ANNUAL REPORT 2018-19

SEL Manufacturing Company Ltd.

BOARD OF DIRECTORS
(2018-19)

Sh. Ram Saran Saluja	Chairman
Sh. Neeraj Saluja	Managing Director
Sh. Vinod K. Goyal	Executive Director & CEO
Sh. Navneet Gupta	Executive Director & CFO
Sh. Dhiraj Saluja	Director
Sh. Ranjan Madaan	Director
Smt. Paramjit Kaur	Director

AUDITORS
Malhotra Manik & Associates
Chartered Accountants,
708/6-B, St. No. 19-A,
Punjab Mata Nagar,
Pakhowal Road,
Ludhiana 141 002 (Pb.)

REGISTERED OFFICE
274, Dhandari Khurd, G. T. Road,
Ludhiana (Pb.) 141 014 (India)
Ph.: 91-161-7111117
Fax : 91-161-7111118
Website: www.selindia.in

REGISTRAR & TRANSFER AGENT
Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Ltd.)
Noble Heights, 1st Floor, Plot No. NH-2,
C-1 Block, LSC Near Savitri Market,
Janak Puri, New Delhi- 110 058
Phone No: 011- 41410592
Fax no: 011- 41410591
E-mail: delhi@linkintime.co.in

CIN : L51909PB2000PLC023679

COMPANY SECRETARY
Sh. Rahul Kapoor

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Chairman's Message

Dear Shareholders,

Our vision is based on hard work, open communication, a strong emphasis on team work and a high level of responsibility. This visionary culture allows and emphasis our team not only to adopt the present day challenges but also individual responsibilities to the society and our nation at large.

We believe in the creation of long-term value for both society and stakeholders, that makes it unique. We apply this philosophy in a manner that touches all our stakeholders across the value chain: consumers, communities around our factories, employees, associates, vendors and investors. With a young and strong leadership team, we endeavor to leverage talent, innovation and speed-to-market to realize our global aspirations and harness the opportunity of a young and growing India.

However, we have been facing difficult operating environment due to liquidity crunch as the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities.   Due to non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. The company also has been facing cash flow mismatch and is not able to serve debt obligations.

The Corporate Insolvency Resolution Process (CIRP) under "Insolvency and Bankruptcy Code, 2016" (IBC) has been initiated for the Company after the petition filed by State Bank of India in its capacity as financial creditor was admitted by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT).   However, the Corporate Insolvency Resolution Process (CIRP) has been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana.

I would like to extend my gratitude to all our stake holders including shareholders, customers, lenders and our loyal, hardworking and committed employees for their continued support and faith in the Company.

With best wishes,
Ram Saran Saluja
Chairman

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Thursday, the 26th day of September, 2019 at 9.30 A.M. at the Registered office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141014 to transact the following business(es):

AS ORDINARY BUSINESS:-

1. **To receive, consider and adopt:**
   a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 including the Statement of Profit & Loss Account for the financial year ended on that date together with the report of Board of Directors & Auditors thereon.
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 including the Statement of Profit & Loss Account for the financial year ended on that date together with the report of Auditors thereon.

2. To appoint a Director in place of Mr. Navneet Gupta, (DIN: 02122420), who retires by rotation and being eligible offers himself for re-appointment.

AS SPECIAL BUSINESS:-

3. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory amendments and modifications thereof, for the time being in force, the remuneration payable to M/s Jatin Sharma & Co., Cost Accountants, Firm Registration Number: 101845, appointed by the Board of Directors to conduct the Audit of the cost accounting records of the Company for the Financial year 2019-20 amounting to Rs.77,000 exclusive of GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

4. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable sections/provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any, required, the consent of the Company be and is hereby accorded for the re-appointment of Sh. Vinod Kumar Goyal, (DIN: 02751391), as the Executive Director of the Company for a further period of three years w.e.f. 13.07.2019 on a consolidated amount of Salary of Rs. 6,50,000/- per month.

   RESOLVED FURTHER THAT he will be entitled to free use of Company's car for business purpose and of free use of telephone, at office and at residence, for business purposes of the Company.

   RESOLVED FURTHER THAT The Board of Directors of the Company be and are hereby authorized to further increase the above said remuneration within the limits prescribed under the Companies Act, 2013 and the guidelines issued in this behalf by the Central Government from time to time, without referring the matter again for the approval of the members of the Company.

   RESOLVED FURTHER THAT in case in any Financial year, the company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Executive Director subject to compliance of Schedule V of the Companies Act, 2013 and other applicable provisions, and the rules framed there under as amended from time to time.

   RESOLVED FURTHER THAT The Board of Directors of the Company be and are hereby authorized to execute all such documents, instruments, and writings, if any, and further to do all such acts, deeds or things as may be deemed necessary to give effect to the above said resolution.

5. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ranjan Madaan (DIN : 02330886), who was appointed as an Independent director at the 14th Annual General Meeting to hold office for a term upto five consecutive years commencing from 30th September, 2014 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of five consecutive years commencing with effect from 30th September, 2019."

6. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S),THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms. Paramjit Kaur (DIN: 07141638), who was appointed as an Independent director at the 15th Annual General Meeting to hold office for a term upto five consecutive years commencing from 31st March, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of five consecutive years commencing with effect from 31st March, 2020."

7. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modifications(s) and/or re-enactment thereof from time to time, approval of the members of the Company be and is hereby granted to Mr. Ram Saran Saluja (DIN 01145051), who has attained the age of seventy five (75) years, to continue as Non-Executive Director of the Company w.e.f. 01.04.2019.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds or things as may be deemed necessary to give effect to the above said resolution.

8. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Regulation 24 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in terms of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, if any, and the relevant rules made there under (including any amendment thereto or re-enactment thereof) the requisite approvals, if any, of any relevant statutory, regulatory or Government authorities, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include any committee of directors constituted by the Board) to sell, lease, transfer or otherwise dispose of the whole or substantially the whole of the undertaking(s)/ investments/ shares in the name of the Company held in SEL Textiles Limited, a Wholly owned subsidiary of the Company, to one or more persons and in one or more tranches and at such time and in such manner as the Board may decide, or cease the exercise of control over the subsidiary by further issue of shares by the Subsidiary to other person or persons, and in one or more tranches and at such time and in such manner as the Board of the subsidiary may decide or in case any loan(s) taken by SEL Textiles Ltd. from any scheduled commercial bank, financial institution is/are converted into equity or in any other manner."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purposes of giving effect to this Resolution.

By Order of the Board,
For SEL MANUFACTURING COMPANY LTD.

LUDHIANA- 03.07.2019 — **(RAM SARAN SALUJA)**
DIRECTOR
DIN : 01145051

Regd. Off.:
274, Dhandari Khurd,
G.T. Road, Ludhiana-141014 (Pb.)
CIN: L51909PB2000PLC023679

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other member.

   THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY EXECUTED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF ANNUAL GENERAL MEETING. Proxies submitted on behalf of limited Companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. Members are requested to send their queries on the accounts/financial statements, if any, so as to reach the

Registered Office of the Company at least seven days before the meeting to enable the company to have relevant information ready at the meeting.

3. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.
4. The relative Statement pursuant to Section 102 of the Companies Act, 2013 in Respect of Item(s) of Special Business is annexed hereto and forms part of the Notice.
5. The Register of Members and Share Transfer books shall remain closed from September 20, 2019 to September 26, 2019 (both days inclusive).
6. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Director who is proposed to be appointed/re-appointed is given in the annexure to the Notice.
7. **Voting through electronic means:**

   In compliance of the provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 19th Annual General Meeting by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services Limited. For conducting this e-voting activity in a fair and transparent manner, the Board of Directors have appointed Mr. Dinesh Kumar Mehtani, Practising Chartered Accountant as Scrutinizer.

   Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot/polling paper, at the AGM. Kindly note that members can opt for only one mode of voting i.e. either by remote e-voting or by ballot/polling paper at the AGM. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

   Votes cast by members who hold shares on the cut off date viz. 19.09.2019 alone will be counted.

   The instructions for members for remote e-voting are as under:-

   (i) The remote e-voting period begins at 09.00 am on 23.09.2019 and ends at 05.00 pm on 25.09.2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 19.09.2019 and that a person who is not a Member as on the cut off date should treat this Notice for information purposes only. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

   (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

   (iv) Click on Shareholders.

   (v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

   (vi) Next enter the Image Verification as displayed and Click on Login.

   (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

   (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence Number. Sequence Number is separately communicated to applicable members, in Notice as an Attachment.
Dividend Bank Details or Date of Birth(DOB)	Enter the Dividend bank Details or Date of Birth (in dd/mm/yyyy) format) as recorded in your demat account or in the Company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id/folio number, in the Dividend Bank details field as mentioned in instruction (v).

   (ix) After entering these details appropriately, click on "SUBMIT" tab.

   (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for SEL Manufacturing Company Limited, on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non-Individual Shareholders and Custodians:

- "Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) in case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Mr. Dinesh Kumar Mehtani, Practising Chartered Accountant, (Membership no. 091676) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot cast by the Members at the Annual General Meeting) in a fair and transparent manner.

(xxi) The results along with the Scrutinizer's Report, will be placed on the company's website, i.e. www. selindia.in and of the Agency, immediately after the result is declared by the Chairman within the prescribed time as per the Rules, and the same shall be communicated to the BSE Ltd., and National Stock Exchange of India Ltd.

8. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for Inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 19th Annual General Meeting of the Company.

Important Communication to Members:

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating the service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and with Registrar & Share Transfer Agent-M/s Link Intime India Private Limited in case of shares held in physical form. E-mail is a better method to receive the communications quickly, with least cost implications. We request you to whole-heartedly support this initiative and co-operate with the Company in implementing the same. Please act and contribute to the cause of Environment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS:

FOR ITEM NO. 3:

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of and Remuneration payable to M/s Jatin Sharma & Co., Cost Accountants for the audit of cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules 2014, for the Financial Year 2019-20 at a remuneration of Rs. 77,000/- excluding the applicable GST and reimbursement of out of pocket expenses incurred by him in connection with the audit.

As per Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the members of the Company. Board recommends this resolution for the approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

FOR ITEM NO.4:

The Board of Directors of your Company have re-appointed Mr. Vinod Kumar Goyal, as the Executive Director of the Company for a further period of three years w.e.f. 13.07.2019 subject to the confirmation of his re-appointment and remuneration by the members of the Company. The remuneration proposed to be paid to Executive Director has been approved by the Nomination and Remuneration Committee of the Board and the resolution is put for your approval in this meeting. Mr. Vinod Kumar Goyal, Executive Director besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, also looks after complete operations of the Company. Other details required in pursuance of Schedule V of the Companies Act, 2013, are mentioned in the Annexure to the Notice.

As per the provisions of the Companies Act, 2013 and under Schedule V and Rules framed there under, confirmation of the members of the Company is required for the appointment/reappointment as such of a managerial person. Hence the proposed resolution is recommended by Board for your consideration and approval.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives except Mr. Vinod Kumar Goyal, being the appointee, are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

FOR ITEM NO.5:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ranjan Madaan (DIN : 02330886) as an Independent Director, for a second term of five years from 30th September, 2019, not liable to retire by rotation. Mr. Ranjan Madaan was appointed as an Independent Director at the 14th Annual General Meeting to hold office for a term upto five consecutive years commencing from 30th September, 2014. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. The Board considers that given his background, experience and contribution, the continued association of Mr. Ranjan Madaan would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day.

Further a brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Ranjan Madaan as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends this Special Resolution for approval of the Members.

Except Mr. Ranjan Madaan, the appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, financially or otherwise, concerned or interested, in the above Resolution(s). This Statement may also be regarded as disclosure under the applicable clauses of the SEBI Listing Regulations.

FOR ITEM NO.6:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Ms. Paramjit Kaur (DIN: 07141638), as an Independent Director, for a second term of five years from 31st March, 2020, not liable to retire by rotation. Ms. Paramjit Kaur was appointed as an Independent Director at the 15th Annual General Meeting to hold office for a term upto five consecutive years commencing from 31st March, 2015. Requsite Notice have been received from member proposing her candidature for the office of Independent Director of the Company. The Board considers that given her background, experience and contribution, the continued association of Ms. Paramjit Kaur would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

The Company has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence. In the opinion of the Board, she fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day.

Further a brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Ms. Paramjit Kaur as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends this Special Resolution for approval of the Members.

Except Ms. Paramjit Kaur, the appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, financially or otherwise, concerned or interested, in the above Resolution(s). This Statement may also be regarded as disclosure under the applicable clauses of the SEBI Listing Regulations.

FOR ITEM NO.7:

Pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Mr. Ram Saran Saluja, has already attained the age of seventy five (75) years. Pursuant to Regulation 17(1A) of the Listing Regulations, the Special Resolution for continuation of his directorship with effect from April 1, 2019, will be required to be passed. The Board of Directors, have unanimously decided the continuation of directorship of Mr. Ram Saran Saluja, with effect from April 1, 2019.

Mr. Ram Saran Saluja born on 06.02.1943 is our Chairman (Non-Executive). He has over 50 years of experience in the textile industry. As Chairman he provides strategic direction to our Company. He is the founder person of the Group and has put in his best efforts for the growth of the group under his hard work, dedication. Mr. Ram Saran saluja has been an active member of the Board. He brings vast experience of the textile industry on the Board of the Company and his continued association will be valuable and positive. With his expertise, skills and knowledge, particularly in the textile industry, he articulates and provides his valuable guidance and inputs in all matters pertaining to the production facilities, raw material procurement and costs thereof etc.. Mr. Ram Saran Saluja is physically fit and dynamic personality and is actively participating in the business affairs of the company. Hence the Board proposes the aforesaid resolution for consideration and approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives except Mr. Neeraj Saluja, Mr. Dhiraj Saluja being relatives and Mr. Ram Saran Saluja being the appointee are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

FOR ITEM NO. 8:

SEL Textiles Limited ("STL") is a wholly owned subsidiary of the Company. SEL Textiles Ltd., has been incurring losses for past some years and has eroded net worth substantially. As a result, the financial health of the Company has deteriorated significantly. There is no improvement in the performance of STL in the financial year 2018-19 as well. The Company needs funds to improve its Working capital position.

As per Regulation 24(5) of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015, a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

Further, in terms of Section 180(1)(a), the Board of Directors shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings only under the authority of special resolution passed by the members of the Company

Since the issue of further shares by SEL Textiles Limited to other persons or conversion of loans of SEL Textiles ltd by the lenders into equity may result in dilution of Company's holding in SEL Textiles ltd. to below 50% (from the present 100%) or the Company may cease the exercise of control over the subsidiary, the Board of Directors recommend the enabling Special Resolution for the approval of the shareholders in terms of Section 180(1)(a) of the Companies Act, 2013 and Regulation 24(5) of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015.

The Board recommends this Special Resolution for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way, financially or otherwise, concerned or interested in the above Resolution(s)

By Order of the Board,
For SEL MANUFACTURING COMPANY LTD.

LUDHIANA- 03.07.2019 **(RAM SARAN SALUJA)**
Regd. Off.: **DIRECTOR**
274, Dhandari Khurd, **DIN : 01145051**
G.T. Road, Ludhiana-141014 (Pb.)
CIN : L51909PB2000PLC023679

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 26TH SEPTEMBER, 2019

Name of Director with DIN	Mr. Ram Saran Saluja (DIN: 01145051)	Mr. Vinod Kumar Goyal (DIN : 02751391)	Mr. Ranjan Madaan (DIN : 02330886)
Resume including Expertise in specific functional area	Mr. Ram Saran Saluja is our Chairman (Non-Executive). He has over 50 years of experience in the textile industry. As Chairman he provides strategic direction to our Company	Mr. Vinod Kumar Goyal, aged 60 years is Executive Director & CEO of the company. He besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, also looks after complete operations of the Company	Mr. Ranjan Madaan aged 43 years is an Entrepreneur and holds a bachelors degree in Commerce. He has over 19 Yrs experience in industry
List of other Companies in which Directorship held	1) SEL Textiles Ltd. 2) Shiv Narayan Investments Pvt. Ltd. 3) SEL Aviation Pvt. Ltd. 4) SEL Renwable Power Ltd. 5) Silverline Corporation Ltd.	------	--------
Chairman/Member of the Committee of Board of Directors of other Companies	-------	----------	-------
Inter-Se relationship with other Directors of the Company	Father of Mr. Neeraj Saluja and Mr. Dhiraj Saluja, other Directors of the Company.	not relatd	not related
Shareholding in the Company	4621505	nil	nil

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 26TH SEPTEMBER, 2019

Name of Director with DIN	Mr. Navneet Gupta (DIN: 02122420)	Ms. Paramjit Kaur (DIN : 07141638)
Resume including Expertise in specific functional area	Mr. Navneet Gupta, aged 49 years is a Chartered Accountant and has a vast experience in Financial Areas and other related aspects.	Ms. Paramjit Kaur aged 57 years is an Educationalist and Visionary. She is an Independent Woman Director on the Board of Directors of the Company.
List of other Companies in which Directorship held	1) Rythm Textile & Apparels Park Ltd. 2) SEL Textiles Ltd. 3)Silverline Corporation ltd	Highway Industries Limited
Chairman/Member of the Committee of Board of Directors of other Companies	Audit Committee: 1) SEL Textiles Ltd. 2) Rythm Textile & Apparels Park ltd.	-------
Inter-Se relationship with other Directors of the Company	not related	not related
Shareholding in the Company	600	nil

Information required under Section II, Part II of Schedule V of the companies Act, 2013

I	**General Information**	
	(I) Nature of Industry	Textiles
	(2) Date or expected date of commencement of commercial production	The Company was incorporated on 08.05.2000 and the certificate of commencement of Business was dated 02.06.2000 respectively.
	(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
	(4) Financial performance based on given indicators	The details of financial performance of the Company for the financial years 2018-19 and 2017-18 are duly provided in the Annual Report 2019 which accompanies this Notice.
	(5) Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration.
II	**Information about the appointee/relevant person**	
	(1) Background details	Mr. Vinod Kumar Goyal and Mr. Navneet Gupta are Executive Directors of the Company.
	(2) Past remuneration	Details of past remuneration are duly given in the Annual Report 2019 which accompanies this Notice.
	(3) Recognition or awards	--
	(4) Job profile and his suitability	1. Mr. Navneet Gupta, Executive Director & CFO is a Chartered Accountant and has a vast experience in Financial Areas and other related aspects. 2. Mr. Vinod Kumar Goyal, Executive Director & CEO besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, also looks after complete operations of the Company
	(5) Remuneration proposed	Details of remuneration are duly given in the Notice and Explanatory Statement thereto.
	(6) Comparative remuneration profile with respect ot industry, size of the company, profile of the position and person	The remuneration is as per Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V and other Rules under the Companies Act, 2013 and is comparable to the remuneration of CEO/MD/ED levels of similar sized Textile manufacturing Companies in India and abroad.
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Neeraj Saluja and Mr. Dhiraj Saluja are sons of Mr. Ram Saran Saluja, all on the Board of the Company. Mr. Vinod Kumar Goyal does not hold any shares of the Company. Mr. Navneet Gupta holds 600 Equity Shares of the Company. None of other Key Managerial Personnel or any other senior Mangerial personnel is related.
III	**Other Information**	
	(1) Reasons of loss or inadequate profits	The losses were due to growing debt, delayed realization of debtors, working capital shortfall, delay in project completion, non release of funds by banks and cash flow mismatch, which adversely affected the liquidity position of the company.
	(2) Steps taken or porposed to be taken for improvement	Identification of areas where costs can be reduced and initiatives to reduce costs, new markets for selling the products, credit facilities and concessions/ deep restructuring of debt from banks to improve the liquidity position etc.
	(3) Expected increase in productivity and profits in measurable terms	The aforesaid steps taken/to be taken by the Company are expected to improve further the Company's performance and profitability in the future
IV	**Disclosures**	As required, the information is provided under Corporate Governance Section of the Annual Report 2019.

DIRECTORS' REPORT

To
The Members
SEL Manufacturing Company Ltd.

Your Directors have pleasure in presenting their 19th Annual Report on the affairs of the company together with Audited Financial Statements for the financial year ended 31st March, 2019.

FINANCIAL RESULTS **(Rupees in Lacs)**

		Current Year **(2018-19)**		Previous year (2017-18)
Revenue from Operations		**45910.97**		98927.71
Other Income		**7539.42**		4900.63
		53450.39		103828.34
Less :				
Expenditure	49228.14		126889.65	
Depreciation & Amortization	10883.24	**60111.38**	11163.56	138053.21
Profit/(loss)before exceptional items And tax:		**(6660.98)**		(34224.87)
Exceptional Items		**16935.56**		132495.53
Profit/(Loss) before tax:		**(23596.54)**		(166720.40)
Less :				
Taxes : Deferred Tax	--		49925.94	
Mat Credit Entitlement	--	**--**	5533.60	55459.54
Profit/(Loss)from continuing Operations		**(23596.54)**		(222179.94
Profit/(Loss)from discontinuing Operations		--		--
Profit/(Loss) for the period		**(23596.54)**		(222179.94)
Other Comprehensive Income				
i)Items that will not be reclassified to Profit or loss		**401.41**		395.14
ii) Items that will be reclassified to Profit or loss		**(351.90)**		(1836.05)
Total Comprehensive Income/(Loss)for the Period		**(23547.03)**		(223620.85)

BUSINESS

The Company is vertically integrated multi-product textile company, manufacturing various kinds of Knitted Garments, Terry Towels, Knitted & Processed Fabric and various kind of Yarn with production facilities located at different parts of India.

State of Company's affairs:

During the year under review, your company has achieved Revenue from Operations of Rs. 45910.97 lacs as compared to Rs. 98927.71 lacs in the previous year. After deducting Expenses and Exceptional Items there was Loss of Rs. 23596.54 lacs as compared to Loss of Rs. 166720.40 lacs during the previous year. After providing for taxes and other adjustments, the current year loss stood at Rs. 23596.54 lacs as compared to loss of Rs. 222179.94 lacs during the previous year.

The Company followed an aggressive growth path and had considerably grown its balance sheet, including debt. Due to the industry situation in general viz. slowdown and company specific issues such as growing debt, delayed realization of debtors, working capital shortfall, delay in project completion and cash flow mismatch, which had adversely affected the liquidity position of the company, the company was facing financial problems and finding difficulty in servicing its debt obligation. The Company had opted for CDR of its Debt in November, 2013. The CDR package was approved by the competent authority in June, 2014 and implemented by lenders in September, 2014. The credit facilities envisaged & sanctioned under CDR package were not fully released by the lenders which resulted in sub-optimum utilization of manufacturing facilities and the company could not complete one of its spinning project where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. Also the company has been facing cash flow mismatch and is not able to serve debt obligations as per the terms of CDR package sanctioned earlier. Due to financial constraints, the company has also started job work operations in some of its spinning plants.

Since, the Company was finding it difficult to serve its debt obligations, the Company has requested its lenders for a second/deep restructuring of its debts. Considering the state of art manufacturing facilities of the Company, most modernized technology, skilled labor force, professional management and inherent viability of the Company, the lenders had in-principle agreed for second/deep restructuring of the debts. Pending discussions with the lenders, State Bank of India in its capacity as financial creditor has filed a petition on 12th October, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). On 11th April, 2018, the NCLT vide it's order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated. Mr. Navneet Kumar Gupta having Registration No.IBBI/IPA-001/IP-P00001/2016-17/10009 was appointed as Interim Resolution Professional (IRP) vide order dt. 25th April, 2018 and the affairs, business and assets to be managed by the Interim Resolution Professional (IRP). The Company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT).

The Corporate Insolvency Resolution Process (CIRP) has since been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. Accordingly, the Company has prepared these financial statements on the basis of going concern assumption.

Due to non disbursement of credit facilities the Company had suffered operational losses as well as capital losses. Therefore, the Company has presented before the Adjudicating Authority counter claim & claim of set off against the banks.

Further, the secured lenders have stopped charging interest on borrowings, since the accounts of the Company have been categorized as Non Performing Asset. Further the Corporate Insolvency Resolution Process had been initiated under "Insolvency and Bankruptcy Code, 2016". In view of the above, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books. The Company had given financial guarantee to the bankers of its subsidiary namely SEL Textiles Ltd., to secure the credit facilities availed by it. The said guarantee has been invoked by the bankers before initiation of Corporate Insolvency Resolution Process.

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SUBSIDIARY COMPANY/FIRM(S):

As at 31.03.2019, the Company has the following Subsidiary Company(ies) namely SEL Aviation Pvt. Ltd., SEL Textiles Ltd., Silverline Corporation Ltd., and also a subsidiary firm namely M/s SE Exports.

The Annual Accounts/Financial Statements of the Subsidiary companies/firms and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

Further the Annual Accounts/Financial Statements of the subsidiary companies are kept for inspection by any shareholders in the head office i.e. the Registered Office of the holding company and of the subsidiary companies concerned.

Your company continue to hold 99% stake in the partnership firm namely M/s SE Exports.

SEL Textiles Ltd. is the wholly owned Subsidiary of the Company. SEL Textiles Ltd. is engaged in the business of textiles and the Company has two spinning unit(s) one at Neemrana (Rajasthan) and one at Hansi, Hissar (Haryana) and a terry towel unit at Nawa Sheher Punjab, Spinning unit at Vill Punjava-Lambi, Tehsil Malout, Dist Sri Muktsar Sahib (Punjab). Further SEL Textiles Ltd., has a subsidiary company i.e. M/s Silverline Corporation Ltd.. SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of Aviation services. The contribution of Subsidiaries in the overall performance is as given in Consolidated Financial Statements. Further the Report on financial position of subsidiaries alongwith names of companies which have ceased to be its subsidiaries, associate companies etc. during the year has been duly provided as an Attachment in prescribed Form AOC1.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company and its subsidiaries, prepared and presented in accordance with Accounting Standard, are attached to and form part of the Annual Report.

CORPORATE GOVERNANCE:

The Company believes that good corporate governance is one of the vital tools, in directing and controlling the affairs of the Company in an efficient manner and helps in achieving the goal of maximizing value of Company's stakeholders in a sustained manner. It recognizes Transparency, Integrity, Honesty and Accountability as core values, and the management believes that practice of each of these creates the right corporate culture fulfilling the purpose of Corporate Governance. However, it is to be recognized that Corporate Governance is not just a destination but a consistent journey to consolidate and enhance sustainable value creation to the company, by adhering to the core values. A separate section on Corporate Governance and a Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report

DIVIDEND:

Due to the losses incurred in F.Y. 2018-19 and scarcity of funds, the directors have not recommended any dividend for the Financial year 2018-19.

SHARES WITH DIFFERENTIAL RIGHTS, EMPLOYEE STOCK OPTION, SWEAT EUITY SHARES:

During the year, the company has not issued any Equity Shares with Differential Rights, Employee Stock Options and/or Sweat Equity Shares.

FIXED DEPOSITS:

During the year, your Company has not accepted any fixed deposits under the provisions of the Companies Act, 2013 and the Rules made there under.

SECRETARIAL STANDARDS:
The Company has complied with applicable secretarial Standards.

DIRECTORS & KMP:
Mr. Navneet Gupta, Director of the Company retires by rotation at this Annual General Meeting and being eligible offer himself for re-appointment. Further the continuation of Mr. Ram Saran Saluja, Director of the Company on the board of the Company is also proposed for approval in the ensuing Annual General Meeting by Special Resolution. Further re-appointment of Independent Directors by Special resolution is also proposed for approval in the ensuing Annual General Meeting. Mr. Dhiraj Saluja, showing his unwillingness, has not been re-appointed as Joint Managing Director of the Company after his tenure ended. Further, the re-appointment of Mr. Vinod Kumar Goyal, as Executive Director of the Company for a further period of 3 years is put for confirmation by the members of the Company in the ensuing Annual General Meeting. Details of appointment and terms are given in detail in the Notice for the ensuing Annual General Meeting.

LISTING WITH EXCHANGES AND LISTING FEES:
The Equity Shares of the Company are presently listed with Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Ltd. (NSE). Further the Company has paid listing fees to both the exchanges (i.e. BSE and NSE) upto financial year 2019-20. The GDRs of the company are listed on Luxembourg Stock Exchange.

AUDITORS:
M/s Malhotra Manik & Associates, Chartered Accountants, (Firm Registration No. 015848N) were appointed as Auditors of the Company for a term of five years.

AUDITORS' REPORT:

A) With reference to the Auditors remarks regarding non provision of interest on NPA classified bank borrowings the Board would like to state that the secured Lenders have stopped charging interest on borrowings, since the accounts of the Company have been categorized as Non Performing Asset. Further the Corporate Insolvency Resolution Process has been initiated under "Insolvency and Bankruptcy Code, 2016". In view of the above, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books. The amount of such accrued and unpaid interest, calculated according to the CDR term, not provided for is estimated at Rs. 53,478 lakhs (Previous Year Rs. 54,084 lakhs) for the year ended 31st March, 2019 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2019. Due to non provision of the interest expense, net loss for the year ended 31st March, 2019 is reduced by Rs. 53,478 lakhs. Further the Financial Liability is reduced by Rs. 143,463 lakhs and correspondingly the equity is increased by the same amount.

B) With reference to remark on Interest subsidy receivable the Board would like to state that the Subsidies are to be released by Ministry of Textiles and Madhya Pradesh Government and the Company is hopeful of receiving the same in full. Since, the subsidies are not related to current year, the same does not have any impact on current year's profits/losses of the Company. However the reserves & surplus & current assets are overstated to the extent.

C) With reference to remark on Impairment testing the Board would like to state that the Company was implementing a Spinning project which got stuck due to non-disbursement of credit facilities by the Banks. However, post Corporate Insolvency Resolution Process (CIRP) the Company expects that the project would be completed. Therefore, impairment testing was not conducted.

D) With reference to remark on shortfall in the carrying value of the Security, the Board would like to state that the carrying value of the security has reduced due to impairment of advances, trade receivables etc. Further, inclusion of Corporate Guarantee in financial statement has increased the borrowings without corresponding increase in security value.

Further the report of Auditors and notes on accounts are self explanatory and do not call for any further comments as there are no further adverse remarks/qualified opinion by the Auditors.

Further, regarding Auditors Emphasis of Matter in their Report the Board would like to state as under;

a) In respect of contingency related to "compensation payable in lieu of bank sacrifice" the outcome of which is materially uncertain and cannot be determined currently. Due to non disbursement of credit facilities the Company had suffered operational losses as well as capital losses. Therefore, the Company has presented before the Adjudicating Authority counter claim & claim of set off against the banks.

b) In respect of contingency related to export incentives obligation refundable in respect of allowance for foreign trade receivable, the amount of such obligation cannot be determined currently.

c) With reference to the Auditors remarks regarding Non confirmation of debit/credit balances, the same were not confirmed by the respective parties despite the letters/mails in this regard been sent to them. However the management does not expect any material changes on account of such reconciliation/non-receipt of confirmation from parties.

d) With reference to allowance in respect of Trade Receivable and impairment loss in respect of long outstanding Capital/Trade advances, the Company has duly complied with the applicable Accounting Standards in this regard. However, the management is of the view that the said receivables and outstanding Capital/Advances are fully recoverable/adjustable.

Further with reference to material Uncertainty Related to going concern, the Lenders with the approval of CDR EG shall have the right to recompense the reliefs/sacrifices/ waivers extended by respective CDR lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain.

However, the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. Also the company has been facing cash flow mismatch and is not able to serve debt obligations as per the terms of CDR package sanctioned earlier.

Since, the Company was finding it difficult to serve its debt obligations, the Company has requested its lenders for a second/deep restructuring of its debts. Considering the state of art manufacturing facilities of the Company, most modernized technology, skilled labor force, professional management and inherent viability of the Company, the lenders had in-principle agreed for second/deep restructuring of the debts. Pending discussions with the lenders, State Bank of India in its capacity as financial creditor has filed a petition on 12th October, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). On 11th April, 2018, the NCLT vide it's order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated. Mr. Navneet Kumar Gupta having Registration No.IBBI/IPA-001/IP-P00001/2016-17/10009 was appointed as Interim Resolution Professional (IRP) vide order dt. 25th April, 2018 and the affairs, business and assets to be managed by the Interim Resolution Professional (IRP).The Company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT). The Corporate Insolvency Resolution Process (CIRP) has since been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. Accordingly, the Company has prepared these financial statements on the basis of going concern assumption.

Due to non disbursement of credit facilities the Company had suffered operational losses as well as capital losses. Therefore, the Company has presented before the Adjudicating Authority counter claim & claim of set off against the banks.

Further with reference to quantitative details for certain items of fixed assets, there are some category of assets of such minute nature that it takes time to derive quantitative details of such kind of assets.

COST AUDITORS :

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year and accordingly such accounts and records are made and maintained. The Board appointed M/s. Jatin Sharma & Co., Cost Accountants, as cost auditors of the Company for the financial year 2019-20 at a fee of INR 77,000 plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing annual general meeting. The cost audit report for the financial year ended March 31, 2019 would be filed with the Central Government. The cost audit report for the financial year ended March 31, 2018 was filed on 23.10.2018 within prescribed timelines.

NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:

The Board met 8 times during the financial year 2018-19, the details of which are given in corporate governance section.

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

The Board of Directors has evaluated the performance of the Board, its Committees and the Individual Directors as per the Nomination and Remuneration Policy. The Independent Directors of the Company also review the performace of Non-Independent Directors of the Board.

DECLARATION BY INDEPENDENT DIRECTORS AS REQUIRED UNDER SECTION 149(7) OF THE COMPANIES ACT, 2013

All the Independent directors of the company have given their statement of declaration under Section 149(7) of the Companies Act, 2013 ("the Act") that they meet the criteria of independence as provided in Section 149(6) of the Act, and their Declarations have been taken on record.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The main objective of Risk Management is risk reduction and avoidance as also identification of the risks faced by the business and optimize the risk management strategies. The Company has put in place a well-defined Risk Management framework for drawing up, implementing, monitoring and reviewing the Risk Management. It controls the risks through properly defined framework.

POLICY ON DIRECTORS' APPOINTMENT REMUNERATION

The Company strives to maintainan appropriate combination of executive, non-executive and independent Directors including at least one woman Director. The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, listing agreement/regulations and other applicable regulations or guidelines. All the Board appointments are based on meritocracy. The potential candidates for appointment to the Board are interalia evaluated on the basis of highest level of personal and professional ethics, standing, integrity, values and character; appreciation of the Company's vision, mission, values; prominence in business, institutions or professions; professional skill, knowledge and expertise; financial literacy and such other competencies and skills as may be considered necessary.

In addition to the above, the candidature of an independent Director is also evaluated in terms of the criteria for determining independence as stipulated under Companies Act, 2013, listing agreement/regulations and other applicable regulations or guidelines. In case of re-appointment of Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level. The Board of Directors of the Company has adopted a Remuneration Policy for Directors, KMPs and other employees. The policy represents the overarching approach of the Company to the remuneration of Director, KMPs and other employees.

LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Details of loans, guarantees and investments by the Company to other body corporates or persons are given in Financial Statements/Notes to the financial statements.

MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS

State Bank of India in its capacity as financial creditor had filed a petition on 12th October, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). On 11th April, 2018, the NCLT vide it's order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated. Mr. Navneet Kumar Gupta having Registration No.IBBI/IPA-001/IP-P00001/2016-17/10009 was appointed as Interim Resolution Professional (IRP) vide order dt. 25th April, 2018 and the affairs, business and assets to be managed by the Interim Resolution Professional (IRP). The Company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT).

Further, the Corporate Insolvency Resolution Process (CIRP) has since been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. Accordingly, the Company has prepared these financial statements on the basis of going concern assumption.

No other significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

MATERIAL CHANGES & COMMITMENTS

Apart from the Orders of NCLT and other Court(s) Orders and State of Company's Affairs as stated earlier, no material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2018-19 and till the date of this report.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in SEL through various interventions and practices. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company believes in prevention of harassment of employees as well as contractors. During the year ended 31 March, 2019, no complaints pertaining to sexual harassment were received.

RELEVANT EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under the provisions of the Companies Act, 2013, forms an integral part of Board Report. Form MGT-9 is available on the website of the Company and can be accessed at www.selindia.in/policy.html

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s P. Sharma & Co., Company Secretaries in practice, to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed to this report as Annexure V.

With reference to Secretarial Auditors comments regarding not having alteast Half of the Board of Independent Directors as per the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the management has to state that the Company is looking for appointment of Independent Director to be appointed on the Board to fill the vacancy caused by the resignation of earlier Independent Director(s) from the Board of the Company. The Company in the current financial position is finding it difficult as person(s) are not showing interest to be appointed as Independent Director on the Board of the Company. Further, as per SEBI (LODR) Third Amendment Regulations, 2018 the provisions as specified in Regulation 17 etc. of the SEBI(LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code.

With reference to other comments regarding Non-submission of Financial Results in time under Regulation 33 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter and year ended 31st March, 2018, the management has to state that the Exchanges were well informed in respect of interalia the insolvency commencement date, the appointment of the IRP and the period during which the interim resolution professional was required not to take over management of the Company on account of the Court orders. Accordingly, it had been requested to the Hon'ble Securities and Exchange Board of India ("SEBI") and Disclosure also made to Exchanges in this regard that extension of time period be allowed for the IRP to take on record the audited results on standalone basis and consolidated basis for the quarter and financial year ending March 31, 2018, which was not acceded to by Hon'ble SEBI.

Further the "Secretarial Auditors" report is self explanatory and therefore does not require further comments and explanation.

RELATED PARTY TRANSACTIONS

The Board has adopted a policy to regulate the transactions of the Company with its related parties. As per policy, all related party transactions require approval as per the provisions of the Companies Act, 2013 and SEBI(LODR) Regulations. The said policy is available on the Company's website viz. www.selindia.in/policy.html

Further the Company has also formulated a policy for determining 'material' subsidiaries. The said policy is available on the Company's website viz. www.selindia.in/policy.html. Details of transactions are also given in Annexure IV to this report in the prescribed form.

VIGIL MECHANISM

The Company has in place a whistleblower policy, to support the Code of Business Ethics. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation.

Individuals can also raise their concerns directly to the chairman of the Audit Committee of the Company. Any allegations that fall within the scope of the concerns identified are investigated and dealt with appropriately. Further, during the year, no individual was denied access to the Audit Committee for reporting concerns, if any. The details of establishment of vigil mechanism for Directors & employees to report genuine concerns are available at the website of the Company viz. www.selindia.in/policy.html

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

SEL continuously invests in strengthening its internal control processes. The Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

FAMILIARISATION PROGRAM FOR DIRECTORS

The Company provides an orientation and business overview to all its new Directors and Independent directors and provides materials and briefing sessions periodically which assists them in discharging their duties and responsibilities.

The Directors of the Company are also informed of the important developments in the Company and Industry. Directors are fully briefed on all business related matters, and new initiatives proposed by the Company and updated on changes and developments in the domestic & global corporate and industry scenario. The details of the familiarisation program for Directors is available on the website of the Company viz. www.selindia.in/policy.html

CHANGES IN CAPITAL STRUCTURE

During the year, there was no change in the Capital Structure of the Company.

AUDIT COMMITTEE:

The Board has constituted its Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company presently comprises of the following members namely Mr. Ashwani Kumar, Mr. Ranjan Madaan, Mrs. Paramjit Kaur and Mr. Navneet Gupta. Sh. Ashwani Kumar is the chairman of the said committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure-I to this report.

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the Annexure-II to this report and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013.

The Directors confirm that:

- In the preparation of the annual accounts/financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit/loss of the Company for the year ended on 31st March, 2019;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts/financial statements have been prepared on a going concern basis.
- That Internal financial controls were laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Company has adopted Corporate Social Responsibility initiatives and focuses on key areas as education, healthcare etc., in accordance with the provisions of the relative Act and rules made thereunder.

The Corporate Social Responsibility Committee consists of Sh. Ranjan Madaan (Chairman), Smt. Paramjit Kaur and Sh. Ram Saran Saluja. The Board of Directors on recommendation of the CSR Committee has formulated the CSR policy of the Company. The CSR activities of the Company are implemented in accordance with the core values viz. protecting stakeholder interests, proactive engagement with the local communities and striving towards inclusive development. The CSR activities are focused on the following five broad themes with goals to improve overall socio economic indicators of Company's area of operation:

- Promoting healthcare, sanitation and making safe drinking water available;
- Employment enhancement through training and vocational skill development;
- Income enhancement through farm based and other livelihood opportunities;
- Promoting education and sports; and
- Ensuring sustainable environment.

The annual report on CSR containing particulars specified in Companies (CSR Policy) Rules, 2014 is given in Annexure III. The CSR policy of the Company is also placed on the website of the Company viz. www.selindia.in/policy.html

ACKNOWLEDGEMENTS:

Your Directors express their gratitude to the Company's vendors, customers, Banks, Financial Institutions, Shareholders & society at large for their understanding and support. Finally, your Directors acknowledge the dedicated services rendered by all employees of the company.

For and on Behalf of the Board

For SEL MANUFACTURING COMPANY LTD.

PLACE : LUDHIANA **(RAM SARAN SALUJA)**

DATED : 03.07.2019 **CHAIRMAN**

DIN: 01145051

ANNEXURE-I TO THE DIRECTORS' REPORT

A. Conservation of energy

i) Steps taken or Impact on conservation of energy:

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. Energy Conservation is an ongoing process in the Company. The Company continued its efforts to improve energy usage efficiencies.

ii) Steps taken by the company for utilizing alternate sources of energy:

SEL continues to work on reducing carbon footprint in all its areas of operations through initiatives like a) green infrastructure b) green IT (data centers, laptops and servers etc. c) operational energy efficiency, d) Green data centers. e) Power generation thorough own captive power plants.

iii) Capital Investment on energy conservation equipments etc.:

The company has installed its own Captive Power Plant (CPP turbine). The details of its utilisation is given as under:

(a)Captive Power Plant (CPP Turbine)	**2018-19**	**2017-18**
Units (Lacs	**715.62**	720.04
Husk per Unit (Kg)	**1.69**	0.66
Cost/Unit (Rs.)	**6.22**	4.66

B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

Specific areas in which R & D activities/Technology Abrorption were carried out by the company

- Quality Improvement
- Yield/Productivity Improvement
- Energy Conservation
- New Technology/Product development

Benefits Derived

- Better Quality; reduced wastages
- Cleaner environment
- Safer operations and improved competitiveness

Future Plan of Action

Management is committed to strengthen R & D activities for product development and to improve its competitiveness in the times to come.

Expenditure on R & D

(Rs. In Lacs)

a)	Capital	: --
b)	Recurring	: 06.91
	Total	**: 06.91**

Technology Absorption

The Company has not imported any technology from abroad during the last five years. However the company has been using the imported machinery. The Company has been making efforts for absorption of latest technology.

Benefits Derived

The Company has achieved improvement in quality and lower cost of production.

C. FOREIGN EXCHANGE EARNINGS & OUTGO, EFFORTS AND INITIATIVES IN RELATION TO EXPORTS:

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. There have been concentrated efforts to maintain and improve exports performance and to meet the need of end users.

(Rs. in Lacs)

	2018-19	**2017.18**
(i) Foreign Exchange earned		
(a) FOB value of exports as per Balance Sheet	**20221.18**	53578.76
(b) Overseas Income	**-**	-
(ii) Foreign Exchange used		
(a) CIF value of Imports	**372.22**	254.52
(b) Other Expenditure	**599.98**	912.53
(c) Overseas Expenditures	**-**	205.82

For and on Behalf of the Board
For SEL MANUFACTURING COMPANY LTD.

PLACE : LUDHIANA
DATED : 03.07.2019

(RAM SARAN SALUJA)
CHAIRMAN
DIN: 01145051

ANNEXURE-II TO THE DIRECTORS' REPORT

Information pursuant to provisions of section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Mangerial Personnel) Rules, 2014, and forming part of the Directors' Report for the year ended 31st March, 2019:

Name	Age (Yrs.)	Designation	Gross Remn. (Rs.)	Qualification	Experience (Yrs.)	Dt. of joining	Previous Employement	%age of Eq. Shares held as on 31.03.2019
Mr. Neeraj Saluja	52	Managing Director & COO	1,20,00,000	Diploma in business Administration	27 Yrs	30.03.2006	SEL Mfg. Co. Ltd.	(2.98%)
Mr. Dhiraj Saluja	47	Jt. Managing Director & CMO	72,00,000	Degree in Mechanical Engineering	23 Yrs	28.05.2007	SEL Mfg. Co. Ltd.	(2.53%)
Mr. Vinod Kumar Goyal	60	Executive Director & CEO	78,00,000	MBA	38 Yrs	13.07.2010	Vardhman Texgarments Ltd./ Vardhman Textiles Ltd.	(0.00%)
Mr.Navneet Gupta	49	Executive Director & CFO	36,00,000	CA	24 Yrs.	08.05.2008	SEL Mfg. Co. Ltd.	(0.00%)
Mr. Manuj Mehta	50	President (HR)	47,60,004	MBA	28 Yrs.	22.11.2010	Malwa Industries Ltd.	(0.00%)
Mr. Jayanta Kumar Das	55	President (Operations)	42,00,000	B.Tech. in Textile Tech.	32 Yrs.	08.04.2013	Vallabh Textile Co. Ltd.	(0.00%)
Mr. Anchal Kumar	52	President (Commercial)	31,56,000	B.Tech. in Textile Tech.	30 Yrs.	30.08.2010	Vardhman Textiles Ltd.	(0.00%)
Mr. Rajesh Singla	54	President (Raw material)	38,64,000	MBA	30 Yrs.	29.11.2010	Vardhman Textiles Ltd.	(0.00%)
Mr. Raman Kumar	44	Asstt. Vice President (Marketing)	30,00,000	Diploma in FD	22 Yrs.	04.11.2008	Vanasthali Textile Ind.Ltd.	(0.00%)
Mr. Chhotu Ali	46	President (Marketing)	37,44,000	B.Tech	20Yrs.	01.04.2008	Cheema Spintex	(0.00%)
Mr. Mukhwinder Pal Singh	52	Asstt. Vice President (Production)	25,74,000	Diploma in textiles	30 Yrs.	12.10.2007	Vardhman Textiles Ltd.	(0.00%)
Mr. Deepak Chauhan	47	President (HR)	27,84,000	Diploma in Management	24 Yrs.	28.11.2006	Aarti International	(0.00%)
Mr.Sudhir Kumar Yadav	49	Sr. Manager	21,96,000	B.Tech in Textile Tech.	29 Yrs.	31.05.2010	Vardhman Textiles Ltd	(0.00%)

*Remuneration received includes basic salary, allowances, taxable value of perquisites etc..
*The nature of employment i.e. the tenure of Appointment for Managing Director/Executive Director is for a period of 3 years.
Other employees are on Roll of the Company.
*Mr. Neeraj Saluja and Mr. Dhiraj Saluja are sons of Mr. Ram Saran Saluja, all on the Board of the Company.
None of other Director/employees are related to any director on the Board of the Company.

Nature of Duties:

Mr. Neeraj Saluja, Managing Director & COO is responsible for the overall management of the Company and provides strategic direction in selection of technology and machineries, in setting up new manufacturing facilities, improvement of production processes and exploring and diversifying into new ventures etc.
Mr. Dhiraj Saluja, is incharge of overseeing marketing of yarn, garments, terry towels etc. and looks after the complete function of marketing and delivery of our Company's products to the end customer.
Mr. Vinod Kumar Goyal, Executive Director & CEO besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja and Mr. Dhiraj Saluja, also looks after complete operations of the Company.
Mr. Navneet Gupta, Executive Director & CFO is a Chartered Accountant and has a vast experience in Financial Areas and other related aspects.
Other employees are incharge of their respective departments.

For and on Behalf of the Board
For SEL MANUFACTURING COMPANY LTD.

PLACE : LUDHIANA **(RAM SARAN SALUJA)**
DATED : 03.07.2019 **CHAIRMAN**
DIN:01145051

MANAGERIAL REMUNERATION

As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of managerial personnel) Rules, 2014, every listed company is required to disclose following information in the Board report.

(a) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

NAME	DESIGNATION	RATIO TO MEDIAN REMUNERATION OF EMPLOYEES
Mr. Ram Saran Saluja	Director	0
Mr. Neeraj Saluja	Managing Director & COO	76.69
Mr. Dhiraj Saluja	Jt. Managing Director & CMO	46.01
Mr. Vinod Kumar Goyal	Executive Director & CEO	49.85
Mr. Navneet Gupta	Executive Director & CFO	23.01
Mr. Ashwani Kumar	Independent Director	0.28
Mr. Ranjan Madaan	Independent Director	0.89
Ms. Paramjit Kaur	Independent Director	0.63
Mr. Joginder Kumar Gupta	Nominee Director	0

*computed based on annualized remuneration.

(b) increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;
During the financial year 2018-19 there has not been any increase in the Remuneration to Managing Director/whole time Directors of the Company. The company has not paid any profit linked commission to non-executive Independent Directors of the Company. During the year, there has also been no further increase in remuneration during the year for Chief Financial Officer and Chief Executive Officer and Company Secretary of the Company.

(c) percentage increase in the median remuneration of employees in the financial year;
7.50%

(d) number of permanent employees on the rolls of company;
5036

(e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
The average increase in the remuneration of employees was 7.50%. During the financial year 2018-19 there has not been any increase in the Remuneration to Managing Director/whole time Directors of the Company. The company has not paid any profit linked commission to non-executive independent Directors of the Company. Further during the year, there has also been no further increase in remuneration during the year for Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company. Accordingly, there is no comparative information in this regard.

(f) We hereby affirm that the remuneration paid to the managerial and non-managerial personnel is as per the Remuneration Policy of the Company

RAM SARAN SALUJA
(CHAIRMAN)
DIN: 01145051

ANNEXURE-III TO THE DIRECTORS' REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1 **A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

We at SEL are always committed towards sustainability. We do recognise that our business activities have wide impact on the society in which we operate, and therefore an effective practice is required with due consideration to the interests of our stakeholders. Our strategy is to create meaningful societal value, to enhance the competitiveness of value chains that we are part of. It is our conscious strategy to design and implement Social Investment Programmes in our business context and enriching value for the disadvantaged sections of society through economic empowerment and growth. This entails transcending business interests and quality of life for the upliftment of all and working towards making a better world for all sections of the society.

The Company's Policy including the projects/programs, the company intends to undertake includes:

- To align and integrate Corporate Social Responsibility programmes with the business value chain of the Company and make them outcome oriented and to support creation of sustainable livelihood sources.
- To ensure environmental sustainability by adopting best ecological practices and encouraging conservation use of natural resources.
- Establishment of Primary Health Care Centres.
- Girl Child Education: focus on education of girl child and the underpriviliged by providing appropriate infrastructure and groom them as future value creators.
- Mother and Child care projects and preventive health through awareness programmes.
- Vocational training: Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life and enhance their means of livelihood.
- Basic Infrastructure facilities: Creating inclusive and enabling infrastructure/environment for livable communities.
- Housing facilities: Strive to provide awareness for creating public infrastructure that is barrier free, enabling for all including the elderly and the disabled.
- Safe drinking water/Sanitation & Hygiene: To emphasize on providing basis health care facilities and establishing health centers for the elderly and disabled.
- Optimum use of Renewable sources of energy/maintaining quality of air, water and soil.
- Awareness programmes on anti-social issues and Espousing basic moral values/Gender equality, empowering women.
- Crisis management: To respond to emergency situations & natural disasters by providing timely help to affected victims and their families/contribution to such funds as may be set up by the Central Government for socio-economic development.
- To strive for sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by Indian society/promote rural development projects.
- To join with other institutions/society etc. to contribute to the national mission of eradicating hunger and poverty and other social causes.
- To sustain and improve standards of Health Safety and Environment.

. The CSR policy of the Company is also placed on the website of the Company viz. www.selindia.in/policy.html

2. **Composition of CSR Committee**
The Corporate Social Responsibility Committee consists of Sh. Ranjan Madaan (Chairman), Smt. Paramjit Kaur and Sh. Ram Saran Saluja.
3. **Average net profit of the Company for last three financial years**
N.A. since losses were incurred.
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**
N.A.
5. **Details of CSR spent during the financial year :**
a. Total amount to be spent for the financial year; N.A.
b. Amount unspent, if any; N.A
c. Manner in which the amount spent during the financial year; N.A.
6. **In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof,the company shall provide the reasons for not spending the amount in its Board report.**
N.A.
7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**
The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Ranjan Madaan	**Ram Saran Saluja**
Chairman-CSR Committee	**Director-Member**
DIN: 02330886	**DIN: 01145051**

Manner in which amount spent during the financial year is detailed below:

--N.A--

ANNEXURE-IV TO THE DIRECTORS' REPORT

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis.**

   --NONE--

2. **Details of contracts or arrangements or transactions at Arm's length basis.**

   All related party transactions that were entered into during the financial year were on an arm's length basis and were in compliance with the applicable provisions of the Act and Listing Agreement. There were no materially significant related party transactions made by the Company with promoters, Directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The details of the transactions with Related Parties are provided in the accompanying financial statements.

RAM SARAN SALUJA
(CHAIRMAN)
DIN: 01145051

Annexure-V

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,
SEL Manufacturing Company Limited
274, Dhandari Khurd, G.T.Road,
Ludhiana-141014 (PUNJAB)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SEL Manufacturing Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate conducts/Statutory compliances and expressing our opinion thereon.

Based on our verification of the SEL Manufacturing Company Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SEL Manufacturing Company Limited, for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent they were applicable to the Company:-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018/The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company and records in pursuant thereto, on test-check basis, we report that the Company has generally complied with the following laws applicable to the Company:

- Factories Act, 1948
- Labour Laws
- Acts prescribed under prevention and control of Pollution/Environment Protection.

We have also examined compliance with the applicable clauses of the following:
i) Secretarial Standards issued by the Institute of Company Secretaries of India.
ii)The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc., to the extent applicable, as mentioned above subject to the following observations/non-compliance:

A1) As per clause 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company does not consist to have alteast Half of the Board of Independent Directors as per the requirement under said clause of the Listing Regulations.

A2) Non-submission of Financial Results in time under Regulation 33 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter and year ended 31st March, 2018.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors under the Act, subject to our observations/non-compliances as mentioned at Para A(1) above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Decisions at the board meetings were taken unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not made any further Issue of Capital or redemption/buy-back of Securities, Merger, Amalgamation, or Foreign Technical Collaborations etc.

For P. Sharma & Co.,
Company Secretaries

Pawan Sharma
ACS No.: 15148
CP No.: 12316

Place: Bhatinda
Date: 23.05.2019

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

ANNEXURE A

To,
The Members,
SEL Manufacturing Company Limited

Our report of even date is to be read along with this letter.

a) Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
c) We have not verified the correctness and appropriateness of the financial statements of the Company.
d) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
e) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For P. Sharma & Co.,
Company Secretaries
Pawan Sharma
ACS No.: 15148
CP No.: 12316

Place: Bhatinda
Date: 23.05.2019

Annexure-VI: Remuneration Policy

1. Review of the Policy

1.1 The Nomination and Remuneration Committee will review this policy periodically and recommend revisions to the board for consideration.

The philosophy for remuneration of Directors, Key Managerial Personnel ("KMP") and all other employees of SEL Manufacturing Company Limited ("the Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clauses of the Equity Listing Agreement ("Listing Agreement")/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law.

While formulating this policy, the Nomination and Remuneration Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals."

Key principles governing this remuneration policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors:

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognised best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the Non executive Directors and the Independent Directors will be recommended by the Nomination and Remuneration Committee to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The Nomination and Remuneration Committee will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Remuneration for Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent).
- Driven by the role played by the individual.
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay.
- Consistent with recognised best practices.
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition:

- The remuneration mix for the MD/ EDs is as approved by the shareholders. In case of any change, the same would require the approval of the shareholders, if required, under the provisions of the Companies Act, 2013.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the Nomination and Remuneration Committee and approved by the Board.
- The company may provide the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

Policy implementation

The Nomination and Remuneration Committee is responsible for recommending the remuneration policy to the Board.
The Board is responsible for approving and overseeing implementation of the remuneration policy.

CORPORATE GOVERNANCE REPORT

The company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. We at SEL, are committed to good corporate governance and its adherence to the best practices of true spirits at all times. Our Corporate Governance philosophy rests on Board's accountability, value creation, strategic guidance, transparency and equitable treatment to all stakeholders. We believe that Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material developments in respect of the Company is an integral part of Corporate Governance. Adoption of good Corporate Governance practices helps to develop a good image of the organization, attracts best talents.

1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Indian economy has been growing at an accelerated pace since 2014, supported by favorable government reforms and stringent fiscal regime that reigned in inflation.

India represents the largest producer of jute and cotton, and the second largest producer of silk. Due to the high abundance of raw materials coupled by cheap labour costs, the cost of manufacturing textile and apparel is significantly lower than many other competing countries. India currently has one of the world's largest young population. Currently around half of the total population is below 25 years of age. This age group represents one of the biggest consumer group of textiles and apparel and is expected to drive the spending over the next five years. Due to a change in buying habits, consumers are now shifting from need-based clothing to aspiration-based clothing. Contrary to previous years, where the Indian consumers purchased fashion items as and when required, buying clothes has become more than a basic need; it is now a reflection of aspiration, personality, and a status symbol. Though basic textiles continue to represent a part of the consumer's basket, the demand for aspirational clothing has increased significantly in recent years.

The Company's performance has been adversely hit due to financial constraints, high debt and high input costs and non optimization of production capabilities. Our activities are of importance to the social and economic environment of the communities in which we operate. Helping to bring positive benefits to such communities not only improves their state of well-being but also facilitates the smooth running of our operations.

(a) Industry Structure and Development

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector on consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

The Company:

The Company is vertically integrated multi-product textile company, manufacturing various kinds of Knitted Garments, Terry Towels, Fabric and various kind of Yarn with production facilities located at various locations in India.

Your company continue to hold 99% stake in the partnership firm namely M/s SE Exports. SEL Textiles Ltd. is the wholly owned Subsidiary of the Company. SEL Textiles Ltd. is engaged in the business of textiles and the Company has two spinning unit(s) one at Neemrana (Rajasthan) and one at Hansi, Hissar (Haryana) and a terry towel unit at Nawa Sheher Punjab, Spinning unit at Vill Punjava-Lambi, Tehsil Malout, Dist Sri Muktsar Sahib (Punjab). Further SEL Textiles Ltd., has a subsidiary company i.e. M/s Silverline Corporation Ltd.. SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of Aviation services.

(b) Company's Performance

During the year under review, your company has achieved Revenue from Operations of Rs. 45910.97 lacs as compared to Rs. 98927.71 lacs in the previous year. After deducting Expenses and Exceptional Items there was Loss of Rs. 23596.54 lacs as compared to Loss of Rs. 166720.40 lacs during the previous year. After providing for taxes and other adjustments, the current year loss stood at Rs. 23596.54 lacs as compared to loss of Rs. 222179.94 lacs during the previous year.

Product wise Performance:

A Snapshot of major product wise performance and its comparison with the previous fiscal is tabulated below:-

Product	2018-19 (Rs. in Lacs)	2017-18 (Rs. in Lacs)
Yarn	1205.71	45686.40
Terry Towel	21691.48	29289.85
Knitted Fabric/ Cloth	281.91	8817.51

During F.Y. 2018-19, Sales got decreased due to Financial constraints and non attainment of optimum capabilities. The Company is functioning in only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating officer (COO), in deciding how to allocate resources and assessing performance.

(c) Dividend
On account of current losses, no dividend has been declared for the financial year 2018-19.

(d) Outlook: Opportunity, Threats, Risks & Concerns
The Indian textile industry is highly fragmented and labor-intensive. The textile industry is being dominated by unorganized sector and Small and medium industries. The government policies and tax structure are not favoring this industry. Textile industry is highly competitive and the present situation demands the companies to benchmark their products with the best in the world and try to upgrade the quality and production processes.

A key challenge is the increasing consumer pressure on sustainability, although every challenge also presents opportunity. Our Industry can do more here by promoting a circular economy, products using less water during manufacturing, reducing the use of plastic, consuming less electricity etc., there is much more that can still be done. The evergreen challenge remains responding to changing consumer trends. Despite the more uncertain economic outlook, consumers are still spending but the value proposition needs to be right. Brands and retailers that stay close to their consumers are best positioned to understand them, quickly identify subtle changes in behavior or demands, and then respond accordingly. Across Asia, particularly India and China, the middle class consumer base continues to grow. Those with a position in these markets will be well placed to take advantage of future opportunities. Margin pressure across the industry continues to be high. This, coupled with mixed demand across geographies and segments, will create a push towards more creative solutions.

Challenges: There are a number of factors ailing the industry and the government needs to take multiple actions to revive the industry. To begin with, the government needs to focus on regional and cluster subsidies, technology upgradation and skill development subsidies, which benefit all the producers. Fibre neutrality is another aspect that will give a boost to the industry.

While India has abundant supply of labour, flexibility in labour laws and adequate skilling will give a big boost to the textiles industry. The textiles industry is important not just for labour absorption and as a source of foreign exchange, but also as a symbol of India's rich heritage. We have the required ingredients in the form of raw material availability and abundant labour to make the industry a success story. There is a need to work on correcting the challenges in the form of outdated technology, inflexible labour laws and infrastructure bottlenecks.

Our principal operating strategies are to:
We are trying to focus on cost cutting strategies, development of new makets and maintain the quality of our products to satisfy and exceed the expectations of the maket and look forward to a better market sentiment for textiles. Our long-standing relationship with our major customers has been one of the most significant factors of our business. Our commitments to quality and customer service practices have been strong contributing factors to our customer relations. This indicates their level of confidence in our ability to understand latest trends and ensure timely delivery of quality products.

Threats, risks and concerns:
Our business and results of operations are dependent on our ability to effectively plan our manufacturing processes and on our ability to optimally utilize our manufacturing capacities for the various products we manufacture. Any disruption to our manufacturing process or the operation of our production facilities may result from various factors beyond our control, including, among others, the following: Utility supply disturbances, particularly power supply, cotton supply; Forced close down or suspension of our manufacturing facilities due to factors such as breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes such as strikes and work stoppages, natural disasters and industrial accidents; Severe weather condition; Interruption of our information technology systems that facilitate the management of our manufacturing facilities; and Other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

Our primary raw material is cotton, which we source from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs, which we may not successfully be able to pass on to customers, which in turn would have an material adverse effect on our business. There can be no assurance that the price levels of cotton will remain favorable. Any increase in cotton prices would have a material adverse effect on our business.

Power and Fuel are major manufacturing costs while producing textiles. Any increase in these costs has a negative impact on the profits of the company. Over the past year, tariff prices for power have been increasing. The Company's captive power plant uses helps to mitigate some of the power cost risk.

Advancement in technology may require us to make additional capital expenditure for upgrading our manufacturing facilities. However, the Company's diversified product profile, quality approach, value-added segments, manufacturing flexibility, modern technology & strong marketing network has equipped the company well to meet competitors.

Further, the Company followed an aggressive growth path and had considerably grown its balance sheet, including debt. Due to the industry situation in general viz. slowdown and company specific issues such as growing debt, delayed realization of debtors, working capital shortfall, delay in project completion and cash flow mismatch, which had adversely affected the liquidity position of the company, the company was facing financial problems and finding difficulty in servicing its debt obligation. Therefore, the Company had opted for CDR of its Debt. The CDR package was approved by the competent authority in June, 2014 and implemented by lenders in September, 2014.

However, the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. Also the company has been facing cash flow mismatch and is not able to serve debt obligations as per the terms of CDR package sanctioned earlier. Due to financial constraints, the company has also started job work operations in some of its spinning plants.

Since, the Company was finding it difficult to serve its debt obligations, the Company has requested its lenders for a second/deep restructuring of its debts. Considering the state of art manufacturing facilities of the Company, most modernized technology, skilled labor force, professional management and inherent viability of the Company, the lenders had in-principle agreed for second/deep restructuring of the debts. Pending discussions with the lenders, State Bank of India in its capacity as financial creditor has filed a petition on 12th October, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). On 11th April, 2018, the NCLT vide it's order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated. Mr. Navneet Kumar Gupta having Registration No.IBBI/IPA-001/IP-P00001/2016-17/10009 was appointed as Interim Resolution Professional (IRP) vide order dt. 25th April, 2018 and the affairs, business and assets to be managed by the Interim Resolution Professional (IRP). The Company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT).

The Corporate Insolvency Resolution Process (CIRP) has since been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. Accordingly, the Company has prepared these financial statements on the basis of going concern assumption.

Due to non disbursement of credit facilities the Company had suffered operational losses as well as capital losses. Therefore, the Company has presented before the Adjudicating Authority counter claim & claim of set off against the banks.

Further, the secured lenders have stopped charging interest on borrowings, since the accounts of the Company have been categorized as Non Performing Asset. Further the Corporate Insolvency Resolution Process had been initiated under "Insolvency and Bankruptcy Code, 2016". In view of the above, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books.

(e) Internal Control System and their adequacy

Your company has adequate internal control systems commensurate with its size and nature of business to ensure efficient utilization and protection of assets, compliance with statutes and proper recording of all transactions. The internal control and audit function covers all the plants, divisions for safeguard of the Company's assets and for their protection against loss from unauthorized use or disposition. The internal audit department performs internal audit periodically to ascertain their adequacy and effectiveness of other controls in the organization. Most of the Company's critical functions such as operations, supply chain, finance & accounts and human resources are linked through implementation of Enterprise Resource Planning, (ERP)/Systems, Applications, and Products in Data Processing (SAP). This has enabled the Company to reduce its time in various critical areas. This has also helped the Company to reduce its costs of operations, reduction in wastages and enhanced overall cost efficiency.

(f) Human Resources:

Textile Industry is highly labour intensive in nature. Our human resource policies are targeted at creating a motivated work force. The Company has established various training centers for up-gradation of worker skills. We believe in an environment which gives today's diverse, multi-generational and mobile workforce the confidence to realise their potential and provide world class solutions to the customers. As on 31.03.2019 the Company has 5036 number of employees on rolls of the company.

(g) Details of significant changes in key financial ratios:

The company has been facing cash flow mismatch and is not able to serve debt obligations. Due to adverse financial performance and erosion in net worth and ratios in negative, the Company is unable to comments on the financial ratios.

Cautionary Statement:

Statements in Management discussion and analysis report with regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the management envisages in terms of performance and outlook. Market data and product information contained in this report have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.

The management of the Company reserves the right to re-visit any of the predictive statement to decide the best course of action for the maximization of the shareholders' value apart from meeting social and human obligations.

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence. The company creates an environment for the efficient, just and ethical conduct of the business and to enable the management to meet its obligations in a fair, transparent and equitable manner to all its associates viz., esteemed clients, shareholders, contractors and suppliers, employees and the community in which the company operates. The Board of Directors believes in managing the company affairs efficiently and in a responsible manner.

The company envisages the attainment of a higher level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally. It believes that all operations must be spearheaded towards attaining the final objective of enhancing stakeholders value. Your Company believes in creating wealth for all its shareholders. In pursuit of this objective, the Policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholder value. Hence, considerable emphasis is placed on accountability in decision-making and ethics in implementing them. Adequate and timely information is critical to accountability. We believe to act in the spirit of law and not just the letter of law. We aim at providing complete transparency in our operations.

2(A) Code of Business Conduct and Ethics for Directors and Senior Management:

The Board has adopted the Code of Business Conduct and Ethics for Directors and Senior Management ("the code"). This code is a comprehensive Code applicable to all Directors, Executive as well as Non-Executive as well as members of Senior Management. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme- " The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

The Code has been circulated to all the members of the Board and Senior Management. A declaration signed by the CEO is given below:

I hereby confirm that:
The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2018-19.
Vinod Kumar Goyal
CEO

2(B) Whistle Blower Mechanism/Vigilance Mechanism:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. The Company has in place a whistleblower policy, to support the Code of Business Ethics. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation. Individuals can also raise their concerns directly to the chairman of the Audit Committee of the Company. Any allegations that fall within the scope of the concerns identified are investigated and dealt with appropriately. Further, during the year, no individual was denied access to the Audit Committee for reporting concerns, if any.

3. BOARD OF DIRECTORS:

(a) Board Meetings

During the financial year 2018-19, 8 Board Meetings were held on 12.04.2018, 23.04.2018, 05.07.2018, 07.08.2018, 26.09.2018, 29.10.2018, 21.01.2019 and 05.02.2019 respectively.

(b) Composition

The Board comprises of Nine Directors of which three are Independent Non-Executive Directors.

The details of the Board composition, attendance of Directors at Board Meetings held during 2018-19 and their other memberships are given below:

S. No.	Name	Designation	Category	No. of Board Meetings	Attendance at Last AGM Attended	Total Number of Directorships in Other Public Ltd. Companies*		No. of Committee Position in Public Ltd. Companies**		Directorship in other listed entity (Category of Directorship)
						Chairman	Member	Chairman	Member	
1	Ram Saran Saluja	Chairman	Promoter	08	Yes	1	2	-	2	-
2	Neeraj Saluja	Managing Director	Promoter	08	Yes	1	3	1	1	-
3	Dhiraj Saluja	Jt. Managing Director	Promoter	02	Yes	-	3	-	-	-
4	Ashwani Kumar	Director	Independent	02	Yes	-	4	3	1	1. Prime Industries Ltd. (Independent Non-executive) 2. Master Trust Ltd. (Independent Non-executive)
5	Navneet Gupta	Executive Director & CFO	Executive	07	Yes	-	3	1	2	-
6	Ranjan Madaan	Director	Independent	08	Yes	-	-	1	1	-
7	Vinod Kumar Goyal	Executive Director & CEO	Executive	08	Yes	-	-	-	-	-
8	Paramjit Kaur	Director	Independent	05	No	-	1	-	2	-
9	Joginder Kumar Gupta	Director	Nominee	01	No	-	-	-	-	-

Notes:
Mr. Neeraj Saluja and Mr. Dhiraj Saluja are sons of Mr. Ram Saran Saluja, all on the Board of the Company.

*The Directorships held by directors as mentioned above, do not include Directorships in foreign companies, Alternate Directorships, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

**In accordance with Clause 26, Memberships/Chairmanships of only the Audit committees and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.

The details of the familiarisation program for Directors is available on the website of the Company viz. www.selindia.in/policy.html

The holding(s) of Non-Executive directors in the Company as on 31.03.2019 is given as under:

Name of the Director	No. of Equity Shares held (face value of Rs.10/- each)
Mr. Ram Saran Saluja	4621505
Mr. Ashwani Kumar	-
Mr. Ranjan Madaan	-
Ms. Paramjit Kaur	-
Mr. Joginder Kumar Gupta	-

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company in the context of its business and sector and also which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy & Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Financial	Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Leadership	Extended leadership experience for a significant enterprise, resultling in a practical understanding of organizations, processes, strategic planning, and driving change and long-term growth.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, and are independent of the management of the Company.

(c)Information of Directors including those being Appointed/Re-appointed

Particulars of Directors seeking appointment/re-appointment are given in the Annexure annexed to the Notice for the ensuing Annual General Meeting.

(d) Audit Committee

The Audit Committee of the Company comprises of the following members namely Mr. Ashwani Kumar (Chairman), Mr. Ranjan Madaan, Mrs. Paramjit Kaur and Mr. Navneet Gupta. Mr. Ashwani Kumar, Mrs. Paramjit Kaur and Mr. Ranjan Madaan are non-executive Independent Directors of the Company.

The terms of reference of the Audit Committee are as contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as provided in Section 177 of the Companies Act, 2013.

During the F.Y. 2018-19, the Audit Committee met on 09.04.2018, 05.07.2018, 07.08.2018, 26.09.2018, 29.10.2018 and 05.02.2019 respectively.

Attendance of each Member at the Audit committee meetings held during the year:

Name of Member	No. of Meetings attended
Sh. Ashwani Kumar	2
Sh. Ranjan Madaan	6
Smt. Paramjit Kaur	6
Sh. Navneet Gupta	5

(e) Nomination & Remuneration Committee

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee comprises of three members namely Mr. Ranjan Madaan, Mr. Ashwani Kumar and Mrs. Paramjit Kaur. Sh. Ranjan Madaan is the chairman of the said committee.

All these members are non-executive Independent Directors of the Company. During the year the Nomination and Remuneration Committee met on 25.10.2018 respectively.

Attendance of each Member at the Remuneration Committee meetings held during the year:

Name of Member	No. of Meetings attended
Sh. Ranjan Madaan	1
Sh. Ashwani Kumar	1
Smt. Paramjit Kaur	1

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time/Executive Directors, based on performance.

The remuneration policy is directed towards rewarding performance, based on review of achievements. The remuneration policy is in consonance with the existing Industry practice.

Evaluation criteria for Independent Directors: The candidature of an independent Director is also evaluated in terms of the criteria for determining independence as stipulated under Companies Act, 2013, listing agreement and other applicable regulations or guidelines. In case of re-appointment of Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level.

4. DIRECTORS' ETC. REMUNERATION:

The Company pays remuneration to the Managing Director, Whole time Director/Executive Director as approved by the members of the Company in the General Body Meeting and as recommended by the Nomination and Remuneration Committee of the Board. The details of remuneration paid to them during the Financial year 2018-19 are given below:

Name	Designation	Gross Salary (Rs. in Lacs)
Sh. Neeraj Saluja	Managing Director & COO	120.00
Sh. Dhiraj Saluja	Jt. Managing Director & CMO	72.00
Sh. Navneet Gupta	Executive Director & CFO	36.00
Sh. Vinod Kumar Goyal	Executive Director & CEO	78.00

The tenure of appointments of the Managing Director, Jt. Mg. Director, Whole time Director/Executive Director are for a period of 3 years each respectively with no severance fees.

The Company at present does not have a Scheme for grant of Stock Options to the Managing Director/Executive Director(s) or Employees of the company.

Non-executive Directors have not been paid any other remuneration except Sitting fees for attending meeting(s) during the Financial Year 2018-19. The criteria for payment of remuneration is time spent by the Non-Executive Directors at the Board/Committee meetings and advice given be these directors to the Management.

There were no other pecuniary relationships or transactions of the Non-executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company comprises of the following members namely Mr. Ranjan Madaan, Mr. Ram Saran Saluja and Mrs. Paramjit Kaur. Sh. Ranjan Madaan is the chairman of the said committee.

The Compliance officer of the committee is Mr. Ranjan Madaan. The quorum for the meeting is two Directors and the committee meets frequently to dispose of Investors complaints/requests as required.

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the F.Y. 2018-19, Seven Investor complaints were received which were resolved satisfactorily. Further, there was no pendency in respect of shares received for transfers/dematerialization.

6. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings (AGM) are as follows:

Meeting	Day, Date & Time of Meeting	Venue	No. of Special Resolutions
18th AGM	Thursday 27.09.2018 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	Three
17th AGM	Wednesday 27.09.2017 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	Four
16th AGM	Friday 30.09.2016 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	Two

No Extra-ordinary General Meeting of the Company was held during the F.Y. 2018-19.

The Company did not pass any resolution through postal ballot during the financial year 2018-19 and further the Company do not propose to pass any resolution through postal ballot in the ensuing Annual General Meeting.

CERTIFICATE:

A certificate has been received from P Sharma & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS:

M/s Malhotra Manik & Associates, Chartered Accountants, (Firm Registration No. 015848N) have been appointed as the Statutory Auditors of the Company. The particulars of payment of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Particulars	Amount (Rs. in Lakhs)
Audit Fees (including audit and audit related services)	7.20
Reimbursement of Expenses	0.28
TOTAL	**7.48**

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in SEL through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company believes in prevention of harassment of employees as well as contractors. During the year ended 31 March, 2019, no complaints pertaining to sexual harassment were received.

VIGIL MECHANISM

The Company has in place a whistleblower policy, to support the Code of Business Ethics. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation.

Individuals can also raise their concerns directly to the chairman of the Audit Committee of the Company. Any allegations that fall within the scope of the concerns identified are investigated and dealt with appropriately. Further, during the year, no individual was denied access to the Audit Committee for reporting concerns, if any. The details of establishment of vigil mechanism for Directors & employees to report genuine concerns are available at the website of the Company viz. www.selindia.in/policy.html

7. DISCLOSURES:

During the period under review, there was no material significant transaction with the promoters, directors, management, their relatives etc. that may have potential conflict with the interest of the company at large.

Further due to Non-submission of Financial Results in time under Regulation 33 (3) of the SEBI (LODR) Regulations, 2015 for quarter and year ended 31st March, 2018, fine was imposed upon the Company by the Exchanges i.e. BSE Ltd. and The National Stock Exchange of India Ltd., respectively under Standing Operating Procedure with respect to non-compliance of certain listing regulations.

However in respect of the aforesaid results for quarter and year ended 31st March, 2018 the Exchanges were well informed in respect of interalia the insolvency commencement date, the appointment of the IRP and the period during which the interim resolution professional was required not to take over management of the Company on account of the Court orders. Accordingly, it had been requested to the Hon'ble Securities and Exchange Board of India ("SEBI") and Disclosure also made to Exchanges in this regard that extension of time period be allowed for the IRP to take on record the audited results on standalone basis and consolidated basis for the quarter and financial year ending March 31, 2018, which was not acceded to by Hon'ble SEBI.

Apart from the above, there has not been any non-compliance by the company in respect of which penalties or strictures have been imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

RELATED PARTY TRANSACTIONS

The Board has adopted a policy to regulate the transactions of the Company with its related parties. As per policy, all related party transactions require approval as per the provisions of the Companies Act, 2013 and listing Agreement entered into with Stock Exchanges/SEBI (LODR) Regulations. The said policy is available on the Company's website viz. www.selindia.in/policy.html

Further the Company has also formulated a policy for determining 'material' subsidiaries. The said policy is available on the Company's website viz. www.selindia.in/policy.html.

Convertible Warrants and GDR Issue:
The Company on 01.06.2012 had issued 220,000,000 Equity shares of the Company of the face value of Rs.10/ each consequent to the Global Depository Receipts (GDR) issue of the Company. As on 31.03.2019, 4,96,00,000 shares of the face value of Rs.10/- each per share were outstanding, representing the shares underlying GDRs which were issued during 2012-13.

Commodity price risk:
The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is Nil and is not required to be given.

Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Mandatory Requirements
The Company is compliant with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However the Company was not able to appoint/replace new Independent Director(s) to make half of the Board to consist of Independent Directors as required pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is looking for appointment of Independent Director to be appointed on the Board to fill the vacancy caused by the resignation of earlier Independent Director(s) from the Board of the Company. The Company in the current financial position is finding it difficult as person(s) are not showing interest to be appointed as Independent Director on the Board of the Company. Further, as per SEBI (LODR) Third Amendment Regulations, 2018 the provisions as specified in Regulation 17 etc. of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code.

8.MEANS OF COMMUNICATION:
The Company communicates with the shareholders at large through its Annual Report, filings made with Stock Exchanges and by filing reports & returns with the Statutory bodies like the Registrar of Companies and Stock Exchanges. The Quarterly Financial Results are published in prominent daily newspapers like The Financial Express and Desh Sewak. The Financial Results etc. of the Company are also made available at the Company's website www.selindia.in

9. GENERAL INFORMATION FOR SHAREHOLDERS:

i)	19th Annual General Meeting:		
	Date and Time	:	Thursday, the 26th day of September, 2019 at 09.30 A.M.
	Venue :		Regd. Office of the Company: 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141 014
ii)	Financial year 2019-20 (tentative)		
	First Quarterly Results	:	By end of July, 2019/Mid. August, 2019
	Second Quarterly Results	:	By end of October,2019/Mid. Nov. 2019
	Third Quarterly Results	:	By end of January,2020/Mid. Feb. 2020
	Fourth Quarterly Results/	:	
	Annual Results 2019-20	:	In the month of April/May, 2020
iii)	Date of Book Closure	:	September 20, 2019 to September 26, 2019 (both days inclusive)
iv)	Dividend Payment Date	:	No dividend has been declared for the F.Y. 2018-19
v)	Listing :		The Equity Shares of the Company are Listed with: a) Bombay Stock Exchange Limited, b) National Stock Exchange of India Limited The GDRs of the company are listed on Luxembourg Stock Exchange
vi)	Stock code	:	NSE: SELMCL BSE: 532886 ISIN Number for NSDL/CDSL: INE105I01012

vii) Stock Market Data :

The highest and the lowest share prices are indicated below:

Month	BSE SENSEX		At Bombay Stock Exchange Limited (BSE) (in Rs.)		At National Stock Exchange of India Limited (NSE) (in Rs.)	
	High	Low	Month's high quoted price	Month's low quoted price	Month's high quoted price	Month's low quoted price
April, 2018	35213.30	32972.56	3.25	1.94	3.30	1.95
May, 2018	35993.53	34302.89	2.34	1.86	2.35	1.85
June, 2018	35877.41	34784.68	2.25	1.76	2.25	1.75
July, 2018	37644.59	35106.57	2.30	1.75	2.30	1.75
August 2018	38989.65	37128.99	2.09	1.73	2.10	1.70
September 2018	38934.35	35985.63	1.85	1.07	1.85	1.05
October 2018	36616.64	33291.58	1.39	0.97	1.35	0.95
November 2018	36389.22	34303.38	1.26	1.05	1.30	1.05
December 2018	36554.99	34426.29	1.57	0.97	1.55	0.95
January 2019	36701.03	35375.51	1.78	1.10	1.70	1.10
February 2019	37172.18	35287.16	1.31	1.00	1.35	1.00
March 2019	38748.54	35926.94	1.40	1.08	1.40	1.05

(viii) Dematerialisation of Shares/ Registrar Transfer Agents & Share Transfer system:

The equity shares of the Company are available for dematerialization through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The International Securities Identification Number (ISIN) is ISIN-INE105I01012

The Company has appointed M/s Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Limited) having its office at Noble Heights, 1st Floor, Plot No. NH-2, C-1 BLOCK, LSC Near Savitri Market, Janakpuri, NEW DELHI -110058 as Registrar for depository services and share transfer work.

The dematerialized shares will be directly transferred to the beneficiaries through the depositories.The process of transfer /transmission/transposition etc. of equity shares in physical form including dispatch of the share certificates/option letters is completed within a period of 10-15 days if the documents are in order in all respects.

The Stakeholders Relationship Committee specifically looks into the redressal of Investors' complaints like transfer of equity shares and related matters.

ix) Distribution of shareholding as on 31.03.2019

Share Holding	Share Holders		Share Holding	
	Number	% to total	Number	% to total
Up to 500	34388	61.3392	6244758	1.8847
501 to 1000	7637	13.6224	6515751	1.9664
1001 to 2000	5149	9.1845	8204479	2.4761
2001 to 3000	2225	3.9688	5834504	1.7608
3001 to 4000	1163	2.0745	4245680	1.2813
4001 to 5000	1276	2.2761	6142518	1.8538
5001 to 10000	2051	3.6584	15775672	4.7611
10001 and above	2173	3.8761	278383638	84.0157
TOTAL	**56062**	**100.0000**	**331347000**	**100.0000**
Physical Mode	**11**	**00.02**	**307501**	**00.09**
Electronic Mode	**56051**	**99.98**	**331039499**	**99.91**

(x) Share Holding Pattern as on 31.03.2019

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	52275198	15.78
Foreign Portfolio Investors	42178900	12.73
Bodies Corporate	16584536	05.00
Public (Individuals)	158745261	47.91
Others	11963105	03.61
Shares held against GDRs/ADRs	49600000	14.97
TOTAL	**331347000**	**100.00**

(xi) Details of Unclaimed shares* as on 31.03.2019 issued pursuant to Initial Public Offer (IPO):

S. No.	Particulars	Cases	No. of Shares
1.	Aggregate Number of Shareholders and the outstanding shares in the Suspense account at the beginning of the year i.e. 01.04.2018	01	361
2.	Number of shareholders who approached for transfer of shares from suspense/escrow account during the year.	00	00
3.	Number of Shareholders to whom shares were transferred from suspense/escrow account during the year.	00	00
4.	Aggregate number of Shareholders and outstanding shares in the Suspense Account at the end of the year i.e. 31.03.2019	01	361

*The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

xii) Registrars and Transfer Agents:

Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Limited)3
Noble Heights, 1st Floor,
Plot No. NH-2, C-1 BLOCK,
LSC Near Savitri Market,
Janakpuri, NEW DELHI -110058
Tel.: 011 41410592
Fax.: 011 41410591
E-mail: delhi@linkintime.co.in

xiii) Investors Correspondence:

a) Investor correspondence: All queries of investors regarding the Company's shares in physical/demat form, payment of dividend on shares, etc. may be sent to the following address:
Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Limited)3
Noble Heights, 1st Floor,
Plot No. NH-2, C-1 BLOCK,
LSC Near Savitri Market,
Janakpuri, NEW DELHI -110058
Tel.: 011 41410592
Fax.: 011 41410591
E-mail: delhi@linkintime.co.in

b) For securities held in Demat form
To the Depository Participant

c) Any query on Annual Report
Secretarial Department
SEL Manufacturing Company Ltd.,
274, Dhandari Khurd, G.T. Road, Ludhiana (Pb.) 141014
e-mail ID of the grievance redressel division : ipo@selindia.in , website: www.selindia.in

xiv) Major Plant locations of the Company and its subsidiary (ies):

(a) Vill: Lal Kalan, Teh: Samrala Ludhiana-Chandigarh Road, Near Neelon Canal Bridge, Ludhiana
(b) C 256-257, Phase VIII, Focal Point, Ludhiana
(c) Vill. Shekhan Majara, Machiwara Rahon Road, Teh. & Distt. Nawanshehar (Pb.)
(d) Vill. Mehatwara, Teh. Ashta, Dist. Sehore, Madhya Pradesh
(e) 23KM Stone, Delhi-Hisar Highway, Hansi (Hisar)
(f) 15B, RIICO Indl. Area, Neemrana, Distt. Alwar
(g) Vill. Udhowal, Teh. Nawanshehar, Dist. Saheed Bhagat Singh Nagar (Punjab)
(h) Vill. Panjawa-Lambi, Teh. Malout, Dist. Sri Muktsar Sahib (Punjab)

(xv) Unclaimed Dividends

There is no amount lying pending with the company till date which needed to be transferred to the Investor education and Protection fund administered by the Central Government.

Pursuant to the provisions of the Companies Act, the amount remaining unpaid or unclaimed for a period of seven years from the date they became due for payment shall be transferred to Investor Education and Protection Fund ("Fund").

(xvi) CEO/CFO Certification

As required by sub clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO have certified to the Board about compliance by the company with the requirements of the said sub clause for the financial year ended 31st March, 2019.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
SEL Manufacturing Company Ltd.,

This certificate is issued in accordance with the terms of our engagement.

We have examined the compliance of conditions of Corporate Governance by SEL Manufacturing Company Ltd., for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility
The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility
Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion
Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019, except the following:

1) The Company has not been able to appoint/replace new Independent Director(s) within the prescribed time, in place of Independent Director(s) who have resigned from the Board of the Company during the year and consequently to make atleast Half of the Board consist of Independent Directors.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No. 015848N)

PLACE: LUDHIANA
DATED: 03.07.2019

(CA. MANIK MALHOTRA)
PROPRIETOR
M.No.094604

INDEPENDENT AUDITORS' REPORT

To the Members of SEL Manufacturing Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **SEL Manufacturing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of our observations described in the Basis for Qualified Opinion Pargraph below,* the aforesaid Standalone financial statements read with Paragraph Material Uncertainty relating to Going Concern and paragraph Emphasis of Matters described below give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 , the loss and total Comprehensive loss , changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

We refer to:

1) *Note No. 37 to the Standalone financial statements in respect of non provision of interest on borrowings from banks (classified as NPA) amounting Rs.53478 lakhs & Rs. 54084 lakhs (amount calculated after considering the rates and terms and conditions stipulated originally as per CDR package) for the year ended 31st March, 2019 & 31st March 2018 respectively. The same is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, borrowings are not reflected at fair value in standalone financial statements as required by Ind AS 109, Financial Instruments.*

2) *Note no. 12 (Other Financial Assets) to the Standalone financial statements includes interest subsidy receivable amounting to Rs.26621 Lakhs which consists of interest subsidy (i) under TUFS from Ministry of Textiles and (ii) Subsidy under Textile Policy of Government of Madhya Pradesh for the Financial years 2013-14 to 2016-17 for which no confirmation was available The company has not provided for any allowance under ECL there against this amount.*

3) *The company has not provided to us for our review any working regarding impairment testing being conducted to assess recoverable amount of Capital work in progress of Rs16940 lakhs outstanding as at 31st March 2019. We are unable to comment on whether the company needs to make a provision in respect of impairment losses on above as required under Ind AS 36.*

4) *Note no. 17, 19 and 21 to the Standalone financial statements in respect of Borrowings (Non Current), Short Term Borrowings and other Financial Liabilities (Current) contains secured loans from banks. There is shortfall in the carrying value of the security against the secured loans consequently the loans are not fully secured.*

We further report that, had the impact of our observations made in paragraph 1 of Basis for qualified opinion paragraph been considered, the net loss for the year ended 31st March, 2019 would have been increased by Rs. 53478 lakhs and the borrowings for the year ended 31st March 2019 and 31st March 2018 would have been increased by Rs. 143463 lakhs & Rs. 89985 lakhs and Equity would have been reduced by the same amount for the years ended 31.3.2019 and 31.3.2018 respectively. The financial impact of matters stated in paragraphs 2,3 &4 to the Basis for Qualified Opinion can't be measured reliably.

Material Uncertainty Related to Going Concern

Note no. 36 of the Standalone financial results, stating thereto that the terms and conditions of the sanctioned CDR package w.r.t. interest and principal repayment were not complied with. Consequently, State Bank of India, in its capacity as financial creditor had filed a petition under Insolvency and Bankruptcy Code, 2016 (IBC) against the company with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) which was admitted on 11th April 2018 and Corporate Insolvency Resolution Process (CIRP) has been initiated in terms of IBC. The company has preferred an appeal against the admission of petition and appointment of IRP with NCLAT. The CIRP has since been kept in abeyance vide order dated 22.06.2018 of Hon'ble High Court of Punjab and Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. The company has incurred net loss of Rs. 23596 lakhs resulting into accumulated losses of Rs. 320909 lakhs leading to erosion of entire net worth and current liabilities have exceeded the current assets of the company, Further concerning the company's ability to realize the value of inventories, trade receivables and other financial assets, meet its contractual/ financial obligations w.r.t. repayment of overdue principal and accrued interest on secured borrowings, arranging working capital for ensuring normal operations, further investments required towards ongoing projects under construction and the Corporate guarantee given on the behalf of its subsidiary namely SEL Textiles Limited. Due to financial constraints, the company has started job work operations in major spinning plants instead of pursuing its own manufacturing activities since November 2017 and major source of operating income during the year under consideration is from job work. This condition indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Emphasis of Matter

We draw attention to the following matters:

(1) Note No. 36(c) of the Standalone financial statements in respect of Contingency related to 'compensation payable in lieu of bank sacrifice,' the outcome of which is materially uncertain and cannot be determined currently.

(2) Note No. 33 A (iii) of the Standalone financial statements in respect of contingency related to export incentives obligation refundable amounting Rs. 3855 lakhs in respect of allowance for foreign trade receivables, which is further subject to interest and penalties. The amount of such obligation cannot be determined currently.

(3) Note no. 38, to the Standalone financial statements regarding the balance confirmations of Trade Receivables, Capital/Trade Advances & Trade Payables. During the course of preparation of Standalone financial statements, e-mails/letters have been sent to various parties by the company with a request to confirm their

balances as on 31st March, 2019 out of which few parties have confirmed their balances direct to us or to the company.

(4) As reported vide note 39 (a) and (b) to the Standalone financial statements, the company has made an allowance/impairment of Rs. 17057 lakhs in compliance of Ind AS 109 under Expected credit losses (under ECL Model) in respect of Trade Receivables and Capital/Trade Advances given to suppliers.

Our Opinion is not modified in respect of the matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	
Contingency related to Income Tax	**Auditor's Response**
The disputed Income Tax Demands raised by the Income Tax Authorities amounting to Rs. 27854 lakhs (subject to Further Interest and Penalty Proceedings) was pending at ITAT Chandigarh. The ITAT Chandigarh passed an order in favour of the company and vacated the said demand. However the Income Tax Department has further right to appeal in Hon'ble High Court within 120 days of order received. The period of 120 days has not expired on 31st March, 2019. The Company has material uncertain tax positions which involves significant judgment to determine the possible outcome of this dispute	Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties. We used our tax specialists to gain an understanding of the current status of the tax cases and monitored changes in the disputes where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments For legal, regulatory and tax matters our procedures included the following: -testing key controls surrounding litigation, regulatory and tax procedures; -performing substantive procedures on the underlying calculations supporting the provisions recorded; - where relevant, reading external legal opinions obtained by the management; -meeting with regional and local management and reading subsequent Group corres pondence; -discussing open matters with the Group regulatory, general counsel and tax teams; -assessing management's conclusions through under standing precedents set in similar cases; and -circularization where appro priate of relevant third party legal representatives and direct discussion with them regarding certain material cases. Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the said matter at 31 March 2019 to be appropriate.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation and presentation of its report herein after called the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and, in doing so, consider whether the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact.

When we read the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind As and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

The Hon'ble National Company Law Tribunal, Chandigarh ("NCLT") on April 11th, 2018 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against the Company and appointed Mr. Navneet Kumar Gupta having IP Registration No. IBBI/IPA-001/IP-P00001/2016-17/10009 as Interim Resolution Professional ("IRP") in terms of the Insolvency and Bankruptcy Code, 2016 ("Code")vide order dated 25th April 2018 to manage the affairs, business and assets of the company. The company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT). The CIRP has since been kept in abeyance vide order date 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. *The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication.* In view of the abovesaid order of Hon'ble High Court of Punjab & Haryana, the powers and responsibilities to manage the affairs, business and assets of the company is vested with the Board of Directors of the company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 management.

• Conclude on the appropriateness of management's 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act based on our audit, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act ;

f. In our opinion, the matters described in the " Basis of Qualified Opinion" and "Emphasis of Matter" paragraphs above may have an adverse impact on the functioning of the Company.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B”

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note no. 33 to the standalone financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR MALHOTRA MANIK & ASSOCIATES,
CHARTERED ACCOUNTANTS
FRN.: 015848N

(CA. MANIK MALHOTRA)
PROPRIETOR
M.No.: 094604

PLACE: LUDHIANA
DATED: 23.05.2019

Annexure-A to the Independent Auditor's Report

The Annexure-A referred to the Independent Auditors' Report to the members of the company on the Standalone financial statements for the year ended on March 31, 2019. We report that:

(i) (a)The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets except for certain items of fixed assets, the quantitative details of which are in the process of being compiled. As explained to us, the same will be compiled by the management in due course of time.

(b)The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. As explained to us, in accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c)According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In our opinion and according to the information and explanation given to us, the physical verification of inventories has been conducted at reasonable interval by the management and no material discrepancy was noticed on physical verification of inventories carried out by the management as compared to the book records.

(iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans secured or unsecured, to Companies, Firms and other parties covered in the register maintained section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) The Company has not accepted deposits from the public within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal .

(vi)We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the books and records examined by us, we state that the company is regular in depositing undisputed statutory dues including income tax, provident fund, employees state insurance, custom duty, Goods & services tax,cess and other statutory dues except The Punjab State Development Tax to the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, provident fund, employees state insurance, custom duty, Goods & services tax, cess and other material statutory dues except The Punjab State Development Tax amounting Rs. 254480 in arrears, as at 31st March, 2019 for a period of more than six months from the date the became payable.

(b) According to the information and explanations given to us there are no dues of income tax, provident fund, employees state insurance, custom duty, goods & services tax, The Punjab State Development Tax and other statutory dues, which have not been deposited on account of any dispute except disclosed as under:

Name of the statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates (Assesment Year)	Forum where dispute is pending
Income Tax Act, 1961	Tax	2139.47	2011-12	CIT (Appeals), Ludhiana
Income Tax Act, 1961	Penalty	698.66	2013-14	CIT(Appeals), Ludhiana
Income Tax Act, 1961	Penalty	16.26	2014-15	ITAT, Chandigarh
Income Tax Act, 1961	Penalty	54.07	2014-15	CIT(Appeals), Ludhiana
Income Tax Act, 1961	Tax Deducted at Source	3.52	2007-08 to 2012-13	Centralized Processing Cell (TDS)

(viii) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of loans / borrowings and interest thereon to banks/Financial Institution as given below:

Bank Name	Nature of Amount	Amount	Overdue Since
State Bank of India	Interest	12959490152	31.07.2016
	Principle	2886857877	30.06.2016
Karur Vysya Bank	Interest	23468535	30.04.2018
	Principle	18494566	30.06.2018
Punjab & Sind Bank	Interest	448989712.1	31.12.2015
	Principle	237680064	31.12.2015
Bank of Maharashtra	Interest	319862392.4	30.11.2015
	Principle	279047214.1	31.09.2015
Punjab National Bank	Interest	1492194887	28.02.2016
	Principle	591774483.1	31.01.2016
Indian Bank	Interest	971302354.2	30.06.2015
	Principle	226591510.2	31.07.2015
Sber Bank	Interest	295416634.2	31.03.2016
United Bank	Interest	494999598.3	30.06.2015
	Principle	458978200.6	31.07.2015
Union Bank of India	Interest	763033808.7	30.04.2015
	Principle	205478666.8	30.04.2015
UCO Bank	Interest	994902162.7	30.09.2015
	Principle	412032902	31.08.2015
Corporation Bank	Interest	2882024455	31.01.2016
	Principle	459023265.5	31.03.2016
Allahabad Bank	Interest	4872004849	31.10.2015
	Principle	1385584908	30.11.2015
Dena Bank	Interest	467515889.5	31.10.2015
	Principle	351253383.9	31.10.2015
Indian Overseas Bank	Interest	1744530505	31.01.2016
	Principle	130193857.2	31.03.2016

Vijaya Bank	Interest	29256073.4	31.03.2016
	Principle	28565630.05	31.03.2016
Andhra Bank	Interest	1169851772	28.02.2016
	Principle	109303172	31.03.2016
Exim Bank	Interest	13160345.24	31.05.2016
	Principle	10288926.65	31.01.2016

(ix) In our opinion and according to the information and explanations given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company, by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and the audit procedures conducted by us, managerial remuneration paid or provided was in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of the transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and therefore, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

FOR MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN. 015848N

PLACE: LUDHIANA
DATED: 23.05.2019

(CA. MANIK MALHOTRA)
PROPRIETOR
M.No. 094604

ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (g) under the "Report on other legal and regulatory requirements" section of our report to the members of SEL Manufacturing Company Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of **SEL Manufacturing Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail ,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

The system of internal financial controls over Financial reporting with regard to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial controls operating effectively as on March 31, 2019.

Basis for Qualified Opinion

In our opinion and according to the information and explanations given to us and based on our audit of Standalone Financial Statements, in respect of the matters disclosed in paragraphs under "Basis of Qualified Opinion" and "Emphasis of Matter" of our main Independent Auditor's Report which came to our notice during the course of audit of standalone financial statements indicates material weaknesses in the internal financial controls over financial reporting as at March 31, 2019.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on timely basis.

Qualified Opinion

In our opinion, the matters disclosed in above paragraphs under "Basis of Qualified Opinion" indicates material weaknesses in the internal financial controls over financial reporting.

We have considered the disclaimer of opinion as well as material weaknesses identified and reported in Qualified Opinion paragraph in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2019 and the disclaimer and material weaknesses do not affect our opinion on the standalone financial statements of the Company.

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FOR MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN. 015848N

(CA. MANIK MALHOTRA)
PROPRIETOR
M.No.:094604

PLACE: LUDHIANA
DATED: 23.05.2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	150,649.27	161,514.59
(b) Capital Work in Progress	4	16,940.42	16,985.73
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets	4	-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets			
(i) Investments	5	202,221.43	202,124.17
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others	6	0.50	21.51
(i) Deferred Tax Assets (Net)		-	-
(j) Other Non-Current Assets	7	945.00	1,430.38
		370,756.62	382,076.39
(2) Current Assets			
(a) Inventories	8	5,898.79	6,813.47
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	9	4,262.64	13,551.70
(iii) Cash & Cash Equivalents	10	475.12	258.42
(iv) Bank Balances other than (iii) above	11	32.59	63.64
(v) Loans		-	-
(vi) Others	12	27,382.78	27,685.17
(c) Current Tax Assets (Net)	13	1,443.20	1,000.31
(d) Other Current Assets	14	2,428.97	5,951.96
		41,924.08	55,324.67
TOTAL ASSETS		412,680.70	437,401.06
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	33,134.70	33,134.70
(b) Other Equity	16	(260,089.01)	(236,541.97)
		(226,954.31)	(203,407.27
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	17	158,498.35	191,683.92
(ii) Trade Payables		-	-
(iii) Other Financial Liabilites		-	-
(b) Provisions	18	136.12	276.38
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
		158,634.47	191,960.29
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	342,261.40	343,236.34
(ii) Trade Payables	20		
(1) total outstanding dues of micro enterprises and small enterprises;		-	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		6,843.50	6,577.76
(iii) Other Financial Liabilities	21	131,187.39	97,842.46
(b) Other Current Liabilities	22	116.84	524.00
(c) Provisions	23	591.41	667.48
(d) Current Tax Liabilities(Net)		-	-
		481,000.54	448,848.04
TOTAL EQUITY & LIABILITIES		412,680.70	437,401.06

See accompanying notes to the financial statements
As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No. 094604
Place : Ludhiana
Date: 23.05.2019

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	CURRENT YEAR	PREVIOUS YEAR
I. Revenue From Operations	**24**	**45,910.97**	98,927.71
II. Other Income	**25**	**7,539.42**	4,900.63
III. Total Income (I+II)		**53,450.39**	**103,828.34**
IV. Expenses			
Cost of Materials Consumed	**26**	**15,027.60**	67,293.00
Purchases of Stock-in-Trade		**29.74**	37.02
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	**27**	**(163.08)**	20,032.27
Employee Benefits Expense	**28**	**8,037.40**	9,948.27
Finance Cost	**29**	**337.54**	784.39
Depreciation and Amortization Expense	**30**	**10,883.24**	11,163.56
Other Expense	**31**	**25,958.93**	28,794.70
Total Expenses (IV)		**60,111.38**	**138,053.21**
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		**(6,660.98)**	**(34,224.88)**
VI. Exceptional Items	**32**	**16,935.56**	132,495.53
VII. Profit/(Loss) Before Tax (V-VI)		**(23,596.54)**	**(166,720.40)**
VIII. Tax Expense			
a) Deferred Tax		**-**	49,925.94
b) MAT Credit Entitlement		**-**	5,533.60
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		**(23,596.54)**	**(222,179.94)**
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-	-
XIII. Profit/(Loss) for the period (IX+XII)		**(23,596.54)**	**(222,179.94)**
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		**401.41**	395.14
B (i) tems that will be reclassified to Profit or Loss		**(351.90)**	(1,836.05)
Total Other Comprehensive Income(net of taxes)		**49.51**	(1,440.91)
XV. Total Comprehensive Income for the Period (XIII+XIV)		**(23,547.03)**	**(223,620.85)**
XVI. Earning per Equity Share (for Continuing Operations) (Rs.)	35		
1) Basic		**(7.12)**	(67.05)
2) Diluted		**(7.12)**	(67.05)
XVII. Earning per Equity Share (for Discontinued Operations) (Rs.)			
1) Basic		**-**	-
2) Diluted		**-**	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations) (Rs.)	35		
1) Basic		**(7.12)**	(67.05)
2) Diluted		**(7.12)**	(67.05)
see accompanying notes to the financial statements			

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No. 094604
Place : Ludhiana
Date: 23.05.2019

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs)

PARTICULARS	Details	Current Year	Details	Previous Year
A Cash Flow from Operating Activities				
Net Profit before Taxes & Extraordinary Items	**(23,596.54)**		**(166,720.40)**	
Adjustments for Non Cash Items:				
-Depreciation	10,883.24		11,163.56	
-Provision for Dimunition in Value of Investments	(121.46)		107.67	
-Provision for Doubtful Debts	14,710.45		88,093.33	
-Allowances for Loans & Advances	2,346.58		3,583.87	
-Interest Paid	171.92		541.04	
-Interest Received	(96.87)		(272.17)	
-Autuarial Gain/Loss on Defined Plan	401.41		395.14	
-Amortization of Long Term Borrowings	(382.19)		(566.50)	
-Dividend Received	(0.37)		(0.34)	
-Share of Loss from Firm	54.10		1.60	
-(Profit)/Loss on Sale of Fixed Assets	(138.07)	**27,828.73**	886.36	103,933.57
Adjustments for Changes in Working Capital:				
-Increase/ (Decrease) in Trade Payables	265.74		(8,215.07)	
-Increase/ (Decrease) in Other Current Liabilities	(407.16)		(3,029.04)	
-Increase/ (Decrease) in Other Financial Liabilities	33,344.93		27,724.81	
-Increase/ (Decrease) in Current Provisions	(76.07)		(164.14)	
-(Increase)/ Decrease in Trade Receivables	(5,421.39)		(1,653.20)	
-(Increase)/ Decrease in Other Current Assets	3,522.99		(1,234.29)	
-(Increase)/ Decrease in Current Assets Tax (Net)	(442.88)		(485.62)	
-(Increase)/ Decrease in Bank Balance other than Cash	31.05		(12.83)	
-(Increase)/ Decrease in Other Financial Assets	302.39		3,093.17	
-(Increase)/ Decrease in Inventories	914.68	**32,034.27**	77,611.29	93,635.09
Cash Generation from Operations		**36,266.46**		**30,848.26**
-Taxes Paid		-		5,533.60
Net Cash from Operating Activities		**36,266.46**		25,314.66
B. Cash Flows from Investing Activities				
-Purchase of Plant, Property & Equipments	(21.97)		(2.60)	
-(Increase)/Decrease in Capital Work in Process	45.31		(673.31)	
-Sale of Plant, Property & Equipments	142.13		2,037.69	
-Interest Received	96.87		272.17	
-Share of Loss from Firm	(54.10)		(1.60)	
-Dividend Received	0.37		0.34	
-(Increase)/Decrease of Non Current Investments	54.49		(201,316.01)	
-(Increase)/ Decrease in Non Current Loans	21.01		159.73	
-(Increase)/ Decrease in Other Financial Non Current Assets	(1,861.19)		3,980.39	
-Increase/(Decrease)in Non Current Provisions	(140.26)		132.34	
Net Cash Flows from Investing Activities		**(1,717.34)**		**(195,410.86)**
C. Cash Flows from Financing Activities				
-Proceeds/(Repayment) of Non Current Borrowings	(33,185.56)		(30,501.73)	
-Proceeds/(Repayment) of Current Financial Borrowings	(974.94)		200,553.89	
-Interest Paid	(171.92)		(541.04)	
Net Cash Flows from Financing Activities		**(34,332.42)**		**169,511.11**
Net Increase/(Decrease) in Cash & Cash Equivalent		**216.70**		**(585.10)**
Cash & Cash Equivalents - Opening Balance		**258.42**		843.52
Cash & Cash Equivalents - Closing Balance		**475.12**		258.42

Subject to our Separate Report of Even Date
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N
(CA. Manik Malhotra)
Prop.
M.No.: 094604
Place: Ludhiana
Date: 23.05.2019

For and on the behalf of Board of
SEL Manufacturing Company Limited

(Neeraj Saluja)	(Navneet Gupta)	(V.K. Goyal)	(Rahul Kapoor)
Managing Director	Executive Director & CFO	Executive Director & CEO	Company Secretary
DIN: 00871939	DIN: 02122420	DIN: 02751391	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital (Rs. in Lakhs)

As At 01.04.2017	Changes in equity share capital during the year	As At 31.03.2018	Changes in equity share capital during the year	As At 31.03.2019
33,134.70	-	33,134.70	-	33,134.70

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial Instruments	Reserves and Surplus					Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial Statements of a foreign operation	other items of Other Comprehensive income	Total
			Capital Reserve	Securities Premium	General Reserve	Foreign Exchange Fluctuation Reserve	Surplus							
As at 01.04.2017	-	-	**2,900.48**	**51,937.97**	-	**1.22**	**(75,132.67)**	-	-	-	-	-	**7,373.10**	**(12,919.91)**
General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(1.22)	(222,179.94)	-	-	-	-	-	(1,440.91)	(223,622.06)
As at 31.03.2018	-	-	**2,900.48**	**51,937.97**	-	-	**(297,312.62)**	-	-	-	-	-	**5,932.19**	**(236,541.97)**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31.03.2018	-	-	2,900.48	51,937.97	-	-	(297,312.62)	-	-	-	-	-	5,932.19	(236,541.97)
Total Comprehensive Income for the year	-	-	-	-	-	-	(23,596.54)	-	-	-	-	-	49.51	(23,547.03)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2019	-	-	**2,900.48**	**51,937.97**	-	-	**(320,909.16)**	-	-	-	-	-	**5,981.70**	**(260,089.01)**

See accompanying notes to the financial statements

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No.: 094604

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

Place: Ludhiana
Date: 23.05.2019

I. Property, Plant and Equipment

NOTE NO.- 4

Particulars	Freehold Land*	Leasehold Land	Building & Roads	Plant & Machinery	Fixtures & Fittings	Vehicles	Office Equipments	Total	Other Intangible Assets	Capital Work in Progress
Gross Value as at 1st April, 2017	10,295.17	732.89	86,022.25	195,324.48	4,186.12	1,491.31	477.78	298,530.02	455.76	16,312.42
Addition during the year	-	-	-	-	0.21	-	2.39	2.60	-	675.91
Deduction during the year	1,710.44	-	990.13	18.08	308.10	511.73	12.34	3,550.82	-	2.60
Gross Value as at 31st March, 2018	8,584.74	732.89	85,032.12	195,306.40	3,878.23	979.59	467.83	294,981.79	455.76	16,985.73
Addition during the year	-	-	-	-	-	21.97	-	21.97	-	(0.00)
Deduction during the year	4.05	-	-	-	-	-	-	4.05	-	45.31
Gross Value as at 31st March, 2019	**8,580.69**	**732.89**	**85,032.12**	**195,306.40**	**3,878.23**	**1,001.55**	**467.83**	**294,999.71**	**455.76**	**16,940.42**
Depreciation & Impairment										
Depreciation as at 1st April, 2017	-	65.55	14,278.19	105,250.38	1,936.91	1,009.34	390.04	122,930.41	455.76	-
Depreciation for the year	-	8.52	2,516.36	8,079.05	416.21	107.47	35.95	11,163.56	-	-
Disposal during the year	-	-	74.85	16.35	141.78	382.10	11.70	626.77	-	-
Depreciation as at 31st March, 2018	-	74.07	16,719.70	113,313.08	2,211.35	734.71	414.29	133,467.20	455.76	-
Depreciation for the year	-	8.52	2,505.09	8,014.29	279.31	63.28	12.76	10,883.24	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-
Depreciation as at 31st March, 2019	**-**	**82.59**	**19,224.79**	**121,327.37**	**2,490.65**	**797.99**	**427.05**	**144,350.43**	**455.76**	**-**
Net Book Value										
As at 31st March, 2019	8,580.69	650.30	65,807.33	73,979.03	1,387.58	203.56	40.78	150,649.27	-	16,940.42
As at 31st March, 2018	8,584.74	658.82	68,312.42	81,993.32	1,666.88	244.88	53.54	161,514.59	-	16,985.73

*deduction in freehold land (refer note no. 42)

INVESTMENTS (NON CURRENT)

(Rs. in Lakhs) NOTE NO. - 5

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(1) Investment in Equity Instruments		
(i) Subsidaries (Unquoted-At Cost)		
i) 127,057,200 Equity Shares of Rs. 10/- each fully paid up of SEL Textiles Ltd.*	**252,470.24**	252,470.24
Less: impairment in Value of Investment	**(51,146.24)**	(51,146.24)
ii) 3,989,600 Equity Shares of Rs. 10/- each fully paid up of SEL Aviation Pvt. Ltd.	**1,443.76**	1,443.76
Less: impairment in Value of Investment	**(744.66)**	(866.12)
iii) 48,050 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Ltd.	**4.81**	4.81
(ii) Other (Quoted-At Fair Value)		
i) 6,248 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited	**85.16**	55.16
ii) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited	**0.68**	0.68
Less : Impairment in Value of Investment	**(0.68)**	(0.68)
(2) Investment in Equity Instruments (Unquoted-At Fair Value)		
i) 299,300 Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited	**209.51**	209.51
Less : Impairment in Value of Investment	**(131.88)**	(131.88)
(3) Investment in Equity Instruments (Unquoted-At Cost)		
i) 14,000 Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Limited	**1.40**	1.40
ii) 1,108,000 Equity Shares of Rs. 10/- each fully paid up of OPGS Power Gujrat Pvt. Ltd.	**5.56**	5.56
(4) Investment in Mutual Funds (Unquoted-At Fair Value)		
i) 150,000 Units of Rs.10/- each of SBI Infrastructure Fund	**22.58**	22.92
ii) 50,000 Units of Rs.10/- each of SBI PSU Fund	**5.25**	5.54
iii) 55,187.638 Units of Rs. 10/- each of Union Multi Cap Fund	**10.76**	10.03
iv) 100,000 Units of Rs.10/- each of SBI Gold Fund	**10.00**	9.81
(5) Investments in Partnership Firm (At Cost)		
i) 99% Share in SE Exports		
Capital (After adjusting Drawings) 29.29		
Add: Share of Profits (54.10)	**(24.81)**	29.67

Name of Partners	Share of Profit	Amount of Captial as on 31st March, 2019	Amount of Captial as on 31st March, 2018
Mr. Dhiraj Saluja	0.50%	2.61	2.03
Mrs. Reema Saluja	0.50%	3.99	4.27
SEL Manufacturing Co. Ltd.	99.00%	(24.81)	29.67

	AS AT 31.03.2019	AS AT 31.03.2018
TOTAL	**202,221.43**	202,124.17

*refer note no. 41

Market Value of Quoted Investments	**85.16**	55.16
Aggregate Amount of Quoted Investments	**30.68**	30.68
Aggregate Amount of UnQuoted Investments	**2,02,136.27**	2,02,069.02
Aggregate Impairment in Value of Investments	**52,023.45**	52,144.91

OTHER FINANCIAL ASSETS (NON CURRENT) **NOTE NO. - 6**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Fixed Deposits with Banks (held as margin with banks)	**0.50**	21.51
TOTAL	**0.50**	21.51

OTHER NON CURRENT ASSETS **NOTE NO. - 7**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
a) Security Deposits	**945.00**	1,430.38
b) Capital Advances	**1,665.99**	1,666.11
	2,610.99	3,096.49
Less: Impairment for Doubtful Loans & Advances (Expected Credit Loss Allowance)#	**1,665.99**	1,666.11
TOTAL	**945.00**	1,430.38

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Balance at the beginning of the year	**1,666.11**	-
Less: Amount collected and hence reversal of provision	**0.12**	-
Add: Provision made during the year	**-**	1,666.11
Balance at the end of the year	**1,665.99**	1,666.11

INVENTORIES **NOTE NO. - 8**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Valued at Cost or Net Realisable Value, whichever is lower)		
(a) Raw Materials	**829.58**	2,046.26
(b) Work in Progress	**1,819.16**	1,365.55
(c) Finished Goods		
-In Godown	**2,572.76**	2,301.41
-In Transit	**223.74**	785.63
(d) Stores & Spares	**453.55**	314.63
TOTAL	**5,898.79**	**6,813.47**

Inventories pledged as security to Working Capital Lenders

TRADE RECEIVABLES (CURRENT) **NOTE NO. - 9**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
a) Trade Receivables considered good-Secured	**-**	-
b) Trade Receivables considered good-Unsecured	**4,262.64**	13,551.70
c) Trade Receivables which have significant increase in Credit Risk; and	**-**	-
d) Trade Receivables-credit impaired	**102,803.78**	88,093.33
	107,066.42	101,645.03
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)#	**102,803.78**	88,093.33
TOTAL	**4,262.64**	**13,551.70**

Trade Receivables pledged as security to Working Capital Lenders

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Balance at the beginning of the year	**88,093.33**	-
Less: Amount collected and hence reversal of provision	**949.44**	-
Add: Provision made during the year	**15,659.89**	88,093.33
Balance at the end of the year	**102,803.78**	88,093.33

CASH & CASH EQUIVALENTS **NOTE NO. - 10**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Cash in Hand	**27.48**	8.73
(b) Balances With Scheduled Banks		
i) In Current Accounts	**446.06**	249.69
ii) In Fixed Deposits Accounts	**1.57**	-
TOTAL	**475.12**	**258.42**

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS **NOTE NO. - 11**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Other Bank Balances		
i) In Fixed Deposits Accounts	**32.59**	63.64
TOTAL	**32.59**	**63.64**

OTHERS FINANCIAL ASSETS (CURRENT) **NOTE NO. - 12**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Unsecured, considered good)		
i) Duty Drawback Receivable	**760.22**	1,057.77
ii) Interest Subsidy Receivable	**26,621.40**	26,621.40
iii) Interest Receivable	**1.15**	5.99
TOTAL	**27,382.78**	**27,685.17**

CURRENT TAX ASSETS (NET) **NOTE NO. - 13**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
i) Prepaid Taxes	**1,443.20**	1,000.31
TOTAL	**1,443.20**	**1,000.31**

OTHER CURRENT ASSETS **NOTE NO. - 14**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Unsecured, considered good)		
i) Advances to Suppliers	**4,508.17**	4,817.51
ii) Statutory Dues & Taxes	**1,009.97**	1,842.97
iii) Others	**1,175.29**	1,209.24
	6,693.43	7,869.72
Less: Impairment for Doubtful Loans & Advances (Expected Credit Loss Allowance)#	**4,264.46**	1,917.77
TOTAL	**2,428.97**	**5,951.96**

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Balance at the beginning of the year	**1,917.77**	-
Less: Amount collected and hence reversal of provision	**513.25**	-
Add: Provision made during the year	**2,859.95**	1,917.77
Balance at the end of the year	**4,264.46**	1,917.77

EQUITY SHARE CAPITAL **NOTE NO. - 15**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a)Authorised		
1,000,000,000 Equity Shares	100,000.00	100,000.00
(b) Issued, Subscribed & Paid Up		
331,347,000 Equity Shares Fully Paid Up	33,134.70	33,134.70
	33,134.70	**33,134.70**
(c) Par Value per Share		
331,347,000 Equity Shares Rs. 10/-		

(d) Reconciliation of the number of shares outstanding

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year				
Equity Shares	3,313.47	33,134.70	3,313.47	33,134.70
Total	3,313.47	33,134.70	3,313.47	33,134.70
Add: Addition during the year				
Equity Shares	-	-	-	-
Total	-	-	-	-
Less: Deduction during the year				
Equity Shares	-	-	-	-
Total	**-**	**-**	**-**	**-**
Shares outstanding at the end of the year				
Equity Shares	3,313.47	33,134.70	3,313.47	33,134.70
Total	**3,313.47**	**33,134.70**	**3,313.47**	**33,134.70**

(e) Shares in the company held by preference shareholder holding more than 5% shares

Dhiraj Saluja	51,310,000 Shares	73.60%
Neeraj Saluja	12,400,000 Shares	17.78%

(e) Terms/rights, preference, restrictions attached to shares.

EQUITY SHARES: The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share except holder of GDR will not have voting right with respect to the Deposited Shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company issued 220,000,000 equity shares of the face value of Rs. 10 per share consequent to Global Depository Receipt (GDRs) issue of the company during the year 2012-13. Holders of Global Depository Receipt (GDRs) are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares. As on 31.03.2019, 49,600,000 shares (Previous Year 75,709,249 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

OTHER EQUITY **NOTE NO. - 16**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Captial Reserve		
Opening Balance	**2,900.48**	2,900.48
Add: Addition during the year	**-**	-
	2,900.48	2,900.48
Less: Deduction during the year	**-**	-
	2,900.48	2,900.48
(b) Securities Premium		
Opening Balance	**51,937.97**	51,937.97
Add: Addition during the year	**-**	-
	51,937.97	51,937.97
Less: Deduction during the year	**-**	-
	51,937.97	51,937.97
(c) Foreign Exchange Fluctuation Reserve		
Opening Balance	-	1.22
Add: Addition during the year	-	(1.22)
	-	-
Less: Deduction during the year	-	-
	-	-
(d) Other Comprehensive Income		
Opening Balance	**5,932.19**	7,373.10
Add: Addition during the year	**700.84**	429.92
	6,633.03	7,803.02
Less: Deduction during the year	**651.33**	1,870.83
	5,981.70	5,932.19
(e) Surplus		
Opening Balance	**(297,312.62)**	(75,132.67)
Add: Addition during the year	**(23,596.54)**	(222,179.94)
	(320,909.16)	(297,312.62)
Less: Deduction during the year	**-**	-
	(320,909.16)	(297,312.62)
TOTAL	**(260,089.01)**	**(236,541.97)**

BORROWINGS (NON CURRENT) **NOTE NO. - 17**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Secured Loans		
I) Term Loans		
- From Banks	**149,154.65**	183,340.67
(b) Unsecured Loans (At Amortised Cost)		
i) Loan from Others	**25.00**	107.64
(Loans repayable in 2021-22 carrying interest @ 0-15% pa)		
ii) Loan from Related Parties	**5,107.75**	4,349.86
(Interest free loans repayable in 2023-24)		
Liability Component of Compound Financial Instrument		
(c) Preference Share Capital (At Amortised Cost)		
69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares Fully Paid Up	**4,210.95**	3,885.75
TOTAL	**158,498.35**	**191,683.92**

Terms and conditions of secured loans taken from banks and status of contuining default as at year end						
Type of Loans	**Rupee Term Loan I (RTL-I)**	**Rupee Term Loan II (RTL-II)**	**Funded Interest Term Loan I (FITL-I)**	**Working Capital Term Loan (WCTL)**	**Funded Interest Term Loan II (WCTL FITL-II)**	**Rupee Term Loan III (PL-III)**
Sanctioned Amount	172,714.00	32,604.00	31,332.00	63,928.00	12,281.00	5,657.00
Balance as on 31.03.2019	164,943.50	13,488.38	10,450.80	62,613.18	11,365.81	303.60
Rate of Interest	10.65%	10.65%	10.65%	10.65%	10.65%	11.15%
Repayment Type	Monthly	Monthly	Monthly	Quarterly	Quarterly	Monthly
Repayment during the year ending						
31/03/2020	22,452.82	1,820.49	-	8,000.78	1,778.44	115.20
31/03/2021	25,836.60	2,252.92	-	11,195.98	1,695.64	-
31/03/2022	25,836.60	2,534.53	-	11,195.98	1,978.24	-
31/03/2023	25,836.60	2,982.26	-	11,195.98	1,984.62	-
31/03/2024	9,416.91	1,690.67	-	3,005.52	137.66	-
Overdue Principle Amount	45,855.85	1,641.74	11,931.18	14,972.69	3,352.33	157.69
Overdue Interest Amount	7,500.95	565.77	706.49	3,046.25	438.88	51.01
Overdue Since	August 2015	July 2015	April 2015	July 2015	June 2015	Nov. 2015

Details of security for term loans

*Long term borrowings from banks are secured by the equitable mortgage of entire Land & Building of the Company and further secured by all the fixed assets of the Company, immovable & movable, both present and future ranking pari-passu basis and personal guarantee of the promoter directors. The said borrowings are further secured, on pari-passu basis with short term lenders, by equitable mortgage of the following properties.

Sr. No.	Owner	Detail of property
1.	Sh. R.S.Saluja	Land & Building measuring 1K 13M at Rahon Road, Ludhiana
2.	Smt. Sneh Lata Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana
3.	Smt. Sneh Lata Saluja	Land and building measuring 155 sq. yds. at B-V443, Hazuri Road, Ludhiana
4.	Sh. Neeraj Saluja	Land measuring 700 sq.yds. at Rajpura Road, Vill. Pratap Singhwala, Ludhiana
5.	Sh. Neeraj Saluja	Land measuring 4840 sq.yds. at Village Jhande, Ludhiana
6.	Smt. Ritu Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana

PROVISIONS (NON CURRENT) **NOTE NO. - 18**

PARTICULARS	**AS AT 31.03.2019**	**AS AT 31.03.2018**
(a) Provision for Employee Benefits	136.12	276.38
TOTAL	**136.12**	**276.38**

SHORT TERM BORROWINGS **NOTE NO. - 19**

PARTICULARS	**AS AT 31.03.2019**	**AS AT 31.03.2018**
(a) Secured Loans		
i) Loans Repayable on Demand*		
From Banks	342,261.40	343,236.34
TOTAL	**342,261.40**	**343,236.34**

*refer note no. 41

Details of security for working capital borrowings

I) Short term borrowings from banks are secured by the Hypothecation of Stock-in trade, Book Debts and Receivables of the Company and further secured by the second parri-passu charge on the entire fixed assets of the Company and personal guarantee of the promoter directors and pledged of 36,729,044 equity shares of the company held by the promoters. The said borrowings are further secured, on pari-passu basis with term loan lenders, by equitable mortgage of the following properties:

Sr. No.	Owner	Detail of property
1.	Sh. R.S.Saluja	Land & Building measuring 1K 13M at Rahon Road, Ludhiana
2.	Smt. Sneh Lata Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana
3.	Smt. Sneh Lata Saluja	Land and building measuring 155 sq. yds. at B-V443, Hazuri Road, Ludhiana
4.	Sh. Neeraj Saluja	Land measuring 700 sq.yds. at Rajpura Road, Vill. Pratap Singhwala,Ludhiana
5.	Sh. Neeraj Saluja	Land measuring 4840 sq.yds. at Village Jhande, Ludhiana
6.	Smt. Ritu Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana

Terms of repayment of loans repayable on demand

From banks are repayable on demand and carries interest @ 10.65% p.a.

TRADE PAYABLES **NOTE NO. - 20**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Trade Payables	**6,843.50**	6,577.76
TOTAL	**6,843.50**	6,577.76

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management, the relevant particulars as at 31st March, 2019 are Nil.

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(i) Principal amount and the Interest due remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; -	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

OTHER FINANCIAL LIABILITIES (CURRENT) **NOTE NO. - 21**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
i) Current Maturities of Long Term Debts	112,079.22	78,955.69
ii) Current Maturities of Long Term Debts (Others)	91.74	-
iii) Interest Accrued and due on borrowings	12,309.35	12,309.35
iv) Employees Benefits	1,047.68	1,114.38
v) Payable to Vendors-Non Trade	2,049.36	1,932.85
vi) Others Payable	3,610.05	3,530.19
TOTAL	**131,187.39**	**97,842.46**

OTHER CURRENT LIABILITIES **NOTE NO. - 22**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
i) Statutory Dues & Taxes	111.36	308.48
ii) Advances from Customers	5.48	215.52
TOTAL	**116.84**	**524.00**

PROVISIONS (CURRENT) **NOTE NO. - 23**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Provision for Employee Benefits	591.41	667.48
TOTAL	**591.41**	**667.48**

REVENUE FROM OPERATIONS — NOTE NO. - 24

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sale of Products		
Finished Goods	23,724.07	89,169.20
Traded Goods	28.15	41.04
Raw Material	7.96	-
Other Operating Income		
Sale of Services	21,451.64	7,080.96
Others	699.15	2,636.52
TOTAL	**45,910.97**	**98,927.71**

OTHER INCOME — NOTE NO. - 25

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Export Incentives	**2,147.70**	3,117.03
Interest	**96.87**	272.17
Other Income	**13.64**	176.41
Foreign Exchange Fluctuation	**5,117.97**	1,322.71
Profit on Sale of Property, Plant & Equipments	**138.07**	-
Dividend Income	**0.37**	0.34
Rental Income	**24.79**	11.97
TOTAL	**7,539.42**	**4,900.63**

COST OF MATERIAL CONSUMED — NOTE NO. - 26

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Raw Material Consumed			
Opening Stock		1,893.70	58,318.92
Add: Purchases (net)		11,343.57	49,141.14
		13,237.27	107,460.06
Less: Inventories Written Down to Net Realisable Value		-	40,710.65
Less: Closing Stock		631.18	1,893.70
Cost of raw material consumed during the year	**(A)**	**12,606.09**	**64,855.70**
Packing Material Consumed			
Opening Stock		152.56	213.93
Add: Purchases (net)		2,467.35	2,375.93
		2,619.91	2,589.86
Less: Closing Stock		198.40	152.56
Cost of packing material consumed during the year	**(B)**	**2,421.51**	**2,437.30**
TOTAL	**(A+B)**	**15,027.60**	**67,293.00**

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE — NOTE NO. - 27

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Opening Stocks			
Work in Process		1,365.55	8,784.35
Finished Goods		3,087.04	16,626.36
	(A)	**4,452.58**	**25,410.70**
Closing Stocks			
Work in Process		1,819.16	1,365.55
Finished Goods		2,796.50	3,087.04
	(B)	**4,615.66**	**4,452.58**
Stock Destroyed By Fire	(C)	-	925.85
Decrease/(Increase) in Inventories	**(A-B-C)**	**(163.08)**	**20,032.27**

EMPLOYEE BENEFITS EXPENSE **NOTE NO. - 28**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Wages,Salaries & Other Allowances	**7,471.60**	9,307.61
Contribution to PF, ESI & Other Funds	**475.52**	576.44
Staff & Labour Welfare	**90.28**	64.22
TOTAL	**8,037.40**	9,948.27

FINANCIAL COSTS **NOTE NO. - 29**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
a) Bank Charges	**165.62**	243.34
b) Interest on		
i) Working Capital Limits	**-**	66.88
ii) Term Loans	**-**	245.86
iii) Others	**171.92**	228.30
TOTAL	**337.54**	**784.39**

DEPRECIATION & AMORTISATION EXPENSES **NOTE NO. - 30**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation of Tangible Assets	**10,874.72**	11,155.04
Amortisation of Leasehold Land	**8.52**	8.52
TOTAL	**10,883.24**	11,163.56

OTHER EXPENSES **NOTE NO. - 31**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Powel & Fuel	**17,034.04**	16,049.10
Consumables & Repair Maintenance	**4,890.69**	3,831.90
Job Work Expenses	**997.73**	333.07
Printing & Stationery	**9.37**	14.21
Insurance	**184.43**	277.02
Fees & Taxes	**100.12**	132.40
Donation	**0.74**	5.05
Legal & Professional Charges	**353.40**	161.76
Postage & Courier Charges	**58.25**	86.27
Telephone & Fax Expenses	**32.00**	42.38
Statutory Auditors' Remuneration		
-Audit Fee	**5.70**	7.35
-Tax Audit Fee	**1.80**	2.70
-Reimbursement of Expenses	**0.19**	0.80
-Service Tax	**-**	1.96
Cost Auditors' Remuneration		
-Audit Fee	**0.77**	0.77
General Repair & Maintenance	**100.16**	81.94
Office Expenses	**40.64**	92.10
Festival Expenses	**20.85**	29.28
Rent	**86.14**	34.26
Travelling & Conveyance	**166.52**	274.85
Water Charges	**57.16**	70.53
Service Tax Paid	**1.58**	4.70
Advertisement	**6.84**	6.92
Loss on Sale of Property, Plant & Equipments	**-**	886.36
Security Expenses	**4.55**	16.92
Building Repair & Maintanenace	**6.43**	35.02
Share of Loss from Subsidaires	**54.10**	1.60
Vehicles Expenses	**84.11**	93.92

Export Incentive Reversal For Earlier Years	**-**	3,192.33
VAT Input Credit Reversal For Earlier Years	**98.14**	-
Business Promotion	**43.87**	60.71
Commission	**421.39**	824.40
Rebate & Discount	**-**	85.01
Clearing Forwarding & Freight Outward	**1,097.18**	2,057.09
TOTAL	**25,958.93**	**28,794.70**

EXCEPTIONAL ITEMS **NOTE NO. - 32**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Impairment in Value of Investments in Subsidaries	**(121.46)**	107.67
Allowance for Doubtful Receivables	**14,710.45**	88,093.33
Allowance/Impairment for Doubtful Loans & Advances	**2,346.58**	3,583.87
Inventories Written Down to Net Realisable Value	**-**	40,710.65
TOTAL	**16,935.56**	**132,495.53**

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

SEL Manufacturing Company Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange. The Company is engaged in the manufacturing, processing & trading of yarns, fabrics, ready-made garments and towels. The registered office of the company is located at 274, G.T.Road, Dhandari Khurd, Ludhiana, Punjab.

2. Significant Accounting Policies

2.1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise indicated.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Revenue from contracts with customers

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(3) - Significant accounting policies - Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue from subsidiaries is recognized based on transaction price which is at arm's length.

Revenue also includes price variations based on the contractual agreements and excludes goods & services tax. Revenue from export sales are recognized on shipment basis. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Lease income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals are recognized on straight-line basis as per the terms of the agreements in the statement of profit and loss.

Interest income

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Export Incentives

Revenue in respect of the eligible benefits is recognized on post export basis.

Sale of Services

Revenue from the sale of services is recognized on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

2.4 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except for waste which is valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

i) In respect of Raw Materials on FIFO basis.

ii) In respect of Work in process and Finished Goods, at weighted average cost of raw material plus conversion cost & packing cost incurred to bring the goods to their present condition & location.

iii) In respect of trading goods, on specific identification method.

iv) In respect of Consumable Stores on weighted average basis.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.5 Foreign Currency Transactions

The functional currency of SEL Manufacturing Company Ltd. is an Indian rupee.

Other foreign currency transactions:

(i) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction except sales that are recorded at rate notified by the customs for invoice purposes. Such rate is notified in the last week of every month and is adopted for recording export sales of next month.

(ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at balance sheet date are recognized as income or expenses in period in which they arise, except the exchange difference in case of fixed assets which have been adjusted to the cost of fixed assets.

(iii) Foreign currency non monetary items, which are carried in terms of historical cost, re-stated at the rate of exchange prevailing at the year-end and the gain or loss is accumulated in a foreign exchange fluctuation reserve.

2.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 except for the plant and equipment of spinning and terry towel units where useful life has been technically assessed as 30 years.

Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Leased Assets

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

2.7 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over useful lives on a straight-line basis, from the date that they are available for use.

2.8 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets, up to the date when such assets are ready for intended use. Other borrowing costs are charged as expenditure in the year in which they are incurred. The capitalization of borrowing costs to be suspended during extended periods in which active developments will be interrupted

2.9 Employee Benefits

(i) **Short term employee benefits:** All employee benefits payable wholly within twelve months for rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

(ii) Post Employment Benefits:

(a) Defined Contribution Plans:

Provident Fund: Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution. The Company contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the profit and loss account.

(b) Defined Benefit Plans:

Gratuity: The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

(iii) Long Term Employee Benefits:

The liability for leave with wages is recognised on the basis of actuarial valuation at the balance sheet date using projected unit credit method.

2.10 Taxes

Tax Expense comprises of current income tax, deferred tax and minimum alternate tax credit entitlement.

Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the period after considering tax allowances & exemptions.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax Credit

Minimum Alternate Tax credit is recognized as tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specific period.

2.11 Impairment of Non Financial Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss.

2.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand and at bank and short-term deposits with original maturity period of three months or less.

2.13 Provisions and Contingent Liabilities & Contingent Assets

Provisions

Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:

(i) The company has a present obligation as a result of a past event;

(ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and

(iii) The amount of the obligation can be reliably estimated.

Contingent Liabilities

Contingent liability is disclosed in the case of:

(i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

(ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent Assets

A contingent asset is disclosed when possible asset that arises from past events and whose existence would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

2.14 Earnings per share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

2.15 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired/given on leases where a significant portion of the risks and rewards of ownership are retained by less or are classified as operating leases. Lease rentals are charged/earned to the statement of profit and loss on straight line basis.

2.16 Financial Instruments:

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

-Financial assets at fair value

-Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:
- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables; and
- All other receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognize impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

Investment in subsidiaries and associates
The Company has accounted for its investment in subsidiaries and associates at cost less impairment.

Other Investments
Quoted Investments: All other quoted investments are measured at fair value through Other Comprehensive Income in the balance sheet.

- Unquoted Investments: All other unquoted investments are measured at fair value through Other Comprehensive Income in the balance sheet, except those investments which the company has chosen to measure at cost as per Ind AS 109 Financial Instruments Paragraph B5.2.3.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when
-The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement. It evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ii) Financial liabilities:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and redeemable preference shares.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization

Derecognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss..

2.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing catgorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.
An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

2.19 Exceptional tems:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.20 Government Grants & Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

2.21 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating officer (COO), in deciding how to allocate resources and assessing performance. The Company's chief operating officer is the Managing Director & CEO.

2.22 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgments, estimates and assumptions made by the management and will seldom equal the estimated results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Deferred Tax Assets: The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the company's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Contingences and commitments: In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Liability for sales return: In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company`s liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Allowance/Impairment for uncollected accounts receivable and other advances: Trade receivables and other advances do not carry any interest and are stated at their normal value as reduced by appropriate allowance/impairment which is made on ECL, and the present value of the cash shortfall over the expected life of the financial assets.

33. Contingent Liabilities and Capital Commitments

A. There is contingent liabilities in respect of the following items: No outflow is expected in view of the past history relating to these items:

(Rs. In Lakhs)

Particulars	March 31, 2019	March 31, 2018
I) Export Bills Discounted	1,054.60	1,054.60
ii) Income Tax (net of deposit under protest)*	2,911.98	27,867.79
(iii) Export Incentives Obligations refundable in respect of allowance for foreign trade receivables**	3,854.74	3,854.74

*includes demand from tax authorities for various matters. In respect of the assessment proceedings for the various assessment years, the Department has demand including penalties by making some frivolous additions to the total income of the Company. The Company had deposited Rs 2.88 lakhs with the tax authorities and filed the appeals against these additions before appropriate authorities and the Company is hopeful that it will get relief in appeal. Considering the facts of the matters, no provision is considered necessary by management.

**subject to further interest and penalty.

B. Capital Commitments (Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
(I) Estimated amount of contracts remaining to be executed on	**2485.83**	2485.83

Capital Account and not provided for(net of advances)

Further the company has made impairment provision against capital advances amounting Rs.1,665.99 lakhs outstanding since long and the orders placed with capital goods suppliers are more than two year and escalation costs, if any, in these purchase orders shall be in addition to figures reported above

34. The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

Sr. No.	Name of Related Party	Relationship
1	SE Exports	Subsidiary Partnership Firm
2	SEL Textiles Ltd.	Subsidiary Company
3	SEL Aviation Pvt. Ltd.	Subsidiary Company
4	*Silverline Corporation Ltd.	Fellow Subsidiary Company
5	*Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
6	*Mrs. Sneh Lata Saluja *Mrs. Ritu Saluja *Mrs. Reema Saluja	Relatives of Key Management Personnel
7	*Shiv Narayan Investments Pvt. Ltd. *Saluja International Rythm Textiles & Apparels Park Ltd. *SEL Renewable Power Limited	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence

*No transactions have taken place during the year

Related Parties Transactions:

Particulars	Subsidiaries		Key Management and Relatives of KMP & Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Purchase & Processing of Goods & Consumables Stores*	1.20	2,459.02	-	-	1.20	2,459.02.
Sale & Processing of Goods & Consumables Stores*	0.04	1,644.73	-	-	0.04	1,644.73
Services Received	90.49	159.05	-	-	90.49	159.05
Services Paid	6.98	2.58	10.31	33.57	17.29	36.15
Share of Loss/(Profit)	54.10	1.51	-	-	54.10	1.51
Rent Paid	-	1.02	42.80	4.58	42.80	5.60
Rent Received	7.00	4.28	-	-	7.00	4.28
Managerial Remuneration	-	-	306.00	306.00	306.00	306.00
Remuneration Paid	-	-	-	5.88	-	5.88
Corporate Guarantee Given	201,324.00	201,324.00	-	-	201,324.00	201,324.00
Closing Balance of Related Parties Debits/(Credits)	6,512.40	7,852.85	(4,666.89)	(4,349.86)	1,845.51	3,502.99

*excluding all taxes

35. Earnings Per Share: The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share" issued by the Institute of Chartered Accountants of India.

A statement on calculation of Basic & Diluted EPS is as under:

Particulars		March 31, 2019	March 31, 2018
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	331,347,000	331,347,000
Profit/(Loss) for the year (continuing operations)	Lakhs	(23,596.54)	(222,179.94)
Weighted average earnings per shares (basic and diluted)	Rs.	(7.12)	(67.05)
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	(23,596.54)	(222,179.94)
Weighted average earnings per shares (basic and diluted)	Rs.	(7.12)	(67.05)

36. The Company followed an aggressive growth path and had considerably grown its balance sheet, including debt. Due to the industry situation in general viz. slowdown and company specific issues such as growing debt, delayed realization of debtors, working capital shortfall, delay in project completion and cash flow mismatch, which had adversely affected the liquidity position of the company, the company was facing financial problems and finding difficulty in servicing its debt obligation. Therefore, it approached the lenders for restructuring its debts under Corporate Debt Restructuring (CDR) mechanism.

The Company's proposal for restructuring of its debts was approved by Corporate Debt Restructuring Cell ("CDR Cell") vides Letter of Approval (LOA) dt. 30.06.2014. The cut off date (COD) for implementation of CDR was 30th September, 2013. The Company executed Master Restructuring Agreement (MRA) with CDR Lenders on 24th September, 2014. The details of the Restructurin package as approved by CDR cell were as under:

a) Restructuring of repayment schedule for term loans under Technology UpgradationFunds Scheme (TUFS) and Non-TUFS Term Loans, reduction in interest rates, additional facilities in the form of Working Capital Term Loan (WCTL) & Funded Interest Term Loan (FITL).

b) The promoters to bring contribution equivalent to 25% of the sacrifice amount of by lenders. Accordingly, promoters have brought in an amount of Rs. 6,971 lakhs as 1% Redeemable, Non-Cumulative, Non-Convertible Preference Shares.

c) Lenders with the approval of CDR EG shall have the right to recompense the reliefs/sacrifices/waivers extended byrespective CDR lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Tentative recompense amount comes to Rs. 12,951 lakhs.

However, the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. Also the company has been facing cash flow mismatch and is not able to serve debt obligations as per the terms of CDR package sanctioned earlier.

Since, the Company was finding it difficult to serve its debt obligations, the Company has requested its lenders for a second/deep restructuring of its debts. Considering the state of art manufacturing facilities of the Company, most modernized technology, skilled labor force, professional management and inherent viability of the Company, the lenders had in-principle agreed for second/deep restructuring of the debts. Pending discussions with the lenders, State Bank of India in its capacity as financial creditor has filed a petition on 12th October, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). On 11th April, 2018, the NCLT vide it's order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated. Mr. Navneet Kumar Gupta having Registration No. IBBI/IPA-001/IP-P00001/2016-17/10009 was appointed as Interim Resolution Professional (IRP) vide order dt. 25th April, 2018 and the affairs, business and assets are being managed by the Interim Resolution Professional (IRP). The Company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT).

The Corporate Insolvency Resolution Process (CIRP) has been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. Accordingly, the Company has prepared these financial statements on the basis of going concern assumption.

Due to non disbursement of credit facilities the Company had suffered operational losses as well as capital losses. Therefore, the Company has presented before the Adjudicating Authority counter claim & claim of set off against the banks.

37. The secured lenders have stopped charging interest on borrowings, since the accounts of the Company have been categorized as Non Performing Asset. Further the Corporate Insolvency Resolution Process has been initiated under "Insolvency and Bankruptcy Code, 2016" (as referred in Note No. 36 above). In view of the above, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books. The amount of such accrued and unpaid interest, calculated according to the CDR term, not provided for is estimated at Rs. 53,478 lakhs (Previous Year Rs. 54,084 lakhs) for the year ended 31st March, 2019 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2019. Due to non provision of the interest expense, net loss for the year ended 31st March, 2019 is reduced by Rs. 53,478 lakhs. Further the Financial Liability is reduced by Rs. 143,463 lakhs and correspondingly the equity is increased by the same amount.

38. The balances of Trade Receivables, Loan and Advances, Deposits and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. During the year, e-mails/letters have been sent to various parties with a request to confirm their balances as on 31st March, 2019 out of which few parties have confirmed their balances directly to the auditors or to the company.

39. Exceptional Items for the year includes:

a. During the year the Company has made an allowance for trade receivables under Expected credit losses (ECL) Method aggregating to Rs. 14,710.45 lakhs, net of amount collected and provision made, in compliance of Ind AS 109 which is charged to Statement of Profit & Loss as an exceptional item. Though the company strongly believes that these trade receivables are fully recoverable.

b. The Company has given capital and trade advances to the suppliers that are outstanding for a long time. In view of reduction in activities, the materials and services could not be called from such suppliers. In compliance of Ind AS 36 impairment for capital and trade advances amounting to Rs. 2,346.58 lakhs, net of amount adjusted and provision made, which is charged to Statement of Profit & Loss as an exceptional item. Though the company strongly believes that these advances are fully recoverable/adjustable.

40. There are no long term contracts, as on the date of balance sheet, including derivative contracts for which there are any material foreseeable losses.

41. The company had given financial guarantee to the extent of Rs 201,324 lakhs to the bankers of its subsidiary namely SEL Textiles Limited, to secure the credit facilities availed by it. The said financial guarantee amounting Rs. 201,324 lakhs (consisting of principal outstanding and interest thereon upto 31st March 2019 calculated as per terms of MRA with CDR lenders of subsidiary company) and has been duly recognized in financial statements as required by Ind AS 109. The said guarantee has been invoked by the bankers before initiation of Corporate Insolvency Resolution Process.

42. During the previous year a portion of the land measuring 5.85038 kanals had been acquired by theCompetent Authority Land Acquisition Collector cum Sub Divisional Magistrate, Ludhiana (West) for the purpose of widening the National Highway-05 (NH-05).

43. Segment Information: Products and services from which reportable segments derive their revenues: In accordance with Ind AS 108 "Operating Segments", the chief operating officer (COO) of the Company reported that the company is engaged in the business of manufacturing & processing of textile products i.e. a single business and all business activities revolve around this segment.

Geographical information: The Company operates in two principal geographical areas - India and outside India.
The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

Particulars	**Revenue from external customers**		**Non-current assets***	
	31 March, 2019	**31 March, 2018**	**31 March, 2019**	**31 March, 2018**
India	24,446.78	44,868.60	168,535.19	179,952.22
Outside India	21,464.19	54,059.11	-	-
Total	**45,910.97**	**98,927.71**	**168,535.19**	**179,952.22**

*Non-current assets exclude those relating to financial assets and deferred tax assets.
Information about major customers: Two customer contributed 10% or more to the Company's revenue during the financial year 2018-19.

44. Lease Rent

I. Factory Building is taken on lease for 5 years & Office Premises is taken on lease for 11 months with the option of renewal. The particulars of these leases are as follows:

(Rs. in Lakhs)

Particulars	**March 31, 2019**	**March 31, 2018**
Future Minimum lease payments obligation on non-cancellable operating leases:	200.81	19.83
Not later than one year	72.42	19.83
Later than one year and not later than five years	128.39	-
Later than five years	-	-
Lease payment recognized in Statement of Profit and Loss	86.14	34.26

ii. Rent Income also includes Lease Rentals received towards Land, Factory Building & Office Premises. Such operating leases are generally for a period of 5 to 15 years. The particulars of these leases are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Future Minimum lease rental under non-cancellable operating leases:	115.78	54.77
Not later than one year	22.02	12.33
Later than one year and not later than five years	66.03	39.94
Later than five years	27.73	2.50
Lease Income recognized in Statement of Profit and Loss	24.79	11.97

45.Capital Work in Progress includes, Project and Pre-operative Expenses pending allocation to fixed assets:

(Rs. in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Opening Balance	671.00	671.00
Add: Expenses incurred during the year	-	-
Less: Expenses capitalized during the year	-	-
Closing Balance	671.00	671.00

46. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Indian Accounting Standard (Ind AS 19) are as under:

a.Defined Benefit Plan

Gratuity: The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
I.Change in benefit obligations		
Present value of obligations as at the beginning	**684.22**	872.12
Current Service cost	**131.42**	210.86
Interest expense	**53.02**	69.77
Remeasurements-Actuarial (gains)/ losses	**(232.33)**	(395.14)
Benefits paid	**(38.90)**	(73.39)
Present value of obligations as at the end	**597.43**	**684.22**
II.Change in fair value of plan assets		
Fair value of plan assets at the beginning	**16.74**	40.49
Return on plan assets	**1.30**	3.12
Remeasurements-Actuarial (gains)/ losses	**(0.55)**	0.01
Contributions	**27.44**	46.51
Benefits paid	**(38.90)**	(73.39)
Fair value of plan assets at the end	**6.03**	**16.74**
Funded status	**(591.40)**	(667.48)

III.**Expenses recognized in Statement of Profit and Loss**

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	March 31, 2019	March 31, 2018
Service cost	**131.42**	210.86
Interest cost	**53.02**	69.77
Return on plan assets	**(1.30)**	(3.12)
Net gratuity cost	**183.14**	277.51

IV.Expenses recognized in the Other Comprehensive Income

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in statement of other comprehensive income:

Particulars	March 31, 2019	March 31, 2018
Actuarial (gains) / losses	(231.77)	(395.14)

V.Actuarial Assumptions

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.75%	8.00%
Salary Growth Rate (per annum)	5.00%	7.00%
Mortality		
Indian Assured Lives Mortality (2006-08)		
Expected rate of return on Plan Assets	5.00%	7.00%

The major categories of plan assets as a percentage of total

Particulars	March 31, 2019	March 31, 2018
Insurer managed funds	100%	100%

Sensitivity Analysis

(in lakhs)

Particulars	31-03-2019 Decrease	Increase
Discount Rate (-/+1%)	652.18	550.37
(% change compared to base due to sensitivity)	9%	8%
Salary growth Rate (-/+1%)	548.80	653.17
(% change compared to base due to sensitivity)	8%	9%
Mortality Rate (-/+10%)	587.50	605.60
(% change compared to base due to sensitivity)	2%	1%

b. **Provident Fund:** During the year the company has recognized an expense of Rs. 442.70 lakhs (Previous Year R s . 538.80 lakhs) towards provident fund scheme.

c. **Leave Encashment:** During the year the company has recognized an expense of Rs. 60.34 lakhs (Previous Year Rs. 200.03 lakhs).

47. Deferred Tax recognized in Profit & Loss

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Current tax:		
Current income tax charge	-	-
Total (A)	-	-
Deferred tax:		
In respect of current year	-	49,925.94
Total (B)	-	49,925.94
MAT Credit Entitlement:		
In respect of reversal during the year	-	5,533.60
Total (C)	-	5,533.60
Income tax expense recognized in the Statement of Profit and Loss (A+B+C)	-	55,459.54

The company has assessed that sufficient taxable profits would not be available in near future. As a result, deferred tax asset in respect of unused tax losses amounting to Rs. 83,387.49 lakhs as of 2019, have not been recognized by the Company.

48. Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows: (Amount in lakhs)

Particulars	Cost		FVTPL		FVTOCI		Amortized Cost	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
FINANCIAL ASSETS								
Non Current Assets								
Investments in								
- Equity Instruments*	253925.77	253925.77	-	-	162.80	132.79	-	-
- Others	(24.81)	29.67	-	-	48.59	48.30	-	-
Other Financial Assets	-	-	-	-	-	-	0.50	21.51
Current Assets								
Trade Receivables#	-	-	-	-	-	-	107066.42	101645.03
Other Financial Assets	-	-	-	-	-	-	27382.78	27685.17
Cash & Cash Equivalents	-	-	-	-	-	-	475.12	258.42
Bank Balances other than above	-	-	-	-	-	-	32.59	63.64
TOTAL FINANCIAL ASSETS	253900.96	253955.44	-	-	211.39	181.09	134956.91	129673.77
FINANCIAL LIABILITIES								
Non Current Liabilities								
Borrowings	-	-	-	-	-	-	158498.35	191683.92
Current Liabilities								
Borrowings	-	-	-	-	-	-	342261.40	343236.34
Trade Payables	-	-	-	-	-	-	6843.50	6577.76
Other Financial Liabilities	-	-	-	-	-	-	131187.39	97842.46
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	-	638790.64	639340.48

*including impairment in value of investments amounting Rs. 52023.45 lakhs (Previous Year Rs. 52144.91 lakhs)

including allowance for doubtful debts amounting Rs. 102803.78 lakhs. (Previous Year Rs. 88093.33 Lakhs)

49. Revenue from operations for the year ended March 31, 2019 and March 31, 2018 is as follows:

(In Lakhs)

Particulars	March 31, 2019	March 31, 2018
Revenue from sale of products	24,459.33	91,846.75
Revenue from job work	21,451.64	7,080.96
Total Revenue from Operations	**45,910.97**	**98,927.71**

Disaggregate Revenue Information: The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 and March 31, 2018 by type of goods and services. (In Lakhs)

Particulars	March 31, 2019	March31, 2018
Terry Towels	21,691.48	29,289.85
Yarn	1,205.71	45,686.40
Garments	573.11	3,699.53
Knitted Cloth	281.91	8,817.51
Others	707.11	4,353.46
Job Work	21,451.64	7,080.96
Total	**45,910.96**	**98,927.71**

Trade receivables

Trade receivables are presented net of impairment in the Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

50.Fair Value Measurement: The following table presents fair value hierarchy of assets and liabilities measured at fair value: (In Lakhs)

Particulars	Fair Value Measurement using					
	Level 1		Level 2		Level 3	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Non Current Investments						
- Fair Value through OCI	85.16	55.16	126.22	125.93	-	-
Financial Liabilities						
Borrowings	-	-	620937.37	622299.55	-	-

51. Financial Risk Management

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The management of the company has set out the company's overall business strategies and its risk management policy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the company's policy guidelines are complied with.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk. The company is exposed to the following risks related to financial instruments. The company has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The company does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

(a) **Market Risk:** Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

The following assumption has been made in calculating the sensitivity analyses:

i) The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended 31st March, 2018, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions.

(b) **Foreign Currency Risk Management:** The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

(c) **Liquidity Risk Management:** The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has outstanding bank borrowings. The Company is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Company are running at sub-optimal level. The Company is at an advanced stage of negotiations with the banks for restructuring of its debt which would correct the cash flow mismatch. The Company believes that post restructuring, the Company would be able to generate enough cash inflows to meet its working capital requirements in the medium and long run.

The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(d) **Credit Risk Management:** Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company has exposure to credit risk from trade receivable balances on sale of Readymade Garments, Towel and Yarns. The Company has entered into short-term agreements with companies incorporated in overseas to sell the Readymade Garments, Towel and Yarns. Therefore the Company is committed, in the short term, to sell Readymade Garments, Towel and Yarns to these customers and the potential risk of default is considered low. For other customers, the Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly.

(e) **Capital Risk Management:** The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

No Changes were made in the objectives, policies or processes during the years ended 31st March 2019 and 31st March 2018.

52. Previous year amounts have been reclassified wherever necessary.

53. Note No. 1 to 52 forms integral part of balance sheet and statement of profit /loss.

For and on the behalf of Board of
SEL Manufacturing Company Limited

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

(CA. Manik Malhotra)	(Neeraj Saluja)	(Navneet Gupta)	(V.K. Goyal)	(Rahul Kapoor)
Prop.	Managing Director	Executive Director & CFO	Executive Director & CEO	Company Secretary
M.No.: 094604	DIN: 00871939	DIN: 02122420	DIN: 02751391	

Place: Ludhiana
Date: 23.05.2019

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results:

Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2019 (Standalone Financial Results)

(Rs. In Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	53,450.39	53,450.39
	2.	Total Expenditure (Excluding Exceptional Items and Tax adjustments)	60,111.38	60,111.38
	3.	Net Profit/(Loss)	(23,596.54)	(77,074.54)
	4.	Earnings Per Share	(7.12)	(23.26)
	5.	Total Assets	412,680.70	412,680.70
	6.	Total Liabilities	639,635.01	783,098.01
	7.	Net Worth	(226,954.31)	(370,417.31)
	8.	Any other financial item(s) (as felt appropriate by the management)	None	None

II. **Audit Qualification (each audit qualification separately)**

a.	Details of Audit Qualification	*Regarding non provision of interest on borrowings from banks (classified as NPA) amounting Rs. 53478 lakhs & Rs. 54084 lakhs (amount calculated after considering the rates and terms and conditions stipulated originally as per CDR package) for the year ended 31st March, 2019 & 31st March 2018 respectively. The same is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis.*
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Third Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The secured lenders have stopped charging interest on borrowings, since the accounts of the Company have been categorized as Non Performing Asset. Further the Corporate Insolvency Resolution Process has been initiated under "Insolvency and Bankruptcy Code, 2016". In view of this, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books. The amount of such accrued and unpaid interest, calculated according to the CDR term, not provided for is estimated at Rs. 53,478 lakhs (Previous Year Rs. 54,084 lakhs) for the year ended 31st March, 2019 and the same has not been considered for preparation of the financial statements for the year ended 31st March 2019. Due to non provision of the interest expense, net loss for the year ended 31st March, 2019 is reduced by Rs. 53,478 lakhs. Further the Financial Liability is reduced by Rs. 143,463 lakhs and correspondingly the equity is increased by the same amount
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	--N.A.–

II. **Audit Qualification (each audit qualification separately)**

a.	Details of Audit Qualification	*Results includes interest subsidy receivable amounting to Rs.26,621 Lakhs which consists of interest subsidy (i) under TUFS from Ministry of Textiles and (ii) Subsidy under Textile Policy of Government of Madhya Pradesh for the Financial years 2013-14 to 2016-17 for which no confirmation was available. The company has not provided for any allowance under ECL there against this amount .*
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Second Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	--N.A.–
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(I) Management's estimation on the impact of audit qualification:	The Subsidies are to be released by Ministry of Textiles and Madhya Pradesh Government and the Company is hopeful of receiving the same in full. Since, the subsidies are not related to current year, the same does not have any impact on current year's profits/losses of the Company. However the reserves & surplus & current assets are overstated to the extent.
	(ii) If management is unable to estimate the impact, reasons for the same:	--N.A.–
	(iii) Auditors' Comments on (i) or (ii) above:	*No confirmation to justify the release of subsidy by Ministry of Textiles and Madhya Pradesh Government. Moreover no Allowance under Expected credit loss has been provided under Ind AS 109, Financial Instruments being long overdue.*

II. **Audit Qualification (each audit qualification separately)**

a.	Details of Audit Qualification	*The company has not provided to us for our review any working regarding impairment testing being conducted to assess recoverable amount of Capital work in progress of Rs 16940 lakhs outstanding as at 31st March 2019.*
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Second Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	--N.A.–
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(I) Management's estimation on the impact of audit qualification:	--N.A.–
	(ii) If management is unable to estimate the impact, reasons for the same:	The Company was implementing a Spinning project which got stuck due to non-disbursement of credit facilities by the Banks. However, post Corporate Insolvency Resolution Process (CIRP) the Company expects that the project would be completed. Therefore, impairment testing was not conducted.
	(iii) Auditors' Comments on (i) or (ii) above:	*We are unable to comment on whether the company needs to make a provision in respect of impairment losses on above as required under Ind AS 36.*

II.	Audit Qualification (each audit qualification separately)	
a.	Details of Audit Qualification	*In Statement of Assets and Liabilities, Borrowings (Non Current), Short Term Borrowings and other Financial Liabilities (Current) contains secured loans from banks. There is shortfall in the carrying value of the security against the secured loans consequently the loans are not fully secured.*
b.	Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Second Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	--N.A.–
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(I) Management's estimation on the impact of audit qualification:	--N.A.–
	(ii) If management is unable to estimate the impact, reasons for the same:	The carrying value of the security has reduced due to impairment of advances, trade receivables etc. Further, inclusion of Corporate Guarantee in financial statement has increased the borrowings without corresponding increase in security value.
	(iii) Auditors' Comments on (i) or (ii) above:	*Management comments are self explanatory, the disclosure of bank borrowings classification between secured and unsecured not given in financial statements.*

Sd/-	Sd/-	Sd/-	Sd/-
(Managing Director)	(CFO)	(Audit Committee Chairman-Member)	(Statutory Auditor)

Place Ludhiana
Dated : 23.05.2019

INDEPENDENT AUDITORS' REPORT

To the Members of SEL Manufacturing Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **SEL Manufacturing Company Limited** ("the Company") and its subsidiaries (the company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate Financial Statements of the subsidiaries referred to below in the Other Matters paragraph , *except for the possible effects of our observations described in the Paragraph Basis of Qualified Opinion below*, the aforesaid Consolidated Financial Statements read with Paragraph Material Uncertainty related to Going Concern and paragraph Emphasis of Matters described below give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2019 , the Consolidated loss, Consolidated total comprehensive loss, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We refer to:

1) *Note No. 38 to the Consolidated Financial Statements in respect of non provision of interest on borrowings from banks (classified as NPA) amounting Rs.76136 lakhs & Rs. 75743 lakhs (amount calculated after considering the rates and terms and conditions stipulated originally as per CDR package) for the year ended 31st March, 2019 & 31st March 2018 respectively. The same is not in compliance with the requirements of para 27 of the Ind AS 1- Presentation of Financial Statements w.r.t. preparation of Financial Statements on accrual basis. Consequently, borrowings are not reflected at fair value in Financial Statements as required by Ind AS 109, Financial Instruments.*

2) *Note no. 13 (Other Financial Assets) to the Consolidated Financial Statements includes interest subsidy receivable amounting to Rs. 32952 Lakhs which consists of interest subsidy (i) under TUFS from Ministry of Textiles and (ii) Subsidy under Textile Policy of Government of Madhya Pradesh for the Financial years 2013-14 to 2016-17 for which no confirmation was available The company has not provided for any allowance under ECL there against this amount.*

3) *The company has not provided to us for our review any working regarding impairment testing being conducted to assess recoverable amount of Capital work in progress of Rs. 55940 lakhs outstanding as at 31st March 2019. We are unable to comment on whether the company needs to make a provision in respect of impairment losses on above as required under Ind AS 36.*

4) *Note no.18, 20 and 22 to the Consolidated Financial Statements in respect of Borrowings (Non Current), Short Term Borrowings and other Financial Liabilities (Current) contains secured loans from banks. There is shortfall in the carrying value of the security against the secured loans consequently the loans are not fully secured.*

We further report that, had the impact of our observations made in paragraph 1 of Basis for qualified opinion paragraph been considered, the net loss for the year ended 31st March, 2019 would have been increased by Rs. 76136 lakhs and the borrowings for the year ended 31st March 2019 and 31st March 2018 would have been increased by Rs. 203665 lakhs & Rs. 127529 lakhs and Equity would have been reduced by the same amount for the years ended 31.3.2019 and 31.3.2018 respectively. The Financial impact of matters stated in paragraphs 2,3 &4 to the Basis for Qualified Opinion can't be measured reliably.

Material Uncertainty Related to Going Concern

Note no. 37 of the Consolidated Financial results, stating thereto that the terms and conditions of the CDR package sanctioned to holding company and one of its subsidiary namely SEL Textiles Limited w.r.t. interest and principal repayment were not complied with. Consequently, State Bank of India, in its capacity as Financial creditor had filed a petition under Insolvency and Bankruptcy Code, 2016 (IBC) against the holding company with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) which was admitted on 11th April 2018 and Corporate Insolvency Resolution Process (CIRP) has been initiated in terms of IBC. The holding company has preferred an appeal against the admission of petition and appointment of IRP with NCLAT. The CIRP has since been kept in abeyance vide order dated 22.06.2018 of Hon'ble High Court of Punjab and Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. The group has incurred net loss of Rs. 36403 lakhs resulting into accumulated losses of Rs. 367206 lakhs leading to erosion of entire net worth and current liabilities have exceeded the current assets of the group and, Further concerning the group's ability to realize the value of inventories, trade receivables and other Financial assets, meet its contractual/financial obligations w.r.t. repayment of overdue principal and accrued interest on secured borrowings, arranging working capital for ensuring normal operations, further investments required towards ongoing projects under construction and the Corporate guarantee given by the holding company on the behalf its subsidiary namely SEL Textiles Limited. Due to Financial constraints, the company has started job work operations in major spinning plants instead of pursuing its own manufacturing activities since November 2017 and the major source of operating income during the year under consideration is from Job Work. This condition indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as going concern and therefore group may be unable to realize its assets and discharge its liabilities in the normal course of business.

Emphasis of Matter

We draw attention to the following matters:

(1) Note No. 37(c) of the Consolidated Financial Statements in respect of Contingency related to 'compensation payable in lieu of bank sacrifice,' the outcome of which is materially uncertain and cannot be determined currently.

(2) Note No. 34 A (iii) of the Consolidated Financial Statements in respect of contingency related to export incentives obligation refundable amounting Rs. 4921 lakhs in respect of allowance for foreign trade receivables, which is further subject to interest and penalties. the amount of such obligation cannot be determined currently.

(3) Note no. 39, to the Consolidated Financial Statements regarding the balance confirmations of Trade Receivables, Capital/Trade Advances & Trade Payables. During the course of preparation of Consolidated Financial Statements, e-mails/letters have been sent to various parties by the company with a request to confirm their balances as on 31st March, 2019 out of which few parties have confirmed their balances direct to us or to the company.

(4) As reported vide note 40(i) and (ii) to the Consolidated Financial Statements, the group has provided for allowance/impairment of Rs. 24884 lakhs in compliance of Ind AS 109 under Expected credit losses (under ECL Model) in respect of Trade Receivables and Capital/Trade Advances given to suppliers.

Our opinion is not modified in respect of this Matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	
Contingency related to Income Tax	Auditor's Response
The disputed Income Tax Demands raised by the Income Tax Authorities amounting to Rs. 27854 lakhs (subject to Further Interest and Penalty Proceedings) was pending at ITAT Chandigarh. The ITAT Chandigarh passed an order in favour of the company and vacated the said demand. However the Income Tax Department has further right to appeal in Hon'ble High Court within 120 days of order received. The period of 120 days has not expired on 31st March, 2019. The Company has material uncertain tax positions which involve significant judgment to determine the possible outcome of this dispute.	Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties. We used our tax specialists to gain an understanding of the current status of the tax cases and monitored changes in the disputes where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments For legal, regulatory and tax matters our procedures included the following: - testing key controls surrounding litigation, regulatory and tax procedures; - performing substantive procedures on the underlying calculations supporting the provisions recorded; - where relevant, reading external legal opinions obtained by management; - meeting with regional and local management and reading subsequent Group correspondence; - discussing open matters with the Group regulatory, general counsel and tax teams; - assessing management's conclusions through understanding precedents set in similar cases; and - circularization where appropriate of relevant third party legal representatives and direct discussion with them regarding certain material cases. Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the said matter at 31 March, 2019 to be appropriate.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation and presentation of its report herein after called the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Consolidated Financial Statements and our Auditor's Report thereon. The Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and, in doing so, consider whether the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact.

When we read the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 management 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 also responsible for overseeing the Financial reporting process of the Group.

The Hon'ble National Company Law Tribunal, Chandigarh ("NCLT") on April 11th, 2018 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against the Company and appointed Mr. Navneet Kumar Gupta having IP Registration No. IBBI/IPA-001/IP-P00001/2016-17/10009 as Interim Resolution Professional ("IRP") in terms of the Insolvency and Bankruptcy Code, 2016 ("Code")vide order dated 25th April 2018 to manage the affairs, business and assets of the company. The company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT).The CIRP has since been kept in abeyance vide order date 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. *The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication.* In view of the abovesaid order of Hon'ble High Court of Punjab & Haryana, the powers and responsibilities to manage the affairs, business and assets of the company is vested with the Board of Directors of the company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 company and its subsidiary companies which are companies incorporated in India, has adequate internal Financial controls system 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 management.

- Conclude on the appropriateness of management's 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 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 Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the 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.

Other Matters

We did not audit the Financial Statements/Financial information of two subsidiaries, whose Financial Statements/ Financial information reflect total assets (net) of Rs. 4778 lakhs as at March 31, 2019, total revenue of Rs. 4 lakhs, total comprehensive income of Rs 124 lakhs and net cash outflows amounting to Rs. 124.41 lakhs, for the year ended on March 31, 2019, as considered in the Consolidated Financial Statements. These Financial Statements/ Financial information have been audited by other auditors whose reports have 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

We have relied on the unaudited Financial Statements of subsidiary wherein total assets (net) of Rs. (18) lakhs as at March 31, 2019. The group's share of loss aggregate to Rs. 54 lakhs for the year ended. These unaudited Financial Statements as approved by the respective management of the subsidiary have 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 subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relate to the aforesaid subsidiaries are based solely on such approved unaudited Financial Statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors as well as our reliance on such approved unaudited Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of Consolidated Financial Statements .

d. In our opinion, the matters described in the "Basis of Qualified Opinion" and"Emphasis of Matter" paragraphs above may have an adverse impact on the functioning of the group.

e. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

f. On the basis of written representations received from the directors of the company as on March 31, 2019, taken on record by the Board of Directors of the company and its subsidiaries and the report of the statutory auditors of the Subsidiary Companies, none of the directors of the Group Companies is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

g. With respect to the adequacy of the internal Financial controls over Financial reporting and the operating effectiveness of such controls , refer to our separate report in "Annexure A" which is based on the auditor's reports of the company and its subsidiary Companies and

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its Financial position in its Consolidated Financial Statements - Refer Note no. 34 to the Consolidated Financial Statements;

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

FOR MALHOTRA MANIK & ASSOCIATES,
CHARTERED ACCOUNTANTS
FRN.: 015848N

(CA. MANIK MALHOTRA)
PROPRIETOR
M.No.: 094604

PLACE: LUDHIANA
DATED: 23.05.2019

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph (g) under the "Report on other legal and regulatory requirements" of our report to the members of SEL Manufacturing Company Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31,2019 we have audited the Internal Financial controls over Financial reporting of SEL Manufacturing Company Limited (Hereinafter referred to as "parent" and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal Financial controls based on the internal control over Financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal Financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable Financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company and its subsidiary companies which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act,2013 to the extent applicable to an audit of internal Financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary Companies which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial controls over Financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail ,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Group were not made available to us to enable us to determine if the Group has established adequate internal financial control over financial reporting and whether such internal financial controls operating effectively as on March 31, 2019.

Basis for Qualified Opinion

In our opinion and according to information and explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the company , its subsidiary companies which are companies incorporated in India, in respect of the matters disclosed in paragraphs under "Basis of Qualified Opinion" and "Emphasis of Matter" of our main Independent Auditor's Report which came to our notice during the course of audit of Consolidated Financial Statements indicates material weaknesses in the internal Financial controls over Financial reporting as at March 31, 2019.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Financial Statements will not be prevented or detected on timely basis.

Qualified Opinion

In our opinion, the matters disclosed in above paragraphs under "Basis of Qualified Opinion" indicate material weaknesses in the internal financial controls over financial reporting.

Other Matters

Our aforesaid report under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which are company incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

We have considered the disclaimer of opinion as well as material weaknesses identified and reported in Qualified Opinion paragraph in determining the nature, timing, and extent of audit tests applied in our audit of the Financial Statements of the Company for the year ended March 31, 2019 and the disclaimer and material weaknesses do not affect our opinion on the Consolidated Financial Statements of the Group.

FOR MALHOTRA MANIK & ASSOCIATES,
CHARTERED ACCOUNTANTS
FRN.: 015848N

(CA. MANIK MALHOTRA)
PROPRIETOR
M.No.: 094604

PLACE: LUDHIANA
DATED: 23.05.2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	5	**215,520.33**	230,906.68
(b) Capital Work in Progress	5	**55,940.78**	55,923.32
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets	5	-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets			
(i) Investments	6	**4,280.56**	4,250.28
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others	7	**18.84**	39.85
(i) Deferred Tax Assets (Net)		-	-
(j) Other Non-Current Assets	8	**4,053.97**	4,433.53
		279,814.50	**295,553.65**
(2) Current Assets			
(a) Inventories	9	**7,272.38**	11,398.89
(b) Financial Assets			
(i) Current Investments		-	-
(ii) Trade Receivables	10	**5,901.30**	21,143.40
(iii) Cash & Cash Equivalents	11	**539.31**	416.53
(iv) Bank Balances other than (iii) above	12	**32.74**	64.79
(v) Loans		-	-
(vi) Others	13	**33,721.95**	34,022.57
(c) Current Tax Assets (Net)	14	**1,878.98**	1,216.14
(d) Other Current Assets	15	**3,887.21**	9,588.34
		53,233.87	**77,850.66**
TOTAL ASSETS		**333,048.36**	**373,404.32**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	**33,134.70**	33,134.70
(b) Other Equity	17	**(309,367.55)**	(271,813.48)
Equity attributable to owners of the Company		**(276,232.85)**	(238,678.78)
Non-Controlling Interest		**18.31**	14.96
Total Equity		**(276,214.54)**	**(238,663.82)**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	**219,495.12**	269,045.79
(ii) Trade Payables		-	-
(iii) Other Financial Liabilites		-	-
(b) Provisions	19	**173.47**	383.09
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
		219,668.59	**269,428.88**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	**177,132.41**	178,620.62
(ii) Trade Payables	21		
(1) total outstanding dues of micro enterprises and small enterprises;		-	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		**12,011.34**	11,307.74
(iii) Other Financial Liabilities	22	**199,557.32**	151,366.84
(b) Other Current Liabilities	23	**184.64**	616.34
(c) Provisions	24	**708.59**	727.71
(d) Current Tax Liabilities(Net)		-	-
		389,594.31	342,639.26
TOTAL EQUITY & LIABILITIES		**333,048.36**	**373,404.32**

See accompanying notes to the financial statements

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No. 094604
Place : Ludhiana
Date: 23.05.2019

(Neeraj Saluja) Managing Director DIN: 00871939

(Navneet Gupta) Executive Director & CFO DIN: 02122420

(V.K. Goyal) Executive Director & CEO DIN: 02751391

(Rahul Kapoor) Company Secretary

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	CURRENT YEAR	PREVIOUS YEAR
I. Revenue From Operations	**25**	**60,672.87**	**126,253.65**
II. Other Income	**26**	**9,168.72**	**5,480.92**
III. Total Income (I+II)		**69,841.59**	**131,734.57**
IV. Expenses			
Cost of Materials Consumed	27	**19,395.57**	77,342.37
Purchases of Stock-in-Trade		**281.92**	1,399.99
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	28	**1,248.15**	28,069.93
Employee Benefits Expense	29	**11,460.88**	12,714.95
Finance Cost	30	**684.27**	1,060.94
Depreciation and Amortization Expense	31	**14,630.76**	14,929.57
Other Expense	32	**34,502.78**	36,499.44
Total Expenses (IV)		**82,204.33**	**172,017.19**
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		**(12,362.74)**	**(40,282.62)**
VI. Exceptional Items	33	**24,884.24**	161,058.29
VII. Profit/(Loss) Before Tax (V-VI)		**(37,246.98)**	**(201,340.92)**
VIII. Tax Expense			
a) Current Tax		**-**	0.20
b) Deferred Tax		**-**	44,974.44
c) Earlier Years		**(0.03)**	-
d) MAT Credit Entitlement		**-**	6,454.59
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		**(37,246.94)**	**(252,770.14)**
X. Profit/(Loss) from Discontinued Operations		**-**	**-**
XI. Tax Expense of Discontinued Operations		**-**	-
XII. Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		**-**	**-**
XIII. Profit/(Loss) for the period (IX+XII)		**(37,246.94)**	**(252,770.14)**
Profit/(Loss) attributable to			
(1) Owners of the Company		**(37,249.45)**	(252,748.33)
(2) Non-Controlling Interests		**2.50**	(21.81)
Profit/(Loss) for the period		**(37,246.94)**	**(252,770.14)**
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		**496.51**	511.78
B (i) Items that will be reclassified to Profit or Loss		**(801.13)**	1,667.84
Total Other Comprehensive Income(net of taxes)		**(304.62)**	2,179.62
XV. Total Comprehensive Income for the Period (XIII+XIV)		**(37,551.56)**	**(250,590.53)**
Total Comprehensive Income attributable to			
(1) Owners of the Company		**(37,554.07)**	(250,568.71)
(2) Non-Controlling Interests		**2.50**	(21.81)
Total Comprehensive Income		**(37,551.56)**	**(250,590.53)**
XVI. Earning per Equity Share (for Continuing Operations) (Rs.)	**36**		
1) Basic		**(11.24)**	(76.28)
2) Diluted		**(11.24)**	(76.28)
XVII. Earning per Equity Share (for Discontinued Operations) (Rs.)			
1) Basic		**-**	-
2) Diluted		**-**	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations) (Rs.)	**36**		
1) Basic		**(11.24)**	(76.28)
2) Diluted		**(11.24)**	(76.28)
see accompanying notes to the financial statements			

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No. 094604
Place : Ludhiana
Date: 23.05.2019

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

CONSILIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs)

Particulars	Details	Current Year	Details	Previous Year
A Cash Flow from Operating Activities				
Net Profit before Taxes & Extraordinary Items		**(37,249.48)**		(201,319.10)
Adjustments for Non Cash Items:				
-Depreciation	14,630.76		14,929.57	
-Provision for Doubtful Debts	22,550.29		101,129.95	
-Allowances for Loans & Advances	2,333.96		12,326.35	
-Interest Paid	501.01		730.72	
-Interest Received	(127.28)		(326.82)	
-Actuarial Gain on Defined Plan	466.22		(173.48)	
-Amortization of Long Term Borrowings	(801.13)		5,548.75	
-Dividend Received	(0.37)		(0.34)	
-(Profit)/Loss on Sale of Fixed Assets	(340.14)		895.73	
		39,213.32		135,060.42
Adjustments for Changes in Working Capital:				
-Increase/ (Decrease) in Trade Payables	703.60		(7,979.32)	
-Increase/ (Decrease) in Other Current Liabilities	(431.70)		(4,235.90)	
Increase/ (Decrease) in Other Financial Liabilities	48,190.48		35,001.16	
-Increase/ (Decrease) in Current Provisions	(19.12)		(254.91)	
-(Increase)/ Decrease in Trade Receivables	(7,308.18)		(7,083.40)	
-(Increase)/ Decrease in Other Current Assets	5,733.18		1,221.13	
-(Increase)/ Decrease in Current Assets Tax (Net)	(662.84)		(803.74)	
-(Increase)/ Decrease in Current Loans	300.63		3,635.86	
-(Increase)/ Decrease in Inventories	4,126.51	**50,632.55**	91,725.02	111,225.89
Cash Generation from Operations		**52,596.39**		44,966.21
-Taxes Paid		**(0.03)**		6,454.79
Net Cash from Operating Activities		**52,596.42**		38,511.42
B Cash Flows from Investing Activities				
-Purchase of Plant, Property & Equipments	(31.54)		(72.58)	
-(Increase)/Decrease in Capital Work in Process	(17.46)		(651.99)	
-Goodwill/Capital Reserve	-		(25.47)	
-Sale of Fixed Assets	1,127.26		2,068.69	
-Foreign Exchange Difference Reserve	-		(0.90)	
-Interest Received	127.28		326.82	
-Dividend Received	0.37		0.34	
-Increase/(Decrease) of Non Current Investments	0.00		(17.42)	
-(Increase)/ Decrease in Non Financial Assets Others	21.01		6,595.98	
-(Increase)/ Decrease in Other Non Current Assets	(1,954.40)		(2,217.70)	
-Increase/(Decrease)in Non Current Provisions	(209.62)		207.54	
Net Cash Flows from Investing Activities		**(937.11)**		6,213.30
C Cash Flows from Financing Activities				
-Increase/(Decrease) in Non Controlling Interest	3.35		(0.34)	
-Proceeds/(Repayment) of Non Current Borrowings	(49,550.67)		(42,930.43)	
-Proceeds/(Repayment) of Short term Borrowings	(1,488.21)		(1,892.36)	
-Interest Paid	(501.01)		(730.72)	
Net Cash Flows from Financing Activities		**(51,536.53)**		(45,552.86)
Net Increase/(Decrease) in Cash & Cash Equivalent		**122.78**		(828.14)
Cash & Cash Equivalents - Opening Balance		**416.53**		1,244.67
Cash & Cash Equivalents - Closing Balance		**539.31**		416.53

Subject to our Seprate Report of Even Date
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No. 094604
Place : Ludhiana
Date: 23.05.2019

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital (Rs. in Lakhs)

As At 01.04.2017	Changes in equity share capital during the year	As At 31.03.2018	Changes in equity share capital during the year	As At 31.03.2019
33,134.70	-	33,134.70	-	33,134.70

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial Instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium	Reserves and Surplus: General Reserve	Reserves and Surplus: Foreign Exchange Fluctuation Reserve	Reserves and Surplus: Surplus	Non Controlling Interests	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial Statements of a foreign operation	other items of Other Comprehensive income	Total
As at 01.04.2017	-	-	2,641.25	51,866.83	-	0.90	(77,208.37)	15.30	-	-	-	-	1,480.99	(21,203.09)
General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(0.90)	(252,748.33)	(21.81)	-	-	-	-	2,179.62	(250,591.43)
As at 31.03.2018	-	-	2,615.78	51,866.83	-	-	(329,956.70)	14.96	-	-	-	-	3,660.61	(271,798.52)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31.03.2018	**-**	**-**	**2,615.78**	**51,866.83**	**-**	**-**	**(329,956.70)**	**14.96**	**-**	**-**	**-**	**-**	**3,660.61**	**(271,798.52)**
Total Comprehensive Income for the year	-	-	-	-	-	-	(37,249.45)	2.50	-	-	-	-	(304.62)	(37,551.56)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	(0.85)	-	-	-	-	-	(0.85)
As at 31.03.2019	**-**	**-**	**2,615.78**	**51,866.83**	**-**	**-**	**(367,206.14)**	**18.31**	**-**	**-**	**-**	**-**	**3,355.99**	**(309,349.24)**

See accompanying notes to the financial statements

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of Directors
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No.: 094604

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

Place: Ludhiana
Date: 23.05.2019

Property, Plant and Equipment

NOTE NO.- 5

Particulars	Freehold Land	Leasehold Land	Building & Roads	Plant & Machinery	Fixtures & Fittings	Vehicles	Office Equipments	Total	Other Intangible Assets	Capital Work in Progress
Gross Value as at 1st April, 2017	17,591.32	732.89	114,300.02	262,145.39	4,292.51	1,781.86	515.56	401,359.55	526.83	55,271.32
Addition during the year	-	-	69.98	-	0.21	-	2.39	72.58	-	724.58
Deduction during the year	1,710.44	-	990.13	18.08	308.10	590.62	12.34	3,629.71	-	72.58
Gross Value as at 31st March, 2018	**15,880.88**	**732.89**	**113,379.87**	**262,127.31**	**3,984.62**	**1,191.24**	**505.61**	**397,802.42**	**526.83**	**55,923.32**
Addition during the year	-	-	-	2.10	-	29.44	-	31.54	-	17.46
Deduction during the year	4.05	-	-	1,200.59	-	-	-	1,204.65	-	-
Gross Value as at 31st March, 2019	**15,876.83**	**732.89**	**113,379.87**	**260,928.81**	**3,984.62**	**1,220.68**	**505.61**	**396,629.31**	**526.83**	**55,940.78**
Depreciation & Impairment										
Depreciation as at 1st April, 2017	-	65.55	18,062.79	130,942.59	1,982.01	1,164.27	414.25	152,631.46	526.83	-
Depreciation for the year	-	8.52	3,316.43	11,002.47	426.53	135.46	40.16	14,929.57	-	-
Disposal during the year	-	-	74.85	16.35	141.78	420.62	11.70	665.30	-	-
Depreciation as at 31st March, 2018	**-**	**74.07**	**21,304.38**	**141,928.71**	**2,266.76**	**879.10**	**442.72**	**166,895.73**	**526.83**	**-**
Depreciation for the year	-	8.52	3,307.96	10,918.19	289.64	90.23	16.22	14,630.76	-	-
Disposal during the year	-	-	-	417.52	-	-	-	417.52	-	-
Depreciation as at 31st March, 2019	**-**	**82.59**	**24,612.34**	**152,429.37**	**2,556.41**	**969.34**	**458.93**	**181,108.97**	**526.83**	**-**
Net Book Value										
As at 31st March, 2019	15,876.83	650.30	88,767.54	108,499.44	1,428.21	251.34	46.68	215,520.33	-	55,940.78
As at 31st March, 2018	15,880.88	658.82	92,075.50	120,198.60	1,717.85	312.14	62.89	230,906.68	-	55,923.32

INVESTMENTS (NON CURRENT) **(Rs. in Lakhs)** **NOTE NO. - 6**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(1) Investment in Equity Instruments (Quoted-At Fair Value)		
i) 6,248 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited	**85.16**	55.16
ii) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited	**-**	-
(2) Investment in Equity Instruments (Unquoted-At Fair Value)		
Others		
i) 299,300 Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited	**77.63**	77.63
(3) Investment in Equity Instruments (Unquoted-At Cost)		
i) 14,000 Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Limited	**1.40**	1.40
ii) 1,108,000 Equity Shares of Rs. 10/- each fully paid up of OPGS Power Gujrat Pvt. Ltd.	**5.56**	5.56
(4) Investments in Preference Shares (At Cost)		
i) 3,692,930 9% Redeemable Preference Shares of Rs. 10 each fully paid up of Rhythm Textile & Apparels Park Limited	**4,062.22**	4,062.22
(5) Investment in Mutual Funds (Unquoted-At Fair Value)		
i) 150,000 Units of Rs.10/- each of SBI Infrastructure Fund	**22.58**	22.92
ii) 50,000 Units of Rs.10/- each of SBI PSU Fund	**5.25**	5.54
iii) 55,187.638 Units of Rs. 10/- each of Union Multi Cap Fund	**10.76**	10.03
iv) 100,000 Units of Rs.10/- each of SBI Gold Fund	**10.00**	9.81
TOTAL	**4,280.56**	4,250.28
Market Value of Quoted Investments	**85.16**	55.16
Aggregate Amount of Quoted Investments	**30.68**	30.68
Aggregate Amount of UnQuoted Investments	**4,195.40**	4,195.12
Aggregate Impairment in Value of Investments	**132.55**	132.55

OTHERS FINANCIAL ASSETS (NON CURRENT) **NOTE NO. -7**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Fixed Deposits with Banks (held as margin with banks)	**18.84**	39.85
TOTAL	**18.84**	39.85

OTHER NON CURRENT ASSETS **NOTE NO. - 8**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
a) MAT Credit Entitlement	**-**	-
a) Security Deposits	**1,682.86**	2,010.28
b) Capital Advances	**12,150.83**	12,219.78
	13,833.69	14,230.06
Less: Impairment for Doubtful Loans & Advances (Expected Credit Loss Allowance)#	**9,779.72**	9,796.53
TOTAL	**4,053.97**	**4,433.53**

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Balance at the beginning of the year	**9,796.53**	-
Less: Amount collected and hence reversal of provision	**16.81**	-
Add: Provision made during the year	**(0.00)**	9,796.53
Balance at the end of the year	**9,779.72**	**9,796.53**

INVENTORIES **NOTE NO. - 9**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Valued at Cost or Net Realisable Value, whichever is lower)		
(a) Raw Materials	**1,043.57**	4,058.33
(b) Work in Progress	**1,819.16**	1,461.25
(c) Finished Goods		
-In Godown	**3,590.49**	3,866.86
-In Transit	**223.74**	785.63
(d) Stock in Trade	**51.25**	819.06
(d) Stores & Spares	**544.17**	407.77
TOTAL	**7,272.38**	**11,398.89**

TRADE RECEIVABLES (CURRENT) **NOTE NO. - 10**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
a) Trade Receivables considered good-Secured	**-**	-
b) Trade Receivables considered good-Unsecured	**5,901.30**	21,143.40
c) Trade Receivables which have significant increase in Credit Risk; and	**-**	-
d) Trade Receivables-credit impaired	**123,680.23**	101,129.95
	129,581.54	122,273.35
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)#	**123,680.23**	101,129.95
TOTAL	**5,901.30**	**21,143.40**

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Balance at the beginning of the year	**101,129.95**	-
Less: Amount collected and hence reversal of provision	**949.44**	-
Add: Provision made during the year	**23,499.73**	101,129.95
Balance at the end of the year	**123,680.23**	101,129.95

CASH & CASH EQUIVALENTS **NOTE NO. - 11**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Cash in Hand	**53.07**	112.48
(b) Balances With Scheduled Banks		
i) In Current Accounts	**484.67**	304.05
ii) In Fixed Deposits Accounts	**1.57**	-
TOTAL	**539.31**	416.53

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS **NOTE NO. - 12**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Other Bank Balances		
i) In Fixed Deposits Accounts	**32.74**	64.79
TOTAL	**32.74**	64.79

OTHERS FINANCIAL ASSETS (CURRENT) **NOTE NO. - 13**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Unsecured, considered good)		
i) Duty Drawback Receivable	760.22	1,057.77
iI) Interest Subsidy Receivable	32,952.68	32,952.68
iii) Interest Receivable	9.04	12.12
TOTAL	**33,721.95**	**34,022.57**

CURRENT TAX ASSETS (NET) **NOTE NO. - 14**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
i) Prepaid Taxes	1,878.98	1,216.14
TOTAL	**1,878.98**	**1,216.14**

OTHER CURRENT ASSETS **NOTE NO. - 15**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Unsecured, considered good)		
i) Advances to Suppliers	5,177.07	5,531.85
ii) Statutory Dues & Taxes	2,083.21	5,075.68
iii) Others	1,507.51	1,510.63
	8,767.79	12,118.16
Less: Impairment for Doubtful Loans & Advances (Expected Credit Loss Allowance)#	4,880.58	2,529.82
TOTAL	**3,887.21**	**9,588.34**

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Balance at the beginning of the year	2,529.82	-
Less: Amount collected and hence reversal of provision	513.25	-
Add: Provision made during the year	2,864.02	2,529.82
Balance at the end of the year	**4,880.58**	**2,529.82**

EQUITY SHARE CAPITAL **NOTE NO. - 16**

PARTICULARS		AS AT 31.03.2019	AS AT 31.03.2018
(a) Authorised			
1,000,000,000 Equity Shares		100,000.00	100,000.00
(b) Issued, Subscribed & Paid Up			
331,347,000 Equity Shares Fully Paid Up		33,134.70	33,134.70
		33,134.70	33,134.70
(c) Par Value per Share			
331,347,000 Equity Shares	Rs. 10/-		
(d) Reconciliation of the number of shares outstanding			

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year				
Equity Shares	3,313.47	33,134.70	3,313.47	33,134.70
Total	3,313.47	33,134.70	3,313.47	33,134.70
Add: Addition during the year				
Equity Shares	-	-	-	-
Total -	-	-	-	
Less: Deduction during the year				
Equity Shares	-	-	-	-
Total -	-	-	-	
Shares outstanding at the end of the year				
Equity Shares	3,313.47	33,134.70	3,313.47	33,134.70
Total	**3,313.47**	**33,134.70**	**3,313.47**	**33,134.70**

(e) Shares in the company held by preference shareholder holding more than 5% shares

Dhiraj Saluja	51,310,000 Shares	73.60%
Neeraj Saluja	12,400,000 Shares	17.78%

(e) Terms/rights, preference, restrictions attached to shares.

EQUITY SHARES: The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share except holder of GDR will not have voting right with respect to the Deposited Shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company issued 220,000,000 equity shares of the face value of Rs. 10 per share consequent to Global Depository Receipt (GDRs) issue of the company during the year 2012-13. Holders of Global Depository Receipt (GDRs) are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares. As on 31.03.2019, 49,600,000 shares (Previous Year 75,709,249 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

OTHER EQUITY **NOTE NO. - 17**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Captial Reserve		
Opening Balance	**2,615.78**	2,641.25
Add: Addition during the year	-	-
	2,615.78	2,641.25
Less: Deduction during the year	-	25.47
	2,615.78	2,615.78
(b) Securities Premium		
Opening Balance	**51,866.83**	51,866.83
Add: Addition during the year	-	-
	51,866.83	51,866.83
Less: Deduction during the year	-	-
	51,866.83	51,866.83
(c) Foreign Exchange Fluctuation Reserve		
Opening Balance	-	0.90
Add: Addition during the year	-	(0.90)
	-	-
Less: Deduction during the year	-	-
	-	-
(d) Other Comprehensive Income		
Opening Balance	**3,660.61**	1,480.99
Add: Addition during the year	**496.51**	2,899.65
	4,157.12	4,380.64
Less: Deduction during the year	**801.13**	720.03
	3,355.99	3,660.61

(e) Surplus		
Opening Balance	**(329,956.70)**	(77,208.37)
Add: Addition during the year	**(37,249.45)**	(252,748.33)
	(367,206.14)	(329,956.70)
Less: Deduction during the year	**-**	-
	(367,206.14)	(329,956.70)
(f) Non Controlling Interests		
Opening Balance	**14.96**	15.30
Add: Addition during the year	**2.50**	(21.81)
	17.46	(6.51)
Less: Deduction during the year	**(0.85)**	(21.47)
	18.31	14.96
TOTAL	**(309,367.55)**	(271,813.48)

BORROWINGS (NON CURRENT) **NOTE NO. - 18**

PARTICULARS	**AS AT 31.03.2019**	**AS AT 31.03.2018**
(a) Secured Loans		
i) Term Loans		
- From Banks	**208,377.25**	258,637.31
(b) Unsecured Loans (At Amortised Cost)		
i) Loan from Others	**35.00**	117.64
i) Loan from Directors	**6,871.93**	6,405.09
(Interest free loans repayable in 2023-24)		
Liability Component of Compound Financial Instrument		
(c) Preference Share Capital (At Amortised Cost)	**4,210.95**	3,885.75
69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares Fully Paid Up		
TOTAL	**219,495.12**	**269,045.79**

Terms and conditions of secured loans taken from banks and status of contuining default as at year end

Type of Loans	**Rupee Term Loan I (RTL-I)**	**Rupee Term Loan II (RTL-II)**	**Funded Interest Term Loan I (FITL-I)**	**Working Capital Term Loan (WCTL)**	**Funded Interest Term Loan II (WCTL FITL-II)**	**Rupee Term Loan III (PL-III)**
Sanctioned Amount	215,960.00	92,604.00	48,206.00	74,553.00	14,443.62	13,157.00
Balance as on 31.03.2019	206,643.74	72,098.87	18,493.76	73,578.79	13,383.20	1,005.36
Rate of Interest	10.65%	10.65%	10.65%	10.65%	10.65%	11.15%
Repayment Type	Monthly	Monthly	Monthly	Quarterly	Quarterly	Monthly
Repayment during the year ending						
31/03/2020	27,858.57	10,885.25	-	9,594.53	1,778.44	217.99
31/03/2021	31,458.58	11,252.92	-	13,055.36	1,695.64	102.79
31/03/2022	31,458.58	13,034.53	-	13,056.61	1,978.24	119.92
31/03/2023	31,891.04	13,482.26	-	13,852.23	1,984.62	119.92
31/03/2024	10,747.54	2,514.18	-	3,372.47	137.66	100.16
Overdue Principle Amount	60,977.58	16,462.33	19,745.42	16,901.46	5,121.99	297.07
Overdue Interest Amount	10,044.68	4,056.47	1,475.67	3,746.14	693.27	67.80
Overdue Since	August 2015	July 2015	April 2015	July 2015	June 2015	Nov. 2015

Details of security for term loans

*Long term borrowings from banks are secured by the equitable mortgage of entire Land & Building of the Company and further secured by all the fixed assets of the Company, immovable & movable, both present and future ranking pari-passu basis and personal guarantee of the promoter directors. The said borrowings are further secured, on pari-passu basis with short term lenders, by equitable mortgage of the following properties.

Sr. No.	**Owner**	**Detail of property**
1.	Sh. R.S.Saluja	Land & Building measuring 1K 13M at Rahon Road, Ludhiana
2.	Smt. Sneh Lata Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana
3.	Smt. Sneh Lata Saluja	Land and building measuring 155 sq. yds. at B-V443, Hazuri Road, Ludhiana
4.	Sh. Neeraj Saluja	Land measuring 700 sq.yds. at Rajpura Road, Vill. Pratap Singhwala, Ludhiana
5.	Sh. Neeraj Saluja	Land measuring 4840 sq.yds. at Village Jhande, Ludhiana
6.	Smt. Ritu Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana

PROVISIONS (NON CURRENT) **NOTE NO. - 19**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Provision for Employee Benefits	173.47	383.09
TOTAL	**173.47**	**383.09**

SHORT TERM BORROWINGS **NOTE NO. - 20**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Secured Loans		
i) Loans Repayable on Demand		
From Banks	177,132.41	178,620.62
TOTAL	**177,132.41**	**178,620.62**

Details of security for working capital borrowings

i) Short term borrowings from banks are secured by the Hypothecation of Stock-in trade, Book Debts and Receivables of the Company and further secured by the second parri-passu charge on the entire fixed assets of the Company and personal guarantee of the promoter directors and pledged of 36,729,044 equity shares of the company held by the promoters. The said borrowings are further secured, on pari-passu basis with term loan lenders, by equitable mortgage of the following properties:

Sr. No.	Owner	Detail of property
1.	Sh. R.S.Saluja	Land & Building measuring 1K 13M at Rahon Road, Ludhiana
2.	Smt. Sneh Lata Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana
3.	Smt. Sneh Lata Saluja	Land and building measuring 155 sq. yds. at B-V443, Hazuri Road, Ludhiana
4.	Sh. Neeraj Saluja	Land measuring 700 sq.yds. at Rajpura Road, Vill. Pratap Singhwala, Ludhiana
5.	Sh. Neeraj Saluja	Land measuring 4840 sq.yds. at Village Jhande, Ludhiana
6.	Smt. Ritu Saluja	Land measuring 1023.59 sq. yds. at Village Bajra, Ludhiana

Terms of repayment of loans repayable on demand

From banks are repayable on demand and carries interest @ 10.65% p.a.

TRADE PAYABLES **NOTE NO. - 21**

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Trade Payables	**12,011.34**	11,307.74
TOTAL	**12,011.34**	**11,307.74**

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management, the relevant particulars as at 31st March, 2019 are Nil.

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(i) Principal amount and the Interest due remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; -	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

OTHER FINANCIAL LIABILITIES (CURRENT) NOTE NO. - 22

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
i) Current Maturities of Long Term Debts	**169,840.62**	121,248.72
ii) Current Maturities of Long Term Debts (Others)	**91.74**	-
iii) Interest Accrued and due on borrowings	**20,084.06**	20,084.06
iv) Employees Benefits	**1,291.41**	1,577.97
v) Payable to Vendors-Non Trade	**3,037.46**	3,353.95
vi) Others Payable	**5,212.03**	5,102.14
TOTAL	**199,557.32**	**151,366.84**

OTHER CURRENT LIABILITIES NOTE NO. - 23

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
i) Statutory Dues & Taxes	165.38	372.49
ii) Advances from Customers	19.26	243.85
TOTAL	**184.64**	**616.34**

PROVISIONS (CURRENT) NOTE NO. - 24

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(a) Provision for Employee Benefits	708.59	727.71
TOTAL	**708.59**	**727.71**

REVENUE FROM OPERATIONS NOTE NO. - 25

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sale of Products		
Finished Goods	24,742.84	109,026.19
Traded Goods	1,034.40	610.17
Raw Material	1,645.31	-
Other Operating Income		
Sale of Services	32,551.16	13,261.70
Others	699.15	3,355.59
TOTAL	**60,672.87**	**126,253.65**

OTHER INCOME NOTE NO. - 26

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Export Incentives	2,147.70	3,349.43
Interest	127.28	326.82
Other Income	21.52	579.87
Dividend Income	0.37	0.34
Share of Profit from Subsidaries	-	0.74
Foreign Exchange Fluctuation	6,505.49	1,214.56
Profit on Sale of Property, Plant & Equipments	340.14	-
Rental Income	26.23	9.16
TOTAL	**9,168.72**	**5,480.92**

COST OF MATERIAL CONSUMED NOTE NO. - 27

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Raw Material Consumed			
Opening Stock		**3,858.16**	63,369.49
Add: Purchases (net)		**12,829.53**	59,487.98
		16,687.69	122,857.47
Less: Inventories Written Down to Net Realisable Value		-	44,665.70
Less: Closing Stock		**781.91**	3,858.16
Cost of raw material consumed during the year	**(A)**	**15,905.78**	74,333.60
Packing Material Consumed			
Opening Stock		**200.16**	277.51
Add: Purchases (net)		**3,551.29**	2,931.42
		3,751.45	3,208.93
Less: Closing Stock		**261.66**	200.16
Cost of packing material consumed during the year	**(B)**	**3,489.79**	3,008.77
TOTAL	**(A+B)**	**19,395.57**	77,342.37

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE — **NOTE NO. - 28**

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Opening Stocks			
Work in Process		**1,461.25**	15,679.86
Finished Goods		**4,652.48**	23,182.97
Stock in Trade		**819.06**	2.04
	(A)	**6,932.79**	38,864.87
Closing Stocks			
Work in Process		**1,819.16**	1,461.25
Finished Goods		**3,814.24**	4,652.48
Stock in Trade		**51.25**	819.06
	(B)	**5,684.64**	6,932.79
Inventories Valued at Net Realisable Value	(C)	**-**	2,936.29
Stock Destroyed By Fire	(D)	**-**	925.85
Decrease/(Increase) in Inventories	**(A-B-C-D)**	**1,248.15**	28,069.93

EMPLOYEE BENEFITS EXPENSE — **NOTE NO. - 29**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Wages,Salaries & Other Allowances	**10,639.49**	11,873.42
Contribution to PF, ESI & Other Funds	**701.16**	753.30
Staff & Labour Welfare	**120.22**	88.23
TOTAL	**11,460.88**	**12,714.95**

FINANCIAL COSTS — **NOTE NO. - 30**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
a) Bank Charges	**183.26**	330.22
b) Interest on		
i) Working Capital Limits	**-**	66.95
ii) Term Loans	**-**	245.86
iii) Others	**501.01**	417.91
TOTAL	**684.27**	**1,060.94**

DEPRECIATION & AMORTISATION EXPENSES — **NOTE NO. - 31**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation of Tangible Assets	**14,622.24**	14,921.05
Amortisation of Leasehold Land	**8.52**	8.52
TOTAL	**14,630.76**	**14,929.57**

OTHER EXPENSES — **NOTE NO. - 32**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Powel & Fuel	**23,357.14**	21,718.82
Consumables & Repair Maintenance	**6,259.72**	4,449.47
Job Work Expenses	**907.24**	215.54
Printing & Stationery	**11.22**	15.19
Insurance	**224.16**	334.78
Fees & Taxes	**152.33**	164.26
Donation	**0.74**	8.08
Legal & Professional Charges	**422.37**	227.45
Postage & Courier Charges	**60.22**	87.81
Telephone & Fax Expenses	**36.00**	46.58
Statutory Auditors' Remuneration		
-Audit Fee	**7.35**	9.30
-Tax Audit Fee	**2.30**	3.45
-Reimbursement of Expenses	**0.28**	1.05
-Service Tax	**-**	1.96
Cost Auditors' Remuneration		
-Audit Fee	**1.12**	1.21
General Repair & Maintenance	**106.44**	87.75
Office Expenses	**58.97**	100.27
Festival Expenses	**30.14**	35.47

Rent	**90.51**	37.87
Travelling & Conveyance	**367.87**	339.79
Water Charges	**57.16**	70.53
Service Tax Paid	**1.58**	5.65
Advertisement	**6.84**	6.92
Loss on Sale of Property, Plant & Equipments	**-**	895.73
Security Expenses	**4.55**	16.92
Building Repair & Maintanenace	**11.20**	48.50
Vehicles Expenses	**97.48**	101.51
Export Incentive Reversal For Earlier Years	**-**	3,595.13
VAT Input Credit Reversal For Earlier Years	**375.54**	-
Business Promotion	**43.87**	60.71
Commission	**421.76**	1,139.14
Rebate & Discount	**-**	98.46
Clearing Forwarding & Freight Outward	**1,386.67**	2,574.12
TOTAL	**34,502.78**	**36,499.44**

EXCEPTIONAL ITEMS **NOTE NO. - 33**

PARTICULARS	**CURRENT YEAR**	**PREVIOUS YEAR**
Allowance for Doubtful Receivables	22,550.29	101,129.95
Allowance/Impairment for Doubtful Loans & Advances	2,333.96	12,326.35
Inventories Written Down to Net Realisable Value		47,602.00
TOTAL	**24,884.24**	**161,058.29**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

SEL Manufacturing Company Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange. The Company and its subsidiaries (hereinafter referred to as the "Group") are engaged in the manufacturing, processing & trading of yarns, fabrics, readymade garments, towels and aviation sector. The registered office of the company is located at 274, G.T.Road, Dhandari Khurd, Ludhiana, Punjab.

2. Basis of Preparation

These consolidated financial statements of the group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements are presented in Indian Rupees (''INR'') and all values are rounded to the nearest lakhs, except otherwise indicated.

3. Significant Accounting Policies

3.1 Principles of Consolidation

The consolidated financial statements relate to SEL Manufacturing Company Limited ('the company') and its subsidiary companies/firms.

In preparing consolidated financial statements, the financial statements of the parent company and its subsidiaries are combined on line-by-line basis by adding together the items of assets, liabilities, income and expenses. The inter group balances and transactions and unrealized profits and losses are fully eliminated.

The acquisition method of accounting is used to account for business combinations by the Group.

The financial statements of the Parent and its subsidiaries except a subsidiary firm have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent i.e. year ended March 31, 2019.

Non Controlling Interest's in net profit of consolidated financial statements, for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the group.

Non Controlling Interest's in the net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Group's shareholders.

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

3.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

3.3 Revenue from contracts with customers

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(3) - Significant accounting policies - Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue also includes price variations based on the contractual agreements and excludes goods & services tax. Revenue from export sales are recognized on shipment basis. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Lease income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit and loss.

Interest income

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Export Incentives

Revenue in respect of the eligible benefits is recognized on post export basis.

Sale of Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

3.4 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except for waste which is valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

i) In respect of Raw Materials on FIFO basis.

ii) In respect of Work in process and Finished Goods, at weighted average cost of raw material plus conversion cost & packing cost incurred to bring the goods to their present condition & location.

iii) In respect of trading goods, on specific identification method.

iv) In respect of Consumable Stores on weighted average basis.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.5 Foreign Currency Transactions

The functional currency of the group is an Indian rupee.

Other foreign currency transactions:

(i) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction except sales that are recorded at rate notified by the customs for invoice purposes. Such rate is notified in the last week of every month and is adopted for recording export sales of next month.

(ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at balance sheet date are recognized as income or expenses in period in which they arise, except the exchange difference in case of fixed assets which have been adjusted to the cost of fixed assets.

(iii) Foreign currency non monetary items, which are carried in terms of historical cost, re-stated at the rate of exchange prevailing at the year-end and the gain or loss, is accumulated in a foreign exchange fluctuation reserve.

3.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 except for the plant and equipment of spinning and terry towel units where useful life has been technically assessed as 30 years.

Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Leased assets

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

3.7 Goodwill and Intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over useful lives on a straight-line basis, from the date that they are available for use.

3.8 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets, up to the date when such assets are ready for intended use. Other borrowing costs are charged as expenditure in the year in which they are incurred. The capitalization of borrowing costs to be suspended during extended periods in which active developments will be interrupted.

3.9 Employee Benefits

(i) Short term employee benefits: All employee benefits payable wholly within twelve months for rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(ii) Post Employment Benefits:

(a) Defined Contribution Plans:

Provident Fund: Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Group contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the profit and loss account.

(b) Defined Benefit Plans:

Gratuity: The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

(iii) Long Term Employee Benefits : The liability for leave with wages is recognised on the basis of actuarial valuation at the balance sheet date using projected unit credit method.

3.10 Taxes

Tax Expense comprises of current income tax , deferred tax and Minimum Alternate Tax Credit Entitlement.

Current Tax:

Current Tax is determined as the amount of tax payable in respect of taxable income for the period after considering tax allowances & exemptions.

Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimun Alternate Tax Credit

Minimum Alternate Tax credit is recognised as tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specific period.

3.11 Impairment of Non Financial Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand and at bank and short-term deposits with original maturity period of three months or less

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3.13 Provisions and Contingent Liabilities & Contingent Assets

Provisions

Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:

(i) The Group has a present obligation as a result of a past event;

(ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and

(iii) The amount of the obligation can be reliably estimated

Contingent Liabilities

Contingent liability is disclosed in the case of:

(i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

(ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent Assets

A Contingent asset is disclosed when possible asset that arises from past events and whose existence would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.14 Earnings per share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Group by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3.15 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired/given on leases where a significant portion of the risks and rewards of ownership are retained by less or are classified as operating leases. Lease rentals are charged/earned to the statement of profit and loss on straight line basis.

3.16 Financial instruments:

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

-Financial assets at fair value

-Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

-Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

-Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

-Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

-Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an ''accounting mismatch'') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;

- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

- All other receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognize impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

Other Investments

-Quoted Investments

All other quoted investments are measured at fair value through Other Comprehensive Income in the balance sheet.

-Unquoted Investments

All other unquoted investments are measured at fair value through Other Comprehensive Income in the balance sheet, except those investments which the Group has chosen to measure at cost as per Ind AS 109 Financial Instruments Paragraph B5.2.3.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ''pass-through'' arrangement and either;

(a)the Group has transferred substantially all the risks and rewards of the asset, or

(b the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement. It evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Financial liabilities:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and redeemable preference shares.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.17 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.18 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;

- Held primarily for the purpose of trading;

- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;

- It is held primarily for the purpose of trading;

-It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.19 Exceptional Items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

3.20 Government Grants & Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

3.21 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating officer (COO), in deciding how to allocate resources and assessing performance. The Group's chief operating officer (COO) is the Managing Director & CEO.

3.22 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgments, estimates and assumptions made by the management and will seldom equal the estimated results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Group's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Liability for sales return: In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company`s liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Allowance/Impairment for uncollected accounts receivable and other advances: Trade receivables and other advances do not carry any interest and are stated at their normal value as reduced by appropriate allowance/impairment which is made on ECL, and the present value of the cash shortfall over the expected life of the financial assets.

34. Contingent Liabilities and Capital Commitments

(I) There are contingent liabilities in respect of the following items: (No outflow is expected in view of the past history relating to these items)

	Particulars	**March 31, 2019**	**March 31, 2018**
(i)	Export Bills Discounted	1,054.60	1,054.60
(ii)	Income Tax (net of deposit under protest)*	3,614.40	28,234.78
(iii)	Export Incentives obligations refundable in respect of allowance for foreign trade receivables**	4,920.93	4,920.93

*includes demand from tax authorities for various matters. In respect of the assessment proceedings for the various assessment years, the Department has demand including penalties by making some frivolous additions to the total income of the group. The Group had deposited Rs 67.88 lakhs with the tax authorities and filed the appeals against these additions before appropriate authorities and the Company is hopeful that it will get relief in appeal. Considering the facts of the matters, no provision is considered necessary by management.

** Subject to further interest and penalty.

B. **Capital Commitments** **(Rs. in lakhs)**

Particulars	March 31, 2019	March 31, 2018
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for(net of advances)	9,359.55	9,359.55

Further the Group has made impairment for capital advances amounting Rs. 9,779.52 lakhs outstanding since long and the orders placed with capital goods suppliers are more than two year and escalation costs, if any, in these purchase orders shall be in addition to figures reported above.

35. The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

Sr. No.	Name of Related Party	Relationship
1	S. E. Exports	Subsidiary Partnership Firm
2	SEL Textiles Ltd.	Subsidiary Company
3	SEL Aviation Pvt. Ltd.	Subsidiary Company
4	*Silverline Corporation Ltd.	Fellow Subsidiary Company
5	Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
6	*Mrs. Sneh Lata Saluja *Mrs. Ritu Saluja *Mrs. Reema Saluja	Relatives of Key Management Personnel
7	*Shiv Narayan Investments Pvt. Ltd. *Saluja International Rythm Textiles & Apparels Park Ltd. *SEL Renewable Power Limited	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence

*No transactions have taken place during the year.

Related Parties Transactions:

Particulars	Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Rent Paid	-	1.20	47.17	7.75	47.17	8.95
Services Received	-	-	23.64	36.41	23.64	36.41
Managerial Remuneration	334.80	340.68	-	-	334.80	340.68
Closing Balance of Related Parties Debit/(Credit)	(6871.82)	(6405.09)	-	-	(6871.82)	(6405.09)

36. **Earnings Per Share:** The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share" issued by the Institute of Chartered Accountants of India. A statement on calculation of Basic & Diluted EPS is as under:

Particulars		March 31, 2019	March 31, 2018
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	331,347,000	331,347,000
Profit/(Loss) for the year (continuing operations)	Lakhs	(37,246.94)	(252,770.14)
Weighted average earnings per shares (basic and diluted)	Rs.	(11.24)	(76.28)
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	(37,246.94)	(252,770.14)
Weighted average earnings per shares (basic and diluted)	Rs.	(11.24)	(76.28)

37. The Holding company and one of its subsidiary (collectively referred to as borrowers's), submitted proposal forrestructuring of its debts was approved by Corporate Debt Restructuring Cell ("CDR Cell") vide Letter of Approval (LOA) dt.30.06.2014. The cut-off date (COD) for implementation of CDR was 30th September, 2013. The borrower's executed Master Restructuring Agreement (MRA) with CDR Lenders in September, 2014. The details of the Restructuring package as approved by CDR cell were as under:

    a) Restructuring of repayment schedule for term loans under Technology Upgradation Funds Scheme (TUFS) and Non-TUFS Term Loans, reduction in interest rates, additional facilities in the form of Working Capital Term Loan (WCTL) & Funded Interest Term Loan (FITL).
    b) The promoters to bring contribution equivalent to 25% of the sacrifice amount of by lenders. Accordingly, promoters have brought in an amount of Rs. 10,182 lakhs as 1% Redeemable, Non-Cumulative, Non-Convertible Preference Shares and unsecured loans.
    c) Lenders with the approval of CDR EG shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders asper the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Tentative recompense amount comes to Rs. 19,834 lakhs.

    However, the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the respective companies, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the respective companies could not complete their spinning projects where substantial amount were already incurred. All this has led to adverse financial performance and erosion in net worth of the respective companies. Also the said companies are facing cash flow mismatch and are not able to serve debt obligations as per the terms of CDR package sanctioned earlier.

    Since, the Holding company and one of its subsidiary company were finding it difficult to serve its debt obligations, they have requested their lenders for a second/deep restructuring of its debts. Considering the state of art manufacturing facilities of the Group, most modernized technology, skilled labour force, professional management and inherent viability of the said Companies, the lenders have in-principle agreed for second/deep restructuring of the debts.

    Pending discussions with the lenders of holding company, State Bank of India in its capacity as financial creditor has filed a petition on 12thOctober, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). On 11th April, 2018, the NCLT vide it's order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated. Mr. Navneet Kumar Gupta having Registration No.IBBI/IPA-001/IP-P00001/2016-17/10009 was appointed as Interim Resolution Professional (IRP) vide order dt. 25th April, 2018 and the affairs, business and assets are being managed by the Interim Resolution Professional (IRP).The holding Company has preferred an appeal against the admission of petition and appointment of IRP with National Company Law Appellate Tribunal (NCLAT).

    .

    The Corporate Insolvency Resolution Process (CIRP) has since been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana. The matter has since been transferred to Hon'ble Supreme Court of India and is pending for adjudication. The group has prepared these financial statements on the basis of going concern assumption.

    Due to non disbursement of credit facilities the Group had suffered operational losses as well as capital losses. Therefore, the Holding company and one of its subsidiary has presented before the Adjudicating Authority counter claim & claim of set off against the banks.

38. The secured lenders have stopped charging interest on debts, since the dues from the Holding Company & one of its subsidiary have been categorized as Non Performing Asset and both the companies are in active discussion/negotiation with their lenders to restructure their debts at a sustainable level including waiver of unpaid interest. In case of the Holding Company the Corporate Insolvency Resolution Process has been initiated under "Insolvency and Bankruptcy Code, 2016".In view of the above, the Holding Company & one of its subsidiary has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. The amount of such accrued and unpaid interest (including penal interest) not provided for is estimated at Rs. 76,136.75 lakhs (Previous Year Rs. 75,743.39 lakhs) for the year ended 31 March, 2019 and accordingly the same has not been considered for preparation of the financial statements for the year ended 31 March 2019. Due to non provision of the interest expense, net loss for the year ended March 31, 2019 is reduced by Rs. 76,136.75 lakhs. Further the Financial Liability is reduced by Rs. 203,664.47 lakhs and correspondingly the equity is increased by the same amount.

39. The balances of Trade Receivables, Loan and Advances, Deposits and Trade Payables are subject to confirmation /reconciliation and subsequent adjustments if any. During the course of preparation of consolidated financial statements, the Holding Company and one of its subsidiary had sent e-mails/letter to various parties with a request to confirm their balances as on 31st March, 2019 out of which few parties have confirmed their balances direct to the management or to the auditors of the Holding Company and one of its subsidiary.

40. Exceptional Items for the year includes:

i. During the year the group has made an allowance for doubtful trade receivables under Expected credit losses (ECL) method aggregating to Rs. 22,550.29 lakhs, net of amount collected and provision made, in compliance of Ind AS 109 which is charged to Statement of Profit & Loss as an exceptional item. Though the group strongly believes that these trade receivables are fully recoverable.

ii. The group has given capital and trade advances to the suppliers that are outstanding for a long time. In view of reduction in activities, the materials and services could not be called from such suppliers. In compliance of Ind AS 36 impairment for capital and trade advances amounting to Rs. 2,333.96 lakhs, net of amount adjusted and provision made, which is charged to Statement of Profit & Loss as an exceptional item. Though the group strongly believes that these advances are fully recoverable/adjustable.

41. During the previous year a portion of the land measuring 5.85038 kanals had been acquired by the Competent Authority Land Acquisition Collector cum Sub Divisional Magistrate, Ludhiana (West) for the purpose of widening the National Highway-05 (NH-05).

42. There are no long term contracts, as on the date of balance sheet, including derivative contracts for which there are any material foreseeable losses.

43. Lease Rent

I. Factory Building is taken on lease for 20 years & Office Premises is taken on lease for 11 months with the option of renewal. The particulars of these leases are as follows

Particulars	March 31, 2019	March 31, 2018
Future Minimum lease payments obligation on non-cancellable operating leases	218.29	19.83
Not later than one year	76.79	19.83
Later than one year and not later than five years	141.50	-
Later than five years	-	-
Lease payment recognized in Profit and Loss Account	90.51	37.87

ii. Rent Income also includes Lease Rentals received towards Factory Building & Office Premises. Such operating leases are generally for a period of 5 to 15 years. The particulars of these leases are as follows:

Particulars	March 31, 2019	March 31, 2018
Future Minimum lease payments under non-cancellable operating leases	88.97	21.77
Not later than one year	16.50	5.33
Later than one year and not later than five years	46.28	16.44
Later than five years	26.19	-
Lease Income recognized in Profit and Loss Account	26.23	9.16

44. Capital Work in Progress includes, Project and Pre-operative Expenses pending allocation to fixed assets:

Particulars	March 31, 2019	March 31, 2018
Opening Balance	9, 078.28	9,078.28
Add: Expenses incurred during the year	-	-
Less: Expenses capitalized during the year	-	-
Closing Balance	9, 078.28	9, 078.28

45. Segment Information: Products and services from which reportable segments derive their revenues: In accordance with IndAS 108 "Operating Segments", the chief operating officer (COO) of the Group reported that the Group is engaged in the business of manufacturing & processing of textile products i.e. a single business and all business activities revolve around this segment.

Geographical information: The Company operates in two principal geographical areas - India and outside India.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below

Particulars	Revenue from external customers		Non-current assets*	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
India	39,208.69	62,710.00	275,533.94	291,303.37
Outside India	21,464.19	63,543.65	-	-
Total	**60,672.87**	**126,253.65**	**275,533.94**	**291,303.37**

*Non-current assets exclude those relating to financial assets and deferred tax assets.

Information about major customers: Two customer contributed 10% or more to the Company's revenue during the financial year 2018-19.

46. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Indian Accounting Standard (Ind AS 19) are as under:

a. Defined Benefit Plan

Gratuity: The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Change in benefit obligations		
Benefit obligations at the beginning	**799.65**	1069.77
Service cost	**175.74**	246.81
Interest expense	**61.97**	85.58
Remeasurements-Actuarial (gains)/ losses	**(223.11)**	(511.57)
Benefits paid	**(38.90)**	(90.74)
Present Value of obligations as at the end	**775.36**	**799.65**
Change in Fair Value of plan assets		
Fair value of plan assets at the beginning	**71.94**	87.15
Expected return on plan assets	**5.58**	7.20
Remeasurements-Actuarial (gains)/ losses	**(0.79)**	0.01
Contributions	**28.94**	68.32
Benefits paid	**(38.90)**	(90.74)
Fair value of plan assets at the end	**66.77**	**71.94**
Funded status	**(708.59)**	(727.71)

Expenses recognized in Statement of Profit and Loss

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	March 31, 2019	March 31, 2018
Service cost	175.74	246.81
Net interest/cost on the net defined benefit liability/asset	56.39	78.38
Net gratuity cost	**232.14**	**325.19**

Expenses recognized in the Other Comprehensive Income

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in statement of other comprehensive income:

Particulars	March 31, 2019	March 31, 2018
Actuarial (gains) / losses	(222.32)	(511.58)

Actuarial Assumptions

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.75%	8.0%
Weighted average rate of increase in compensation Levels	5.0%	7.0%

Sensitivity Analysis(in lakhs)

Particulars	31-03-2019	
	Decrease	Increase
Discount Rate (-/+1%)	847.49	713.43
(% change compared to base due to sensitivity)	9%	8%
Salary growth Rate (-/+1%)		
(% change compared to base due to sensitivity)	711.36	848.79
	8%	9%
Mortality Rate (-/+10%)		
(% change compared to base due to sensitivity)	762.33	786.01
	2%	1%

b. **Provident Fund**

During the year the group has recognized an expense of Rs. 629.06 lakhs (Previous Year Rs. 676.44 lakhs) towards provident fund scheme.

c. **Leave Encashment**

During the year the group has recognized an expense of Rs. 80.24 lakhs (Previous Year Rs. 283.91 lakhs).

47. **Income tax recognized in profit or loss**

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current tax:		
Current income tax charge	-	0.20
Earlier years	**(0.03)**	-
Total (A)	**(0.03)**	0.20
Deferred tax:		
In respect of current year	-	44,974.64
Total (B)	-	44,974.64
MAT Credit Entitlement:		
In respect of reversal during the year	-	6,454.59
Total (C)	-	6,454.59
Income tax expense recognized in the Statement of Profit and Loss (A+B+C)	**(0.03)**	51,429.23

The company has assessed that sufficient taxable profits would not be available in near future. As a result, deferred tax asset in respect of unused tax losses amounting to Rs. 10,859.16 lakhs as of 2019, have not been recognized by the Company.

48. Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows: (Rs. in lakhs)

Particulars	Cost		FVTPL		FVTOCI		Amortized Cost	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
FINANCIAL ASSETS								
Non Current Assets								
Investments in								
- Equity Instruments	6.96	6.96	-	-	162.79	132.79	-	-
- Others	-	-	-	-	48.59	48.30	-	-
Other Financial Assets	-	-	-	-	-	-	18.84	39.85
Current Assets								
Trade Receivables#	-	-	-	-	-	-	129581.54	122273.35
Other Financial Assets	-	-	-	-	-	-	33721.95	34022.57
Cash & Cash Equivalents	-	-	-	-	-	-	539.31	416.53
Bank Balances other than above	-	-	-	-	-	-	32.74	64.79
TOTAL FINANCIAL ASSETS	6.96	6.96	-	-	211.38	181.09	163894.38	156817.09
FINANCIAL LIABILITIES								
Non Current Liabilities								
Borrowings	-	-	-	-	-	-	219495.12	269045.79
Current Liabilities								
Borrowings	-	-	-	-	-	-	177132.41	178620.62
Trade Payables	-	-	-	-	-	-	12011.34	11307.74
Other Financial Liabilities	-	-	-	-	-	-	199557.32	151366.84
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	-	608196.19	610340.99

including allowance for doubtful receivables amounting Rs. 123680.23 lakhs. (Previous Year Rs. 101129.95 Lakhs)

49. Revenue from operations for the year ended March 31, 2019 and March 31, 2018 is as follows: (In Lakhs)

Particulars	**March 31, 2019**	**March 31, 2018**
Revenue from sale of products	28,121.69	112,991.95
Revenue from job work	32,551.18	13,261.70
Total Revenue from Operations	**60,672.87**	**126,253.65**

Disaggregate Revenue Information: The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 and March 31, 2018 by type of goods and services. (In lakhs)

Particulars	**March 31, 2019**	**March 31, 2018**
Terry Towels	21,714.28	29,785.92
Yarn	2,176.58	61,904.14
Garments	573.11	3,699.53
Knitted Cloth	1,288.18	7,995.98
Others	2,369.56	9,606.38
Job Work	32,551.16	13,261.70
Total	**60,672.87**	**126,253.65**

Trade receivables

Trade receivables are presented net of impairment in the Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

50. Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value:

(In Lakhs)

Particulars	Fair Value Measurement using					
	Level 1		Level 2		Level 3	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Non Current Investments						
- Fair Value through OCI	85.16	55.16	126.22	125.93	-	-
Financial Liabilities						
Borrowings	-	-	582341.26	585113.44	-	-

51. Financial Risk Management

The Group's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Group operations. The Group has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The management of the Group has set out the Group's overall business strategies and its risk management policy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the Policy's policy guidelines are complied with. There has been no change to the Group's exposure to the financial risks or the manner in which it manages and measures the risk. The Group is exposed to the following risks related to financial instruments. The Group has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The Group does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

(a) **Market Risk:** Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31st March 2019 and 31st March 2018. The following assumptions have been made in calculating the sensitivity analyses:

i) The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended 31 March 2018, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions

(b) **Foreign Currency Risk Management:** The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

(c) **Liquidity Risk Management:** The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has outstanding bank borrowings. The Group is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Group are running at sub-optimal level. The Group is at an advanced stage of negotiations with the banks for restructuring of its debt which would correct the cash flow mismatch. The Group believes that post restructuring, the Group would be able to generate enough cash inflows to meet its working capital requirements in the medium and long run. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(d) **Credit Risk Management:** Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Group has exposure to credit risk from trade receivable balances on sale of Readymade Garments, Towel and Yarns. The Group has entered into short-term agreements with companies incorporated in overseas to sell the Readymade Garments, Towel and Yarns. Therefore the Group is committed, in the short term, to sell Readymade Garments, Towel and Yarns to these customers and the potential risk of default is considered low. For other customers, the Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly.

(e) **Capital Risk Management:** The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

No Changes were made in the objectives, policies or processes during the years ended 31st March 2019 and 31st March 2018.

52. List of Subsidiaries which are included in the Consolidation and the Company' effective holdings therein are as under.

Name of Subsidiary	Country of Incorporation	Effective Ownership in Subsidiaries as at	
		31.03.2019	31.03.2018
SEL Textiles Limited	India	100.00%	100.00%
SE Exports	India	99.00%	99.00%
SEL Aviation Private Limited	India	97.54%	97.54%
Silverline Corporation Limited.*	India	97.63%	97.63%

*Subsidiary of SEL Textiles Limited

53. Additional Information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiary:

Name of the subsidiary	Net Assets i.e, Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent Company								
SEL Manufacturing Co. Ltd.	82.16	(226,954.31)	63.35	(23,596.54)	(16.25)	49.51	62.71	(23,547.03)
Subsidiaries								
SEL Textiles Limited	20.28	(56,027.00)	34.39	(12,808.84)	27.90	(84.98)	34.34	(12,893.82)
SEL Aviation Pvt. Limited	(0.26)	716.69	(0.33)	124.55	-	-	(0.33)	124.55
Silverline Corporation Ltd.	(1.47)	4,061. 02	(0.00)	(0.11)	-	-	(0.00)	(0.11)
S E Exports	0.01	(18.21)	0.15	(54.65)	-	-	0.15	(54.65)
Minority interest in all subsidiaries	(0.01)	18.31	(0.01)	2.50	-	-	(0.01)	2.50
Eliminations	(0.71)	1970.66	2.45	(913.86)	88.36	(269.15)	3.15	(1183.01)
Total	**100.00**	**(276,232.85)**	**100.00**	**(37,246.94)**	**100.00**	**(304.62)**	**100.00**	**(37551.56)**

54. Note No. 1 to 53 forms integral part of balance sheet and statement of profit /loss.

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

For and on the behalf of Board
of SEL Manufacturing Company Limited

(CA. Manik Malhotra)
Prop.
M.No. 094604
Place : Ludhiana
Date: 23.05.2019

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

(V.K. Goyal)
Executive Director & CEO
DIN: 02751391

(Rahul Kapoor)
Company Secretary

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results:

Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2019

(Consolidated Financial Results)

(Rs. In Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	69,841.59	69,841.59
	2.	Total Expenditure (Excluding Exceptional Items and Tax adjustments)	82,204.33	82,204.33
	3.	Net Profit/(Loss)	(37,246.94)	(113,383.69)
	4.	Earnings Per Share	(11.24)	(34.22)
	5.	Total Assets	333,048.36	333,048.36
	6.	Total Liabilities	609,262.90	812,927.37
	7.	Net Worth	(276,214.54)	(479,879.01)
	8.	Any other financial item(s) (as felt appropriate by the management)	None	None

II. Audit Qualification (each audit qualification separately)

a.	Details of Audit Qualification	*Regarding non provision of interest on borrowings from banks (classified as NPA) of parent and one of its subsidiary amounting Rs. 76136 lakhs & Rs 75743 lakhs (amount calculated after considering the rates and terms and conditions stipulated originally as per CDR package) for the year ended 31st March, 2019 & 31st March 2018 respectively. The same is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis.*
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Third Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Secured Lenders have stopped charging interest on debts, since the dues from the Company and one of its subsidiary have been categorized as Non Performing Asset and both the companies are in active discussion/negotiation with their lenders to restructure their debts at a sustainable level including waiver of unpaid interest. In case of the Holding Company the Corporate Insolvency Resolution Process has been initiated under "Insolvency and Bankruptcy Code, 2016".In view of the above, the Holding Company & one of its subsidiary has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. The amount of such accrued and unpaid interest (including penal interest) not provided for is estimated at Rs. 76,136.75 lakhs (Previous Year Rs. 75,743.39 lakhs) for the year ended 31 March, 2019 and accordingly the same has not been considered for preparation of the financial statements for the year ended 31 March 2019. Due to non provision of the interest expense, net loss for the year ended March 31, 2019 is reduced by Rs. 76,136.75 lakhs. Further the Financial Liability is reduced by Rs. 203,664.47 lakhs and correspondingly the equity is increased by the same amount..
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	--N.A.–

II	Audit Qualification (each audit qualification separately)	
a.	Details of Audit Qualification	*The Consolidated financial results includes interest subsidy receivable amounting to Rs.32952 Lakhs which consists of interest subsidy (i) under TUFS from ministry of textiles and (ii) Subsidy under Textile Policy of Government of Madhya Pradesh for the Financial years 2013-14 to 2016-17 for which no confirmation was available. The company has not provided for any allowance there against.*
b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Second Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	--N.A.–
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(I) Management's estimation on the impact of audit qualification:	The Subsidies are to be released by Ministry of Textiles and Madhya Pradesh Government and the Company and one of its subsidiary is hopeful of receiving the same in full. Since, the subsidies are not related to current year, the same does not have any impact on current year's profits/losses of the Company. However the reserves & surplus & current assets are overstated to the extent.
	(ii) If management is unable to estimate the impact, reasons for the same:	--N.A.–
	(iii) Auditors' Comments on (i) or (ii) above:	*No confirmation to justify the release of subsidy by Ministry of Textiles and Madhya Pradesh Government. Moreover no Allowance under Expected credit loss has been provided under Ind AS 109, Financial Instruments being long overdue.*

II.	Audit Qualification (each audit qualification separately)	
a.	Details of Audit Qualification	*The Group has not provided to us for our review any working regarding impairment testing conducted to assess recoverable amount of Capital work in progress of Rs 55940 lakhs outstanding as at 31st March 2019.*
b.	Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Second Time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	–
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(I) Management's estimation on the impact of audit qualification:	--N.A.–
	(ii) If management is unable to estimate the impact, reasons for the same:	The Company and one of its Subsidiary were implementing their Spinning project(s) which got stuck due to non-disbursement of credit facilities by the Banks. However, post Corporate Insolvency Resolution Process (CIRP) for the holding Company and negotiation with lenders also, the Company and its subsidiary expects that the project would be completed. Therefore, impairment testing was not conducted.
	(iii) Auditors' Comments on (i) or (ii) above:	*We are unable to comment on whether the company needs to make a provision in respect of impairment losses on above as required under Ind AS 36.*

II.	Audit Qualification (each audit qualification separately)		
	a.	Details of Audit Qualification	*The Consolidated financial results, in respect of Borrowings (Non Current, Short Term Borrowings and other Financial Liabilities (Current) respectively contains secured loans from banks and current maturities thereof. There is shortfall in the carrying value of the security against the secured loans consequently the loans are not fully secured.*
	b.	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/Adverse Opinion	Qualified Opinion
	c.	Frequency of qualification: Whether appeared first time/ repetitive/since howlong continuing	Second Time
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	--N.A.–
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
		(I) Management's estimation on the impact of audit qualification:	--N.A.–
		(ii) If management is unable to estimate the impact, reasons for the same:	The carrying value of the security has reduced due to impairment of advances, trade receivables etc for the Company and one of its subsidiary. Further, inclusion of Corporate Guarantee in financial statement has increased the borrowings without corresponding increase in security value
		(iii) Auditors' Comments on (i) or (ii) above:	*Management comments are self explanatory, the disclosure of bank borrowings classification between secured and unsecured not given in financial statements.*

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(Managing Director)	**(CFO)**	**(Audit Committee Chairman-Member)**	**(Statutory Auditor)**

Place Ludhiana
Dated : 23.05.2019

Form AOC-1

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint ventures

PART-A: Subsidiaries (Financial year ending 31st March, 2019) **(Rs. in Crores)**

Sr. No.	Particulars	SEL Textiles Ltd.	SE Exports	SEL Aviation Pvt. Ltd.	Silverline Corporation Ltd.
1.	**Date of acquisition**	**27.07.2009**	**01.04.2005**	**26.03.2012**	**11.10.2011**
2.	Share Capital	127.05	(0.18)	4.09	4.14
3.	Reserves & surplus (Other Equity)	(687.33)	-	3.08	36.47
4.	Total assets	1,222.52	0.48	7.31	40.72
5.	Total liabilities	1,222.52	0.48	7.31	40.72
6.	Investments	81.03	-	-	-
7.	Turnover	162.80	-	2.06	0.02
8.	Profit/(Loss) before taxation	(128.09)	(0.55))	1.24	0.00
9.	Provision for taxation	-	-	-	-
10.	Profit/(Loss) after taxation	(128.09))	(0.55)	1.24	0.00
11.	Proposed dividend	-	-	-	-
12.	% of shareholding	100%	99%	97.54%	98.79%
13.	Reporting currency and Exchange rate as on the last date of F.Y. for foreign subsidiaries.	-	-	-	-

Name of subsidiaries which are yet to commence operations:	Names of subsidiaries which have been liquidated or sold during the year:
-	-

Part-B Associates and Joint ventures

The Company does not have any Associates and Joint Ventures

Name of Associates or Joint ventures which are yet to commence operations:	**Names of Associates or Joint Ventures which have been liquidated or sold during the year:**
Nil	Nil

(Neeraj Saluja)
Managing Director
DIN: 00871939

(Navneet Gupta)
Executive Director & CFO
DIN: 02122420

V.K.Goyal
Executive Director & CEO
DIN: 02751391

Rahul Kapoor
Company Secretary

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SEL MANUFACTURING COMPANY LIMITED

Registered Office: 274, Dhandari Khurd, G.T. Road, LUDHIANA 141 014 (Punjab)
Ph.: 91-161-7111117, Fax : 91-161-7111118
Website: www.selindia.in
CIN : L51909PB2000PLC023679

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ____

Registered address: ____

E-mail ID: ____

Folio No./*DP ID & ____

Client ID: ____

I/We, being the member/members of SEL MANUFACTURING COMPANY LIMITED holding.............................shares of the above named Company , hereby appoint:

1.Name:………………………….......................………...........E-mail id:.…………………………………………………………..........

Address:……………...............................……………………..Signature…………………………………………or failing him/her

2.Name:………………………….......................………..........E-mail id:………………………………………………………………

Address:……………...............................……………………..Signature……………………………………...........or failing him/her

3.Name:………………………….......................………..........E-mail id:……………………………………………………………

Address:……………...............................……………………..Signature……………………………………….....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 26th day of September, 2019 at 9.30 A.M at the Registered office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141014 and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	**DESCRIPTION**
ORDINARY BUSINESS	
1	a) Adoption of the Audited Financial Statements of the Company for the Financial Year ended 31st March 2019, together with the Report of the Directors & Auditors thereon.
	b) Adoption of the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019, together with the Report of the Auditors thereon.
2	Re-appointment of Mr. Navneet Gupta, (DIN: 02122420), Director of the Company who retires by rotation.
SPECIAL BUSINESS	
3	Ratification of remuneration payable to Cost Auditors, M/s Jatin Sharma & Co., Cost Accountants, for the year 2019-20.
4	Special Resolution for confirmation of re-appointment and remuneration of Mr. Vinod Kumar Goyal, (DIN: 02751391), as the Executive Director of the Company.
5	Special Resolution for re-appointment of Mr. Ranjan Madaan (DIN: 02330886) as an Independent Director of the Company for a second term of five consecutive years.
6	Special Resolution for re-appointment of Ms. Paramjit Kaur (DIN: 07141638) as an Independent Director of the Company for a second term of five consecutive years.
7	Special Resolution for Mr. Ram Saran Saluja (DIN: 01145051), to continue as Non-Executive Director of the Company on having attained the age of seventy five (75) years.
8	Special Resolution for reduction in Share Holding/cease the exercise of control over the Wholly Owned Subsidiary of the Company.

*Applicable for shareholders holding shares in electronic form

Signed this ….…....................……day of ……........................….….2019

Affix Revenue Stamp Here

---------------------------------- Signature of Shareholder

------------------------------------- Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

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SEL MANUFACTURING COMPANY LIMITED

Registered Office: 274, Dhandari Khurd, G.T. Road, LUDHIANA 141 014 (Punjab)
Ph.: 91-161-7111117, Fax : 91-161-7111118
Website: www.selindia.in
CIN : L51909PB2000PLC023679

ATTENDANCE SLIP

19th Annual General Meeting September 26, 2019

Folio No./DP and Client ID (as applicable)

Number of Shares held

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 19th Annual General Meeting of the company held at the Registered Office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana 141 014 (Pb.) on Thursday, the 26th day of September, 2019 at 9.30 A.M

Name of the member/proxy

(in Block Letters)

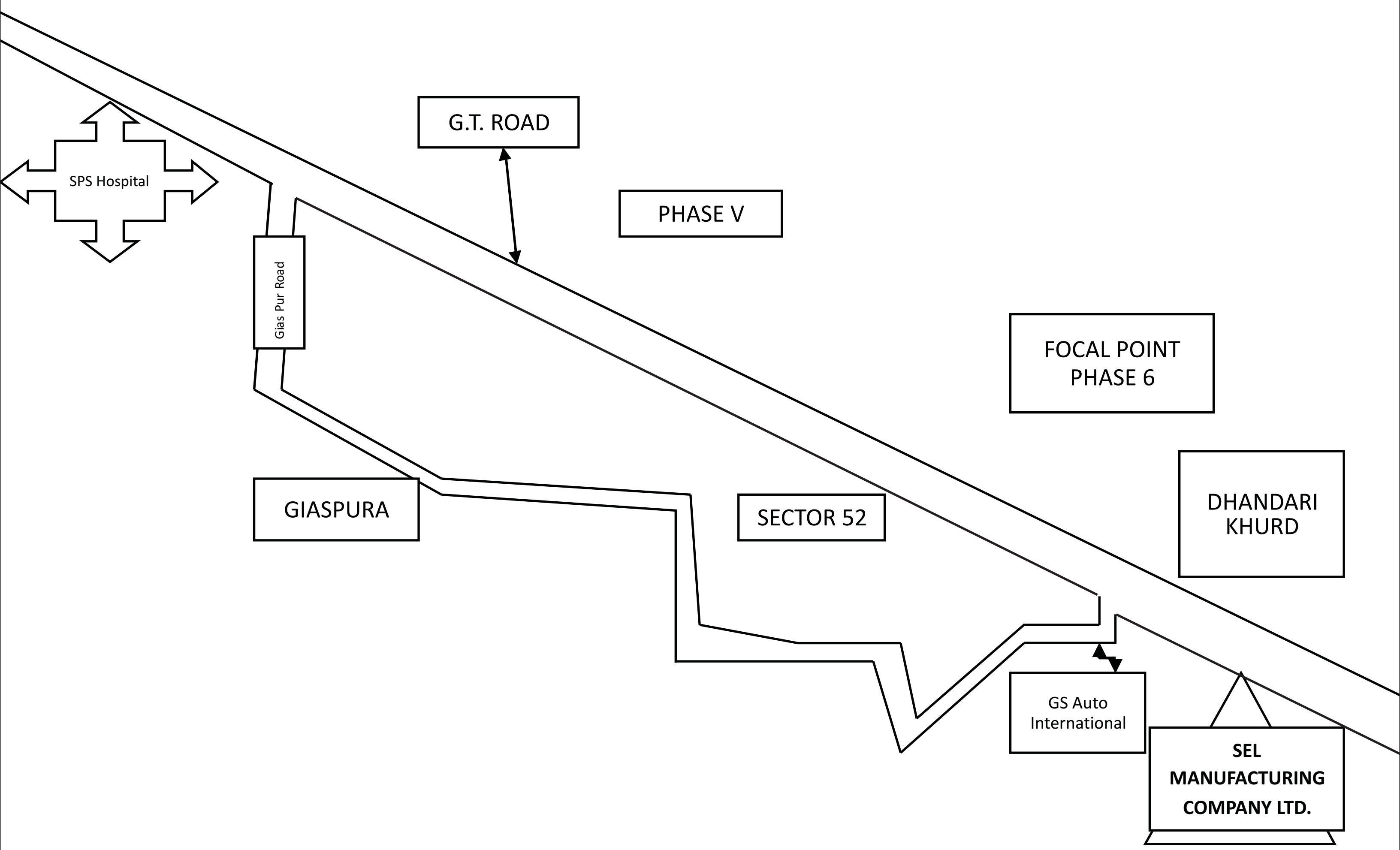
Signature of member/proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting. Members are requested to bring their copy of the Notice to the meeting.

ROUTE MAP TO THE VENUE OF THE 19TH ANNUAL GENERAL MEETING

Venue: SEL MANUFACTURING COMPANY LIMITED

274, DHANDARI KHURD, G.T. ROAD, LUDHIANA -141014 (PUNJAB)



If undelivered, please return to :

SEL MANUFACTURING COMPANY LIMITED

274, Dhandari Khurd, G.T. Road,
Ludhiana 141014
Punjab, (India)