



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

Website: www.selindia.in

Date: 14th Nov, 2024

To

BSE Limited

Department of Corporate Services
25th 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) - Unaudited Financial Results for the Quarter and half year Ended 30th Sep, 2024

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 Thursday 14th Nov, 2024 discussed and approved the following matter:

1. Unaudited Financial Results

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board of Directors in their meeting held on 14th Nov, 2024 has considered and approved the Unaudited Standalone Financial Results of the Company for the quarter and half year ended 30th Sep, 2024. In this regard please find the enclosed herewith:

- 1. Unaudited Financial Results for the quarter and half year ended 30th Sep, 2024.**
- 2. Limited Review Report for the quarter and half year ended 30th Sep, 2024.**

Kindly note that the meeting of the Board of Directors commenced at 12.00 Noon and concluded at 01:10 P.M. 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

SEL Manufacturing Company Limited

Regd. Office: 274, Dhandari Khurd, G.T. Road, Ludhlana 141014 (Punjab)

Tel.: +91-161-7111117 Fax: +91-161-7111118 Website: www.selindia.in

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Statement of Unaudited Financial Results for the Quarter & Six Months Ended September 30, 2024

PART- I		(Rs. in lakhs)					
Sr. No.	Particulars	Unaudited Quarter Ended 30/09/2024	Unaudited Quarter Ended 30/06/2024	Unaudited Quarter Ended 30/09/2023	Unaudited Year to date 30/09/2024	Unaudited Year to date 30/09/2023	Audited Year Ended 31/03/2024
1	Income from operations						
	a) Net Revenue from operations	488.68	2,061.88	9,612.44	2,550.56	33,445.52	37,427.31
	b) Other income	2.10	8.40	36.14	10.50	145.93	547.43
	Total income from operations	490.78	2,070.28	9,648.58	2,561.06	33,591.45	37,974.75
2	Expenses						
	a) Cost of material consumed	54.04	1,454.94	6,366.37	1,508.98	26,475.49	29,883.13
	b) Purchase of stock-in-trade	(0.00)	0.92	1.55	0.92	7.93	9.51
	c) Changes in inventories of finished goods, work in progress and stock in trade	114.07	360.05	1,904.51	479.02	2,674.91	3,395.67
	d) Employee benefits expenses	217.14	203.70	857.45	420.85	2,260.88	2,573.72
	e) Finance Cost	1,735.52	1,579.33	1,474.85	3,314.85	2,939.23	5,961.49
	f) Depreciation and amortisation expenses	2,326.76	2,394.66	2,379.19	4,721.42	4,788.07	9,515.64
	g) Other expenses	303.23	370.39	2,539.67	673.62	6,546.49	7,077.14
	Total expenses	4,755.67	6,363.99	15,583.59	11,119.66	45,693.00	58,416.31
3	Profit from operations before exceptional items (1-2)	(4,264.89)	(4,293.71)	(5,935.01)	(8,558.60)	(12,101.55)	(20,441.56)
4	Exceptional Items	43.44	(1,134.15)	223.02	(1,090.71)	247.95	(1,146.23)
5	Profit (+)/ Loss (-) before tax (3+4)	(4,308.33)	(3,159.56)	(6,158.03)	(7,467.89)	(12,349.50)	(19,295.33)
6	Tax Expense	-	-	-	-	-	-
7	Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)	(4,308.33)	(3,159.56)	(6,158.03)	(7,467.89)	(12,349.50)	(19,295.33)
8	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-	-	-
9	Tax Expense of Discontinued Operations	-	-	-	-	-	-
10	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-	-	-
11	Net Profit (+)/ Loss (-) for the period (7+10)	(4,308.33)	(3,159.56)	(6,158.03)	(7,467.89)	(12,349.50)	(19,295.33)
12	Other Comprehensive Income						
	a (i) Items that will not be reclassified to Profit or Loss	0.52	2.09	46.48	2.61	97.51	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	(528.92)	(516.34)	(485.89)	(1,045.26)	(973.10)	(1,638.90)
	(ii) Income Tax relating to Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
13	Total Comprehensive Income for the Period (11+12)	(4,836.73)	(3,673.81)	(6,597.44)	(8,510.54)	(13,225.09)	(20,480.84)
14	Paid-up equity share capital of Rs. 10/- ea	3,313.47	3,313.47	3,313.47	3,313.47	3,313.47	3,313.47
15	Other Equity				(17,462.92)	(1,696.64)	(8,952.38)
16	i. Earning per share (EPS) (for Continuing Operations)						
	(in Rs.) (not annualised)						
	a) Basic	(13.00)	(9.54)	(18.58)	(22.54)	(37.27)	(58.23)
	b) Diluted	(13.00)	(9.54)	(18.58)	(22.54)	(37.27)	(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	(13.00)	(9.54)	(18.58)	(22.54)	(37.27)	(58.23)
	b) Diluted	(13.00)	(9.54)	(18.58)	(22.54)	(37.27)	(58.23)



Notes:

- 1 The unaudited financial statements for the quarter & six months ended September 30, 2024 have been taken on record by the Board of Directors at its meeting held on 14th November, 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.
- 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 period under consideration. The company has started job work operations in plants instead of pursuing its own manufacturing activities and major source of operating income during the quarter under consideration is from job work. 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 from September 30, 2023 to September 30, 2024 amounting to Rs. 7,443 lakhs and also has not paid the monthly interest due for the period July, 2023 to September, 2024 amounting to Rs. 7,731 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 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: 14.11.2024

STATEMENT OF ASSETS & LIABILITIES

(Rs. in lakhs)

PARTICULARS	AS AT 30.09.2024	AS AT 31.03.2024
ASSETS		
(1) Non Current Assets		
(a) Property, Plant and Equipment	93,052.63	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	154.81	129.51
(ii) Trade Receivable	-	-
(iii) Loans	-	-
(iv) Others	3.14	3.14
(i) Deferred Tax Assets (Net)	-	-
(j) Other Non-Current Assets	482.23	482.23
	97,938.81	1,02,599.12
(2) Current Assets		
(a) Inventories	1,012.06	1,715.75
(b) Financial Assets	-	-
(i) Current Investments	-	-
(ii) Trade Receivables	176.30	81.26
(iii) Cash & Cash Equivalents	261.42	297.34
(iv) Bank Balances other than (iii) above	41.88	41.88
(v) Loans	-	-
(vi) Others	2.19	1.13
(c) Current Tax Assets (Net)	82.29	221.46
(d) Other Current Assets	466.84	546.99
	2,042.98	2,905.80
TOTAL ASSETS	99,981.79	1,05,504.93
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	3,313.47	3,313.47
(b) Other Equity	(17,462.92)	(8,952.38)
	(14,149.45)	(5,638.91)
LIABILITIES		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	73,570.78	81,864.32
(ii) Lease Liabilities	11.50	-
(iii) Trade Payables	-	-
(iv) Other Financial Liabilities	-	-
(b) Provisions	54.67	57.69
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	-	-
	73,636.96	81,922.01



(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	21,500.26	12,128.76
(ia) Lease Liabilities	11.30	-
(ii) Trade Payables	8,248.86	9,535.15
(iii) Other Financial Liabilities	10,550.69	7,326.26
(b) Other Current Liabilities	144.81	197.05
(c) Provisions	38.36	34.61
(d) Current Tax Liabilities(Net)	-	-
	40,494.28	29,221.82
TOTAL EQUITY & LIABILITIES	99,981.79	1,05,504.93

For and on behalf of Board of Directors


(Naveen Arora)

Whole Time Director
DIN: 09114375



SEL MANUFACTURING COMPANY LIMITED

STATEMENT OF CASH FLOW

Particulars	Details	(Rs. in lakhs)	
		Figures as at the end of the current reporting period	Figures as at the end of the corresponding period
A Cash Flow from Operating Activities			
Net Profit before Taxes & Extraordinary Items		(7,467.89)	(12,349.51)
Adjustments for Non Cash Items:			
-Depreciation & Amortization	4,721.42		4,788.07
-Provision/(Reversal of Provision) for Doubtful Debts	(1,123.10)		(229.94)
-Reversal of GST Input Credit and interest thereon	13.99		455.20
-Allowances for Loans & Advances	18.40		22.70
-Interest Cost	3,311.82		2,936.13
-Interest Income	(7.98)		(56.95)
-(Profit)/Loss on Sale of Plant, Property & Equipments	-	6,934.56	7,915.21
Adjustments for Changes in Working Capital:			
-Increase/ (Decrease) in Trade Payables	(1,286.28)		1,340.78
-Increase/ (Decrease) in Other Current & Financial Liabilities	3,186.10		2,339.98
-Increase/ (Decrease) in Current Provisions	3.75		49.38
-(Increase)/ Decrease in Trade Receivables	1,028.07		684.97
-(Increase)/ Decrease in Other Current Assets	47.76		(48.58)
-(Increase)/ Decrease in Current Assets Tax (Net)	139.17		248.87
-(Increase)/ Decrease in Other Financial Assets	(1.06)		(1.17)
-(Increase)/ Decrease in Inventories	703.69	3,821.18	2,918.40
Cash Generation from Operations		3,287.85	3,098.33
-Taxes Paid		-	-
Net Cash from Operating Activities		3,287.85	3,098.33
B Cash Flows from Investing Activities			
-Purchase of Plant, Property & Equipments	(35.81)		-
-Interest Income	7.98		56.95
-Increase/(Decrease)in Other Financial Liabilities Non Current	11.50		-
-Increase/(Decrease)in Non Current Provisions	(3.02)		(126.19)
Net Cash Flows from Investing Activities		(19.35)	(69.24)
C Cash Flows from Financing Activities			
-Repayment of Non Current Borrowings	7.40		(848.62)
-(Increase)/ Decrease in Other Assets Non Current	-		701.80
-Interest Cost	(3,311.82)		(2,936.13)
Net Cash Flows from Financing Activities		(3,304.42)	(3,082.95)
Net Increase/(Decrease) in Cash & Cash Equivalent		(35.92)	(53.86)
Cash & Cash Equivalents - Opening Balance		297.34	294.26
Cash & Cash Equivalents - Closing Balance		261.42	240.40

For and on behalf of Board of Directors

(Naveen Arora)
Whole Time Director
DIN: 09114375



Place: Ludhiana
Date: 14.11.2024

Independent Auditor's Review Report on the quarter and year to date Unaudited 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 September 30, 2024 and year to date from April 01, 2024 to September 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. 58,485 lakhs till date leading to erosion of entire net worth and current liabilities have exceeded the current assets.
- 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. The company has started job work operations in plants instead of pursuing its own manufacturing activities and major source of operating income during the quarter under consideration is from job work. 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 30th September, 2024 amounting to Rs. 7,443 lakhs and also has not paid the interest due for the period July 2023 to September 2024 amounting to Rs. 7731 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: 14.11.2024

UDIN:- 240946-4BK EBL17850