



## SEL MANUFACTURING COMPANY LIMITED

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Website: [www.selindia.in](http://www.selindia.in)

Date: 03<sup>rd</sup> July, 2025

To

**BSE Limited**

Department of Corporate Services

25<sup>th</sup> Floor, PJ Towers, Dalal Street, Mumbai-  
400001

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex, Bandra

(East), Mumbai-400051

**Scrip Code: 532886**

**Symbol: SELMC**

**Sub: Submission of Revised Financial Results and Statement on Impact of Audit Qualifications**

**Scrip Code: 532886, Scrip Id: SELMC, ISIN No.: INE105101020**

Dear Sir,

This is in reference to the email dated 01 July 2025 received from The National Stock Exchange of India Limited (NSE) regarding the financial results submitted by our Company, wherein it was observed that the financial results were not filed in the format prescribed by SEBI as the Statement on Impact of Audit Qualifications did not include signatory details as per the prescribed format.

We sincerely regret the inadvertent oversight and wish to clarify that there was no intention to deviate from the prescribed compliance requirements.

In compliance with your observations, we are hereby submitting the revised financial results in the SEBI prescribed format along with the Statement on Impact of Audit Qualifications, duly signed by the authorized signatories as required.

We request you to kindly take the revised documents on record and oblige.

**Yours faithfully,**

**For SEL MANUFACTURING COMPANY LIMITED**

**Naveen Arora**

**Whole-time Director**

**DIN: 09114375**

**Statement of Audited Financial Results for the Quarter & Year Ended March 31, 2025**

PART - I		(Rs. in lakhs)				
Sr. No.	Particulars	Audited Quarter Ended 31/03/2025	Unaudited Quarter Ended 31/12/2024	Audited Quarter Ended 31/03/2024	Audited Year Ended 31/03/2025	Audited Year Ended 31/03/2024
1	Income from operations					
	a) Net Revenue from operations	284.16	452.19	2,800.91	3,286.91	37,427.31
	b) Other income	12.09	5.25	120.58	27.84	170.80
	<b>Total income from operations</b>	<b>296.25</b>	<b>457.44</b>	<b>2,921.49</b>	<b>3,314.75</b>	<b>37,598.11</b>
2	Expenses					
	a) Cost of material consumed	41.80	90.69	2,431.41	1,641.47	29,883.13
	b) Purchase of stock-in-trade	0.17	0.34	1.58	1.43	9.51
	c) Changes in inventories of finished goods, work in progress and stock in trade	(47.42)	78.46	342.35	510.06	3,395.67
	d) Employee benefits expenses	212.53	204.46	173.55	837.84	2,573.72
	e) Finance Cost	1,834.72	1,824.55	1,518.68	6,974.12	5,961.49
	f) Depreciation and amortisation expenses	2,319.92	2,333.00	2,347.76	9,374.34	9,515.64
	g) Other expenses	300.66	298.47	230.92	1,272.75	7,077.14
	<b>Total expenses</b>	<b>4,662.37</b>	<b>4,829.97</b>	<b>7,046.25</b>	<b>20,612.00</b>	<b>58,416.31</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(4,366.12)</b>	<b>(4,372.53)</b>	<b>(4,124.76)</b>	<b>(17,297.25)</b>	<b>(20,818.20)</b>
4	Exceptional Items	(360.73)	(2,773.82)	27.85	(4,225.26)	(1,522.87)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(4,005.39)</b>	<b>(1,598.71)</b>	<b>(4,152.61)</b>	<b>(13,071.99)</b>	<b>(19,295.33)</b>
6	Tax Expense	-	-	-	-	-
7	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(4,005.39)</b>	<b>(1,598.71)</b>	<b>(4,152.61)</b>	<b>(13,071.99)</b>	<b>(19,295.33)</b>
8	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-	-
9	Tax Expense of Discontinued Operations	-	-	-	-	-
10	<b>Net Profit (+)/ Loss (-) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(4,005.39)</b>	<b>(1,598.71)</b>	<b>(4,152.61)</b>	<b>(13,071.99)</b>	<b>(19,295.33)</b>
12	<b>Other Comprehensive Income</b>					
	a (i) Items that will not be reclassified to Profit or Loss	20.88	0.66	317.94	24.15	453.39
	(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss	-	-	-	-	-
	b (i) Items that will be reclassified to Profit or Loss	(635.23)	(543.38)	(185.06)	(2,223.87)	(1,638.90)
	(ii) Income Tax relating to Items that will be reclassified to Profit or Loss	-	-	-	-	-
13	<b>Total Comprehensive Income for the Period (11+12)</b>	<b>(4,619.74)</b>	<b>(2,141.43)</b>	<b>(4,019.73)</b>	<b>(15,271.71)</b>	<b>(20,480.84)</b>
14	<b>Paid-up equity share capital of Rs. 10/- each</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>
15	Other Equity				(24,224.09)	(8,952.38)
16	i. Earning per share (EPS) (for Continuing Operations) (in Rs.) (not annualised)					
	a) Basic	(12.09)	(4.82)	(12.53)	(39.45)	(58.23)
	b) Diluted	(12.09)	(4.82)	(12.53)	(39.45)	(58.23)
	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	(12.09)	(4.82)	(12.53)	(39.45)	(58.23)
	b) Diluted	(12.09)	(4.82)	(12.53)	(39.45)	(58.23)

**Notes:**

- The audited financial results for the quarter & year ended March 31, 2025 have been taken on record by the Board of Directors at its meeting held on 30th May, 2025. The information presented above is extracted from the audited financial statements. The audited 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.



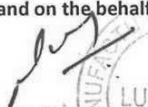
- 2 The Company underwent a corporate insolvency resolution process under section 31 of the Insolvency and Bankruptcy Code, 2016. A Resolution Plan was approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench (Approved Plan), vide their orders dated 10th February, 2021 and the implementation of the Approved Resolution Plan was concluded in the year 2020-21 with the re-constitution of the Board of Directors.
- 2(a) Pursuant to the Corporate Insolvency Resolution Process, the Banks and financial institutions have not taken appropriate action regarding the declassification of the company under the list of Defaulters in the records of RBI, rating agencies, Central Fraud Registry, ECGC, non-cooperative borrower, etc. The same was stipulated to be done within 30 days from the effective date as per the approved resolution plan. The Company filed an application before the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench regarding not taking appropriate action by the banks & financial institutions within specific time period in this matter.
- 2(b) As per resolution plan approved and implemented in financial year 2020-21, the company was stipulated to bring Rs. 6,500 lakhs for working capital and operational needs within first year of operation against which the company brought only Rs. 2,500 lakhs. Post implementation of the resolution plan the interest and installments of the Company were being served without any delay till the period ended 30th June, 2023. However, the Company is unable to infuse working capital amounting to Rs. 4,000 lakhs.
- 2(c) Consequently, the Company's performance during the year was sub-optimal and fell significantly short of expectations. The Company encountered numerous challenges that adversely impacted its ability to conduct business operations in a profitable and economically sustainable manner. An analysis of the operational performance indicates that the Company was unable to fully utilize its available capacities, resulting in a continued operational deficit and severe liquidity stress. Several plants remained shut for the majority of the year under review. In an effort to sustain operations and generate revenue, the Company initiated job work activities at one of its units during the year. Despite these efforts, the ongoing financial distress severely impaired the Company's ability to meet its financial obligations, including the payment of interest and servicing of outstanding loans.
- 2(d) The Company had not repaid the quarterly installment due for the period 30th September, 2023 to 31st March, 2025 amounting to Rs. 12,128.91 lakhs and also had not paid the monthly interest and other charges due for the period July, 2023 to March, 2025 amounting to Rs. 11,344.96 lakhs. The Company filed an application before the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench regarding the issue of declassification etc. as mentioned above. The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench has passed an interim ex parte order vide dated 16th August, 2023 with direction, granting a complete moratorium to the company in the payment of amounts as per the plan including payment of deferred amount and interest of term loan and all other payments to the banks, till the next date of hearing. As per said order the Company is also directed to infuse the necessary funds as provided for in the approved resolution plan within a reasonable period after the Banks have complied with direction to declassify the company from various lists as mentioned in paragraph 2(a).
- 3 The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.
- 4 The Company Secretary had resigned from the company on 30th November 2023. In accordance with Section 203 of the Companies Act, 2013, the company initiated the process of filling the vacancy within the prescribed timeframe. However, the company encountered significant challenges in appointing a suitable candidate due to its ongoing financial losses and its recent experience under the Corporate Insolvency Resolution Process (CIRP). These factors led several prospective candidates to decline the offer. Despite these difficulties, the Board of Directors made continuous and diligent efforts to identify a qualified professional and successfully appointed a new Company Secretary on 12th March 2025.
- 5 In accordance with Ind AS 36—Impairment of Assets, the Company has not carried out an impairment assessment of its Property, Plant and Equipment & Capital Work in Progress as at the balance sheet date, due to prevailing financial constraints. The Company's manufacturing facilities remained non-operational for the majority of the units, indicating potential impairment indicators. However, no impairment loss has been recognized during the year.
- 6 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7 During the year 2023-24, the shareholders of the Company have passed the resolution regarding the Initiation of Corporate Insolvency Resolution Process under Section 10 (including any modification or re-enactment thereof), if any, of the Insolvency and Bankruptcy Code, 2016 in its Extra Ordinary General Meeting held on 13th October, 2023.
- 8 During the year, the company has written back of trade payable amounting to Rs. 2,705 lakhs which is charged to Statement of Profit & Loss as an exceptional item.
- 9 a) During the year, the Company was in receipt of Cautionary Letters from NSE and BSE pertaining to Risk Management Committee meetings under Regulation 21(3C) of SEBI (LODR) Regulations, 2015. The letters mentioned that the delay in conducting Risk Management Committee meeting, which was in contravention with the provisions of Regulation 21(3C) of SEBI (LODR) Regulations, 2015 and further warned the company to be careful in future and exercise due diligence for complying with the provisions of the Regulations. However, the company has suitably filed the reply for the said letters. There is no impact on financial, operation or other activities of the Company pursuant to the abovementioned cautionary letters.



b) During the year, the Company received notices from the National Stock Exchange (NSE) and BSE Limited regarding non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 ("Depository Regulations"). The non-compliance pertained to the requirement of appointing a qualified Company Secretary as the Compliance Officer for the quarter ended 31st December, 2024. Consequently, a penalty of Rs. 1.09 lakh was imposed by each exchange. The Company has represented to the stock exchanges that a qualified Company Secretary has been appointed with effect from 12th March, 2025. Owing to the prevailing financial constraints, the Company intends to file a formal request seeking a waiver of the penalties imposed. As the outcome of the waiver request is currently pending, no provision for the said penalties has been made in the financial statements for the year.

- 10 Figures relating to the previous period/year have been regrouped/rearranged, wherever considered necessary, to correspond with the current period/year's disclosures.
- 11 The figures for quarter ended March 31, 2025 are the balancing figures between audited figures in respect of the full financial year ended on those dates and the reviewed year-to-date figures upto the third quarter of the respective financial year.

For and on the behalf of Board of Directors

  
(Naveen Arora)  
Whole Time Director  
DIN: 09114375



Place: Ludhiana  
Date: 30.05.2025

## STATEMENT OF ASSETS & LIABILITIES

PARTICULARS	(Rs. in lakhs)	
	AS AT 31.03.2025	AS AT 31.03.2024
<b>ASSETS</b>		
<b>(1) Non Current Assets</b>		
(a) Property, Plant and Equipment	88,326.13	97,738.24
(b) Capital Work in Progress	4,246.00	4,246.00
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	-	-
(f) Intangible Assets under Development	-	-
(g) Biological Assets Other Than Bearer Plants	-	-
(h) Financial Assets	-	-
(i) Investments	6.21	129.51
(ii) Trade Receivable	-	-
(iii) Loans	-	-
(iv) Others	3.17	3.14
(i) Deferred Tax Assets (Net)	-	-
(j) Other Non-Current Assets	482.23	482.23
	<b>93,063.73</b>	<b>1,02,599.12</b>
<b>(2) Current Assets</b>		
(a) Inventories	902.70	1,715.75
(b) Financial Assets	-	-
(i) Current Investments	-	-
(ii) Trade Receivables	86.89	81.26
(iii) Cash & Cash Equivalents	256.36	297.34
(iv) Bank Balances other than (iii) above	43.88	41.88
(v) Loans	-	-
(vi) Others	1.59	1.13
(c) Current Tax Assets (Net)	28.00	221.46
(d) Other Current Assets	462.66	584.32
	<b>1,782.08</b>	<b>2,943.14</b>
<b>TOTAL ASSETS</b>	<b>94,845.81</b>	<b>1,05,542.26</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	3,313.47	3,313.47
(b) Other Equity	(24,224.09)	(8,952.38)
	<b>(20,910.62)</b>	<b>(5,638.91)</b>
<b>LIABILITIES</b>		
<b>(1) Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	65,262.44	81,864.32
(i) Lease Liabilities	9.01	-
(ii) Trade Payables	-	-
(iii) Other Financial Liabilities	-	-
(b) Provisions	64.88	57.69
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	-	-
	<b>65,336.34</b>	<b>81,922.01</b>



<b>(2) Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	30,871.76	12,128.76
(ja) Lease Liabilities	11.30	-
(ii) Trade Payables	5,144.24	9,535.15
(iii) Other Financial Liabilities	14,148.57	7,326.26
(b) Other Current Liabilities	218.62	234.39
(c) Provisions	25.61	34.61
(d) Current Tax Liabilities(Net)	-	-
	<b>50,420.09</b>	<b>29,259.16</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>94,845.81</b>	<b>1,05,542.26</b>

For and on the behalf of Board of Directors

(Naveen Arora)  
 Whole Time Director  
 DIN: 09114375



**SEL MANUFACTURING COMPANY LIMITED**

**STATEMENT OF CASH FLOW**

(Rs. In Lakhs)

Particulars	Details	Figures as at the end of the current reporting period	Details	Figures as at the end of the previous reporting period
<b>A Cash Flow from Operating Activities</b>				
Net Profit before Taxes & Extraordinary Items		(13,071.99)		(19,295.33)
Adjustments for Non Cash Items:				
-Depreciation & Amortization	9,374.34		9,515.64	
-Provision for Diminution in Value of Investments	5.56		(1,443.76)	
-Provision/(Reversal of Provision) for Doubtful Debts	(1,311.00)		(102.69)	
-Reversal of GST Input Credit and interest thereon	(116.83)		309.63	
-Allowances for Loans & Advances	(18.22)		(1,353.18)	
-Interest Cost	6,970.39		5,955.69	
-Interest Income	(24.33)		(104.28)	
-(Profit)/Loss on Sale of Investments	(99.28)		-	
-(Profit)/Loss on Sale of Plant, Property & Equipments	19.37	14,800.00	(376.64)	12,400.43
Adjustments for Changes in Working Capital:				
-Increase/ (Decrease) in Trade Payables	(4,390.91)		1,134.24	
-Increase/ (Decrease) in Other Current & Financial Liabilities	6,806.07		2,420.78	
-Increase/ (Decrease) in Current Provisions	(9.00)		(15.55)	
-(Increase)/ Decrease in Trade Receivables	1,305.37		611.98	
-(Increase)/ Decrease in Other Current Assets	256.71		1,682.03	
-(Increase)/ Decrease in Current Assets Tax (Net)	193.46		462.53	
-(Increase)/ Decrease in Bank Balance other than Cash	(2.00)		(2.08)	
-(Increase)/ Decrease in Other Financial Assets	(0.47)		767.84	
-(Increase)/ Decrease in Inventories	813.05	4,972.28	3,552.21	10,613.99
Cash Generation from Operations		6,700.29		3,719.09
-Taxes Paid		-		-
Net Cash from Operating Activities		6,700.29		3,719.09
<b>B Cash Flows from Investing Activities</b>				
-Proceeds of Property, Plant & Equipments	54.33		376.64	
-Interest Income	24.33		104.28	
-(Increase)/Decrease of Non Current Investments	134.28		1,443.76	
-(Increase)/ Decrease in Other Financial Assets Non Current	(0.03)		(0.58)	
-Increase/(Decrease) in Other Financial Liabilities Non Current	9.01		-	
-Increase/(Decrease) in Non Current Provisions	7.20		(410.64)	
Net Cash Flows from Investing Activities		229.11		1,513.45
<b>C Cash Flows from Financing Activities</b>				
-Repayment of Non Current Borrowings	-		(841.78)	
-(Increase)/ Decrease in Other Assets Non Current	-		1,568.00	
-Interest Cost	(6,970.39)		(5,955.69)	
Net Cash Flows from Financing Activities		(6,970.39)		(5,229.47)
Net Increase/(Decrease) in Cash & Cash Equivalent		(40.98)		3.08
Cash & Cash Equivalents - Opening Balance		297.34		294.26
Cash & Cash Equivalents - Closing Balance		256.36		297.34
<b>Reconciliation of Cash &amp; Cash Equivalents with the Balance Sheet</b>				
Cash and Bank Balances as per Balance Sheet				
In Current Accounts		220.82		273.23
Cash on Hand		35.54		24.11
Cash & Cash Equivalents as at the year end		256.36		297.34

The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flow".

For and on the behalf of Board of Directors

(Naveen Arora)  
Whole Time Director  
DIN: 09114375



Place: Ludhiana  
Date: 30.05.2025

**Independent Auditor's Report on the Quarterly and year to date Audited Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
SEL Manufacturing Company Limited,

**Report on the audit of the Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date Financial Results of SEL Manufacturing Company Limited ("the Company") for the quarter and year ended March 31, 2025 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in this regard; and*
- ii. Except for the possible effects of our observations described in the Basis for Qualified Opinion paragraph below read with paragraphs Material Uncertainty Related to Going Concern and Emphasis of Matter below, gives a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2025.*

**Basis for Qualified Opinion**

**We refer to:**

1. Note No. 5 of the audited financial results, as per Indian Accounting Standard 36 on Impairments of Assets, the Company is required to determine impairment in respect of Property, Plant & Equipment and Capital Work in Progress as per the methodology prescribed under the said Ind AS. However the Management of the Company has not done impairment testing for the reasons explained in the said note. In the absence of any working for impairment of the Property, Plant & Equipment and Capital Work in Progress as per Ind AS 36, the impact of impairment, if any on the Ind AS financial statements is not ascertainable.

We further report that the financial impact of matter stated in the Basis for Qualified Opinion can't be measured reliably for the year ended 31<sup>st</sup> March 2025.



We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those standards are further described in the "Auditors Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

#### **Material Uncertainty Related to Going Concern**

We draw your attention:

- As per resolution plan approved and implemented in financial year 2020-21, the company was stipulated to bring Rs. 6,500 lakhs for working capital and operational needs within first year of operation against which the company brought only Rs. 2,500 lakhs which created shortfall in working capital funds and affected the performance of the company.
- The company is incurring continuous losses since the implementation of resolution plan and had incurred total cumulative losses of Rs. 64,090 lakhs in last four years since implementation of resolution plan.
- Analytical Ratios of the company are reflecting tight liquidity, poor solvency as well as losses. The Current Ratio of 0.04:1 as at March 31, 2025 as against 0.10:1 as at March 31, 2024 clearly reflects squeezing of liquidity during the year. The liquidity ratios and solvency ratios of the company are deteriorated over previous years.
- The Company has a debt obligation of around Rs. 18,743 lakhs for the financial year 2025-26. Further Debt obligations are supposed to be paid out of available funds which will further add to the liquidity crunch of the company.
- As at year end, the current liabilities of the company are exceeding its current assets, which reflect erosion of Working Capital funds of the Company.
- Refer to Note no. 2(c) & 2(d) to the audited financial results, the Company's performance is sub-optimal and falls short of expectations. The Company is currently operating at a deficit and experiencing severe liquidity stress. The major plants of the company were remained shut down for whole of the year under consideration. Due to financial constraints, the company has started job work operations at one of its unit instead of pursuing its own manufacturing activities and major source of operating income during the year under consideration is from job work. This dire financial predicament has rendered the Company incapable of fulfilling its various financial obligations. The company had defaulted in quarterly installment due from 30th September, 2023 to 31<sup>st</sup> March, 2025 amounting to Rs. 12,129 lakhs and also had not paid the interest due for the period July 2023 to March 2025 amounting to Rs. 11,345 lakhs.
- Refer to Note no. 7 to the audited financial results, the shareholders of the Company have passed the resolution regarding the Initiation of Corporate Insolvency Resolution Process under Section 10 (including any modification or re-enactment thereof), if any, of the Insolvency and Bankruptcy Code, 2016 in its Extra Ordinary General Meeting held on 13th October, 2023.
- Further the company had decided to suspend pending capital projects which otherwise requires additional funds to complete the pending capital projects.

Given the present circumstances, it concerns the company's ability to meet its contractual/financial obligations w.r.t repayment of principal and interest on secured borrowings and arranging funds for ensuring normal operations as well as for pending capital projects.



The above factors indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore company may be unable to discharge its liabilities in the normal course of business unless some concrete efforts are made by the company to come out of financial crisis by infusing interest free long term funds and increasing the volume of operations as well as profits of the company.

#### **Emphasis of Matter**

We draw attention to the following matters:

- (1) During the course of preparation of the financial statements, letters through ordinary posts regarding balance confirmation of trade receivables, capital advance, advance to suppliers and trade payable have been sent by the company with a request to confirm their balances out of which few parties have confirmed their balances to the Company.

Our opinion is not modified in respect of the matter.

#### **Management's Responsibility for the Financial Results**

The Statement has been prepared on the basis of audited annual financial statements. The Board of Directors of the company is responsible for the preparation and presentation of the statements that gives a true and fair view of the net loss and other comprehensive income of the company and other financial information in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matters

The Statement includes the results for the quarter ended 31st March, 2025 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2025 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to a limited review by us, as required under the Listing Regulations.

For Kamboj Malhotra & Associates  
Chartered Accountants  
Firm Reg. No. 015848N

*Manik Malhotra*  
(CA Manik Malhotra)  
Partner  
M.No.: 094604



Place: Ludhiana  
Date: 30/05/2025

UDIN:- 25094604BMKZUG3043


**SEL MANUFACTURING COMPANY LIMITED**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2025**


[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]


(Rs. in lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (as reported after adjusting for qualifications)
	1.	Turnover / Total Income	3,314.75	3,314.75
	2.	Total Expenditure	16,386.74	16,386.74
	3.	Net Profit/(Loss)	-13,071.99	-13,071.99
	4.	Earnings Per Share	39.45	39.45
	5.	Total Assets	94,845.81	94,845.81
	6.	Total Liabilities	1,15,756.43	1,15,756.43
	7.	Net Worth	-20,910.62	-20,910.62
	8.	Any other financial item(s) (as felt appropriate management)		
II.	<b>Audit Qualification (each audit qualification separately):</b>			
a.	Details of Audit Qualification:		The Company is required to determine impairment in respect of Property, Plant & Equipment and Capital Work in Progress as per the methodology prescribed under the said Ind AS. However the Management of the Company has not done impairment testing for the reasons explained in the note. In the absence of any working for impairment of the Property, Plant & Equipment and Capital Work in Progress as per Ind AS 36, the impact of impairment, if any on the Ind AS financial statements is not ascertainable.	
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:		N.A.	
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification:		N.A.	
	(ii) If management is unable to estimate the impact, reasons for the same:		The Company has not carried out an impairment assessment of its Property, Plant and Equipment & Capital Work in Progress as at the balance sheet date, due to prevailing financial constraints. The Company's manufacturing facilities remained non-operational for the majority of the units, indicating potential impairment indicators. However, no impairment loss has been recognized during the year.	
	(iii) Auditors' Comments on (i) or (ii) above:		The Company has not done impairment testing. Hence, we are unable to justify its reasonableness.	

Place: Ludhiana  
Dated: 30/05/2025

  
 (Whole Time Director)  
*(Naveen Arora)*

(Statutory Auditors)  
*Manik Malhotra*  


  
 (Manjit Singh Kochhar)  
 Chairman  
 (Audit Committee)

  
 (Navneet Gupta)  
 Chief financial officer

UDIN:- 25094604BMKZUH7982