



# SEL MANUFACTURING COMPANY LIMITED

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

CIN: L51909PB2000PLC023679

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

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

27<sup>th</sup> July, 2023

To

**BSE Limited**

Department of Corporate Services  
25<sup>th</sup> Floor, PJ Towers, Dalal Street, Mumbai-  
400001

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex, Bandra  
(East), Mumbai-400051

**Scrip Code: 532886**

**Symbol: SELMC**

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

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

Dear Sir,

This is to inform that the Board of Directors of the Company at their Meeting held on Thursday 27<sup>th</sup> July, 2023 discussed and approved the following matters:

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

The Board has considered and approved Standalone and consolidated un-audited Financial Results of the Company for the Quarter ended 30th June, 2023. The copy of the un-audited Financial Results and Limited review Report thereon are enclosed herewith.

**2. Appointment of Secretarial Auditors**

The Board of Directors of the Company has appointed M/s Harshit Arora & Associates (M. No. F12307 / C.P. No. 14807) as the Secretarial Auditors of the Company for the Financial Year 2022-23 & 2023-24.

**3. To consider and approve re-appointment of Mr. Rajeev Bhalla as Managing Director of the company**

Based on the recommendation of Nomination & Remuneration Committee of the Company and subject to the approval of shareholders in Annual General Meeting, the Board of Directors in its meeting held on 27 July, 2023 has approved the proposal for appointment of Mr. Rajeev Bhalla (DIN: 0551773) as Managing Director of the Company for period of 3 years w.e.f 08<sup>th</sup> April, 2024.



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#### **4. To consider and approve re-appointment of Mr. Naveen Arora as a whole-time director of the company**

Based on the recommendation of Nomination & Remuneration Committee of the Company and subject to the approval of shareholders in Annual General Meeting, the Board of Directors in its meeting held on 27 July, 2023 has approved the proposal for appointment of Mr. Naveen Arora (DIN: 09114375) as Whole-time Director of the Company for a period of 3 years w.e.f. 8th April, 2024.

#### **5. 23<sup>rd</sup> Annual General Meeting**

The Board has decided that the 23<sup>rd</sup> Annual General Meeting of the members of Sel Manufacturing Company Limited be held on Tuesday, the 22<sup>nd</sup> Day of August, 2023 at 11.00 A.M. (IST) through Video Conferencing / Other Audio Visual Means. The Notice of AGM and Annual Report of the Company for the year ended 31 March 2023 will be sent separately to the Stock Exchange(s) and to the Members of the Company in due course.

Kindly note that the meeting of the Board of Directors commenced at 12.00 Noon and concluded at 02:06 PM You are requested to take the above mentioned information on your records.

Thanking you,

**Yours faithfully,**

**For SEL MANUFACTURING COMPANY LIMITED**

Navee  
n Arora

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by Naveen Arora  
Date: 2023.07.27  
14:07:02 +05'30'

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

**Statement of Standalone Unaudited Financial Results for the Quarter Ended June 30, 2023**

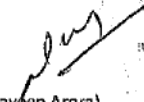
PART-I		(Rs. in lakhs)			
Sr. No.	Particulars	Unaudited Quarter Ended 30/06/2023	Audited Quarter Ended 31/03/2023	Unaudited Quarter Ended 30/06/2022	Audited Year Ended 31/03/2023
1	Income from operations				
	a) Net Revenue from operations	23,833.08	22,830.99	11,784.38	55,436.76
	b) Other Income	109.79	(146.98)	477.83	1,986.21
	<b>Total Income from operations</b>	<b>23,942.87</b>	<b>22,684.01</b>	<b>12,262.21</b>	<b>57,422.97</b>
2	Expenses				
	a) Cost of material consumed	20,109.12	20,453.90	7,379.74	46,659.00
	b) Purchase of stock-in-trade	6.38	3.66	3.94	14.68
	c) Changes in inventories of finished goods, work in progress and stock in trade	710.40	(1,002.77)	308.61	(1,944.93)
	d) Employee benefits expenses	1,403.43	1,258.84	1,554.26	4,531.70
	e) Finance Cost	1,464.38	1,158.52	1,062.41	4,315.64
	f) Depreciation and amortisation expenses	2,408.88	2,457.25	2,670.85	10,159.05
	g) Other expenses	4,006.81	4,461.02	4,547.77	13,300.45
	<b>Total expenses</b>	<b>30,109.41</b>	<b>28,790.42</b>	<b>17,527.58</b>	<b>77,035.59</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(6,166.54)</b>	<b>(6,106.41)</b>	<b>(5,265.37)</b>	<b>(19,612.62)</b>
4	Exceptional Items	24.93	97.41	(180.46)	(1,021.47)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(6,191.47)</b>	<b>(6,203.82)</b>	<b>(5,084.91)</b>	<b>(18,591.15)</b>
6	Tax Expense	-	-	-	-
7	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(6,191.47)</b>	<b>(6,203.82)</b>	<b>(5,084.91)</b>	<b>(18,591.15)</b>
8	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-
9	Tax Expense of Discontinued Operations	-	-	-	-
10	<b>Net Profit (+)/ Loss (-) from Discontinued Operations after Tax (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(6,191.47)</b>	<b>(6,203.82)</b>	<b>(5,084.91)</b>	<b>(18,591.15)</b>
12	<b>Other Comprehensive Income</b>				
	a (i) Items that will not be reclassified to Profit or Loss	51.03	211.40	25.41	273.34
	(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss	-	-	-	-
	b (i) Items that will be reclassified to Profit or Loss	(487.21)	9,460.77	(898.56)	6,794.69
	(ii) Income Tax relating to Items that will be reclassified to Profit or Loss	-	-	-	-
13	<b>Total Comprehensive Income for the Period (11+12)</b>	<b>(6,627.65)</b>	<b>3,468.34</b>	<b>(5,958.06)</b>	<b>(11,523.13)</b>
14	<b>Paid-up equity share capital of Rs. 10/- each</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>
15	Other Equity				11,528.46
16	i. Earning per share (EPS) (for Continuing Operations) (in Rs.) (not annualised)				
	a) Basic	(18.69)	(18.72)	(15.35)	(56.11)
	b) Diluted	(18.69)	(18.72)	(15.35)	(56.11)
	ii. Earning per share (EPS) (for Discontinued Operations) (in Rs.) (not annualised)				
	a) Basic	-	-	-	-
	b) Diluted	-	-	-	-
	iii. Earning per Share (EPS) (for Discontinued & Continuing Operations) (in Rs.) (not annualised)				
	a) Basic	(18.69)	(18.72)	(15.35)	(56.11)
	b) Diluted	(18.69)	(18.72)	(15.35)	(56.11)

**Notes:**

- The unaudited financial statements for the quarter ended June 30, 2023 have been taken on record by the Board of Directors at its meeting held on 27th July, 2023. The information presented above is extracted from the unaudited financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The Company underwent a corporate insolvency resolution process under section 31 of the insolvency and Bankruptcy Code, 2016. A Resolution Plan was approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench (Approved Plan), vide their orders dated 10th February, 2021 and the implementation of the Approved Resolution Plan was concluded in the year 2020-21 with the re-constitution of the Board of Directors. Though the Company has incurred a loss of Rs. 6,191.47 lakhs for the quarter ended June 2023. Further, with a view to improving the performance of the Company, the reconstituted Board has a specific focus on utilizing the existing capacities & upgrading the efficiency/productivity of the existing machinery at the manufacturing plants and exploring various avenues of enhancing revenues. Accordingly, the financial results have been prepared on a going concern.
- As part of the Resolution Plan, the non-interest bearing secured loan shall be repaid to the Financial Creditors from the proceeds of the sale of the Identified Assets. All of the Identified Assets have been sold and the loan has been repaid. The transfer one property is still pending to be registered. Payments received from the buyer for the property are classified as liabilities directly associated with assets that are held for sale.
- The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.



- 5 During the quarter, the Company has written back provision on allowance for trade receivables and advances to suppliers aggregating to Rs. 233.25 lakhs, net of amount collected and provision made, in compliance of Ind AS 109, which is charged to charged profit & loss as exceptional item. The company has made reversal of GST Input Tax and interest thereon amounting to Rs. 258.18 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act which is charged to Statement of Profit & Loss as an exceptional
- 6 Figures relating to the previous period/year have been regrouped/rearranged, wherever considered necessary, to correspond with the current period/year's disclosures.
- 7 The figures for quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year ended on those dates and the reviewed year-to-date figures upto the third quarter of the respective financial year.

  
(Naveen Arora)  
Whole Time Director  
DIN: 09114375



**Naveen Arora** Digitally signed  
by Naveen Arora  
Date: 2023.07.27  
13:42:31 +05'30'

Date: 27.07.2023  
Place: Ludhiana

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

To  
The Board of Directors,  
SEL Manufacturing Company Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of SEL Manufacturing Company Limited ("the Company") for the quarter ended June 30, 2023 ("the Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulation").
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (INDAS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results read with notes thereon, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



#### 5. Material Uncertainty Related to Going Concern

We draw your attention:

- As per resolution plan approved and implemented in Financial Year 2020-21, the company was stipulated to bring Rs. 6,500 lakhs for working capital and operational needs within first year of operation against which the company brought only Rs. 2,500 lakhs which created shortfall in working capital funds and affected the performance of the company.
- The company is incurring continuous losses since the implementation of resolution plan and had incurred total cumulative losses of Rs. 37,914 lakhs as on date.
- The Company has a debt obligation of around Rs.2704 Lakhs outstanding for the remaining Financial year 2023-24. Further debt obligations are supposed to be paid out of working funds which will further add to the liquidity crunch of the company.
- The current liabilities of the company are exceeding its current assets, which reflect erosion of Working Capital funds of the Company.
- Further the company had decided to suspend pending capital projects which otherwise requires additional funds to complete the pending capital projects.

Given the present circumstances, it concerns the company's ability to meet its contractual/financial obligations w.r.t repayment of principal and interest on secured borrowings and arranging funds for ensuring normal operations as well as for pending capital projects.

The above factors indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore company may be unable to discharge its liabilities in the normal course of business unless some concrete efforts are made by the company to come out of financial crisis by infusing interest free long term funds and increasing the volume of operations as well as profits of the company.

#### 6. Emphasis of Matter

We draw attention to the following matters:

- (1) As reported Note no. 5 to the unaudited standalone financial results, the company has written back provision on allowance for trade receivables and advances to suppliers' aggregating to Rs. 233.25 lakhs, net of amount collected and provision made, in compliance of Ind AS 109 for the quarter ended on June 30, 2023. The company has made reversal of GST Input Tax amounting to Rs. 252.50 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and interest thereon amounting to Rs. 5.68 lakhs.

Our opinion is not modified in respect of the matter.

FOR KAMBOJ MALHOTRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN.: 015848N

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



PLACE: LUDHIANA  
DATED: 27.07.2023

UDIN No:- 23094604BGXQOT7916

Statement of Consolidated Unaudited Financial Results for the Quarter Ended June 30, 2023

PART - I		(Rs. in lakhs)			
Sr. No.	Particulars	Unaudited Quarter Ended 30/06/2023	Audited Quarter Ended 31/03/2023	Unaudited Quarter Ended 30/06/2022	Audited Year Ended 31/03/2023
1	Income from operations				
	a) Net Revenue from operations	23,833.08	22,830.99	11,784.38	55,436.76
	b) Other Income	109.79	(146.98)	477.83	1,986.21
	<b>Total Income from operations</b>	<b>23,942.87</b>	<b>22,684.01</b>	<b>12,262.21</b>	<b>57,422.97</b>
2	Expenses				
	a) Cost of material consumed	20,109.12	20,453.90	7,379.74	46,659.00
	b) Purchase of stock-in-trade	6.38	3.66	3.94	14.68
	c) Changes in Inventories of finished goods, work in progress and stock in trade	710.40	(1,002.77)	308.61	(1,944.98)
	d) Employee benefits expenses	1,403.43	1,258.84	1,554.26	4,531.70
	e) Finance Cost	1,464.38	1,158.52	1,052.42	4,315.65
	f) Depreciation and amortisation expenses	2,408.88	2,457.25	2,670.85	10,159.05
	g) Other expenses	4,006.82	4,461.04	4,547.78	13,300.50
	<b>Total expenses</b>	<b>30,109.42</b>	<b>28,790.44</b>	<b>17,527.60</b>	<b>77,035.65</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(6,166.55)</b>	<b>(6,106.44)</b>	<b>(5,265.39)</b>	<b>(19,612.69)</b>
4	Exceptional Items	24.93	97.41	(180.45)	(1,021.47)
5	<b>Profit (+)/ Loss (-) before tax (3+4)</b>	<b>(6,191.48)</b>	<b>(6,203.85)</b>	<b>(5,084.93)</b>	<b>(18,591.22)</b>
6	Tax Expense	-	-	-	-
7	<b>Net Profit (+)/ Loss (-) for the period from Continuing Operations tax (5-6)</b>	<b>(6,191.48)</b>	<b>(6,203.85)</b>	<b>(5,084.93)</b>	<b>(18,591.22)</b>
8	Net Profit (+)/ Loss (-) from Discontinued Operations	-	-	-	-
9	Tax Expense of Discontinued Operations	-	-	-	-
10	Net Profit (+)/ Loss (-) from Discontinued Operations after Tax (8-9)	-	-	-	-
11	<b>Net Profit (+)/ Loss (-) for the period (7+10)</b>	<b>(6,191.48)</b>	<b>(6,203.85)</b>	<b>(5,084.93)</b>	<b>(18,591.22)</b>
12	<b>Profit/(Loss) attributable to</b>				
	(1) Owners of the Company	(6,191.48)	(6,203.85)	(5,084.93)	(18,591.22)
	(2) Non-Controlling Interests	0.001	(0.001)	(0.001)	(0.00)
	<b>Profit/(Loss) for the period</b>	<b>(6,191.48)</b>	<b>(6,203.85)</b>	<b>(5,084.93)</b>	<b>(18,591.22)</b>
13	<b>Other Comprehensive Income</b>				
	a (i) Items that will not be reclassified to Profit or Loss	51.03	211.40	25.41	273.34
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-
	b (i) Items that will be reclassified to Profit or Loss	(487.21)	9,460.77	(898.56)	6,794.69
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-
14	<b>Total Comprehensive Income for the Period (11+13)</b>	<b>(6,627.66)</b>	<b>3,468.32</b>	<b>(5,958.08)</b>	<b>(11,523.19)</b>
	<b>Total Comprehensive Income attributable to</b>				
	(1) Owners of the Company	(6,627.66)	3,468.32	(5,958.08)	(11,523.19)
	(2) Non-Controlling Interests	0.001	(0.001)	(0.001)	(0.00)
	<b>Total Comprehensive Income</b>	<b>(6,627.66)</b>	<b>3,468.32</b>	<b>(5,958.08)</b>	<b>(11,523.19)</b>
15	<b>Paid-up equity share capital of Rs. 10/- each</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>	<b>3,313.47</b>
16	<b>Other Equity</b>				<b>11,539.54</b>
17	<b>i. Earning per share (EPS) (for Continuing Operations)</b>				
	(in Rs.) (not annualised)				
	a) Basic	(18.69)	(18.72)	(15.35)	(56.11)
	b) Diluted	(18.69)	(18.72)	(15.35)	(56.11)
	<b>ii. Earning per share (EPS) (for Discontinued Operations)</b>				
	(in Rs.) (not annualised)				
	a) Basic	-	-	-	-
	b) Diluted	-	-	-	-
	<b>iii. Earning per Share (EPS) (for Discontinued &amp; Continuing Operations)</b>				
	(in Rs.) (not annualised)				
	a) Basic	(18.69)	(18.72)	(15.35)	(56.11)
	b) Diluted	(18.69)	(18.72)	(15.35)	(56.11)

**Notes:**

- The unaudited financial statements for the quarter ended June 30, 2023 have been taken on record by the Board of Directors at its meeting held on 27th July, 2023. The information presented above is extracted from the unaudited financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The Parent underwent a corporate insolvency resolution process under section 31 of the Insolvency and Bankruptcy Code, 2016. A Resolution Plan was approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench (Approved Plan), vide their orders dated 10th February, 2021 and the implementation of the Approved Resolution Plan was concluded in the year 2020-21 with the re-constitution of the Board of Directors. Though the Group has incurred a loss of Rs. 6,191.48 lakhs for the quarter ended June 2023. Further, with a view to improving the performance of the Company, the reconstituted Board has a specific focus on utilizing the existing capacities & upgrading the efficiency/productivity of the existing machinery at the manufacturing plants and exploring various avenues of enhancing revenues. Accordingly, the financial results have been prepared on a going concern.
- As part of the Resolution Plan, the non-interest bearing secured loan shall be repaid to the Financial Creditors from the proceeds of the sale of the Identified Assets. All of the Identified Assets have been sold and the loan has been repaid. The transfer one property is still pending to be registered. Payments received from the buyer for the property are classified as liabilities directly associated with assets that are held for sale.
- The Company has only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.



- 5 During the quarter, the Parent Company has written back provision on allowance for trade receivables and advances to suppliers aggregating to Rs. 233.25 lakhs, net of amount collected and provision made, in compliance of Ind AS 109, which is charged to charged profit & loss as exceptional item. The parent company has made reversal of GST Input Tax and interest thereon amounting to Rs. 258.18 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act which is charged to Statement of Profit & Loss as an exceptional item.
- 6 Figures relating to the previous period/year have been regrouped/rearranged, wherever considered necessary, to correspond with the current period/year's disclosures.
- 7 The figures for quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year ended on those dates and the reviewed year-to-date figures upto the third quarter of the respective financial year.

(Naveen Arora)  
Whole Time Director  
DIN: 09114375



**Naveen Arora** Digitally signed  
by Naveen Arora  
Date: 2023.07.27  
13:42:54 +05'30'

Date: 27.07.2023  
Place: Ludhiana



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

To  
The Board of Directors,  
SEL Manufacturing Company Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of SEL Manufacturing Company Limited (the "Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and has been approved by Board of Director of the Parent Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (INDAS-34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

The Statement includes the financial results of following entities:

1. SEL Manufacturing Company Limited. (Parent Company)
  2. SEL Aviation Private Limited (Subsidiary Company)
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditor referred to in paragraph 5 & 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



**5. Material Uncertainty Related to Going Concern**

We draw your attention:

- As per resolution plan approved and implemented in Financial Year 2020-21, the parent company was stipulated to bring Rs. 6,500 lakhs for working capital and operational needs within first year of operation against which the parent company brought only Rs. 2,500 lakhs which created shortfall in working capital funds and affected the performance of the parent company.
- The parent company is incurring continuous losses since the implementation of resolution plan and had incurred total cumulative losses of Rs. 37,914 lakhs as on date.
- The Company has a debt obligation of around Rs.2704 Lakhs outstanding for the remaining Financial year 2023-24. Further debt obligations are supposed to be paid out of working funds which will further add to the liquidity crunch of the company.
- The current liabilities of the parent company are exceeding its current assets, which reflect erosion of Working Capital funds of the parent company.
- Further the parent company had decided to suspend pending capital projects which otherwise requires additional funds to complete the pending capital projects.

Given the present circumstances, it concerns the parent company's ability to meet its contractual/financial obligations w.r.t repayment of principal and interest on secured borrowings and arranging funds for ensuring normal operations as well as for pending capital projects.

The above factors indicate the existence of a material uncertainty that may cast significant doubt on the parent company's ability to continue as going concern and therefore parent company may be unable to discharge its liabilities in the normal course of business unless some concrete efforts are made by the parent company to come out of financial crisis by infusing interest free long term funds and increasing the volume of operations as well as profits of the parent company.

**6. Emphasis of Matter**

We draw attention to the following matters:

- 1) As reported Note no. 5 to the unaudited consolidated financial results, the parent company has written back provision on allowance for trade receivables and advances to suppliers' aggregating to Rs. 233.25 lakhs, net of amount collected and provision made, in compliance of Ind AS 109 for the quarter ended on June 30, 2023. The parent company has made reversal of GST Input Tax amounting to Rs. 252.50 lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and interest thereon amounting to Rs. 5.68 lakhs.

Our opinion is not modified in respect of the matter.

**7. Other Matters**

We draw attention to the following matter:

- a. We did not review the interim financial results of one subsidiary included in the consolidated financial results whose interim financial results reflect total revenues of Rs. Nil for the quarter ended June 30, 2023. The consolidated financial results also include the group's share of net loss of Rs. 0.01 lakhs for the quarter ended June 30, 2023.

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

FOR KAMBOJ MALHOTRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 015848N

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



PLACE: LUDHIANA  
DATED: 27.07.2023

UDIN No:- 23094604 BGX Q0U4410