

SEL MANUFACTURING COMPANY LIMITED

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CIN: L51909PB2000PLC023679



SEL/NSE/2015-16

Dtd.: 11.02.2016

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E)
MUMBAI
400 051

Dear Sir/Madam

Sub: UN-AUDITED QUARTERLY AND NINE MONTHS PERIOD RESULTS:
Symbol: SELMCL Series: EQ ISIN No: INE105I01012

Further to our earlier letter dated 03.02.2016, we are pleased to enclose herewith a copy of Companies un-audited financial results (i.e. standalone and consolidated) for the quarter and nine months period ended 31.12.2015. These results have been considered and taken on record by the Board of Directors of the Company in its meeting held today i.e. 11.02.2016 and have also been sent to Newspaper(s) for publication.

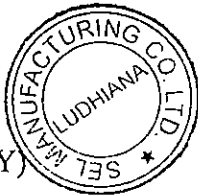
Hope you will find these in order.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For SEL Manufacturing Company Limited


RAHUL KAPOOR
(COMPANY SECRETARY)



Encl.: As above

Statement of Unaudited Financial Results for the Quarter & Nine Months Ended December 31, 2015

PART- I

(Rs. In Lacs)

Sr. No.	Particulars	Standalone					
		Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited Quarter Ended	Unaudited Year to date	Unaudited Year to date	Audited Year Ended
		31/12/2015	30/09/2015	31/12/2014	31/12/2015	31/12/2014	31/03/2015
1	Income from operations						
	a) Net sales/income from operations (Net of excise duty)	44903.58	50375.01	49251.39	147862.84	153371.19	232578.46
	b) Other operating income	0.00	0.00	0.00	0.00	0.00	0.00
	Total income from operations (net)	44903.58	50375.01	49251.39	147862.84	153371.19	232578.46
2	Expenses						
	a) Cost of material consumed	25274.87	28604.87	39863.16	86195.51	108950.29	147229.99
	b) Purchase of stock-in-trade	3196.89	1304.40	437.64	4985.63	4447.51	19934.68
	c) Changes in inventories of finished goods, work in progress and stock in trade	2510.94	139.61	-16122.78	2302.56	-20334.12	-12691.96
	d) Employee benefits expenses	2669.16	2745.26	2781.88	8315.50	8262.89	11095.69
	e) Depreciation and amortisation expenses	7219.49	7137.72	10862.91	21426.42	23763.07	29327.22
	f) Other expenses	8451.02	9719.86	10084.29	27869.02	28981.26	38477.25
	Total expenses	49322.37	49651.72	47907.10	151094.64	154070.90	233372.87
3	Profit from operations before other income, finance cost and exceptional items (1-2)	-4418.79	723.29	1344.29	-3231.80	-699.71	-794.41
4	Other income	6014.89	1749.07	4038.61	9183.26	9922.15	12262.43
5	Profit from ordinary activities before finance cost & exceptional items (3+4)	1596.10	2472.36	5382.90	5951.46	9222.44	11468.02
6	Finance cost	8444.53	8772.89	8127.01	25049.77	16723.17	24781.32
7	Profit from ordinary activities after finance cost but exceptional items (5-6)	-6848.43	-6300.53	-2744.11	-19098.31	-7500.73	-13313.30
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	Profit (+)/ Loss (-) from ordinary activities before tax (7+8)	-6848.43	-6300.53	-2744.11	-19098.31	-7500.73	-13313.30
10	Tax Expense	3933.78	-2135.54	-932.04	-0.14	-2522.62	-4247.82
11	Net Profit (+)/ Loss (-) from ordinary activities after tax (9-10)	-10782.21	-4164.99	-1812.07	-19098.17	-4978.11	-9065.48
12	Extraordinary items (net of tax expenses _____ Lakhs)	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit (+)/ Loss (-) for the period (11+12)	-10782.21	-4164.99	-1812.07	-19098.17	-4978.11	-9065.48
14	Paid-up equity share capital of Rs. 10/- each	33134.70	33134.70	33134.70	33134.70	33134.70	33134.70
15	Reserves excluding Revaluation Reserves						75657.31
16	i. Earning per share (EPS) (before extraordinary items) (in Rs.) (not annualised)						
	a) Basic	B- (3.25)	B- (1.26)	B- (0.55)	B- (5.76)	B- (1.50)	B- (2.74)
	b) Diluted	D- (3.25)	D- (1.26)	D- (0.55)	D- (5.76)	D- (1.50)	D- (2.74)
	ii. Earning per Share (EPS) (after extraordinary items) (in Rs.) (not annualised)						
	a) Basic	B- (3.25)	B- (1.26)	B- (0.55)	B- (5.76)	B- (1.50)	B- (2.74)
	b) Diluted	D- (3.25)	D- (1.26)	D- (0.55)	D- (5.76)	D- (1.50)	D- (2.74)

Notes:

- The above results are reviewed by the Audit Committee and taken on record at the meeting of the Board of Directors on 11.02.2016.
- The Company has only one Reportable Segment i.e. "Textiles", hence Segment Reporting required under AS-17 is not applicable.
- Previous period's figures have been re-grouped and re-classified wherever necessary
- The Company had opted for CDR of its Debt in November, 2013. The CDR package was approved by the competent authority in June, 2014 and implemented by lenders in September, 2014. However, the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities. Due to Non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. The Company has discussed the matter with the lenders and taken up request for release of funds with Management of respective banks. Due to these efforts the Company is hopeful that the funds would be released in near future thereby improving the operational efficiency.
- In compliance of AS22 "Accounting for taxes on Income" deferred tax assets arising during the quarter have not been recognised subject to consideration of prudence. The Management is of the view that the Deferred Tax Assets for Rs.39.33 Cr. for the period upto 30th September, 2015 is not going to be utilised in the future due to uncertainty of earning any profit. Therefore the same has been reversed in the Current quarter.

For and on behalf of Board of Directors

sd/-
 Neeraj Saluja
 Managing Director

Date: 11.02.2016
 Place: Ludhiana

PART- I

(Rs. in lacs)

Sr. No	Particulars	Consolidated					
		Unaudited Quarter Ended 31/12/2015	Unaudited Quarter Ended 30/09/2015	Unaudited Quarter Ended 31/12/2014	Unaudited Year to date 31/12/2015	Unaudited Year to date 31/12/2014	Audited Year Ended 31/03/2015
1	Income from operations						
	a) Net sales/income from operations (Net of excise duty)	57271.21	65367.89	63023.17	187634.87	194745.00	286342.37
	b) Other operating income	0.00	0.00	0.00	0.00	0.00	0.00
	Total income from operations (net)	57271.21	65367.89	63023.17	187634.87	194745.00	286342.37
2	Expenses						
	a) Cost of material consumed	35411.64	42450.54	48702.29	120771.67	133780.37	186027.38
	b) Purchase of stock-in-trade	3317.47	1304.40	3868.17	5106.21	6062.53	17583.09
	c) Changes in inventories of finished goods, work in progress and stock in trade	1593.28	-1773.21	-18646.42	-3061.16	-15539.57	-11311.72
	d) Employee benefits expenses	3327.32	3445.08	3349.05	10362.51	9987.18	13272.57
	e) Depreciation and amortisation expenses	9448.07	9366.71	13069.17	28113.19	29727.45	36666.16
	f) Other expenses	10348.93	12281.27	12575.37	34739.20	36337.50	47989.76
	Total expenses	63446.71	67074.79	62917.63	196031.62	200355.46	290227.24
3	Profit from operations before other income, finance cost and exceptional items (1-2)	-6175.50	-1706.90	105.54	-8396.75	-5610.46	-3884.87
4	Other income	6638.82	3191.69	5262.54	12367.00	12753.30	15403.25
5	Profit from ordinary activities before finance cost & exceptional items (3+4)	463.32	1484.79	5368.08	3970.25	7142.84	11518.38
6	Finance cost	11278.33	10897.06	7237.81	32863.07	21850.22	34248.29
7	Profit from ordinary activities after finance cost but exceptional items (5-6)	-10815.01	-9412.27	-1869.73	-28892.82	-14707.38	-22729.91
8	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
9	Profit (+)/ Loss (-) from ordinary activities before tax (7+8)	-10815.01	-9412.27	-1869.73	-28892.82	-14707.38	-22729.91
10	Tax Expense	5466.05	-2045.85	-41.47	695.94	-5032.72	-7782.51
11	Net Profit (+)/Loss(-) from ordinary activities after tax (9-10)	-16281.06	-7366.42	-1828.26	-29588.76	-9674.66	-14947.40
12	Extraordinary items (net of tax expenses Lakhs)	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit (+)/ Loss (-) for the period (11+12)	-16281.06	-7366.42	-1828.26	-29588.76	-9674.66	-14947.40
14	Share of profit/(loss) of associates	0.00	0.00	0.00	0.00	0.00	0.00
15	Minority Interest	-18.23	-0.59	-1.06	-19.13	-1.72	7.21
16	Net Profit (+)/ Loss (-) after taxes, minority interest and share of profit/(loss) of associates (+13+14+15)	-16262.83	-7365.83	-1827.20	-29569.63	-9672.94	-14954.61
17	Paid-up equity share capital of Rs. 10/- each	33134.70	33134.70	33134.70	33134.70	33134.70	33134.70
18	Reserves excluding Revaluation Reserves						69078.32
19	i. Earning per share (EPS) (before extraordinary items) (in Rs.) (not annualised)						
	a) Basic	B- (4.91)	B- (2.22)	B- (0.55)	B- (8.92)	B- (2.92)	B- (4.51)
	b) Diluted	D- (4.91)	D- (2.22)	D- (0.55)	D- (8.92)	D- (2.92)	D- (4.51)
	ii. Earning per Share (EPS) (after extraordinary items) (in Rs.) (not annualised)						
	a) Basic	B- (4.91)	B- (2.22)	B- (0.55)	B- (8.92)	B- (2.92)	B- (4.51)
	b) Diluted	D- (4.91)	D- (2.22)	D- (0.55)	D- (8.92)	D- (2.92)	D- (4.51)

Notes:

- The above results are reviewed by the Audit Committee and taken on record at the meeting of the Board of Directors on 11.02.2016.
- Consolidation has been made by applying Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The Company has only one Reportable Segment i.e. "Textiles", hence Segment Reporting required under AS-17 is not applicable.
- The two Companies had opted for CDR of its Debt in the year 2013-14. The CDR package was approved by the competent authority and implemented by lenders. However, the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Companies, which resulted in sub-optimum utilization of manufacturing facilities. Due to Non-disbursement of funds the Companies could not complete its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Companies. The Companies have discussed the matter with the lenders and taken up request for release of funds with Management of respective banks. Due to these efforts it is hopeful that the funds would be released in near future thereby improving the operational efficiency.
- In compliance of AS22 "Accounting for taxes on Income" deferred tax assets arising during the quarter have not been recognised subject to consideration of prudence. The Management is of the view that the Deferred Tax Assets for Rs. 54.66 Cr. for the period upto 30th September, 2015 is not going to be utilised in the future due to uncertainty of earning any profit. Therefore the same has been reversed in the Current quarter.

For and on behalf of Board of Directors

sd/-

Neeraj Saluja
 Managing Director

Date: 11.02.2016
 Place: Ludhiana

LIMITED REVIEW REPORT

To
The Board of Directors,
SEL Manufacturing Co. Ltd.,

Introduction

We have reviewed the accompanying statement of unaudited standalone financial results of SEL Manufacturing Company Limited for the quarter & nine months ended December 31, 2015 ("the Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these standalone financial results based on our review.

Scope of Review

We conducted our review in accordance Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Emphasis of Matter

1. We draw attention to Note No. 4 in the financial results which indicates that the Company had opted for CDR of its debts. The CDR Package was approved by competent authority as well as implemented by lenders. However, the credit facility envisaged and sanctioned under CDR package were not released by the lenders to the company. Due to Non-disbursement of funds the company could not complete one of its spinning projects where the substantial amount was already incurred. All this has led to adverse financial performance and erosion in the net worth of the company. The company has discussed the matter with lenders and taken up request for the release of funds with the management of respective banks due to these efforts the company is hopeful that the funds would be release in near future there by improving the operational efficiency.
2. We draw attention to Note No. 5 in the financial results about compliance with AS-22 "Accounting for Taxes on Income". Deferred tax assets during the quarter have not been recognized subject to consideration of prudence. The management is of view that the deferred tax asset for the period up to September, 2015 is not going to be utilized in future due to uncertainty of earning any profit therefore the same has been reversed in the current quarter.

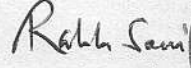


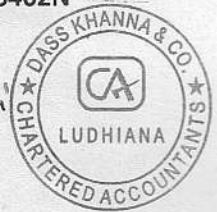
Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ludhiana
Date: 11.02.2016

For DASS KHANNA & CO.
Chartered Accountants
Firm Reg. No. 000402N


(CA Rakesh Soni)
Partner
M.No.: 083142



LIMITED REVIEW REPORT

To
The Board of Directors,
SEL Manufacturing Co. Ltd.,

Introduction

We have reviewed the accompanying statement of consolidated unaudited financial results of SEL Manufacturing Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter & nine months ended December 31, 2015 ("the Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review.

The Statement Includes the financial results of following entities:

1. SEL Manufacturing Co. Ltd. (Holding Company)
2. SEL Textiles Limited. (Subsidiary Company)
3. SEL Aviation Private Limited. (Subsidiary Company)
4. SE Exports (Subsidiary Firm)
5. SEL Textile Corporation (Subsidiary Company)

Scope of Review

We conducted our review in accordance Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial results of overseas branch of the holding company and its three subsidiaries.

Emphasis of Matter

1. We draw attention to Note No. 4 in the financial results which indicates that two Companies out of the group had opted for CDR of its debts. The CDR Package was approved by competent authority as well as implemented by lenders. However, the credit facility envisaged and sanctioned under CDR package were not released by the lenders to the company. Due to Non-disbursement of funds the company could not complete its spinning projects where the substantial amount was already incurred. All this has led to adverse financial performance and erosion in the net worth of the company. The company has discussed the matter with lenders and taken up request for the release of funds with the



management of respective banks due to these efforts the company is hopeful that the funds would be release in near future there by improving the operational efficiency.

2. We draw attention to Note No. 5 in the financial results about compliance with AS-22 "Accounting for Taxes on Income" deferred tax assets during the quarter have not been recognized subject to consideration of prudence. The management is of view that the deferred tax asset for the period up to September, 2015 is not going to be utilized in future due to uncertainty of earning any profit therefore the same has been reversed in the current quarter.

Other Matter

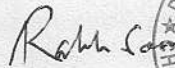
We did not review the interim financial results of three subsidiaries included in the consolidated financial results whose interim financial results reflect total revenues of Rs. 0.33 crores for the quarter ended 31st December, 2015 and Rs. 0.73 Crores for the nine months ended 31st December 2015. The consolidated financial results also include the group's share of net loss of Rs. 0.29 Crores for the quarter ended 31st December, 2015 and Rs. 0.84 Crores for the nine months ended 31st December 2015. Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the financial results certified by the Management.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ludhiana
Date: 11.02.2016

For DASS KHANNA & CO.
Chartered Accountants
Firm Reg. No. 000402N


(CA Rakesh Soni)
Partner
M.No.: 083142

