



# SEL MANUFACTURING COMPANY LIMITED

Regd. Office: 274, Dhandari Khurd G.T. Road Ludhiana- 141014

CIN: L51909PB2000PLC023679

Tel: +91-161-7111117, Fax: +91-161-7111118, Email: [rahul@selindia.in](mailto:rahul@selindia.in)

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

30<sup>th</sup> July, 2024

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: Outcome of Board meeting (Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)**

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

Dear Sir,

This is to inform that the Board of Directors of the Company at their Meeting held on Tuesday 30<sup>th</sup> July, 2024 discussed and approved the following matters:

**1. Recommended appointment of Mrs. Seema Singh (DIN: 10042852) as an independent director of the company**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors proposed the appointment of Mrs. Seema Singh (DIN: 10042852) as an independent director of the company. She was previously appointed as an additional independent director on May 22, 2024.

**2. Recommended appointment of Mr. Manjit Singh Kochar (DIN: 08298764) as an independent director of the company**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors proposed the appointment of Mr. Manjit Singh Kochar (DIN: 08298764) as an independent director of the company. He was previously appointed as an additional independent director on May 22, 2024.

**3. Unaudited Standalone Financial Results**

The Board has considered and approved Standalone Unaudited Financial Results of the Company for the Quarter ended 30<sup>th</sup> June, 2024. The copy of the Unaudited Financial Results and Limited Review Report thereon are enclosed herewith.



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**4. Took note of the cost audit report/annexures under the cost audit report rules for the financial year 2023-24**

The Board of Directors of the Company has approved the Cost Audit Report and its annexures for the Financial Year 2023-24. This report has been duly authenticated by the Company's Cost Auditor M/s Jatin Sharma & Co., in accordance with the Cost Audit Report Rules.

**5. Approved Board's Report along with annexures thereto for the financial year 2023-24**

The Board of Directors of the Company has approved the Board's Report, including its annexures, for the Financial Year 2023-24, along with the Corporate Governance Report.

**6. 24<sup>th</sup> Annual General Meeting**

The Board has decided that the 24<sup>th</sup> Annual General Meeting of the members of SEL Manufacturing Company Limited will be held on Thursday, 22<sup>nd</sup> August, 2024 at 11.00 A.M. (IST) through Video Conferencing / Other Audio Visual Means. The Notice of AGM and Annual Report of the Company for the year ended 31<sup>st</sup> March 2024 will be sent separately to the Stock Exchange(s) and to the Members of the Company in due course.

Kindly note that the meeting of the Board of Directors commenced at 11:15 A.M. and was concluded at 12:50 PM. You are requested to take the above mentioned information on your records.

Thanking you,

**Yours faithfully,  
For SEL MANUFACTURING COMPANY LIMITED**

**Naveen Arora  
Whole-time Director  
DIN: 09114375**

**Statement of Unaudited Financial Results for the Quarter Ended June 30, 2024**

PART- I		(Rs. in lakhs)			
Sr. No.	Particulars	Unaudited Quarter Ended 30/06/2024	Audited Quarter Ended 31/03/2024	Unaudited Quarter Ended 30/06/2023	Audited Year Ended 31/03/2024
1	Income from operations				
	a) Net Revenue from operations	2,061.88	2,800.91	23,833.08	37,427.31
	b) Other income	8.40	(256.06)	109.79	547.43
	<b>Total income from operations</b>	<b>2,070.28</b>	<b>2,544.85</b>	<b>23,942.87</b>	<b>37,974.75</b>
2	Expenses				
	a) Cost of material consumed	1,454.94	2,431.41	20,109.12	29,883.13
	b) Purchase of stock-in-trade	0.92	1.58	6.38	9.51
	c) Changes in inventories of finished goods, work in progress and stock in trade	360.05	342.35	710.40	3,395.67
	d) Employee benefits expenses	203.70	173.55	1,403.43	2,573.72
	e) Finance Cost	1,579.33	1,518.68	1,464.38	5,961.49
	f) Depreciation and amortisation expenses	2,394.66	2,347.76	2,408.88	9,515.64
	g) Other expenses	370.39	230.92	4,006.81	7,077.14
	<b>Total expenses</b>	<b>6,363.98</b>	<b>7,046.25</b>	<b>30,109.40</b>	<b>58,416.31</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(4,293.70)</b>	<b>(4,501.40)</b>	<b>(6,166.53)</b>	<b>(20,441.56)</b>
4	Exceptional Items	(1,134.15)	(348.79)	24.93	(1,146.23)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(3,159.55)</b>	<b>(4,152.61)</b>	<b>(6,191.46)</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>(3,159.55)</b>	<b>(4,152.61)</b>	<b>(6,191.46)</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 after Tax (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(3,159.55)</b>	<b>(4,152.61)</b>	<b>(6,191.46)</b>	<b>(19,295.33)</b>
12	<b>Other Comprehensive Income</b>				
	a (i) Items that will not be reclassified to Profit or Loss	2.09	317.94	51.03	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	(516.34)	(185.06)	(487.21)	(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>(3,673.79)</b>	<b>(4,019.73)</b>	<b>(6,627.64)</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>
15	Other Equity				(8,952.38)
16	i. Earning per share (EPS) (for Continuing Operations) (in Rs.) (not annualised)				
	a) Basic	(9.54)	(12.53)	(18.69)	(58.23)
	b) Diluted	(9.54)	(12.53)	(18.69)	(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	(9.54)	(12.53)	(18.69)	(58.23)
	b) Diluted	(9.54)	(12.53)	(18.69)	(58.23)

**Notes:**

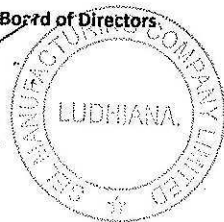
- The unaudited financial statements for the quarter ended June 30, 2024 have been taken on record by the Board of Directors at its meeting held on 30th July, 2024. The information presented above is extracted from the unaudited financial statements. The unaudited financial statements are prepared in 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.
- 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 is sub-optimal and falls short of expectations. Specifically, the Company is facing a multitude of intricacies hindering the successful pursuit of its business operations in a profitable and economically advantageous manner. An analysis of the performance of the Company reveals that the Company has not been able to fully harness its operational capacity to its fullest potential. The Company is currently operating at a deficit and experiencing severe liquidity stress. All the plants of the company were remain shut down for most of the period in the period under consideration. This dire financial predicament has rendered the Company incapable of fulfilling its various financial obligations, i.e. the payment of interest, and servicing outstanding loans.
- 2(d) The Company has not repaid the quarterly installment due on September 30, 2023 to June 30, 2024 amounting to Rs. 5,100 lakhs and also has not paid the monthly interest due for the period July, 2023 to June, 2024 amounting to Rs. 6,025 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 in para 2(a). 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 As of 30 November 2023, the Company Secretary had resigned from the company. According to Section 203 of the Companies Act 2013, the company is in the process of filling the vacant position.
- 5 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.
- 6 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.
- 7 During the quarter, the Company was in receipt of Warning Letters from NSE and BSE pertaining to Risk Management Committee meetings under Regulation 21(3C) of SEBI (LODR) Regulations, 2015. The letters mentioned that more than 180 days elapsed post the last Risk Management Committee meeting held by the Company on March 23, 2023, 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 warning letters.
- 8 Figures relating to the previous period/year have been regrouped/rearranged, wherever considered necessary, to correspond with the current period/year's disclosures.

For and on behalf of Board of Directors

(Naveen Arora)  
Whole Time Director  
DIN: 09114375



Place: Ludhiana  
Date: 30.07.2024

**Independent Auditor's Review Report on the quarterly Financial Results of SEL Manufacturing Company Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , as amended**

To

The Board of Directors,  
SEL Manufacturing Company Limited,

1. We have reviewed the accompanying Statement of Unaudited Financial Results of SEL Manufacturing Company Limited ("the company") for the quarter ended on June 30, 2024 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the 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 statements are free from material mis-statement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis of Qualified Opinion**

*As reported in Note no. 4 to the unaudited financial results, the Company Secretary had resigned from the company on 30th November 2023 and the company has not filled the vacancy within the stipulated timeframe as mentioned in Section 203(4) of Companies Act, 2013. Accordingly The company has not complied with the provision of section 203 (4) of the Companies Act 2013 read with Rule 8 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) 2015*

**Qualified Opinion**

Based on our review conducted as above, nothing *except the above observation* has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results read with notes thereon, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) , prescribed under Section 133 of the Companies Act, 2013, as amended , read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



### 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. 54,177 lakhs till date.
- The Company has a debt obligation of around Rs. 9,372 lakhs outstanding for the financial year 2024-25 and the same is supposed to be paid out of working funds which will further add to the liquidity crunch of the company.
- As reported in Note no. 2(c) to the unaudited 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. All the plants of the company were remain shut down for most of the period in the quarter under consideration This dire financial predicament has rendered the Company incapable of fulfilling its various financial obligations.
- Refer to note no. 2(d) to the unaudited financial results, the company has defaulted in quarterly installment due from 30th September, 2023 to June 30<sup>th</sup> June, 2024 amounting to Rs. 5,100 lakhs and also has not paid the interest due for the period July 2023 to June 2024 amounting to Rs. 6,025 lakhs.
- As reported in Note no. 6 to the unaudited financial results, the shareholders of the Company had 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.

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.

FOR KAMBOJ MALHOTRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 015848N

*Manik Malhotra*  
(CA. MANIK MALHOTRA)  
PARTNER  
M.NO.: 094604



PLACE: LUDHIANA  
DATED: 30.07.2024

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