



# 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: [cs@selindia.in](mailto:cs@selindia.in)

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

14<sup>th</sup> February, 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: Disclosure under Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we wish to inform you that the Board of Directors of the Company in its Meeting held on 14th February, 2024 has approved the Unaudited Financial Results for the quarter and nine months ended on 31st December, 2023. In this regard, please find enclosed herewith:

1. Unaudited Standalone & Consolidated Financial Results for the Quarter and Nine Months ended on 31st December, 2023.
2. Standalone & Consolidated Limited Review Report for the Quarter and Nine Months ended on 31st December, 2023.

Kindly note that the meeting of the Board of Directors commenced at 12.00 Noon and concluded at 01.50 PM.

**Thanking you,**

**Yours faithfully,**

**For SEL MANUFACTURING COMPANY LIMITED**

**Naveen Arora**  
Digitally signed  
by Naveen Arora  
Date: 2024.02.14  
13:51:35 +05'30'

**Naveen Arora**

**Whole-time Director**

**DIN: 09114375**

**Statement of Standalone Unaudited Financial Results for the Quarter & Nine Months Ended December 31, 2023**

PART - I							
Sr. No.	Particulars	Unaudited Quarter Ended 31/12/2023	Unaudited Quarter Ended 30/09/2023	Unaudited Quarter Ended 31/12/2022	Unaudited Year to date 31/12/2023	Unaudited Year to date 31/12/2022	Audited Year Ended 31/03/2023
							(Rs. in lakhs)
1	Income from operations						
	a) Net Revenue from operations	1,180.88	9,612.44	14,256.61	34,626.40	32,605.77	55,436.76
	b) Other income	657.57	36.14	48.12	803.50	2,133.18	1,986.21
	<b>Total income from operations</b>	<b>1,838.44</b>	<b>9,648.58</b>	<b>14,304.73</b>	<b>35,429.89</b>	<b>34,738.95</b>	<b>57,422.97</b>
2	Expenses						
	a) Cost of material consumed	976.23	6,366.37	13,181.68	27,451.72	26,205.10	46,659.00
	b) Purchase of stock-in-trade	(0.00)	1.55	4.53	7.93	11.02	14.68
	c) Changes in inventories of finished goods, work in progress and stock in trade	378.41	1,964.51	(1,241.62)	3,053.32	(942.16)	(1,944.93)
	d) Employee benefits expenses	139.29	857.45	1,023.81	2,400.17	3,272.86	4,531.70
	e) Finance Cost	1,503.58	1,474.85	1,090.14	4,442.81	3,157.12	4,315.64
	f) Depreciation and amortisation expenses	2,379.81	2,379.19	2,515.48	7,167.88	7,701.80	10,159.05
	g) Other expenses	299.73	2,539.67	2,384.94	6,846.22	8,839.43	13,300.45
	<b>Total expenses</b>	<b>5,677.05</b>	<b>15,583.59</b>	<b>18,958.96</b>	<b>51,370.05</b>	<b>48,245.17</b>	<b>77,035.59</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(3,838.61)</b>	<b>(5,935.01)</b>	<b>(4,654.23)</b>	<b>(15,940.16)</b>	<b>(13,506.22)</b>	<b>(19,612.62)</b>
4	Exceptional Items	(1,045.40)	223.03	(133.84)	(797.44)	(1,118.88)	(1,021.47)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(2,793.21)</b>	<b>(6,158.04)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.34)</b>	<b>(18,591.15)</b>
6	Tax Expense	-	-	-	-	-	-
	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(2,793.21)</b>	<b>(6,158.04)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.34)</b>	<b>(18,591.15)</b>
7	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-	-	-
8	Tax Expense of Discontinued Operations	-	-	-	-	-	-
9	<b>Net Profit (+)/ Loss (-) from Discontinued Operations after Tax (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(2,793.21)</b>	<b>(6,158.04)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.34)</b>	<b>(18,591.15)</b>
11	Other Comprehensive Income						
12	a (i) Items that will not be reclassified to Profit or Loss	37.94	46.48	11.17	135.45	61.94	273.34
	(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	(480.74)	(485.89)	(883.98)	(1,453.84)	(2,666.08)	6,794.69
	(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>(3,236.01)</b>	<b>(6,597.45)</b>	<b>(5,393.20)</b>	<b>(16,461.11)</b>	<b>(14,991.48)</b>	<b>(11,523.13)</b>
14	Paid-up equity share capital of Rs. 10/- each	3,313.47	3,313.47	3,313.47	3,313.47	3,313.47	3,313.47
15	Other Equity	-	-	-	(4,932.66)	8,069.51	11,528.46
16	i. Earning per share (EPS) (for Continuing Operations) (in Rs.) (not annualised)						
	a) Basic	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)
	b) Diluted	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)
	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	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)
	b) Diluted	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)

**Notes:**

- 1 The unaudited standalone financial statements for the quarter ended on December 31, 2023 and year to date from April 01, 2023 to December 31, 2023 have been taken on record by the Board of Directors at its meeting held on 14th February, 2024. The information presented above is extracted from the unaudited standalone financial statements. The unaudited standalone 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 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 quarter under consideration. This dire financial predicament has rendered the Company incapable of fulfilling its various financial obligations, including statutory payments amounting to Rs. 116 lakhs but not limited to the payment of interest, and servicing outstanding loans.
- 2(d) The Company has not repaid the quarterly installment due on 30th September, 2023 & 31st December, 2023 amounting to Rs. 1,802 lakhs and also has not paid the monthly interest due for the period July 2023 to December 2023 amounting to Rs. 2,937.51 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 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.
- 4 As part of the Resolution Plan, the non-interest bearing secured loan shall be repaid to the financial creditors from the proceeds of the sale of the Identified Assets. All of the Identified Assets have been sold and the loan has been repaid.
- 5 The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.
- 6 The Directorate of Enforcement carried out search & seizure action at the registered office of the Company on 12th January 2024 under section 17 of the Prevention of Money Laundering Act, 2002 (15 of 2003). The consequential proceedings are in progress.
- 7 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 within the stipulated timeframe.
- 8 As of 20 October 2023, Mr. V.K. Goyal, the Chief Executive Officer had resigned from the Company. According to Section 203 of the Companies Act 2013, the Company has filled the vacant position within the stipulated timeframe by appointing Mr. Rajeev Bhalla w.e.f. 09.11.2023.
- 9 The company has received a notice for imposition of fine amounting to Rs. 2.46 lakhs from the National Stock Exchange of India Limited and BSE Limited regarding non compliance of Regulation 21(2) of SEBI(LODR) Regulations, 2015 ("Listing Regulations") for non composition of Risk Management Committee. However, the company has reconstituted the Risk Management Committee and complied with the provisions of Regulation 21(2) of the said regulations. The company has filed the waiver application for the fine imposed.
- 10 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



Date: 14.02.2024  
Place: Ludhiana

**Independent Auditor's Review Report on the quarter and year to date Unaudited Standalone 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 Standalone Financial Results of SEL Manufacturing Company Limited ("the company") for the quarter ended on December 31, 2023 and year to date from April 01, 2023 to December 31, 2023 ("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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results read with notes thereon, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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.
5. **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. 46,864 lakhs till date.



- The Company has a debt obligation of around Rs. 901 Lakhs outstanding for the remaining financial year 2023-24 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 standalone 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, including statutory payments amounting to Rs. 116 lakhs.
- Refer to note no. 2(d) to the unaudited standalone financial results, the company has defaulted in quarterly installment due on 30th September, 2023 & 31<sup>st</sup> December, 2023 amounting to Rs. 1,802 lakhs and also has not paid the interest due for the period July 2023 to December 2023 amounting to Rs. 2,937.51 lakhs.
- As reported in Note no. 3 to the unaudited standalone 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.

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.

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.

#### 6. Emphasis of Matters

We draw your attention to the following matters:

- As reported in Note no. 7 to the unaudited standalone financial results, the Company Secretary had resigned from the company on 30th November 2023 and the company is in the process of filling vacancy within the stipulated timeframe as mentioned in Section 203 of Companies Act, 2013 .
- As reported in Note no. 8 to the unaudited standalone financial results, Mr. Vinod Kumar Goyal had resigned from the post of Chief Executive Officer & KMP of the company from the closing of business hours on 20th October, 2023. According to Section 203 of the Companies Act 2013, the Company has filled the vacancy within the stipulated timeframe by appointing Mr. Rajeev Bhalla w.e.f. 09.11.2023.
- As reported in Note no. 9 to the unaudited standalone financial results, the company has received a notice for imposition of fine amounting to Rs. 2.46 lakhs from the National Stock Exchange of India Limited and BSE Limited regarding non compliance of Regulation 21(2) of SEBI(LODR) Regulations, 2015 ("Listing Regulations") for non composition of Risk Management Committee. However, the company has reconstituted the Risk Management Committee and complied with the provisions of Regulation 21(2) of the said regulations. The company has filed the waiver application for the fine imposed.

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

FOR KAMBOJ MALHOTRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 015848N

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



PLACE: LUDHIANA  
DATED: 14.02.2024

UDIN:- 24094604BKEBIR4101

**SEL Manufacturing Company Limited**

Regd. Office: 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 (Punjab)  
Tel.: +91-161-7111117 Fax: +91-161-7111118 Website: www.selindia.in

[CIN: L51909PB2000PLC023679]

**Statement of Consolidated Unaudited Financial Results for the Quarter & Nine Months Ended December 31, 2023**

PART-I							
Sr. No.	Particulars	(Rs. in lakhs)					
		Unaudited Quarter Ended 31/12/2023	Unaudited Quarter Ended 30/09/2023	Unaudited Quarter Ended 31/12/2022	Unaudited Year to date 31/12/2023	Unaudited Year to date 31/12/2022	Audited Year Ended 31/03/2023
1	Income from operations						
	a) Net Revenue from operations	1,180.88	9,612.44	14,256.61	34,626.40	32,605.77	55,436.76
	b) Other income	657.57	36.14	48.12	803.50	2,133.18	1,986.21
	<b>Total income from operations</b>	<b>1,838.44</b>	<b>9,648.58</b>	<b>14,304.73</b>	<b>35,429.89</b>	<b>34,738.95</b>	<b>57,422.97</b>
2	Expenses						
	a) Cost of material consumed	976.23	6,366.37	13,181.68	27,451.72	26,205.10	46,659.00
	b) Purchase of stock-in-trade	(0.00)	1.55	4.53	7.93	11.02	14.68
	c) Changes in inventories of finished goods, work in progress and stock in trade	378.41	1,964.51	(1,241.62)	3,053.32	(942.16)	(1,944.93)
	d) Employee benefits expenses	139.29	857.45	1,023.81	2,400.17	3,272.86	4,531.70
	e) Finance Cost	1,503.58	1,474.85	1,090.15	4,442.81	3,157.13	4,315.65
	f) Depreciation and amortisation expenses	2,379.81	2,379.19	2,515.48	7,167.88	7,701.80	10,159.05
	g) Other expenses	299.73	2,539.66	2,384.94	6,846.22	8,839.46	13,300.50
	<b>Total expenses</b>	<b>5,677.05</b>	<b>15,583.58</b>	<b>18,958.97</b>	<b>51,370.05</b>	<b>48,245.21</b>	<b>77,035.65</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(3,838.61)</b>	<b>(5,935.00)</b>	<b>(4,654.24)</b>	<b>(15,940.16)</b>	<b>(13,506.26)</b>	<b>(19,612.69)</b>
4	Exceptional Items	(1,045.40)	223.03	(133.85)	(797.44)	(1,118.89)	(1,021.47)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(2,793.21)</b>	<b>(6,158.03)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.37)</b>	<b>(18,591.22)</b>
6	Tax Expense	-	-	-	-	-	-
7	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(2,793.21)</b>	<b>(6,158.03)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.37)</b>	<b>(18,591.22)</b>
8	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-	-	-
9	Tax Expense of Discontinued Operations	-	-	-	-	-	-
10	Net Profit (+)/ Loss (-) from Discontinued Operations after Tax (8-9)	-	-	-	-	-	-
11	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(2,793.21)</b>	<b>(6,158.03)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.37)</b>	<b>(18,591.22)</b>
12	<b>Profit/(Loss) attributable to</b>						
	(1) Owners of the Company	(2,793.21)	(6,158.03)	(4,520.39)	(15,142.72)	(12,387.37)	(18,591.22)
	(2) Non-Controlling Interests	-	(0.00)	(0.00)	-	-	(0.00)
	<b>Profit/(Loss) for the period</b>	<b>(2,793.21)</b>	<b>(6,158.03)</b>	<b>(4,520.39)</b>	<b>(15,142.72)</b>	<b>(12,387.37)</b>	<b>(18,591.22)</b>
13	<b>Other Comprehensive Income</b>						
	a (i) Items that will not be reclassified to Profit or Loss	37.94	46.48	11.17	135.45	61.94	273.34
	(ii) Income Tax relating to Items that will not be reclassified	-	-	-	-	-	-
	b (i) Items that will be reclassified to Profit or Loss	(480.74)	(485.89)	(883.98)	(1,453.84)	(2,666.08)	6,794.69
	(ii) Income Tax relating to Items that will be reclassified	-	-	-	-	-	-
14	<b>Total Comprehensive Income for the Period (11+13)</b>	<b>(3,236.01)</b>	<b>(6,597.44)</b>	<b>(5,393.20)</b>	<b>(16,461.11)</b>	<b>(14,991.51)</b>	<b>(11,523.19)</b>
	<b>Total Comprehensive Income attributable to</b>						
	(1) Owners of the Company	(3,236.01)	(6,597.44)	(5,393.20)	(16,461.11)	(14,991.51)	(11,523.19)
	(2) Non-Controlling Interests	-	(0.00)	(0.00)	-	-	(0.00)
	<b>Total Comprehensive Income</b>	<b>(3,236.01)</b>	<b>(6,597.44)</b>	<b>(5,393.20)</b>	<b>(16,461.11)</b>	<b>(14,991.51)</b>	<b>(11,523.19)</b>
15	<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>	<b>3,313.47</b>
16	Other Equity	-	-	-	(4,921.58)	8,080.62	11,539.54
17	<b>i. Earning per share (EPS) (for Continuing Operations)</b>						
	(in Rs.) (not annualised)						
	a) Basic	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)
	b) Diluted	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)
	<b>ii. Earning per share (EPS) (for Discontinued Operations)</b>						
	(in Rs.) (not annualised)						
	a) Basic	-	-	-	-	-	-
	b) Diluted	-	-	-	-	-	-
	<b>iii. Earning per Share (EPS) (for Discontinued &amp; Continuing Operations)</b>						
	(in Rs.) (not annualised)						
	a) Basic	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)
	b) Diluted	(8.43)	(18.58)	(13.64)	(45.70)	(37.38)	(56.11)

**Notes:**

- The unaudited consolidated financial statements for the quarter ended on December 31, 2023 and year to date from April 01, 2023 to December 31, 2023 have been taken on record by the Board of Directors at its meeting held on 14th February, 2024. The information presented above is extracted from the unaudited consolidated financial statements. The unaudited consolidated 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 Parent 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 parent 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 Parent 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 parent company was stipulated to bring Rs. 6,500 lakhs for working capital and operational needs within first year of operation against which the parent company brought only Rs. 2,500 lakhs. Post implementation of the resolution plan the interest and installments of the Parent Company were being served without any delay till the period ended 30th June, 2023. However, the Parent Company is unable to infuse working capital amounting to Rs. 4,000 lakhs.
- 2(c) Consequently, the Parent Company's performance is sub-optimal and falls short of expectations. Specifically, the Parent 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 Parent Company reveals that the Parent Company has not been able to fully harness its operational capacity to its fullest potential. The Parent Company is currently operating at a deficit and experiencing severe liquidity stress. All the plants of the parent company were remain shut down for most of the period in the quarter under consideration. This dire financial predicament has rendered the Parent Company incapable of fulfilling its various financial obligations, including statutory payments amounting to Rs. 116 lakhs but not limited to the payment of interest, and servicing outstanding loans.
- 2(d) The Parent Company has not repaid the quarterly installment due on 30th September, 2023 & 31st December, 2023 amounting to Rs. 1,802 lakhs and also has not paid the monthly interest due for the period July 2023 to December 2023 amounting to Rs. 2,937.51 lakhs. The Parent 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 parent 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 Parent 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 shareholders of the Parent 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.
- 4 As part of the Resolution Plan, the non-interest bearing secured loan shall be repaid to the financial creditors from the proceeds of the sale of the Identified Assets. All of the Identified Assets have been sold and the loan has been repaid.
- 5 The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.
- 6 The Directorate of Enforcement carried out search & seizure action at the registered office of the parent company on 12th January 2024 under section 17 of the Prevention of Money Laundering Act, 2002 (15 of 2003). The consequential proceedings are in progress.
- 7 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 within the stipulated timeframe.
- 8 As of 20 October 2023, Mr. V.K. Goyal, the Chief Executive Officer had resigned from the Company. According to Section 203 of the Companies Act 2013, the Company has filled the vacant position within the stipulated timeframe by appointing Mr. Rajeev Bhalla w.e.f. 09.11.2023.
- 9 The company has received a notice for imposition of fine amounting to Rs. 2.46 lakhs from the National Stock Exchange of India Limited and BSE Limited regarding non compliance of Regulation 21(2) of SEBI(LODR) Regulations, 2015 ("Listing Regulations") for non composition of Risk Management Committee. However, the company has reconstituted the Risk Management Committee and complied with the provisions of Regulation 21(2) of the said regulations. The company has filed the waiver application for the fine imposed.
- 10 During the quarter ended on 30th September 2023, M/s SEL Aviation Private Limited, the subsidiary of the Company applied for voluntary strike off and the status of the subsidiary company stands struck off w.e.f. 06.10.2023.
- 11 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



Date: 14.02.2024  
Place: Ludhiana

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated 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 Consolidated Financial Results of SEL Manufacturing Company Limited (the "Parent Company") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended on December 31, 2023 and year to date from April 01, 2023 to December 31, 2023 ("the Statement") attached herewith, being submitted by the Parent 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 Parent's Management and has been approved by Board of Director of the Parent Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (INDAS-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 and in compliance with Regulation 33 of the Listing Regulations. 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 Statement is free of material misstatement. 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

The Statement includes the financial results of following entities:

1. SEL Manufacturing Company Limited. (Parent Company)
  2. SEL Aviation Private Limited (Subsidiary Company)
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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.

## 5. Material Uncertainty Related to Going Concern

We draw your attention:

- As per resolution plan approved and implemented in Financial Year 2020-21, the parent 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 parent company.
- The parent company is incurring continuous losses since the implementation of resolution plan and had incurred total cumulative losses of Rs. 46,864 lakhs till date.
- The parent company has a debt obligation of around Rs. 901 Lakhs outstanding for the remaining financial year 2023-24 and the same is supposed to be paid out of working funds which will further add to the liquidity crunch of the parent company.
- As reported in Note no. 2(c) to the unaudited consolidated financial results, the parent company's performance is sub-optimal and falls short of expectations. The parent company is currently operating at a deficit and experiencing severe liquidity stress. All the plants of the parent company were remain shut down for most of the period in the quarter under consideration. This dire financial predicament has rendered the parent company incapable of fulfilling its various financial obligations, including statutory payments amounting to Rs. 116 lakhs.
- Refer to note no. 2(d) to the unaudited consolidated financial results, the parent company has defaulted in quarterly installment due on 30th September, 2023 & 31<sup>st</sup> December, 2023 amounting to Rs. 1,802 lakhs and also has not paid the interest due for the period July 2023 to December 2023 amounting to Rs. 2,937.51 lakhs.
- As reported in Note no. 3 to the unaudited consolidated financial results, the shareholders of the parent 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.

Given the present circumstances, it concerns the parent company's ability to meet its contractual/financial obligations w.r.t repayment of principal and interest on secured borrowings.

The above factors indicate the existence of a material uncertainty that may cast significant doubt on the parent company's ability to continue as going concern.

## 6. Emphasis of Matters

We draw your attention to the following matters:

- a) As reported in Note no. 7 to the unaudited consolidated financial results, the Company Secretary had resigned from the company on 30th November 2023 and the company is in the process of filling vacancy within the stipulated timeframe as mentioned in Section 203 of Companies Act, 2013.
- b) As reported in Note no. 8 to the unaudited consolidated financial results, Mr. Vinod Kumar Goyal had resigned from the post of Chief Executive Officer & KMP of the company from the closing of business hours on 20th October, 2023. According to Section 203 of the Companies Act 2013, the Company has filled the vacancy within the stipulated timeframe by appointing Mr. Rajeev Bhalla w.e.f. 09.11.2023.
- c) As reported in Note no. 9 to the unaudited consolidated financial results, the company received a notice for imposition of fine amounting to Rs. 2.46 lakhs from the National Stock Exchange of India Limited and BSE Limited regarding non compliance of Regulation 21(2) of SEBI(LODR) Regulations, 2015 ("Listing Regulations") for non composition of Risk Management Committee.



However, the company has reconstituted the Risk Management Committee and complied with the provisions of Regulation 21(2) of the said regulations. The company has filed the waiver application for the same.

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

#### 7. Other Matters

We draw your attention to the following matters:

- a. We did not review the interim financial results of one subsidiary included in the consolidated financial results whose interim financial results reflect total revenues of Rs. Nil for the quarter ended December 31, 2023. The consolidated financial results also include the group's share of net loss of Rs. Nil lakhs for the quarter & year to date ended December 31, 2023.
- b. As reported in Note no. 10 to the unaudited consolidated financial results, M/s SEL Aviation Private Limited, the subsidiary of the Company applied for voluntary strike off and the status of the subsidiary company stands struck off w.e.f. 6th October, 2023.

Our conclusion is not modified in respect of the matters reported in Other Matter.

FOR KAMBOJ MALHOTRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 015848N

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



PLACE: LUDHIANA  
DATED: 14.02.2024

UDIN:- 24094604BKEBIS 3278