SEL MANUFACTURING COMPANY LIMITED

Regd Office: 274, Dhandari Khurd, G.T. Road, Ludhiana - 141 014, Punjab, India
Tel: +91-161-6611111, Fax: +91-161-6611112, Website: www.selindia.in
CIN:L51909PB2000PLC023679

SEL/NSE/2017-18 Dtd.: 30.05.2017

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

Dear Sir/Madam

Sub: ANNAUL AUDITED RESULTS 2016-17:
Symbol: SELMCL Series: EQ ISIN No: INE105I01012

Further to our letter dated 22.05.2017, we are pleased to enclose herewith a copy of Companies Audited Financial Results (i.e. standalone and consolidated) for the Financial year ended 31.03.2017 in consonance with the new Accounting Standards. These results have been considered and taken on record by the Board of Directors of the Company in its meeting held today i.e. 30.05.2017. The said meeting commenced at 04.00 p.m. and concluded at 06.20 p.m.

We hope you will find these in order.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For SEL Manufacturing Company Limited

RAHUL KAPOOR
(COMPANY SECRETARY)

SEL MANUFACTURING CO. LTD. LUDHIANA

Encl.: As above

SEL Manufacturing Company Limited
Regd. Office: 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 (Punjab)
Tel.: +91-161-7111117 Fax: +91-161-7111112 Website: www.selindia.in
[CIN: L51909PB2000PLC023679]

Statement of Standalone Audited Financial Results for the Quarter & Year Ended March 31, 2017

(Rs. in Lakh)

Sr. No.	Particulars	Audited Quarter Ended 31/03/2017	Unaudited Quarter Ended 31/12/2016	Audited Quarter Ended 31/03/2016	Audited Year ended 31/03/2017	Audited Year ended 31/03/2016
1	Income from operations					
	a) Revenue from operations	52,421.65	35,924.63	46,910.62	171,061.80	194,773.46
	b) Other income	1,186.33	2,735.31	1,860.26	9,201.25	11,043.52
	Total income from operations	**53,607.98**	**38,659.94**	**48,770.88**	**180,263.05**	**205,816.98**
2	Expenses					
	a) Cost of material consumed	47,253.51	28,163.21	25,289.89	131,514.42	111,485.40
	b) Purchase of stock-in-trade	3,354.04	-	2,031.48	3,354.20	7,017.11
	c) Changes in inventories of finished goods , work in progress and stock in trade	14,876.06	5,413.85	2,024.16	40,939.36	4,326.72
	d) Employee benefits expenses	2,933.40	2,547.96	2,548.76	10,746.20	10,864.26
	e) Finance cost	2,222.60	1,169.49	9,190.26	12,256.12	34,240.03
	f) Depreciation and amortisation expenses	2,769.20	2,898.67	7,023.83	11,408.91	28,450.25
	g) Other expenses	11,412.84	6,309.28	7,303.07	32,831.44	35,172.09
	Total expenses	**84,821.65**	**46,502.46**	**55,411.45**	**243,050.65**	**231,555.86**
3	**Profit(+)/(Loss)(-) from operations before exceptional items & tax (1-2)**	**(31,213.67)**	**(7,842.52)**	**(6,640.57)**	**(62,787.60)**	**(25,738.88)**
4	Exceptional Items	8,545.04	(15,207.86)	30,060.93	22,650.68	30,060.93
5	**Profit (+)/ (Loss) (-) before tax (3+4)**	**(39,758.71)**	**7,365.34**	**(36,701.50)**	**(85,438.28)**	**(55,799.81)**
6	Tax Expense	(33,318.60)	5,343.55	(15,604.21)	(29,682.89)	(15,604.35)
7	**Net Profit (+)/ (Loss) (-) for the period from Continuing Operations tax (5-6)**	**(6,440.11)**	**2,021.79**	**(21,097.29)**	**(55,755.39)**	**(40,195.46)**
8	Net Profit (+)/ (Loss) (-) from Discontinuing Operations	-	-	-	-	-
9	Tax Expense of Discontinuing Operations	-	-	-	-	-
10	**Net Profit (+)/ (Loss) (-) from Discontinuing Operations after Tax (8-9)**	-	-	-	-	-
11	**Net Profit (+)/ (Loss) (-) for the period**	**(6,440.11)**	**2,021.79**	**(21,097.29)**	**(55,755.39)**	**(40,195.46)**
12	**Other Comprehensive Income**					
	a (i) Items that will not be reclassified to Profit or Loss	32.80	-	-	32.80	-
	b (i) Items that will be reclassified to Profit or Loss	(2.01)	(3.66)	9,482.86	(10.57)	(9,954.53)
13	**Total Comprehensive Income/(Loss) for the Period (11+12)**	**(6,409.32)**	**2,018.13**	**(11,614.43)**	**(55,733.16)**	**(50,149.99)**
14	**Paid-up equity share capital of Rs. 10/- each**	**33,134.70**	**33,134.70**	**33,134.70**	**33,134.70**	**33,134.70**
15	i. Earning per share (EPS) (for Continuing Operations) (in Rs.) (not annualised)					
	a) Basic	B- (1.94)	B- (0.61)	B- (6.37)	B- (16.83)	B- (12.13)
	b) Diluted	D- (1.94)	D- (0.61)	D- (6.37)	D- (16.83)	D- (12.13)
	ii. Earning per share (EPS) (for Discontinued Operations) (in Rs.) (not annualised)					
	a) Basic	-	-	-	-	-
	b) Diluted	-	-	-	-	-
	iii. Earning per Share (EPS) (for Discontinued & Continuing Operations) (in Rs.) (not annualised)					
	a) Basic	B- (1.94)	B- (0.61)	B- (6.37)	B- (16.83)	B- (12.13)
	b) Diluted	D- (1.94)	D- (0.61)	D- (6.37)	D- (16.83)	D- (12.13)

SEL MANUFACTURING CO. LTD. LUDHIANA

Notes:

1 The audited financial statements for the quarter and year ended March 31, 2017 have been taken on record by the Board of Directors at its meeting held on May 30, 2017. The information presented above is extracted from the audited standalone financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2 The Company has adopted the Indian Accounting Standard (Ind-AS) on April 1, 2016 with the transition date as April 1, 2015, and the adoption was carried out in accordance with Ind-AS 101-First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

3 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. The credit facilities envisaged & sanctioned under CDR package were not fully released by the lenders which resulted in sub-optimum utilization of manufacturing facilities and the company could not complete one of its spinning project where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. Also the company is facing cash flow mismatch and is not servicing debt obligations as per the terms of CDR package sanctioned earlier. However, despite all this, the manufacturing capacities are operational and running. The Company has not defaulted in any of its statutory dues and has been able to retain all its management functionaries. Keeping in view the above, the financial statements of the company are prepared on going concern basis and the company considers that sufficient taxable income will be available in the specified period against which deferred tax asset and MAT credit would be adjusted.

4 Exceptional items consists of provision for diminution in value of investments in subsidairies and in quarter ended December, 2016 also includes reversal of interest amounting to Rs.11,097 lakhs.

5 The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.

6 The majority of lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of their restructuring plan, the Company has not provided interest amounting to Rs. 35,901 lakhs on majority of NPA classified accounts for the year in its books of account. Due to this the interest expense, net loss and financial liabilities for the year ended March 31, 2017 are reduced by Rs. 35,901 lakhs and correspondingly the equity is increased by the same amount.

7 The company has revised the useful life of the machinery installed in Spinning/Terry Towel units based on technical reports effective from April 1, 2016. Due to this the depreciation as well as net loss for the year ended March 31, 2017 is reduced by Rs. 15,106 lakhs and correspondingly the "Property, Plant & Equipments" (Non Current Assets) and other equity are increased by the same amounts.

8 Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended March 31, 2016.

Particulars	Quarter Ended March	(Rs. In Lacs) Year Ended March 2016
Net Profit/(Loss) for the period under previous Indian GAAP	**(21,097)**	**(40,195)**
Add: Ind AS Adjustments		
Impact of measuring investments at fair value through profit & loss	10,164	(8,710)
Tax Impact	(681)	(1,245)
Net Profit/(Loss) as per Ind AS	**(11,614)**	**(50,150)**

9 Reconciliation of Equity as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended March 31, 2016.

Particulars	(Rs. In Lacs) Year Ended March 2016
Equity as per Indian Gaap	**68,597**
Adjustments:	
Fair value accounting of investments	5
Others	3,575
Equity as per Ind AS	**72,177**

10 The figures of quarter ended March 31, 2017 are the balancing figures in respect of the full financial year ended March 31, 2017 and the unaudited published year to date figures upto December 31, 2016 which were subjected to limited review.

11 Figures relating to the previous period have been regrouped/rearranged, whereever necessary to make them comparable with those of the current period.

For and on behalf of Board of Directors

Neeraj Saluja
Managing Director

SEL MANUFACTURING CO. LTD. LUDHIANA

Date: 30.05.2017
Place: Ludhiana

STATEMENT OF ASSETS & LIABILITES (STANDALONE)

(Rs. In Lakhs)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
	Audited	Audited
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment	175,599.61	183,764.30
(b) Capital Work in Progress	16,312.42	18,529.86
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	-	22.79
(f) Intangible Assets under Development	-	-
(g) Biological Assets Other Than Bearer Plants	-	-
(h) Financial Assets	-	-
(i) Investments	899.62	23,536.63
(ii) Trade Receivable	-	-
(iii) Loans	1,569.22	1,969.92
(iv) Others	181.24	16.57
(i) Deferred Tax Assets (Net)	53,512.97	23,818.31
(j) Other Non-Current Assets	7,425.42	7,092.71
	255,500.50	**258,751.09**
(2) Current Assets		
(a) Inventories	84,424.76	139,052.09
(b) Financial Assets	-	-
(i) Current Investments	-	-
(ii) Trade Receivables	99,991.82	89,948.18
(iii) Cash & Cash Equivalents	843.52	1,932.38
(iv) Bank Balances other than (iii) above	50.81	1,722.59
(v) Loans	-	-
(vi) Others	30,778.35	36,234.02
(c) Current Tax Assets (Net)	514.69	283.05
(d) Other Current Assets	4,717.67	5,251.03
	221,321.62	**274,423.34**
TOTAL ASSETS	**476,822.12**	**533,174.43**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	33,134.70	33,134.70
(b) Other Equity	(16,735.10)	39,042.35
	16,399.60	**72,177.05**
LIABILITIES		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	228,300.90	255,368.67
(ii) Trade Payables	-	-
(iii) Other Financial Liabilites	-	-
(b) Provisions	144.04	86.80
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	-	-
	228,444.94	**255,455.47**
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	142,682.45	138,452.33
(ii) Trade Payables	14,792.83	17,027.36
(iii) Other Financial Liabilities	70,117.65	46,695.48
(b) Other Current Liabilities	3,553.03	2,732.25
(c) Provisions	831.62	634.49
(d) Current Tax Liabilities(Net)	-	-
	231,977.58	**205,541.91**
TOTAL EQUITY & LIABILITIES	**476,822.12**	**533,174.43**

SEL MANUFACTURING CO. LTD. LUDHIANA

DASS KHANNA & CO .
CHARTERED ACCOUNTANTS

Address : B-XX-2815
GURDEV NAGAR,
PAKHOWAL ROAD,
LUDHIANA- 141001
Telephone No. 2401230
E mail : dasskhannaco@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
SEL Manufacturing Company Limited

Introduction

We have audited the accompanying statement of standalone financial results of SEL Manufacturing Company Limited (the company) for the year ended March 31,2017 ("the Statement"),in which are incorporated, the returns for the year ended on that date audited by the branch auditors of the company's overseas branch at Sharjah, United Arab Emirates, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

This statement, which is the responsibility of the Company's Management and approved by its Board of Directors, has been compiled from the related Standalone Ind AS Financial Statements which has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the companies Act,2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DASS KHANNA & CO. LUDHIANA CHARTERED ACCOUNTANTS

Basis for Qualified Opinion

As mentioned in note no.6 to the Statement regarding non provision of interest amounting Rs.35901 lakhs for the year ended 31st March, 2017 on NPA classified bank borrowings which is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, borrowings are not reflected at fair value in financial statements as required by Ind AS 109, Financial Instruments.

We further report that, had the impact of our observations made in para above been considered, the net loss and borrowings for the year ended would have been increased by Rs. 35901 lakhs and the equity would have been reduced by the same amount.

Qualified Opinion

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the above para of "Basis for Qualified Opinion"* , the Statement

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 and

(ii) give a true and fair view in conformity with the aforesaid Ind AS and other accounting principal generally accepted in India of the net loss, total comprehensive income and other financial information for the year ended March 31, 2017.

Emphasis of Matter

We draw attention to the following matters:

(a) Balances of few of the Trade Receivables, Loan and Advances & Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. During the course of preparation of Statements, e-mails/letters have been sent to various parties by the company with a request to confirm their balances as on 31st March, 2017 out of which few parties have confirmed their balances direct to us or to the company. Despite this, the outstandings in the trade receivables of the company are overdue and the company has not provided any impairment provision in respect of their realizations as the management claims that the said receivables are fully recoverable.

(b) In respect of Contingency related to 'compensation payable in lieu of bank sacrifice,' the outcome of which is materially uncertain and can not be determined currently.

(c) Note no. 3 of the statement regarding preparation of the Standalone financial statements on a going concern basis for the reasons stated in the said note notwithstanding the facts that the company has accumulated losses resulting in erosion of net worth. Keeping in view the above, the company has recognized deferred tax asset and MAT Credit considering virtual certainty that sufficient taxable income will be available during specified period against which such deferred tax asset/MAT Credit can be adjusted.

DASS KHANNA & CO. DHIANA CHARTERED ACCOUNTANTS

(d) Note no. 7 of the statement regarding the revision of useful life of machinery installed in Spinning /Terry Towel units based on the technical reports effective from 1st April 2016.

Our opinion is not modified in respect of the above said matters.

Other matters

The Statement included the results for the quarter ended March 31, 2017 being the balancing figure between the audited figures in respect of the financial year and the unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion is not modified in respect of the above said matters.

FOR DASS KHANNA & CO.,
CHARTERED ACCOUNTANTS
FRN: 000402N

DASS KHANNA & CO. LUDHIANA CHARTERED ACCOUNTANTS

PLACE: LUDHIANA
DATED: 30.05.2017

(CA. R.D. KHANNA)
PARTNER
M.No.: 12391

SEL MANUFACTURING COMPANY LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results:

Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2017

(Standalone Financial Results)

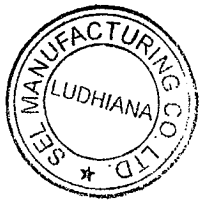
(Rs. In Lakhs)

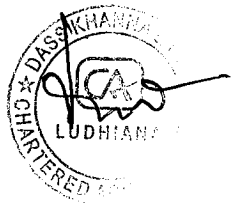
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	180263.05	180263.05
	2.	Total Expenditure (Excluding Exceptional Items and Tax adjustments)	243050.65	243050.65
	3.	Net Profit/(Loss)	(55755.39)	(91656.39)
	4.	Earnings Per Share	(16.83)	(27.66)
	5.	Total Assets	476822.12	476822.12
	6.	Total Liabilities	460422.52	496323.52
	7.	Net Worth	16399.60	(19501.40)
	8.	Any other financial item(s) (as felt appropriate by the management)	None	None

II.	Audit Qualification (each audit qualification separately)	
a.	Details of Audit Qualification	Regarding non provision of interest amounting Rs.35901 lakhs for the year ended 31st March, 2017 on NPA classified bank borrowings which is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. Preparation of financial statements on accrual basis.
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/repetitive/since how long continuing	First Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Majority of Lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of their restructuring plan, the Company has not provided interest amounting to Rs.35,901 lakhs on majority of NPA classified accounts for the year in its books of account.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	--N.A.--

SEL MANUFACTURING CO. LTD. LUDHIANA

III.	Signatories: • Managing Director • CFO • Audit Committee Chairman • Statutory Auditor





PLACE : LUDHIANA
DATED : 30.05.2017

SEL Manufacturing Company Limited
Regd. Office: 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 (Punjab)
Tel.: +91-161-7111117 Fax: +91-161-7111112 Website: www.selindia.in
[CIN: L51909PB2000PLC023679]

Statement of Consolidated Audited Financial Results for the Quarter & Year Ended March 31, 2017

PART- I (Rs. In lacs)

Sr. No.	Particulars	Audited Quarter Ended 31/03/2017	Unaudited Quarter Ended 31/12/2016	Audited Quarter Ended 31/03/2016	Audited Year ended 31/03/2017	Audited Year ended 31/03/2016
1	Income from operations					
	a) Revenue from operations	61,729.20	43,390.47	58,880.95	208,186.16	246,518.03
	b) Other income	701.48	3,696.54	2,275.85	10,136.93	14,642.85
	Total income from operations	**62,430.68**	**47,087.01**	**61,156.80**	**218,323.09**	**261,160.88**
2	Expenses					
	a) Cost of material consumed	57,000.30	33,005.22	36,445.45	163,492.80	157,217.12
	b) Purchase of stock-in-trade	3,182.08	-	2,297.71	3,361.44	7,403.92
	c) Changes in inventories of finished goods , work in progress and stock in trade	19,737.01	7,282.95	490.23	53,574.03	(2,570.93)
	d) Employee benefits expenses	3,517.66	3,125.80	3,143.96	13,075.10	13,506.47
	e) Finance cost	1,235.13	1,583.49	16,728.65	14,683.71	49,591.72
	f) Depreciation and amortisation expenses	4,044.26	9,069.95	9,298.11	15,783.42	37,411.30
	g) Other expenses	14,520.21	8,009.06	10,125.64	40,858.61	44,867.05
	Total expenses	**103,236.65**	**62,076.47**	**78,529.75**	**304,829.11**	**307,426.65**
3	**Profit(+)/(loss)(-) from operations before exceptional items & tax(1-2)**	**(40,805.97)**	**(14,989.46)**	**(17,372.95)**	**(86,506.02)**	**(46,265.77)**
4	Exceptional Items	(0.00)	(21,402.53)	806.91	(0.00)	806.91
5	**Profit (+)/ (Loss) (-) before tax (3+4)**	**(40,805.97)**	**6,413.07**	**(18,179.86)**	**(86,506.02)**	**(47,072.68)**
6	Tax Expense	(21,169.46)	6,982.47	(10,769.16)	(29,223.16)	(10,073.22)
7	**Net Profit (+)/(Loss) (-) for the period from Continuing Operations tax (5-6)**	(19,636.51)	(569.40)	(7,410.70)	(57,282.86)	(36,999.46)
8	Net Profit (+)/ (Loss) (-) from Discontinuing Operations	-	-	-	-	-
9	Tax Expense of Discontinuing Operations	-	-	-	-	-
10	Net Profit (+)/ (Loss) (-) from Discontinuing Operations after Tax (8-9)	-	-	-	-	-
11	**Net Profit (+)/ (Loss) (-) for the period**	(19,636.51)	(569.40)	(7,410.70)	(57,282.86)	(36,999.46)
12	**Profit/(Loss) attributable to**					
	(1) Owners of the Company	(19,624.61)	(568.84)	(7,393.46)	(57,267.84)	(36,997.58)
	(2) Non-Controlling Interests	(11.90)	(0.56)	(17.24)	(15.02)	(1.88)
	Profit/(Loss) for the period	**(19,636.51)**	**(569.40)**	**(7,410.70)**	**(57,282.86)**	**(36,999.46)**
13	Other Comprehensive Income					
	a (i) Items that will not be reclassified to Profit or Loss	53.26	-	-	53.26	-
	b (i) Items that will be reclassified to Profit or Loss	4.99	4.87	1,835.93	24.11	(40.89)
14	Total Comprehensive Income/(loss) for the Period (11+13)	(19,578.26)	(564.53)	(5,574.77)	(57,205.49)	(37,040.35)
	Total Comprehensive Income attributable to					
	(1) Owners of the Company	(19,566.36)	(563.97)	(5,557.53)	(57,190.47)	(37,038.47)
	(2) Non-Controlling Interests	(11.90)	(0.56)	(17.24)	(15.02)	(1.88)
	Total Comprehensive Income/(loss)	(19,578.26)	(564.53)	(5,574.77)	(57,205.49)	(37,040.35)
15	Paid-up equity share capital of Rs. 10/- each	33,134.70	33,134.70	33,134.70	33,134.70	33,134.70
16	i. Earning per share (EPS) (for Continuing Operations) (in Rs.) (not annualised)					
	a) Basic	B- (5.93)	B- (0.17)	B- (2.24)	B- (17.29)	B- (11.17)
	b) Diluted	D- (5.93)	D- (0.17)	D- (2.24)	D- (17.29)	D- (11.17)
	ii. Earning per share (EPS) (for Discontinued Operations) (in Rs.) (not annualised)					
	a) Basic	-	-	-	-	-
	b) Diluted	-	-	-	-	-
	iii. Earning per Share (EPS) (for Discontinued & Continuing Operations) (in Rs.) (not annualised)					
	a) Basic	B- (5.93)	B- (0.17)	B- (2.24)	B- (17.29)	B- (11.17)
	b) Diluted	D- (5.93)	D- (0.17)	D- (2.24)	D- (17.29)	D- (11.17)

SEL MANUFACTURING CO. LTD. LUDHIANA

Notes:

1 The audited financial statements for the quarter and year ended March 31, 2017 have been taken on record by the Board of Directors at its meeting held on May 30, 2017. The information presented above is extracted from the audited consolidated financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2 The Group has adopted the Indian Accounting Standard (Ind-AS) on April 1, 2016 with the transition date as April 1, 2015, and the adoption was carried out in accordance with Ind-AS 101-First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

3 The holding and one of its subsidiary Company had opted for CDR of its Debt in the year 2013-14. The CDR package was approved by the competent authorities and implemented by lenders. However, the credit facilities envisaged and sanctioned under CDR packages were not released by the lenders to the said companies, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the said companies could not complete their respective spinning projects where substantial amounts were already incurred. All this has led to adverse financial performance and erosion in net worth of the said companies. Both the company are facing cash flow mismatch and are not servicing debt obligations as per the terms of CDR packages sanctioned earlier. Despite all, the manufacturing capacities are operational and running. Both the Companies have not defaulted in payment of their statutory dues and have retain all their management functionaries. Keeping in view the above, the financial statements of the companies are prepared on going concern basis and the companies considers that sufficient taxable income will be available in the specified period against which deferred tax asset and MAT credit would be adjusted.

4 The majority of lenders have stopped charging interest on debts, since the dues from the Company and one of its subsidairy have been categorized as Non Performing Asset. The Company and one of its subsidairy is in active discussion/negotiation with its lenders to restructure their debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of their restructuring plan, the Company and one of its subsidairy have not provided interest amounting to Rs. 51,785 lakhs on majority of NPA classified accounts for the year in its books of account. Due to this the interest expense, net loss and financial liabilities for the year ended March 31, 2017 are reduced by Rs. 51,785 lakhs and correspondingly the equity is increased by the same amount.

5 Exceptional items in quarter ended December, 2016. Includes reversal of interest amounting Rs. 16,168 lakhs

6 Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended March 31, 2016.

(Rs. In Lakhs)

Particulars	Quarter Ended March 2016	Year Ended March 2016
Net Profit/(Loss) for the period under previous Indian GAAP	(7,411)	(36,999)
Add: Ind AS Adjustments		
Impact of measuring investments at fair value through profit & loss	1	3
Tax Impact	1,835	(44)
Net Profit as per Ind AS	(5,575)	(37,040)

7 Reconciliation of Equity as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended March 31, 2016.

(Rs. In Lacs)

Particulars	Year Ended March 2016
Equity as per Indian Gaap	64,683
Adjustments:	
Fair value accounting of investments	3
Others	(44)
Equity as per Ind AS	64,643

8 The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.

9 The company and one of its subsidairy has revised the useful life of the machinery installed in Spinning/Terry Towel units based on technical reports effective from April 1, 2016. Due to this the depreciation as well as net loss for the year ended March 31, 2017 is reduced by Rs. 20,074 lakhs and correspondingly the "Property, Plant & Equipments" (Non Current Assets) and other equity are increased by the same amounts.

10 The figures of quarter ended March 31, 2017 are the balancing figures in respect of the full financial year ended March 31, 2017 and the unaudited published year to date figures upto December 31, 2016 which were subjected to limited review.

11 Figures relating to the previous period have been regrouped/rearranged, whereever necessary to make them comparable with those of the current period.

For and on behalf of Board of Directors

Neeraj Saluja
Managing Director

SEL MANUFACTURING CO. LTD. LUDHIANA

Date: 30.05.2017
Place: Ludhiana

STATEMENT OF ASSETS & LIABILITES (CONSOLIDATED)

(Rs. In Lakhs)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
	Audited	Audited
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment	248,728.09	257,297.50
(b) Capital Work in Progress	55,271.32	59,455.76
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	-	22.79
(f) Intangible Assets under Development	-	-
(g) Biological Assets Other Than Bearer Plants	-	-
(h) Financial Assets	-	-
(i) Investments	4,232.86	4,216.68
(ii) Trade Receivable	-	-
(iii) Loans	2,102.09	2,397.61
(iv) Others	181.24	16.57
(i) Deferred Tax Assets (Net)	45,411.36	16,198.80
(j) Other Non-Current Assets	18,894.66	20,218.33
	374,821.62	**359,824.04**
(2) Current Assets	-	-
(a) Inventories	103,123.91	171,090.59
(b) Financial Assets	-	-
(i) Current Investments	-	-
(ii) Trade Receivables	115,189.95	114,566.53
(iii) Cash & Cash Equivalents	1,244.67	3,445.21
(iv) Bank Balances other than (iii) above	221.13	1,884.46
(v) Loans	37,658.43	43,407.16
(vi) Others	-	-
(c) Current Tax Assets (Net)	412.39	299.63
(d) Other Current Assets	10,653.13	10,386.81
	268,503.61	**345,080.39**
TOTAL ASSETS	**643,325.23**	**704,904.43**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	33,134.70	33,134.70
(b) Other Equity	(25,820.27)	31,507.81
	7,314.43	**64,642.51**
LIABILITIES		-
(1) Non-Current Liabilities		-
(a) Financial Liabilities		-
(i) Borrowings	313,834.66	357,856.88
(ii) Trade Payables	-	-
(iii) Other Financial Liabilites	-	-
(b) Provisions	175.55	108.35
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	-	-
	314,010.21	**357,965.23**
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	180,512.99	177,000.03
(ii) Trade Payables	19,287.06	22,555.26
(iii) Other Financial Liabilities	116,365.69	75,784.97
(b) Other Current Liabilities	4,852.23	6,169.99
(c) Provisions	982.62	786.44
(d) Current Tax Liabilities(Net)	-	-
	322,000.59	**282,296.69**
TOTAL EQUITY & LIABILITIES	**643,325.23**	**704,904.43**

SEL MANUFACTURING CO. LTD. LUDHIANA

DASS KHANNA & CO .
CHARTERED ACCOUNTANTS

Address : B-XX-2815
GURDEV NAGAR,
PAKHOWAL ROAD,
LUDHIANA- 141001
Telephone No. 2401230
E mail : dasskhannaco@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
SEL Manufacturing Company Limited

Introduction

We have audited the accompanying statement of consolidated financial results of SEL Manufacturing Company Limited (the Holding) for the year ended March 31,2017 ("the Statement"),attached herewith, , being submitted by the Group pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

This statement, which is the responsibility of the Holding's Management and approved by the Board of Directors, has been compiled from the related Consolidated Ind AS Financial Statements which has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the holding's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DASS KHANNA & CO. CHARTERED ACCOUNTANTS LUDHIANA

Basis for Qualified Opinion

As mentioned in note no. 4 to the Statement regarding non provision of interest amounting Rs.51785 lakhs for the year ended 31st March, 2017 on NPA classified bank borrowings of holding and one of its subsidiary, which is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, borrowings are not reflected at fair value in financial statements as required by Ind AS 109, Financial Instruments.

We further report that, had the impact of our observations made in para above been considered, the net loss and borrowings for the year ended would have been increased by Rs. 51785 lakhs and the equity would have been reduced by the same amount.

Qualified Opinion

Except for the possible effects of the matter described in the above para of "Basis for Qualified Opinion", in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the separate financial statements and other financial information of the subsidiaries referred to in paragraph (2) of other matters ,the Statement

(i) includes the results of the following entities:

SEL Manufacturing Co. Ltd.	(Holding Company)
SEL Textiles Ltd.	(Subsidiary Company)
SEL Textile Corporation	(Subsidiary Company)
SEL Aviation Pvt. Ltd.	(Subsidiary Company)
Silverline Corporation Ltd.	(Fellow Subsidiary Company)
SE Exports	(Subsidiary Firm)

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 and

(iii) give a true and fair view in conformity with the aforesaid Ind AS and other accounting principal generally accepted in India of the net loss, total comprehensive income and other financial information for the year ended March 31, 2017.

Emphasis of Matter

We draw attention to the following matters:

(a) Balances of few of the Trade Receivables, Loan and Advances & Trade Payables of the holding as well as one of its subsidiary company are subject to confirmation/reconciliation and subsequent adjustments, if any. During the course of preparation of Statements, e-mails/letters have been sent to various parties by the said companies with a request to confirm their balances as on 31st March, 2017 out of which few parties have confirmed their balances direct to us or to the companies. Despite this,

DASS KHANNA & CO. CHARTERED ACCOUNTANTS LUDHIANA

the outstandings in the trade receivables of the holding as well as one of its subsidiary company are overdue and the Group has not provided any impairment provision in respect of their realizations as the management claims that the said receivables are fully recoverable.

(b) In respect of Contingency related to 'compensation payable in lieu of bank sacrifice,' the outcome of which is materially uncertain and can not be determined currently.

(c)Note no. 3 of the statement regarding preparation of the consolidated financial statements on a going concern basis for the reasons stated in the said note notwithstanding the facts that the holding as well as one of its subsidiary namely SEL Textiles Limited have accumulated losses resulting in erosion of net worth. Keeping in view the above, the Group has recognized deferred tax asset and MAT Credit considering virtual certainty that sufficient taxable income will be available during specified period against which such deferred tax asset/MAT Credit can be adjusted.

(d) Note no. 9 of the statement regarding the revision of useful life of machinery installed in Spinning /Terry Towel units of holding and one of its subsidiary based on the technical reports effective from 1st April 2016.

Our opinion is not modified in respect of the above said matters.

Other Matters

The Statement included the results for the quarter ended March 31, 2017 being the balancing figure between the audited figures in respect of the financial year and the unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

(b) We did not audit the financial statements/ financial information of four subsidiaries included in the consolidated financial results, whose financial statements/ financial information reflect total assets of Rs. 5236.96 lakhs as at March 31, 2017 and total revenues of Rs. 72.01 lakhs, total comprehensive income of Rs (90.69) Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not modified in respect of the above matters.

FOR DASS KHANNA & CO.,
CHARTERED ACCOUNTANTS
FRN: 000402N

DASS KHANNA & CO. LUDHIANA CHARTERED ACCOUNTANTS

(CA. R.D. KHANNA)
PARTNER
M.No.: 12391

PLACE: LUDHIANA
DATED: 30.05.2017

SEL MANUFACTURING COMPANY LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results:

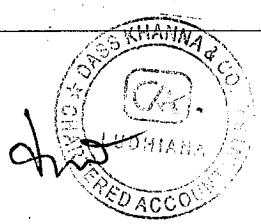
Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2017

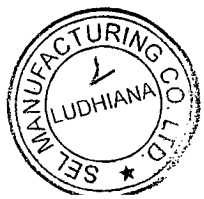
(Consolidated Financial Results)

(Rs. In Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	218323.09	218323.09
	2.	Total Expenditure (Excluding tax adjustments)	304829.11	304829.11
	3.	Net Profit/(Loss)	(57282.86)	(109067.86)
	4.	Earnings Per Share	(17.29)	(32.92)
	5.	Total Assets	643325.23	643325.23
	6.	Total Liabilities	636010.80	687795.80
	7.	Net Worth	7314.43	(44470.57)
	8.	Any other financial item(s) (as felt appropriate by the management)	None	None

II.	Audit Qualification (each audit qualification separately)	
a.	Details of Audit Qualification	Regarding non provision of interest amounting Rs.51785 lakhs for the year ended 31st March, 2017 on NPA classified bank borrowings which is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. Preparation of financial statements on accrual basis.
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/repetitive/since how long continuing	First Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Majority of Lenders have stopped charging interest on debts, since the dues from the Company and one of its subsidiary have been categorized as Non Performing Asset. The Company and one of its subsidiary is in active discussion/negotiation with its lenders to restructure their debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of their restructuring plan, the Company and one of its subsidiary have not provided interest amounting to Rs.51,785 lakhs on majority of NPA classified accounts for the year in its books of account.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	--N.A.--





III.	Signatories: • Managing Director • CFO • Audit Committee Chairman • Statutory Auditor

PLACE : LUDHIANA
DATED : 30.05.2017