



# 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)

07<sup>th</sup> June, 2023

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: Audited Financial Results for the Quarter/Year Ended 31<sup>st</sup> March, 2023- Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**

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

Dear Sir,

In Continuation to our previous intimation vide letter dated 30<sup>th</sup> May, 2023 regarding Outcome of Board Meeting and in response to the BSE Email dated 06<sup>th</sup> June, 2023 regarding re-submission of Standalone and Consolidated Financial Results along with Declaration or Impact of Audit Qualification. In this regard, please find enclosed the following information/documents:

**1. Audited Standalone and Consolidated Financial Results**

The Board has considered and approved Standalone and Consolidated Audited Financial Results of the Company for the Quarter and Year ended 31<sup>st</sup> March, 2023. **The copy of the Audited Financial Results and Independent Auditor's Report thereon are enclosed herewith.**

**2. Audit Report Declaration**

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 we do hereby confirm that, the Statutory Auditors of the company have issued an Auditor's Report with un-modified opinion on the Standalone and Consolidated Financial Results of the Company for the Quarter and Financial Year Ended 31<sup>st</sup> March 2023.

Kindly note that the meeting of the Board of Directors held on 30<sup>th</sup> May, 2023 commenced at 12.00 P.M. and concluded at 12.50 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**

**Statement of Standalone Audited Financial Results for the Quarter & Year Ended March 31, 2023**

PART-I						(Rs. in lakhs)
Sr. No.	Particulars	Audited Quarter Ended 31/03/2023	Unaudited Quarter Ended 31/12/2022	Audited Quarter Ended 31/03/2022	Audited Year to date 31/03/2023	Audited Year Ended 31/03/2022
1	Income from operations					
	a) Net Revenue from operations	22,830.99	14,256.61	11,581.67	55,436.76	42,013.19
	b) Other income	(146.98)	48.13	176.59	1,986.21	656.54
	<b>Total income from operations</b>	<b>22,684.01</b>	<b>14,304.74</b>	<b>11,758.26</b>	<b>57,422.97</b>	<b>42,669.73</b>
2	Expenses					
	a) Cost of material consumed	20,453.90	13,181.68	4,036.82	46,659.00	12,309.44
	b) Purchase of stock-in-trade	3.66	4.53	1.84	14.68	9.98
	c) Changes in inventories of finished goods, work in progress and stock in trade	(1,002.77)	(1,241.62)	(400.00)	(1,944.93)	(922.49)
	d) Employee benefits expenses	1,258.84	1,023.81	2,046.79	4,531.70	8,167.32
	e) Finance Cost	1,158.52	1,090.14	825.97	4,315.64	2,953.93
	f) Depreciation and amortisation expenses	2,457.25	2,515.48	2,541.92	10,159.05	10,564.91
	g) Other expenses	4,461.02	2,384.95	5,543.42	13,300.45	23,040.93
	<b>Total expenses</b>	<b>28,790.42</b>	<b>18,958.97</b>	<b>14,596.76</b>	<b>77,035.59</b>	<b>56,124.02</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(6,106.41)</b>	<b>(4,654.23)</b>	<b>(2,838.50)</b>	<b>(19,612.62)</b>	<b>(13,454.28)</b>
4	Exceptional Items	97.41	(133.84)	(418.89)	(1,021.47)	(323.74)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(6,203.82)</b>	<b>(4,520.39)</b>	<b>(2,419.61)</b>	<b>(18,591.15)</b>	<b>(13,130.54)</b>
6	Tax Expense	-	-	-	-	-
7	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(6,203.82)</b>	<b>(4,520.39)</b>	<b>(2,419.61)</b>	<b>(18,591.15)</b>	<b>(13,130.54)</b>
8	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-	-
9	Tax Expense of Discontinued Operations	-	-	-	-	-
10	<b>Net Profit (+)/ Loss (-) from Discontinued Operations after Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(6,203.82)</b>	<b>(4,520.39)</b>	<b>(2,419.61)</b>	<b>(18,591.15)</b>	<b>(13,130.54)</b>
12	Other Comprehensive Income					
	a (i) Items that will not be reclassified to Profit or Loss	211.40	11.17	5.93	273.34	110.88
	(ii) Income Tax relating to items that will not be reclassified	-	-	-	-	-
	b (i) Items that will be reclassified to Profit or Loss	9,460.77	(883.98)	(836.29)	6,794.69	(2,231.50)
	(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>3,468.34</b>	<b>(5,393.20)</b>	<b>(3,249.97)</b>	<b>(11,523.13)</b>	<b>(15,251.16)</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				11,528.46	23,051.59
16	<b>i. Earning per share (EPS) (for Continuing Operations)</b>					
	(in Rs.) (not annualised)					
	a) Basic	(18.72)	(13.64)	(7.30)	(56.11)	(39.63)
	b) Diluted	(18.72)	(13.64)	(7.30)	(56.11)	(39.63)
	<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	(18.72)	(13.64)	(7.30)	(56.11)	(39.63)
	b) Diluted	(18.72)	(13.64)	(7.30)	(56.11)	(39.63)

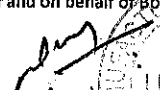
**Notes:**

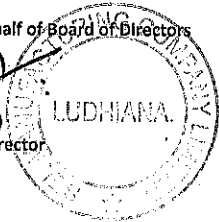
- 1 The audited financial statements for the quarter and year ended March 31, 2023 have been taken on record by the Board of Directors at its meeting held on 30th May, 2023. The information presented above is extracted from the audited financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 2 The Company 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. Though the Company has incurred a loss of Rs. 6,203.82 lakhs for the quarter and Rs. 18,591.15 lakhs for the year ended March 2023. Further, with a view to improving the performance of the Company, the reconstituted Board has a specific focus on utilizing the existing capacities & upgrading the efficiency/productivity of the existing machinery at the manufacturing plants and exploring various avenues of enhancing revenues. Accordingly, the financial results have been prepared on a going concern.
- 3 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. The transfer one property is still pending to be registered. Payments received from the buyer for the property are classified as liabilities directly associated with assets that are held for sale.
- 4 The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.
- 5 As of 31 January 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.



- 6 During the year, the Company has written back provision on allowance for trade receivables and advances to suppliers aggregating to Rs. 1164.02 lakhs, net of amount collected and provision made, in compliance of Ind AS 109, which is charged to charged profit & loss as exceptional item. The company has made reversal of GST Input Tax amounting to Rs. 130.78 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and Interest thereon amounting to Rs. 11.77 lakhs which is charged to Statement of Profit & Loss as an exceptional item.
- 7 The Company has received a notice from Bank of Maharashtra declaring the name of the Company (under old/previous management prior to liquidation) as willful defaulter on 16.11.2022 in respect of outstanding loan of Rs. 7,285 lakhs. Similarly, the Company has also received a notice from India Exim Bank for appearance before "Willful Defaulter Committee" for replying on the willful defaulter notice. Both the notices have suitably been replied by the Company.
- 8 Figures relating to the previous period/year have been regrouped/rearranged, wherever considered necessary, to correspond with the current period/year's disclosures.
- 9 The figures for quarter ended March 31, 2023 and March, 2022 are the balancing figures between audited figures in respect of the full financial years ended on those dates and the reviewed year-to-date figures upto the third quarter of the respective financial year.

For and on behalf of Board of Directors

  
(Navleen Arora)  
Whole Time Director  
DIN: 09114375



Date: 30.05.2023  
Place: Ludhiana

**SEL MANUFACTURING COMPANY LIMITED**  
**STANDALONE STATEMENT OF CASH FLOW**

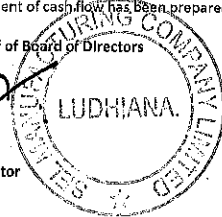
(Rs. in Lakhs)				
Particulars	Details	Figures as at the end of the current reporting period	Details	Restated Figures as at the end of the previous reporting period
<b>A Cash Flow from Operating Activities</b>				
Net Profit before Taxes & Extraordinary Items		(18,591.15)		(13,130.54)
<b>Adjustments for Non Cash Items:</b>				
-Depreciation & Amortization	10,159.05		10,564.91	
-Provision/(Reversal of Provision) for Doubtful Debts	(182.64)		(254.84)	
-Reversal of GST Input Credit and Interest thereon	142.55		-	
-Allowances for Loans & Advances	(981.38)		(68.90)	
-Interest Cost	4,297.49		2,938.13	
-Interest Income	(275.28)		(150.55)	
-Dividend Income	-		(0.44)	
-(Profit)/Loss on Sale of Investments	-		(119.61)	
-(Profit)/Loss on Sale of Fixed Assets	(1,516.50)	11,643.30	(35.33)	12,873.37
<b>Adjustments for Changes in Working Capital:</b>				
-Increase/ (Decrease) in Trade Payables	6,005.72		1,110.24	
-Increase/ (Decrease) in Other Current & Financial Liabilities	(1,637.78)		2,598.26	
-Increase/ (Decrease) in Current Provisions	(21.81)		(34.14)	
-(Increase)/ Decrease in Trade Receivables	5,254.33		846.85	
-(Increase)/ Decrease in Other Current Assets	1,726.32		43.16	
-(Increase)/ Decrease in Current Assets Tax (Net)	701.12		447.32	
-(Increase)/ Decrease in Bank Balance other than Cash	416.66		79.96	
-(Increase)/ Decrease in Other Financial Assets	614.65		(0.07)	
-(Increase)/ Decrease in Inventories	(1,694.12)	11,365.09	(1,312.46)	3,779.11
<b>Cash Generation from Operations</b>		<b>4,417.24</b>		<b>3,521.94</b>
-Taxes Paid		-		-
<b>Net Cash from Operating Activities</b>		<b>4,417.24</b>		<b>3,521.94</b>
<b>B Cash Flows from Investing Activities</b>				
-Purchase of Plant, Property & Equipments	(5.83)		(60.97)	
-Proceeds of Plant, Property & Equipments	1,516.90		48.92	
-Interest Income	275.28		150.55	
-Dividend Income	-		0.44	
-(Increase)/Decrease of Non Current Investments	-		149.61	
-Increase/(Decrease) in Other Financial Liabilities Non Current	(28.26)		(35.37)	
-Increase/(Decrease) in Non Current Provisions	(119.25)		91.92	
<b>Net Cash Flows from Investing Activities</b>		<b>1,638.84</b>		<b>345.09</b>
<b>C Cash Flows from Financing Activities</b>				
-Repayment of Non Current Borrowings	(2,825.61)		-	
-Proceeds of Non Current Borrowings pursuant to resolution plan	-		3,345.75	
-(Increase)/ Decrease in Other Assets Non Current	(106.99)		(86.40)	
-Proceeds/(Repayment) of Current Financial Borrowings	1,183.58		(4,611.23)	
-Interest Cost	(4,297.49)		(2,938.13)	
<b>Net Cash Flows from Financing Activities</b>		<b>(6,046.51)</b>		<b>(4,290.01)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>		<b>9.56</b>		<b>(422.98)</b>
Cash & Cash Equivalents - Opening Balance		284.70		707.68
<b>Cash &amp; Cash Equivalents - Closing Balance</b>		<b>294.26</b>		<b>284.70</b>
<b>Reconciliation of Cash &amp; Cash Equivalents with the Balance Sheet</b>				
Cash and Bank Balances as per Balance Sheet (Note No.10)				
In Current Accounts		255.57		251.67
Cash on Hand		38.69		33.03
<b>Cash &amp; Cash Equivalents as at the year end</b>		<b>294.26</b>		<b>284.70</b>

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 behalf of Board of Directors

(Naveen Arora)  
Whole Time Director  
DIN: 09114375

Place: Ludhiana  
Date: 30.05.2023



## STATEMENT OF ASSETS & LIABILITIES (STANDALONE)

(Rs. in lakhs)

PARTICULARS	AS AT 31.03.2023	AS AT 31.03.2022
<b>ASSETS</b>		
<b>(1) Non Current Assets</b>		
(a) Property, Plant and Equipment	1,07,253.89	1,17,407.52
(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	88.22	80.86
(ii) Trade Receivable	-	-
(iii) Loans	-	-
(iv) Others	2.57	2.57
(i) Deferred Tax Assets (Net)	-	-
(j) Other Non-Current Assets	2,064.08	1,957.08
	<b>1,13,654.75</b>	<b>1,23,694.03</b>
<b>(2) Current Assets</b>		
(a) Inventories	5,267.96	3,573.84
(b) Financial Assets	-	-
(i) Current Investments	-	-
(ii) Trade Receivables	590.56	5,662.25
(iii) Cash & Cash Equivalents	294.26	284.70
(iv) Bank Balances other than (iii) above	39.80	456.46
(v) Loans	-	-
(vi) Others	1.12	1.03
(c) Current Tax Assets (Net)	683.99	1,385.12
(d) Other Current Assets	1,185.47	2,072.97
	<b>8,063.17</b>	<b>13,436.36</b>
<b>(3) Assets Classified as held for Sale</b>		
	754.00	1,368.75
<b>TOTAL ASSETS</b>	<b>1,22,471.92</b>	<b>1,38,499.13</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	3,313.47	3,313.47
(b) Other Equity	11,528.46	23,051.59
	<b>14,841.93</b>	<b>26,365.06</b>
<b>LIABILITIES</b>		
<b>(1) Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	89,549.67	99,162.60
(ia) Lease Liabilities	-	28.26
(ii) Trade Payables	-	-
(iii) Other Financial Liabilities	-	-
(b) Provisions	468.33	587.59
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	-	-
	<b>90,018.00</b>	<b>99,778.45</b>



<b>(2) Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3,605.00	2,421.42
(ia) Lease Liabilities	35.69	42.80
(ii) Trade Payables	8,400.91	2,395.19
(iii) Other Financial Liabilities	4,321.26	4,167.03
(b) Other Current Liabilities	128.38	930.23
(c) Provisions	50.15	71.96
(d) Current Tax Liabilities(Net)	-	-
	<b>16,541.38</b>	<b>10,028.63</b>
<b>(3) Liabilities directly associated with assets classified as held for sale</b>	1,070.60	2,327.00
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,22,471.92</b>	<b>1,38,499.13</b>

For and on behalf of Board of Directors

(Naveen Arora)  
 Whole Time Director  
 DIN: 09114375



Statement of Consolidated Audited Financial Results for the Quarter & Year Ended March 31, 2023

PART-I		(Rs. In lakhs)				
Sr. No.	Particulars	Audited Quarter Ended 31/03/2023	Unaudited Quarter Ended 31/12/2022	Audited Quarter Ended 31/03/2022	Audited Year to date 31/03/2023	Audited Year Ended 31/03/2022
1	Income from operations					
	a) Net Revenue from operations	22,830.99	14,256.61	11,581.67	55,436.76	42,013.19
	b) Other Income	(146.98)	48.13	176.59	1,986.21	656.54
	<b>Total income from operations</b>	<b>22,684.01</b>	<b>14,304.74</b>	<b>11,758.26</b>	<b>57,422.97</b>	<b>42,669.73</b>
2	Expenses					
	a) Cost of material consumed	20,453.90	13,181.68	4,036.82	46,659.00	12,309.44
	b) Purchase of stock-in-trade	3.66	4.53	1.84	14.68	9.98
	c) Changes in inventories of finished goods, work in progress and stock in trade	(1,002.77)	(1,241.62)	(400.00)	(1,944.93)	(922.49)
	d) Employee benefits expenses	1,258.84	1,023.81	2,046.79	4,531.70	8,167.32
	e) Finance Cost	1,158.52	1,090.15	826.01	4,315.65	2,954.00
	f) Depreciation and amortisation expenses	2,457.25	2,515.48	2,541.92	10,159.05	10,564.91
	g) Other expenses	4,461.04	2,384.94	5,549.01	13,300.50	23,046.71
	<b>Total expenses</b>	<b>28,790.44</b>	<b>18,958.97</b>	<b>14,602.39</b>	<b>77,035.65</b>	<b>56,129.87</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(6,106.44)</b>	<b>(4,654.23)</b>	<b>(2,844.13)</b>	<b>(19,612.69)</b>	<b>(13,460.13)</b>
4	Exceptional Items	97.41	(133.84)	(424.50)	(1,021.47)	(323.74)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(6,203.85)</b>	<b>(4,520.39)</b>	<b>(2,419.63)</b>	<b>(18,591.22)</b>	<b>(13,136.39)</b>
6	Tax Expense	-	-	-	-	-
7	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(6,203.85)</b>	<b>(4,520.39)</b>	<b>(2,419.63)</b>	<b>(18,591.22)</b>	<b>(13,136.39)</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>(6,203.85)</b>	<b>(4,520.39)</b>	<b>(2,419.63)</b>	<b>(18,591.22)</b>	<b>(13,136.39)</b>
12	<b>Profit/(Loss) attributable to</b>					
	(1) Owners of the Company	(6,203.85)	(4,520.39)	(2,419.63)	(18,591.22)	(13,136.25)
	(2) Non-Controlling Interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.14)
	<b>Profit/(Loss) for the period</b>	<b>(6,203.85)</b>	<b>(4,520.39)</b>	<b>(2,419.63)</b>	<b>(18,591.22)</b>	<b>(13,136.39)</b>
13	<b>Other Comprehensive Income</b>					
	a (i) Items that will not be reclassified to Profit or Loss	211.40	11.17	5.93	275.34	110.88
	(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	9,460.77	(883.98)	(836.29)	6,794.69	(2,231.50)
	(ii) Income Tax relating to Items that will be reclassified to Profit or Loss	-	-	-	-	-
14	<b>Total Comprehensive Income for the Period (11+13)</b>	<b>3,468.32</b>	<b>(5,393.20)</b>	<b>(3,249.99)</b>	<b>(11,523.19)</b>	<b>(15,257.01)</b>
	<b>Total Comprehensive Income attributable to</b>					
	(1) Owners of the Company	3,468.32	(5,393.20)	(3,249.99)	(11,523.19)	(15,256.86)
	(2) Non-Controlling Interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.14)
	<b>Total Comprehensive Income</b>	<b>3,468.32</b>	<b>(5,393.20)</b>	<b>(3,249.99)</b>	<b>(11,523.19)</b>	<b>(15,257.01)</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>
16	<b>Other Equity</b>				<b>11,539.54</b>	<b>23,062.72</b>
17	<b>i. Earning per share (EPS) (for Continuing Operations)</b>					
	(in Rs.) (not annualised)					
	a) Basic	(18.72)	(13.64)	(7.30)	(56.11)	(39.65)
	b) Diluted	(18.72)	(13.64)	(7.30)	(56.11)	(39.65)
	<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	(18.72)	(13.64)	(7.30)	(56.11)	(39.65)
	b) Diluted	(18.72)	(13.64)	(7.30)	(56.11)	(39.65)

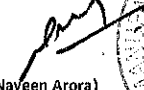
**Notes:**

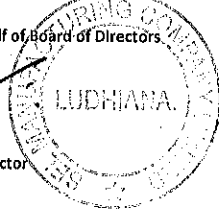
- The audited financial statements for the quarter and year ended March 31, 2023 have been taken on record by the Board of Directors at its meeting held on 30th May, 2023. The information presented above is extracted from the audited financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The Parent 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. Though the Group has incurred a loss of Rs. 6,203.85 lakhs for the quarter and Rs. 18,591.22 lakhs for the year ended March 2023. Further, with a view to improving the performance of the Company, the reconstituted Board has a specific focus on utilizing the existing capacities & upgrading the efficiency/productivity of the existing machinery at the manufacturing plants and exploring various avenues of enhancing revenues. Accordingly, the financial results have been prepared on a going concern.
- 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. The transfer one property is still pending to be registered. Payments received from the buyer for the property are classified as liabilities directly associated with assets that are held for sale.
- The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.
- As of 31 January 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.



- 6 During the year, the Parent Company has written back provision on allowance for trade receivables and advances to suppliers aggregating to Rs. 1164.02 lakhs, net of amount collected and provision made, in compliance of Ind AS 109, which is charged to charged profit & loss as exceptional item. The parent company has made reversal of GST Input Tax amounting to Rs. 130.78 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and interest thereon amounting to Rs. 11.77 lakhs which is charged to Statement of Profit & Loss as an exceptional item.
- 7 The Parent Company has received a notice from Bank of Maharashtra declaring the name of the Parent Company (under old/previous management prior to liquidation) as willful defaulter on 16.11.2022 in respect of outstanding loan of Rs. 7,285 lakhs. Similarly, the Company has also received a notice from India Exim Bank for appearance before "Willful Defaulter Committee" for replying on the willful defaulter notice. Both the notices have suitably been replied by the Parent Company.
- 8 Figures relating to the previous period/year have been regrouped/rearranged, wherever considered necessary, to correspond with the current period/year's disclosures.
- 9 The figures for quarter ended March 31, 2023 and March, 2022 are the balancing figures between audited figures in respect of the full financial years ended on those dates and the reviewed year-to-date figures upto the third quarter of the respective financial year.

For and on behalf of Board of Directors

  
(Naveen Arora)  
Whole Time Director  
DIN: 09114375



Date: 30.05.2023  
Place: Ludhiana



**SEL MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

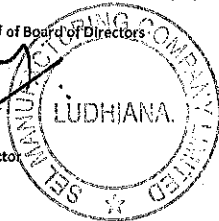
Particulars	Details	(Rs. in Lakhs)	
		Figures as at the end of the current reporting period	Restated Figures as at the end of the previous reporting period
<b>A Cash Flow from Operating Activities</b>			
Net Profit before Taxes & Extraordinary Items		(18,591.22)	(13,136.25)
<b>Adjustments for Non Cash Items:</b>			
-Depreciation & Amortization	10,159.05		10,564.91
-Provision/(Reversal of Provision) for Doubtful Debts	(182.64)		(254.84)
-Reversal of GST Input Credit and interest thereon	142.55		-
-Allowances for Loans & Advances	(981.38)		(68.90)
-Interest Cost	4,297.49		2,938.13
-Interest Income	(275.28)		(150.55)
-Dividend Income	-		(0.44)
-(Profit)/Loss on Sale of Investments	-		(119.61)
-(Profit)/Loss on Sale of Fixed Assets	(1,516.50)		(35.33)
		11,643.30	12,873.37
<b>Adjustments for Changes in Working Capital:</b>			
-Increase/ (Decrease) in Trade Payables	6,005.72		1,110.24
-Increase/ (Decrease) in Other Current & Financial Liabilities	(1,637.73)		2,596.27
-Increase/ (Decrease) in Current Provisions	(21.81)		(34.14)
-(Increase)/ Decrease in Trade Receivables	5,254.33		846.85
-(Increase)/ Decrease in Other Current Assets	2,142.98		128.73
-(Increase)/ Decrease in Current Assets Tax (Net)	701.12		447.32
-(Increase)/ Decrease in Current Loans	614.65		(0.07)
-(Increase)/ Decrease in Inventories	(1,694.12)		(1,312.46)
		11,365.14	3,782.73
<b>Cash Generation from Operations</b>		4,417.23	3,519.85
-Taxes Paid		-	-
<b>Net Cash from Operating Activities</b>		4,417.23	3,519.85
<b>B Cash Flows from Investing Activities</b>			
-Purchase of Plant, Property & Equipments	(5.83)		(60.97)
-Proceeds of Plant, Property & Equipments	1,516.90		48.92
-Interest Income	275.28		150.55
-Dividend Income	-		0.44
-Increase/(Decrease) of Non Current Investments	-		149.61
-Increase/(Decrease) in Other Financial Liabilities Non Current	(28.26)		(35.37)
-Increase/(Decrease) in Non Current Provisions	(119.25)		91.92
<b>Net Cash Flows from Investing Activities</b>		1,638.84	345.09
<b>C Cash Flows from Financing Activities</b>			
-Increase/(Decrease) in Non Controlling Interest	(0.002)		(0.14)
-Repayment of Non Current Borrowings	(2,825.61)		-
-Proceeds/(Repayment) of Non Current Borrowings	-		3,345.75
-(Increase)/ Decrease in Non Financial Assets Loans	(106.99)		(86.40)
-Proceeds/(Repayment) of Current Financial Borrowings	-		(4,611.23)
-Proceeds/(Repayment) of Short term Borrowings	1,183.58		-
-Interest Cost	(4,297.49)		(2,938.13)
<b>Net Cash Flows from Financing Activities</b>		(6,046.52)	(4,290.15)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>		9.55	(425.20)
Cash & Cash Equivalents - Opening Balance		284.76	709.96
<b>Cash &amp; Cash Equivalents - Closing Balance</b>		294.31	284.76
<b>Reconciliation of Cash &amp; Cash Equivalents with the Balance Sheet</b>			
Cash and Bank Balances as per Balance Sheet (Note No.10)			
In Current Accounts		255.62	251.73
Cash on Hand		38.69	33.03
<b>Cash &amp; Cash Equivalents as at the year end</b>		294.31	284.76

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 behalf of Board of Directors

(Naveen Arora)  
Whole Time Director  
DIN: 09114375

Place: Ludhiana  
Date: 30.05.2023




## STATEMENT OF ASSETS & LIABILITIES (CONSOLIDATED)

PARTICULARS	(Rs. in lakhs)	
	AS AT 31.03.2023	AS AT 31.03.2022
<b>ASSETS</b>		
<b>(1) Non Current Assets</b>		
(a) Property, Plant and Equipment	1,07,253.89	1,17,407.52
(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	88.22	80.86
(ii) Trade Receivable	-	-
(iii) Loans	-	-
(iv) Others	2.57	2.57
(i) Deferred Tax Assets (Net)	-	-
(j) Other Non-Current Assets	2,064.08	1,957.08
	<b>1,13,654.75</b>	<b>1,23,694.03</b>
<b>(2) Current Assets</b>		
(a) Inventories	5,267.96	3,573.84
(b) Financial Assets		
(i) Current Investments	-	-
(ii) Trade Receivables	590.56	5,662.25
(iii) Cash & Cash Equivalents	294.31	284.76
(iv) Bank Balances other than (iii) above	39.80	456.46
(v) Loans	-	-
(vi) Others	1.12	1.03
(c) Current Tax Assets (Net)	683.99	1,385.12
(d) Other Current Assets	1,185.47	2,072.97
	<b>8,063.22</b>	<b>13,436.42</b>
<b>(3) Assets Classified as held for Sale</b>	754.00	1,368.75
<b>TOTAL ASSETS</b>	<b>1,22,471.96</b>	<b>1,38,499.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	3,313.47	3,313.47
(b) Other Equity	11,539.54	23,062.72
Equity attributable to owners of the Company	14,853.01	26,376.19
Non-Controlling Interest	(11.13)	(11.13)
Total Equity	<b>14,841.88</b>	<b>26,365.06</b>
<b>LIABILITIES</b>		
<b>(1) Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	89,549.67	99,162.60
(ia) Lease Liabilities	-	28.26
(ii) Trade Payables	-	-
(iii) Other Financial Liabilities	-	-
(b) Provisions	468.33	587.59
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	-	-
	<b>90,018.00</b>	<b>99,778.45</b>



<b>(2) Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3,605.00	2,421.42
(ia) Lease Liabilities	35.69	42.80
(ii) Trade Payables	8,400.91	2,395.19
(iii) Other Financial Liabilities	4,321.36	4,167.08
(b) Other Current Liabilities	128.38	930.23
(c) Provisions	50.15	71.96
(d) Current Tax Liabilities(Net)	-	-
	<b>16,541.48</b>	<b>10,028.68</b>
<b>(3) Liabilities directly associated with assets classified as held for sale</b>	1,070.60	2,327.00
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,22,471.96</b>	<b>1,38,499.19</b>

For and on behalf of Board of Directors

  
 (Naveen Arora)  
 Whole Time Director  
 DIN: 09114375



**Independent Auditor's Report on the Quarterly and year to date Audited Standalone 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 Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date Standalone Financial Results of SEL Manufacturing Company Limited ("the Company") for the quarter and year ended March 31, 2023 (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. 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, 2023.

**Basis for Opinion**

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 Standalone 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. 31,722 lakhs in last two 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 0.50:1 as at March 31, 2023 as against 1.20:1 as at March 31, 2022 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. 3,605 lakhs for the financial year 2023-24. Further Debt obligations are supposed to be paid out of working 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.
- Moreover, Risk Management Committee of the company, had raised concerns regarding the financial risk faced by the company by stating that the company needs to review the plan of repayment and sources of funds for



the same and In case the current scenario is carried forward for another 2-3 quarters, the company may be at risk of default.

- Further the company has 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) As reported vide Note no.5 of the standalone financial results, the Company Secretary had resigned from the company and the company is in the process of filling vacancy within the stipulated timeframe as mentioned in Section 203 of Companies Act, 2013.
- (2) As reported Note no.6 to the standalone financial results, the company has written back provision on allowance for trade receivables and advances to suppliers aggregating to Rs. 1,164.02 lakhs, net of amount collected and provision made, in compliance of Ind AS 109. The company has made reversal of GST Input Tax amounting to Rs. 130.78 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and interest thereon amounting to Rs. 11.77 lakhs.
- (3) As reported vide Note no. 7 of the standalone financial results, Bank of Maharashtra had declared company (under old / previous management prior to liquidation) as willful defaulter on 16.11.2022 in respect of outstanding loan of Rs. 7,285 lakhs . Similarly, the Company has also received a notice from India Exim Bank for appearance before "Willful Defaulter Committee" for replying on the willful defaulter notice.
- (4) During the course of preparation of standalone financial statements, letters have been sent to various parties by the company with a request to confirm their balances in respect of trade receivables, Capital Advances, Advance to Suppliers & trade payables out of which few parties have confirmed their balances to Company.

Our opinion is not modified in respect of the matter.

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

The Statement has been prepared on the basis of audited standalone 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 standalone 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 Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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, 2023 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2023 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**

*(formerly known as MalhotraManik & Associates)*

**Firm Reg. No. 015848N**

*Manik Malhotra*  
**(CA Manik Malhotra)**

**Partner**

**M.No.: 094604**



**Place: Ludhiana  
Date: 30/05/2023**

*UDIN - 23094604 BGX0015085*

**Independent Auditor's Report on the Quarterly and year to date Audited Consolidated 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 Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date Consolidated Financial Results of SEL Manufacturing Company Limited ("the Parent Company") and its subsidiary (the Parent Company and its Subsidiary together referred to as "the Group") for the quarter ended 31<sup>st</sup> March, 2023 and for the year ended 31<sup>st</sup> March, 2023 ("the Statement"), attached herewith being submitted by the Parent company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on the separate financial statements of the subsidiary, the Statement:

- a) includes the result of the following entity:
  1. SEL Aviation Private Limited (Subsidiary Company)
- b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; and
- c) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the quarter and year ended 31<sup>st</sup> March, 2023.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Results" section of our report. We are independent of the Group and 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 and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

**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. 31,722 lakhs in last two years since implementation of resolution plan.
- Analytical Ratios of the parent company are reflecting tight liquidity, poor solvency as well as losses. The Current Ratio of 0.50:1 as at March 31, 2023 as against 1.20:1 as at March 31, 2022 clearly reflects squeezing of liquidity during the year. The liquidity ratios and Solvency Ratios of the parent company are deteriorated over previous years.
- The parent company has a debt obligation of around Rs. 3,605 lakhs for the financial year 2023-24. Further Debt obligations are supposed to be paid out of working funds which will further add to the liquidity crunch of the parent company.



- As at year end, the current liabilities of the parent company are exceeding its current assets, which reflect erosion of Working Capital funds of the parent company.
- Moreover, Risk Management Committee of the parent company, had raised concerns regarding the financial risk faced by the parent company by stating that the parent company needs to review the plan of repayment and sources of funds for the same and In case the current scenario is carried forward for another 2-3 quarters, the parent company may be at risk of default.
- Further the parent company has decided to suspend pending capital projects which otherwise requires additional funds to complete the pending capital projects.

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 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 parent company's ability to continue as going concern and therefore parent company may be unable to discharge its liabilities in the normal course of business unless some concrete efforts are made by the parent 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 parent company.

### Emphasis of Matter

We draw attention to the following matters:

- (1) As reported vide Note no.5 to the consolidated financial results, the Company Secretary has resigned from the Parent company and the Parent company is in the process of filling vacancy within the stipulated timeframe as mentioned in Section 203 of Companies Act, 2013.
- (2) As reported vide Note No.6 to the consolidated financial results, the Parent company has written back provision on allowance for trade receivables and advances to suppliers aggregating to Rs. 1,164.02 lakhs, net of amount collected and provision made, in compliance of Ind AS 109. The parent company has made reversal of GST Input Tax amounting to Rs. 130.78 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and interest thereon amounting to Rs. 11.77 lakhs.
- (3) As reported vide Note no. 7 to the consolidated financial results, Bank of Maharashtra has declared Parent company (under old / previous management prior to liquidation) as willful defaulter. Similarly, the Company has also received a notice from India Exim Bank for appearance before "Willful Defaulter Committee" for replying on the willful defaulter notice.
- (4) During the course of preparation of standalone financial statements, letters have been sent to various parties by the company with a request to confirm their balances in respect of trade receivables, Capital Advances, Advance to Suppliers & trade payables out of which few parties have confirmed their balances to Company.

Our opinion is not modified in respect of the matter.

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

These consolidated financial results have been prepared on the basis of the audited consolidated annual financial statements. The Parent Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under section 133 of the Act 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.





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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 SAs will always detect a material misstatement when it exists. Misstatements 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 consolidated 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 consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent company and its subsidiary company which are companies incorporated in India, has adequate internal financial controls system with reference to Consolidated 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 Board of Directors.
- Conclude on the appropriateness of 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



## Other Matters

We draw attention to the following matter:

1. We did not audit the financial statement of one subsidiary, whose financial statements reflect total assets (net) of Rs.0.05 lakhs as at 31st March, 2023 and total revenue Nil, for the year ended on 31st March, 2023, as considered in the consolidated financial statements. The financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

The Statement includes the results for the quarter ended 31st March, 2023 being the balancing figure between the audited figures in respect of the full financial year ended on 31st March, 2023 and the published unaudited year to date figures up to the end of the third quarter of the current financial year, which were subjected to the limited review by us as required under the listing regulations.

**For Kamboj Malhotra & Associates**  
**Chartered Accountants**  
(formerly known as Malhotra Manik & Associates)  
**Firm Reg. No. 015848N**

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



Place: Ludhiana  
Date: 30/05/2023

UDIN - 23094604BGX00J7023