technology and advanced equipment which is capital intensive in nature and, therefore, prone to obsolescence alongwith uncertainty in results.

The Drilling Activities are carried out using advanced drilling rigs and ancillary rig equipments. Further, necessary safety and security measures have to be employed prior to any drilling activity.

However, the basic environmental & natural risks cannot be completely overlooked and therefore drilling activity poses an enormous challenge. The ebb and flow in international oil prices as well as in the dollar value of the rupee is another factor which adds to the unpredictability of profits in this industry.

(ii) Project Constraints

There are various project constraints which add on to the risk factors of the Company. Drilling rigs and associated oilfield services have been a major problem in the region where the Company operates. With the limited number of service providers available, the Company is required to tie-up with oilfield services suppliers as much as a year in advance in order to execute its scheduled drilling programmes.

Complying with international tendering procedures, import from abroad of long lead items and lining up of rig and allied services represents a challenging time line.

Another area of concern is the delay in land acquisitions, which affects the various development and production activities to be implemented.

Any unanticipated delays in receiving timely clearances from MoEF and in mobilizing the drilling rig and associated oilfield services is a potential project constraint for the Company.

(iii) Financial, Legal and Contractual Risks

SELAN carries minimum financial risk.

Currently, the Company has a policy of using debt financing only for short term requirements besides using its own accumulated reserves.

6. Internal Control Systems and their Adequacy

SELAN has in place adequate systems of internal control commensurate with its size and nature of its operations. We have dedicated Internal Auditors who make sure that transactions taking place under due authority / power are received and reported in a prudent manner. Our Internal Control System is designed in such a manner that financial and other records are completely reliable and authentic for preparing financial statements and for maintaining proper accountability for assets. These systems are reviewed by the Audit Committee in its quarterly meetings and suggestions are given to strengthen and regularly improve their application, keeping in view the dynamic business environment. Internal and external audits are conducted on a regular basis to ensure transparency and statutory compliance.

7. Human Resources Development / Industrial Relations

SELAN deeply appreciates the spirit and commitment of its employees and takes full pride in acknowledging its efficient, dedicated and hardworking team which has lead to optimum business returns for the Company. It has a simple hierarchy system, due to which the decision making process becomes quicker and simpler, mitigating the losses due to lengthy and time-consuming decision making processes. Our Company believes that it is the quality and dynamism of its Human Resource that will enable it to make a significant contribution in creating enlarged societal value.

The Company continues to set a fine record of industrial harmony with positive outcomes of effective performance. For now, and hopefully in the future, the Company foresees no major internal or external developments in this area which shall adversely affect the business of the Company.

CORPORATE GOVERNANCE

1. SELAN's philosophy on Code of Governance

In our Company, Corporate Governance philosophy stems from our belief that Corporate Governance is the foundation for building and sustaining growth and achieving success. The Corporate Governance Policy of SELAN rests upon the four pillars of Transparency, Full Disclosure, Independent Monitoring and Fairness to all. SELAN believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large thereby ensuring that rights and privileges of societies and environments are respected within which the Company operates.

SELAN recognizes that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

For effective implementation of Corporate Governance practices, SELAN has prescribed a Code of Conduct which is displayed on the website of the Company. It is mandatory for the Board of Directors and Key Management Personnel to ensure compliance with this code on an annual basis. A declaration to this effect by the CEO (Manager) of the Company also forms part of this Annual Report 2014-15.

2. Board of Directors

i. Composition of Board

The Board of Directors of the Company comprises of :

- One Executive Director
- Four Non – Executive Independent Directors
- One Non – Executive Director

Name of Director	Executive/ Non-Executive/ Independent	Number of other Directorships	Number of Committee Memberships in other Companies		Attendance in Board Meetings	Attendance in Last AGM
			Chairman	Member		
R. Kapur *	Chairman and Whole-Time Director	-	-	-	09	Yes
S. K. Singh	Non – Executive and Independent Director	-	-	-	06	Yes
T. Currimbhoy*	Non – Executive and Independent Director	-	-	-	02	No
V. B. Mahajan	Non – Executive and Independent Director	-	-	-	07	Yes
D. J. Corbishley*	Non – Executive and Independent Director	-	-	-	02	Yes
Rohini Kapur	Non-Executive Director	-	-	-	-	-

* Non – Resident Directors

Note: Directorships in Foreign Body Corporates, Private Limited Companies and Associations are excluded.

Mrs. Rohini Kapur appointed w.e.f. 31st March 2015.

ii. Number of Board Meetings held and the dates on which held

There were nine Board Meetings held during the financial year 2014-15 as per the provisions of Clause 49 of the Listing

Agreement. The dates on which the meetings were held are : 17th April 2014, 10th May 2014, 22nd June 2014, 9th August 2014, 20th August 2014, 8th November 2014, 7th February 2015, 2nd March 2015 and 31st March 2015. The Board has reviewed the compliance of all laws applicable to the Company.

3. Audit Committee

As per the provisions of the Listing Agreement, the Audit Committee of the Company was constituted on 9th May, 2000. The Committee now comprises of three members, out of which two are non-executive and independent directors. The Chairman of the Committee is also a non-executive and independent director, as per the requirements of the Listing Agreement. The Constitution of the Committee is as follows : Mr. V. B. Mahajan (Chairman), Mr. R. Kapur and Mr. S. K. Singh, Members.

Brief description of terms of reference :

1. Review of the financial reporting process and the Company's financial statements.
2. Review of the adequacy of accounting records as maintained in accordance with the provisions of the Companies Act, 2013.
3. Review of the adequacy of internal control system.
4. Such other powers and role as stipulated under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Committee met five times during the financial year 2014-15 (5th May 2014, 4th August 2014, 14th August 2014, 1st November 2014 and 31st January 2015). All the Committee members were present at all the meetings.

4. Nomination and Remuneration Committee

During the year, at a meeting of the Board of Directors of the Company held on 22nd June 2014 in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has renamed its "Remuneration Committee" as "Nomination and Remuneration Committee" and is reconstituted w.e.f. 22.06.2014 as under:

Mr. S.K. Singh	Chairman
Mr. V.B. Mahajan	Member
Dr. D.J. Corbishley	Member
Mr. T.Currimbhoy	Member
Mr. R. Kapur	Member

The terms of reference of Nomination and Remuneration Committee shall be as envisaged in Listing Agreement and Companies Act, 2013 and rules made thereunder. The Committee met three times during the year (on 19th August 2014, 8th November 2014 and 21st March 2015)

Name of Director	Number of Meetings	
	Held	Attended
Mr. S.K. Singh	3	3
Mr. V.B. Mahajan	3	2
Dr. D.J. Corbishley	3	-
Mr. T. Currimbhoy	3	-
Mr. R. Kapur	3	3

Disclosure of Remuneration to Directors

Independent/Non-Executive Directors were not paid any remuneration except sitting fees (for attendance at each meeting of Board of Directors or Committee thereof) which is subject to ceiling/limits specified under Companies Act, 2013 and rules made thereunder. The Whole-Time Director was paid remuneration during the year as disclosed in Note no. 34 & 36 of Notes on Accounts. Details of remuneration of Directors for the year ended 31st March 2015 are as follows:



(in ₹)

Name of Director	Salary, Allowances & Perquisites	Sitting Fees paid	Total
Mr. V.B. Mahajan	-	1,000,000	1,000,000
Mr. S.K. Singh	-	1,000,000	1,000,000
Dr. D.J. Corbishley	-	100,000	100,000
Mr. T. Currimbhoy	-	100,000	100,000

* Mrs. Rohini Kapur, Non-Executive Director appointed w.e.f. 31st March 2015.

Remuneration Policy

Payment of remuneration to Whole Time Director is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of Shareholders and the Central Government, where applicable. Independent/Non-Executive Directors of the Company are paid Sitting fees for attending the meetings of the Board/ Committees subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder.

The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to approval of Shareholders where necessary. The level and composition of Remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors and Senior Management to run the Company. The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential and for growth.

Performance Evaluation

In Compliance with amended Clause 49 of the Listing Agreement and Companies Act, 2013, Annual Evaluation was conducted by the Board of its own performance and that of its Committee and Individual Directors. A Separate Meeting of Independent Directors was held on 20th March 2015 to assess the performance of Non-Independent Director and the Chairperson of the Company and the Board as a Whole. Performance Evaluation of Independent Directors was also conducted during the Financial Year 2014-15. Performance Evaluation is based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee meetings and other relevant parameters.

Directors' Shareholding

Details of Directors' Shareholding in the Company are as follows :

Name of Director*	Number of Shares
Mr. Rohit Kapur Whole -Time Director	866,846
Mr. V.B. Mahajan Non-Executive Independent Director	6,248
Mr. S.K. Singh Non-Executive Independent Director	1,100
Mrs. Rohini Kapur Non- Executive Director	1,000,000

* Others Directors are not holding any shares in the Company.

5. Stakeholders Relationship Committee

During the year, at a meeting of the Board of Directors held on 22nd June 2014, in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has renamed its existing "Shareholders/Investors Grievance Committee" to "Stakeholder Relationship Committee" under the Chairmanship of Mr. V. B. Mahajan with Mr. R. Kapur and Mr. S. K. Singh as Members for the purpose of redressal of shareholders / investors

grievances and complaints including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Committee shall have the terms of reference as envisaged in Listing Agreement and Companies Act, 2013. The Committee met four times during the year. All the members of the Committee were present at these meetings. There were no pending shareholders complaints / grievances and transfer of shares as on 31st March, 2015.

The Company has designated an e-mail id of the Compliance Officer, specifically, to look after investor grievances and to resolve them in a speedy manner, in compliance with Clause 47 (f) of the Listing Agreement.

Compliance Officer

Name : Ms. Meenu Goswami
Designation : Company Secretary
E-mail Id : investors@selanoil.com

6. Corporate Social Responsibility Committee

In accordance with the mandatory provisions under section 135 of the Companies Act, 2013, a Committee has been constituted to guide the company in undertaking CSR activities in a focused and structured manner and review CSR Policy from time to time. The CSR Committee comprises of Mr. V.B. Mahajan (Chairman), Mr. R. Kapur and Mr. S.K. Singh as Members. The Committee met two times during the year i.e. 14th August 2014 and 5th November 2014. Details of the CSR activities undertaken during the year are given in Annexure-C to this Report.

7. Familiarisation Programme for Independent Directors

Familiarisation Programme for Independent Directors is designed to give them a review on the operations and performance of the Company so as to enable them to take well informed and timely decisions. The Familiarisation Programme framed by the Company for its Independent Directors can be accessed at our website www.selanoil.com

8. Women Empowerment

SELAN is fully committed to uphold and maintain the dignity of every woman employee working with it. It believes that every woman shall have the right to work in an environment free from any form of Sexual Harassment. SELAN has a 'Policy on Prevention of Sexual Harassment of Women at Workplace' which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. No complaints have been received under the Policy.

9. Whistle Blower Policy

The Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. This policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

10. Risk Management

The Company has in place well designed framework and procedures to inform Board members about the Risk Assessment and minimization procedures. These procedures are reviewed to ensure that Executive Management controls risk through means of properly defined framework. Our Company is aware of the risks associated with the business. It regularly analysis the risks and takes corrective actions for managing/ mitigating the same. Extract of the same is disclosed in Management Discussion and Analysis report which forms part of this report.