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Snapshot

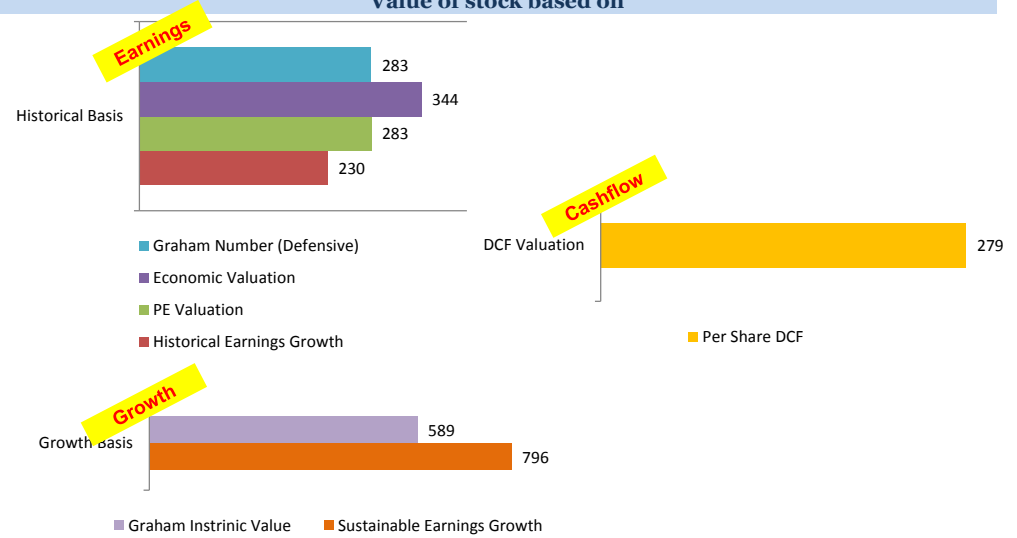
Company	Selan Exploration Technology
Sector	Oil Drilling and Exploration
Stock Price#	543
Face value	10
No of shares outstanding	164,00,000
Market Cap	890.52
Promoter Shareholding	43%

Business Summary

Selan Exploration Technology Limited explores for and produces crude oil and natural gas in India. Its oil and gas fields are located in the Bakrol, Indrora, and Lohar oilfields, as well as Ognaj oilfield and Karjisan gasfield located in Gujarat. The company was incorporated in 1985 and is based in Gandhinagar, India.

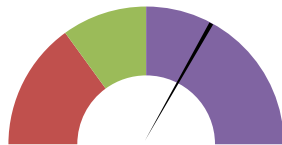
#Stock price when report requested

Value of stock based on



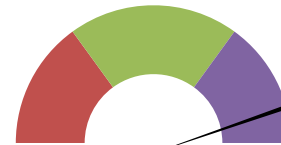
Qualitative parameters

Altman Score



Likely to be Bankrupt
 Less Chances of Bankruptcy
 Not likely to be Bankrupt

Piotroski Score



Weak
 Stable
 Strong

Buffet Valuation (Adapted from Buffettology)

Current Data		Year Ending	30-06-2013	30-06-2012	30-06-2011	30-06-2010	30-06-2009	CAGR
CMP	543	EPS	27.54	26.76	19.35	17.56	28.44	0.73%
EPS	27.54	DPS	5.13	3.11	2.96	1.30	1.32	13.35%
DPS	5.13	BVPS	144.99	126.56	103.42	87.52	61.38	3.46%
BVPS	144.99	ROE	19.00%	21.14%	18.71%	20.07%	46.33%	
P/E	19.71	Payout Ratio	18.64%	11.62%	15.31%	7.40%	4.63%	
Earnings Yeild	5.07%	This is the growth rate based on return on equity and payout ratio of the company						
Dividend Yeild	0.95%							
CMP/BV	3.75	Growth rate	22.16%					
Bond Yeild	10.00%	Projections Historical	Year 0	1	2	3	4	5
Average Data		EPS	27.54	27.74	27.94	28.15	28.35	28.56
ROE	25.05%	DPS	5.13	3.20	3.22	3.24	3.27	3.29
Payout	11.52%							
P/E Ratio	11.83	Earnings after 5 years	28.56					
		Sum Of dividend paid	21.35					
Value of Stock		Projected Price	337.95					
Historical Earnings Growth	230	Total Gain	359.30	Return on stock when existing EPS growth rate is extended				
Sustainable Earnings Growth	796	Return	-7.93%					
		Projections Growth	Year 0	1	2	3	4	5
		BVPS	144.99	177.12	216.38	264.34	322.92	394.49
		EPS	36.32	44.37	54.20	66.21	80.89	98.82
		DPS	4.18	5.11	6.24	7.63	9.32	11.38
		Earnings after 5 years	98.82					
		Sum Of dividend paid	43.87					
		Projected Price	1169.35					
		Total Gain	1213.22	Return on stock when existing ROE growth rate is extended				
		Return	17.44%					

Valuations based on Earnings

Earnings Data					
Years	30-06-2013	30-06-2012	30-06-2011	30-06-2010	30-06-2009
EPS	27.54	26.76	19.35	17.56	28.44
Stock Price High	331	355.82	383.07	386.41	292.73
High P/E	12.02	13.30	19.79	22.00	10.29
Stock Price Low	244.88	217.87	282.16	109.91	86.93
Low P/E	8.89	8.14	14.58	6.26	3.06
Average P/E	10.45	10.72	17.19	14.13	6.67
Other data					
Sustainable Growth	3.46%				
Growth Multiplier	0.07				
Current Yeild of AA Bond	0.105				
Value of Stock		Basis			
PE Valuation	283	The company is valued at it's average PE for last 5 years			
Economic Valuation	344	Current EPS is converted to perpuity with model discount factor			
Graham Number (Defensive)	283	Theoretically, the maximum price that a defensive investor should pay for the given stock			
Graham Instrinic Value	589	The formula as described by Graham in the 1962 edition of Security Analysis			

Discounted cash flow valuations

Inputs	Value	Year	0	1	2	3	4	5	6	7	8	9	10
Average Free Cash Flow (In Cr)	25	Growth		10.44%	10.44%	10.44%	10.44%	10.44%	7.83%	7.83%	7.83%	7.83%	7.83%
FCF Growth (1- 5 years)	10.44%	FCF	25	27	30	33	36	40	43	47	50	54	59
FCF Growth (5- 10 years)	7.83%	NPV		25	26	26	27	27	27	27	27	27	27
Terminal growth rate	2.00%	Terminal Value	60										
Discount rate	8.00%	PV (1-10)	267										
Shares Outstanding	164,00,000	Total Cash Value	458										
Net debt	-130.35	Per Share DCF	279										

Discounted cash flow (DCF) analysis uses future free cash flow projections and discounts them with a discount rate to arrive at a present value, which is used to evaluate the potential for investment. If the value arrived at through DCF analysis is higher than the current cost of the investment, the opportunity may be a good one.

Model Assumptions

Piotroski Score

Piotroski F Score data	30-06-2013	30-06-2012	30-06-2011	30-06-2010	30-06-2009
ROA	0.19	0.21	0.15	0.18	0.37
LT Debt / Total Assets	0.00	0.01	0.18	0.09	0.20
Current Ratio	3.25	2.17	0.56	0.53	0.52
Gross Margin	78.29%	64.66%	80.41%	80.32%	81.29%
Net Income	45.17	43.88	31.74	28.8	46.64
Operating Cash Flow	47.41	46.61	42.37	43.1	65.63
Shares Outstanding	164,00,000	164,00,000			
Asset Turnover	0.46	0.49	0.37	0.47	0.82

Piotroski 1: Net Income	1
Piotroski 2: Operating Cash Flow	1
Piotroski 3: Return on Assets	1
Piotroski 4: Quality of Earnings	1
Piotroski 5: LT Debt vs Assets	1
Piotroski 6: Current Ratio	1
Piotroski 7: Shares Outstanding	1
Piotroski 8: Gross Margin	1
Piotroski 9: Asset Turnover	0
Piotroski F Score	8

A discrete score between 0-9 which reflects nine criteria used to determine the strength of a firm's financial position.

Altman Zscore

$$\text{Altman Zscore} = 1.2T1 + 1.4T2 + 3.3T3 + 0.6T4 + 0.999T5.$$

Input	2013		T1 = Working Capital/Total Assets	0.96059
Working Capital	228.4		T2 = Retained Earnings/Total Assets	0.95605
Total Assets	237.77		T3 = EBITDA/Total Assets	0.31959
Total Liabilities	0.1		T4 = Market Value of Equity/Total Liabilities	0
Retained Earnings	227.32		T5 = Net Sales/Total Assets	0.40821
EBITDA	75.99			
Market Value of Equity	890.52			
Net Sales	97.06			
Score	3.95			

How to read score

Less Chances of Bankruptcy	1.8 to 3
Not likely to be Bankrupt	3+
Likely to be Bankrupt	0 to 1.8

The output of Altman score test gauges a publicly traded company's likelihood of bankruptcy.