
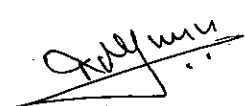

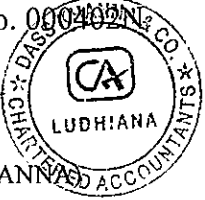
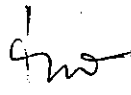


**FORM A**

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	SEL Manufacturing Company Ltd.
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of audit observation	Matter of Emphasis
4.	Frequency of observation	First/Second Time
5.	<div style="display: flex; justify-content: space-around; align-items: flex-start;"><div style="text-align: center;"> (NEERAJ SALUJA) MANAGING DIRECTOR</div><div style="text-align: center;"> (NAVNEET GUPTA) EXECUTIVE DIRECTOR &amp; CFO</div><div style="text-align: center;"> (ASHWANI KUMAR) CHAIRMAN AUDIT COMMTT.</div></div> <div style="margin-top: 20px;"><p>For Dass Khanna &amp; Co., Chartered Accountants, Firm Reg.No. 0004021</p><div style="display: flex; align-items: center;"></div><p>(CA. R.D. KHANNA) PARTNER M. NO. 12391</p></div>	



# ANNUAL REPORT 2014-15

SEL Manufacturing Company Ltd.

# **BOARD OF DIRECTORS**

Sh. Ram Saran Saluja  
Sh. Neeraj Saluja  
Sh. Dhiraj Saluja  
Sh. Vinod K. Goyal  
Sh. Navneet Gupta  
Sh. Ashwani Kumar  
Sh. Amit Narang  
Sh. Kanwalnain Singh Kang  
Sh. Ranjan Madaan  
Sh. Prem Kumar  
Smt. Paramjit Kaur

Chairman  
Managing Director  
Jt. Managing Director  
Executive Director & CEO  
Executive Director & CFO

## **AUDITORS**

Dass Khanna & Co.  
Chartered Accountants,  
B-XX-2815, 1st Floor,  
Gurdev Nagar, Pakhowal Road,  
Ludhiana - 141 001 (Pb.)

## **REGISTERED OFFICE**

274, Dhandari Khurd, G. T. Road,  
Ludhiana (Pb.) 141 014 (India)  
Ph.: 91-161-6611111  
Fax : 91-161-6611112  
Website: www.selindia.in

## **REGISTRAR & TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
(Formerly Intime Spectrum Registry Ltd.)  
44, Community Centre, 2nd Floor,  
Naraina Ind. Area, Ph-I, PVR Naraina  
New Delhi- 110 028  
Phone No: 011- 41410592  
Fax no: 011- 41410591  
E-mail: delhi@linkintime.co.in

**CIN : L51909PB2000PLC023679**

## **COMPANY SECRETARY**

Sh. Rahul Kapoor

## **Contents**

## **Page No.**

(from)

Notice	01
Directors' Report	10
Corporate Governance Report (including Management Discussion and Analysis)	33
Certificate on Corporate Governance	40
Auditors Report on Financial Statements	41
Balance Sheet	44
Profit & Loss Statement	45
Cash flow Statement	46
Notes on Financial Statements etc.	47
Auditors Report on Consolidated Financial Statements	67
Consolidated Balance Sheet	69
Consolidated Profit & Loss Statement	70
Consolidated Cash Flow Statement	71
Notes on Consolidated Financial Statements etc.	72
Financial Information of Subsidiary Company(ies)/Firm(s)	88

# Chairman's Message

*Dear Shareholders,*

*My heartiest greetings to you all on behalf of SEL. The Indian economy is poised to accelerate, even as the world economy is faced with subdued conditions and uncertainties. Growth is expected to rebound given the political certainty, numerous positive policy measures and improved business confidence. Our foundation is strong and we have followed strategies that will help us persevere and emerge as a company with strong focus on sustainable development.*

*SEL is a very people-focussed and a proficient enterprise. We have aligned competencies of our human capital in line with our business strategies, empowered them with relevant trainings and behavioural improvements. Your Company's single-minded aim behind this is to improve its organisational capability and vitality. As an organisation, your Company continues to be driven by a strong performance ethic and a strong set of values and behaviours. Our investments in our people, capabilities, technology and infrastructure continue to ensure that your Company remains relevant to our customers and close to their business.*

*In addition, we remain committed to sustainable development and preserving and protecting the ecological balance. We ensure that our operations have minimal impact on the environment and our host communities. We engage with and support communities towards creating a better quality of life and opportunities for advancement. To us, this is also a manifestation where our role as a corporate citizen goes beyond. We invest in attracting, training and retaining the best industry talent, and we continuously encourage our teams to push their intellectual boundaries further. We will need to nurture more people for leadership roles to take the business forward.*

*Meanwhile, we faced a difficult operating environment due to high interest costs, liquidity crunch, and increase in input costs, which affected the performance of the Company. There is need to improve our financial returns and operational effectiveness to which we are committed to. Driven by the relentless efforts of all our employees, the Company continues to lay emphasis on implementation that translates business plans to actions and deliverables on the ground.*

*On behalf of the Board and the entire SEL Team, I would like to thank 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 15th Annual General Meeting of the Members of the Company will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 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, 2015 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, 2015 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.
3. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.  
The Auditors M/s Dass Khanna & Company, Chartered Accountants, Ludhiana, (Firm Registration No. 000402N), the Statutory Auditors of the Company whose term is ending at the conclusion of the forthcoming Annual General Meeting are eligible for re-appointment.

### **AS SPECIAL BUSINESS:-**

4. **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 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 Listing Agreement, Ms. Paramjit Kaur (DIN: 07141638) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 31, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 31<sup>st</sup> March, 2015."

5. **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 2015-16 amounting to Rs.77,000 excluding of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

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 196, 197, 203 and any other applicable provisions 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 companies (Appointment & Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Neeraj Saluja, as Managing Director of the Company with effect from April 1, 2014 for remainder of duration of his appointment as the Managing Director of the Company, upto consolidated amount of Salary of Rs. 14,00,000/- per month also in case of any Financial year, where the company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Managing 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.

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 the provisions of Sections 196, 197, 203 and any other applicable provisions 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 companies (Appointment & Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Dhiraj Saluja, as Jt. Managing director of the Company with effect from April 1, 2014 for remainder of duration of his appointment as the Jt. Managing Director of the Company, upto consolidated amount of Salary of Rs. 6,00,000/- per month also in case of any Financial year, where the company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Jt. Managing 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.

**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 the provisions of Sections 196, 197, 203 and any other applicable provisions 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 companies (Appointment & Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Navneet Gupta, as Executive Director & CFO of the Company with effect from April 1, 2014 for remainder of duration of his appointment as the Executive Director & CFO of the Company, upto consolidated amount of Salary of Rs. 3,00,000/- per month also in case of any Financial year, where the company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Executive Director & CFO 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.

**9. 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 provisions 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 companies (Appointment & Remuneration of Managerial personnel) Rules, 2014 and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Vinod Kumar Goyal, as Executive Director & CEO of the Company with effect from April 1, 2014 for remainder of duration of his appointment as the Executive Director & CEO of the Company, upto consolidated amount of Salary of Rs. 6,50,000/- per month also in case of any Financial year, where the company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Executive Director & CEO 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.

**10. 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 provisions 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. Neeraj Saluja, as the Managing Director of the Company for a further period of three years w.e.f. 26.05.2015 on a consolidated amount of Salary of Rs. 14,00,000/- per month.



## **SEL Manufacturing Company Ltd.**

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 Managing 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.

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

**LUDHIANA- 13.08.2015**

**Regd. Off.:**

**274, Dhandari Khurd,**

**G.T. Road, Ludhiana-141014 (Pb.)**

**CIN : L51909PB2000PLC023679**

**(RAHUL KAPOOR)  
COMPANY SECRETARY**

### **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, 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 24, 2015 to September 30, 2015 (both days inclusive).
6. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges 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 15th Annual General Meeting by electronic means and the business may be transacted through 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 cutoff date viz. 23.09.2015 alone will be counted. The instructions for members for remote e-voting are as under:-  
The instructions for members for voting electronically are as under:-  
(i) The remote e-voting period begins at 09.00 am on 27.09.2015 and ends at 05.00 pm on 29.09.2015. 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 23.09.2015 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. 23.09.2015, and that a person who is not a member as on the cut-off date should treat this Notice for information purpose 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](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Sequence number in the PAN field.</li> <li>In case the Sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence number 100 then enter RA00000100 in the PAN field. Sequence number is separately communicated to applicable members in the Notice as an attachment.</li> </ul>
Dividend Bank Details or Date of Birth(DOB)	<p>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 to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or the Company please enter the member ID/folio number in the dividend bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed 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 & Custodians:
  - a) Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates and custodians respectively.
  - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdsl-india.com](mailto:helpdesk.evoting@cdsl-india.com).
  - c) 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) which they wish to vote on.

- d) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e) 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 evoting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 result, along with the Scrutinizer's Report, will be placed on the Company's website i.e. [www.selindia.in](http://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 Limited.
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 the business hours on all working days upto the date of declaration of the results of the 15th 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.4**

Ms. Paramjit Kaur was appointed as an Additional Director on the Board w.e.f. 31.03.2015. As per the provisions of Section 149 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Ms. Paramjit Kaur has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. Requisite Notice have been received from member proposing her candidature for the office of Independent Director of the Company. 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 of the Act, the appointment of Ms. Paramjit Kaur as an Independent Director is now being placed before the members in General Meeting for their approval.

In the opinion of the Board, Ms. Paramjit Kaur fulfils the conditions specified in the Act and the Rules made thereunder for appointment as an Independent director and she is independent of the management. The terms and conditions of appointment of Independent Director shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Ms. Paramjit Kaur is interested and concerned in this Resolution. Other than Ms. Paramjit Kaur no other Director, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in this resolution. This Statement may also be regarded as disclosure under the applicable clauses of the Listing Agreement with the Stock Exchange.

**FOR ITEM NO.5:**

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 2015-16 at a remuneration of Rs. 77,000/- excluding the applicable service tax 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.6:**

The Nomination and Remuneration committee has



recommended the remuneration to Mr. Neeraj Saluja, Managing Director of the Company for the remainder duration of his appointment as managing Director of the Company w.e.f. April 1, 2014, subject to the approval of the shareholders in the General Meeting and of the Central Government required, if any. Mr. Neeraj Saluja is the Managing Director of the company. He is responsible for the overall management of our 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. The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Managing Director of the Company. However due to inadequacy of profits/loss, the managerial remuneration paid/payable needs to be approved for the financial period 2014-15 onwards. Other details required in pursuance of Schedule V of the Companies Act, 2013, are mentioned in the Annexure. Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment, commencing from April 1, 2014 to Mr. Neeraj Saluja as Managing Director of the Company.

With his vast experience in textile sector, the Board of Directors considered it to be desirable to approve ratification and approval of remuneration paid/payable to him for his tenure of appointment as Managing Director of the company. The Board of Directors recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directos, Key Managerial Personnel of the Company or their respective relatives except Mr. Ram Saran Saluja, Mr. Dhiraj Saluja being relatives and Mr. Neeraj Saluja, being the relevant person, are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

**FOR ITEM NO.7:**

The Nomination and Remuneration committee has recommended the remuneration to Mr. Dhiraj Saluja, Jt. Managing Director of the Company for the remainder duration of his appointment as Jt. Managing Director of the Company w.e.f. April 1, 2014, subject to the approval of the shareholders in the General Meeting and of the Central Government required, if any. Mr. Dhiraj Saluja is the Jt. Managing Director of the company. He is responsible for the overall management of the Company along with Mr. Neeraj Saluja, and is also 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. The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Jt. Managing Director of the Company. However due to inadequacy of profits/loss, the managerial remuneration paid/payable needs to be approved for the financial period 2014-15 onwards. Other details required in pursuance of Schedule V of the Companies Act, 2013, are mentioned in the Annexure. Approval of the

shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment, commencing from April 1, 2014 to Mr. Dhiraj Saluja as Jt. Managing Director of the Company. With his vast experience in textile sector, the Board of Directors considered it to be desirable to approve ratification and approval of remuneration paid/payable to him for his tenure of appointment as Jt. Managing Director of the company.

The Board of Directors recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directos, Key Managerial Personnel of the Company or their respective relatives except Mr. Ram Saran Saluja, Mr. Neeraj Saluja being relatives and Mr. Dhiraj Saluja, being the relevant person, are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

**FOR ITEM NO.8:**

The Nomination and Remuneration committee has recommended the remuneration to Mr. Navneet Gupta, Executive Director & CFO, of the Company for the remainder duration of his appointment as Executive Director & CFO of the Company w.e.f. April 1, 2014, subject to the approval of the shareholders in the General Meeting and of the Central Government required, if any. Mr. Navneet Gupta, is the Executive Director & CFO of the company. He looks after all the finance and banking related activities of the Company.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Executive director & CFO of the Company. However due to inadequacy of profits/loss, the managerial remuneration paid/payable needs to be approved for the financial period 2014-15 onwards. Other details required in pursuance of Schedule V of the Companies Act, 2013, are mentioned in the Annexure. Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment, commencing from April 1, 2014 to Mr. Navneet Gupta, as Executive Director & CFO of the Company.

The Board of Directors considered it to be desirable to approve ratification and approval of remuneration paid/payable to him for his tenure of appointment as Executive Director & CFO of the company.

The Board of Directors recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directos, Key Managerial Personnel of the Company or their respective relatives except Mr. Navneet Gupta, being the relevant person, are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

**FOR ITEM NO.9:**

The Nomination and Remuneration committee has recommended the remuneration to Mr. Vinod Kumar Goyal, Executive Director & CEO, of the Company for the remainder duration of his appointment as Executive Director & CEO of the Company w.e.f. April 1, 2014, subject to the approval of



the shareholders in the General Meeting and of the Central Government required, if any. Mr. Vinod Kumar Goyal, is the Executive Director & CEO of the company. He 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.

The appointment as well as payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Executive director & CEO of the Company. However due to inadequacy of profits/loss, the managerial remuneration paid/payable needs to be approved for the financial period 2014-15 onwards. Other details required in pursuance of Schedule V of the Companies Act, 2013, are mentioned in the Annexure. Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment, commencing from April 1, 2014 to Mr. Vinod Kumar goyal, as Executive Director & CEO of the Company.

The Board of Directors considered it to be desirable to approve ratification and approval of remuneration paid/payable to him for his tenure of appointment as Executive Director & CEO of the company.

The Board of Directors recommends the relevant resolution for your consideration and approval as a Special Resolution.

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

**FOR ITEM NO.10 :**

The Board of Directors of your Company have re-appointed Mr. Neeraj Saluja, as the Managing Director of the Company

for a further period of three years w.e.f. 26.05.2015 subject to the confirmation of his re-appointment and remuneration by the members of the Company. The remuneration proposed to be paid to Managing 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. Neeraj Saluja, Managing Director of the Company is responsible for the overall management of our 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. 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 for your consideration and approval.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives except Mr. Ram Saran Saluja, Mr. Dhiraj Saluja being relatives and Mr. Neeraj Saluja being the appointee 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- 13.08.2015**

**Regd. Off.:**

**274, Dhandari Khurd,**

**G.T. Road, Ludhiana-141014 (Pb.)**

**CIN : L51909PB2000PLC023679**

**(RAHUL KAPOOR)  
COMPANY SECRETARY**



**ANNEXURE TO NOTICE**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 30TH SEPTEMBER, 2015**

<b>Name of Director with DIN</b>	<b>Mr. Neeraj Saluja (DIN: 00871939)</b>	<b>Mr. Navneet Gupta (DIN : 02122420)</b>	<b>Ms. Paramjit Kaur (DIN : 07141638)</b>
<b>Resume including Expertise in specific functional area</b>	Mr. Neeraj saluja, aged 48 years is Managing director of the company. He 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. Navneet Gupta, aged 45 years is a Chartered Accountant and has a vast experience in Financial Areas and other related aspects.	Ms. Paramjit kaur aged 53 years is an Educationalist and Visionary. She is an Independent Woman Director on the Board of Directors of the Company.
<b>List of other Companies in which Directorship held</b>	1. SEL Textiles Ltd. 2. Omega Hotels Ltd. 3. SEL Aviation Pvt. Ltd. 4. Shiv Narayan Investments Pvt. Ltd. 5 Silverline Corporation Ltd. 6.SEL Renewable Power Ltd. 7.Sidhivinayak Financial Services Ltd. 8.Rythm Textile & Apparels park Ltd. 9.Young Presidents organization (Punjab chapter) 10. SEL Textiles Corporation	1) Rythm Textile & Apparels Park Ltd. 2) SEL Textiles Ltd. 3) Silverline Corporation Ltd.	None
<b>Chairman/Member of the Committee of Board of Directors of other Companies</b>	SEL Textiles Ltd. i) Investor Grievance Committee  Rhythm Textile & Apparels park Ltd. i) Audit Comtt.	Audit Committee: 1) SEL Textiles Ltd. 2) Rythm Textile & Apparels Park Ltd	None
<b>Inter-Se relationship with other Directors of the Company</b>	Son of Mr. Ram Saran Saluja and brother of Mr. Dhiraj Saluja, other Directors of the Company.	Not related	Not related
<b>Shareholding in the Company</b>	9871510	600	NIL



## SEL Manufacturing Company Ltd.

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

I	<b>General Information</b> <b>(1) Nature of Industry</b>	Textiles
	<b>(2) Date or expected date of commencement of commercial production</b>	The Company was incorporated on 08.05.2000 and the certificate of commencement of Business was dated 02.06.2000 respectively.
	<b>(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	Not applicable
	<b>(4) Financial performance based on given indicators</b>	The details of financial performance of the Company for the years 2013-14 and 2014-15 are duly provided in the Annual Report 2015 which accompanies this Notice.
	<b>(5) Foreign investments or collaborations, if any</b>	The Company has not entered into any material foreign collaboration. However one wholly owned subsidiary has been set up abroad which is yet to commence its commercial operations.
II.	<b>Information about the appointee/relevant Person</b> <b>(1) Background details</b>	Mr. Neeraj Saluja is the Managing Director of the Company. Mr. Dhiraj Saluja is the Jt. Managing Director of the Company. Mr. Navneet Gupta is the Executive Director & CFO of the Company. Mr. Vinod Kumar goyal is the Executive Director and CEO of the Company.
	<b>(2) Past remuneration</b>	Details of past remuneration are duly given in the Annual Report 2015 which accompanies this Notice.
	<b>(3) Recognition or awards</b>	-
	<b>(4) Job profile and his suitability</b>	1. Mr. Neeraj Saluja, Managing Director 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.
		2. Mr. Dhiraj Saluja, Jt. Managing Director of the Company besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, is also 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.
		3. Mr. Navneet Gupta, Executive Director & CFO is a Chartered Accountant and has a vast experience in Financial Areas and other related aspects.
		4. 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.
	<b>(5) Remuneration proposed</b>	Details of remuneration are duly given in the Notice and Explanatory Statement thereto.
	<b>(6) Comparative remuneration profile with respect of industry, size of the company, profile of the position and person</b>	The remuneration is as per Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of CEO/MD/CMD levels of similar sized Textile manufacturing Companies in India and abroad.
	<b>(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	Mr. Neeraj Saluja and Mr. Dhiraj Saluja are sons of Mr. Ram Saran Saluja, all on the Board of the Company. Mr. Neeraj Saluja holds 9871510 equity shares of the Company and Mr. Dhiraj Saluja holds 8371506 Equity Shares 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 of any other senior Managerial personnel is related.
III	<b>Other Information</b>	
	<b>(1) Reasons of loss or inadequate profits</b>	The losses were due to increase in manufacturing costs, increase in the prices of material consumed, High Interest and Depreciation Cost, highly stressed liquidity position and due to Exceptional Loss on account of identification and valuation of slow moving, obsolete and damaged inventory and overall position of the market globally.
	<b>(2) Steps taken or proposed to be taken for improvement</b>	Identification of areas where costs can be reduced and initiatives to reduce costs, new markets for selling the products, credit facilities from banks to improve the liquidity position etc.
	<b>(3) Expected increase in productivity and profits in measurable terms</b>	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	<b>Disclosures</b>	As required, the information is provided under Corporate Governance Section of the Annual Report 2015.



## DIRECTORS' REPORT

To

The Members

SEL Manufacturing Company Ltd.

Your Directors have pleasure in presenting their 15th Annual Report on the affairs of the company together with Audited Accounts for the financial year ended 31st March, 2015.

### FINANCIAL RESULTS

(Rupees in Lacs)

	<b>Current Year</b>		<b>Previous year</b>
	<b>(2014-15)</b>		<b>(2013-14)</b>
Revenue from Operations	<b>232578.47</b>		295603.95
Other Income	<b>12262.43</b>		9012.18
	<b>244840.90</b>		304616.13
Less :			
Expenditure	<b>228826.98</b>	305265.05	
Provision for Depreciation	<b>29327.22</b>	21243.11	326508.16
Profit/(Loss) before exceptional items and Tax:	<b>(13313.30)</b>		(21892.03)
Exceptional items	<b>-</b>		18094.31
Profit/(Loss) before Tax	<b>(13313.30)</b>		(39986.34)
Less :			
Taxes : Deferred Tax	<b>(4445.50)</b>		(15127.80)
Earlier Yrs	<b>197.68</b>	684.36	(14443.44)
Profit/(Loss) after Tax	<b>(9065.48)</b>		(25542.90)
Balance brought forward	<b>6871.50</b>		32414.40
	<b>(2193.98)</b>		6871.50
Less: Transferred to General Reserve	-		-
Less: Carrying amount of fixed assets debited to retained earnings where remaining useful life of assets is Nil as on 01.04.2014	<b>187.84</b>		--
Balance Carried over to Balance Sheet	<b>(2381.82)</b>		6871.50

### 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 Ludhiana and NawanSheher in Punjab, Baddi in Himachal Pradesh and Sehore in Madhya Pradesh.

### STATE OF COMPANY'S AFFAIRS:

During the year under review, your company has achieved Revenue from Operations of Rs. 232578.47 lacs as compared to Rs. 295603.95 lacs in the previous year. After deducting Expenses and Exceptional Items there was Loss of Rs. 13313.30 lacs as compared to Loss of Rs. 39986.33 lacs during the previous year. After providing for taxes and other adjustments, the current year loss stood at Rs. 9065.48 lacs as compared to loss of Rs. 25542.90 lacs during the previous year.

### SUBSIDIARY COMPANY/FIRM(S):

As at 31.03.2015, the Company has the following Subsidiary Company(ies) namely SEL Aviation Pvt. Ltd., SEL Textiles Corporation, Omega Hotels Ltd., SEL Textiles Ltd., Silverline Corporation Ltd., and also a subsidiary firm namely M/s SE Exports. The Company has its branch office at United Arab Emirates.

The Annual Accounts 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 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 Punjawa-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. SEL Textiles Corporation is the wholly owned subsidiary of the Company in the state of California, USA. Omega Hotels Ltd. proposes to commence a hotel project at Agra in Uttar Pradesh. 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 (AS) 21, are attached to and form part of the Annual Report.

## CORPORATE GOVERNANCE:

Your Company is committed to adhere to the best Practices of governance. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment & compliances. 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. 2014-15 and in order to conserve resources for future growth/needs, the directors have not recommended any dividend for the Financial year 2014-15.

## SHARES WITH DIFFERENTIAL RIGHTS, EMPLOYEE STOCK OPTION, SWEAT EQUITY 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.

## DIRECTORS & KMP:

Ms. Paramjit Kaur was duly appointed as an Additional Director on the Board w.e.f. 31.03.2015. Further the appointment of Mr. Ashwani Kumar, Mr. Amit Narang, Mr. Ranjan Madaan, Mr. Prem Kumar and Mr. Kanwalnain Singh Kang, as Independent Director(s) on the Board of the

Company for a period of five years, was duly approved by the members in the last Geeral Meeting held. Pursuant to Section 149 of the Companies Act, 2013, the Board recommends the appointment of Ms. Paramjit Kaur, as an Independent Director of the Company, not liable to retire by rotation for a period of five years, subject to the approval of the Members of the Company. The re-appointment of Mr. Neeraj Saluja, as Managing 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. Further Mr. Navneet Gupta, Director of the Company retires by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

## 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 2015-16. The GDRs of the company are listed on Luxembourg Stock Exchange.

## AUDITORS:

M/s Dass Khanna & Co., Chartered Accountants, Ludhiana, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

## AUDITORS' REPORT:

Regarding Auditors Emphasis of Matter in their Report the Board comments as under;

- a) During the Year under Audit, the Income Tax Authorities carried out serarch & seizure action u/s 132(1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities. The Consequential Assessment proceedings are in progress. Pending these proceedings, no provision has been made in the boooks for additional liability (amount presently not ascertainable) for tax, interest and penalty, if any.
- b) The matter is self explanatory as during the year, the Company's proposal for restructuring 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 Company executed Master Restructuring Agreement (MRA) with CDR Lenders on 24th September, 2014. The details of the Restructuring package as approved by CDR cell are duly provided IN Notes to Financial Statements.

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

## 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. The Board appointed M/s. Jatin Sharma & Co., Cost accountants, as cost auditors of the Company for the financial year 2015-16 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 would be filed with the Central Government within prescribed timelines.

### **NUMBER OF BOARD MEETINGS HELD DURING THE YEAR:**

The Board met 12 times during the financial year 2014-15, the details of which are given in corporate governance section.

### **ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND 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 performance of Non-Independent Directors and 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 maintain an 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 and other applicable regulations or guidelines. All the Board appointments are based on meritocracy. The potential candidates for appointment to the Board are inter alia 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 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. During the year under review, 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:**

No 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:**

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2014-15 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 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, 2015, no complaints pertaining to sexual harassment were received.

### **RELEVANT EXTRACT OF THE ANNUAL RETURN:**

Relevant extract of annual return for the financial year 2014-15 under the Companies Act, 2013 is given in Annexure V to this report

### **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



## **SEL Manufacturing Company Ltd.**

Secretaries in practice, to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed to this report as Annexure VI. Secretarial Auditors' report is self explanatory and therefore does not require further comments and explanation.

### **RELATED PARTY TRANSACTIONS:**

During the year under review, 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. The said policy is available on the Company's website viz. [www.selindia.in/policy.html](http://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](http://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](http://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](http://www.selindia.in/policy.html)

### **CHANGES IN CAPITAL STRUCTURE:**

During the year, the Company issued 6,97,10,000 (Six Crore Ninety Seven Lakh and Ten Thousand Only) 1% Non-Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 10/- (Rs. Ten) each to the Promoters 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 Listing Agreement(s) of the Stock Exchange(s). The Audit Committee of the Company presently comprises of the following members namely Mr. Ashwani Kumar, Mr. Ranjan Madaan, Mr. Amit Narang 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 forming part of 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, 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, 2015 and of the profit/loss of the Company



## **SEL Manufacturing Company Ltd.**

for the year ended on 31st March, 2015;

- 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 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. Amit Narang (Chairman), Sh. Ram Saran Saluja and Sh. Ranjan Madaan. During the year under review, 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 focussed on the following five broad themes with goals to

improve overall socioeconomic 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](http://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

DATED : 13.08.2015

(RAM SARAN SALUJA)

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 utilising 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 through 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:

	2014-15	2013-14
(a) Captive Power Plant (CPP Turbine)		
Units (Lacs)	1190.68	1265.58
Husk per Unit (Kg)	0.77	1.05
Cost/Unit (Rs.)	6.65	5.38

### B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

**Specific areas in which R & D activities/ Technology Absorption 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 :	10.76
Total :	10.76

#### 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.

	2014-15	(Rs. in Lacs) 2013-14
(i) Foreign Exchange earned		
a) FOB value of exports as per Balance Sheet	118935.56	101516.66
b) Overseas Income	16065.44	38326.41
(ii) Foreign Exchange used		
(a) CIF value of Imports	775.55	1816.39
(b) Other Expenditure	1044.69	1788.25
(c) Overseas Expenditures	15392.55	11988.61

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

PLACE : LUDHIANA  
DATED : 13.08.2015

(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 Managerial Personnel) Rules, 2014, and forming part of the Directors' Report for the year ended 31st March, 2015:

Name	Age (Yrs.)	Designation	Gross Remn. (Rs.)	Qualification	Experience (Yrs.)	Dt. of joining	Previous Employment	No. of Shares held as on 31.03.2015
Mr. Neeraj Saluja	48	Managing Director	Rs.1,54,00,000	Diploma in business Administration	23 Yrs in Textile Industry	30.03.2006	SEL Mfg. Co. Ltd.	9871510 (2.98%)
Mr. Dhiraj Saluja	43	Jt. Managing Director	Rs. 72,00,000	Degree in Mechanical Engineering	19Yrs in Textile Industry	28.05.2007	SEL Mfg. Co. Ltd.	8371506 (2.53%)
Mr. Vinod Kumar Goyal	56	Executive Director & CEO	Rs. 78,00,000	MBA	34 Yrs in Textile Industry	13.07.2010	Vardhman Texgarments Ltd./ Vardhman Textiles Ltd.	Nil

\*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.

### Nature of Duties

Mr. Neeraj Saluja, Managing Director 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, Jt. Managing Director of the Company besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, is also 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.

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

**PLACE : LUDHIANA  
DATED : 13.08.2015**

**(RAM SARAN SALUJA)  
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	150.5
Mr. Dhiraj Saluja	Jt. Managing Director	70.3
Mr. Vinod Kumar Goyal	Executive Director & CEO	76.2
Mr. Navneet Gupta	Executive Director & CFO	35.2
Mr. Ashwani Kumar	Independent Director	0.17
Mr. Amit Narang	Independent Director	0.89
Mr. Kanwalnain Singh Kang	Independent Director	0.14
Mr. Ranjan Madaan	Independent Director	0.89
Mr. Prem Kumar	Independent Director	0.07
Ms. Paramjit Kaur	Independent Director	0

\*computed based on annualized remuneration.

**(b) percentage 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 2014-15 there has not been any increase in the Remuneration to Managing Director/whole time Directors of the Company. Further the remuneration of non-executive Directors by way of sitting fee for attending Board/Committee meetings was not increased during the year. 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 increase in remuneration during the year for Chief Financial Officer or the Company Secretary of the Company.

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

13.58%

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

7940

**(e) explanation on the relationship between average increase in remuneration and company performance;**

The average increase in remuneration of the employees was 13.58%. The average increase in remuneration is closely linked to and driven by achievement of annual corporate goals and overall business, financial and operational performance of the Company and general inflation.

**(f) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

The remuneration of keymanagerial personnel amongst others is closely linked to and driven by achievement of annual corporate goals and overall business, financial and operational performance of the Company. There has been no increase in the remuneration of KMP's during the year.

**(g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

11.29% increase in market capitalization (31.03.2014 vs 31.03.2015 NSE). The company focuses on long term value creation and not on maximization of market capitalization in the short term. Variations in price earnings ratio is not compared as the



company had incurred losses. The Company had allotted shares under its IPO in August, 2007 at the price of INR 90 per equity share. The market quotations/price of the shares of the Company as at 31 March, 2015 on NSE compared to the IPO price has decreased 96.16%.

**(h) 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 13.58%. During the financial year 2014-15 there has not been any increase in the Remuneration to Managing Director/whole time Directors of the Company. Further the remuneration of non-executive Directors by way of sitting fee for attending Board/ Committee meetings was not increased during the year. 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 increase in remuneration during the year for Chief Financial Officer or the Company Secretary of the Company. Accordingly, there is no comparative information in this regard.

**(i) comparison of remuneration of each of the Key Managerial Personnel against the performance of the company;**

During the year, there has also been no increase in remuneration during the year for Chief Financial Officer or the Company Secretary of the Company. Further, there has not been any increase in the Remuneration to Managing Director/whole time Directors of the Company .

**(j) the key parameters for any variable component of remuneration availed by the directors;**

Nil

**(k) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

Nil

**(l) 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 underprivileged 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 basic 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 policy is available at [www.selindia.in/policy.html](http://www.selindia.in/policy.html).

**2. Composition of CSR Committee**

The Corporate Social Responsibility Committee consists of Sh. Amit Narang (Chairman), Sh. Ram Saran Saluja and Sh. Ranjan Madaan

**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 :**

- Total amount to be spent for the financial year; N.A.
- Amount unspent, if any; N.A
- 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.

Amit Narang	RAM SARAN SALUJA
Chairman-CSR Committee	DIRECTOR
DIN: 05271363	DIN: 01145051

**Manner in which amount spent during the financial year:**

**-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.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SEL Textiles Ltd. (wholly owned subsidiary)
b)	Nature of contracts/arrangements/transaction	Renewal of Lease
c)	Duration of the contracts/arrangements/transaction	Five Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 1,20,000 p.a.
e)	Date of approval by the Board	13.11.2014
f)	Amount paid as advances, if any	Nil

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**



## SEL Manufacturing Company Ltd.

### Annexure-V: Extract of Annual Return

#### FORM No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2015

[Pursuant to section 92(3) of the Companies Act, 2013

and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L51909PB2000PLC023679
2	Registration Date	8 <sup>th</sup> May, 2000
3	Name of the Company	SEL Manufacturing Company Limited
4	Category/Sub-category of the Company	Public Company limited by shares
5	Address of the Registered office & Contact Details	274, Dhandari Khurd, G.T. Road, Ludhiana 141014 PUNJAB. Tel.: 0161 6611111, Fax: 0161 6611112 Website: <a href="http://www.selindia.in">www.selindia.in</a>
6	Whether listed company	Yes
7	Name, Address & contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, 2 <sup>nd</sup> Floor,, Naraina Ind. Area, Ph.-1, PVR Naraina, New Delhi - 110028 Tel.: 011 41410592, Fax.: 011 41410591 E-mail: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sales of Yarns	1711	58.34%
2	Terry Towels	1729	20.06
3	Hosiery Garments	1810	14.74

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the company	CIN/GLN	Holding/subsidiary/ Associate	% of Share held	Applicable Section
1	SEL Textiles Ltd. 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 PUNJAB	U17299PB2008PLC032050	Subsidiary	100	Section 2(87)
2	Omega Hotels Ltd. 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 PUNJAB	U55101PB1987PLC037859	Subsidiary	97.85	Section 2(87)
3	SEL Aviation Pvt. Ltd. . 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 PUNJAB	U93000PB2008PTC031580	Subsidiary	97.54	Section 2(87)
4	Silverline Corporation Ltd 274, Dhandari Khurd, G.T. Road, Ludhiana 141014 PUNJAB	U17200PB2008PLC032259	Subsidiary	98.79	Section 2(87)
5.	SEL Textiles Corporation State of California, USA.	Not applicable, foreign company	Subsidiary	100	Section 2(87)

\* Includes direct and indirect subsidiaries .

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**
**I) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoter and Promoter Group</b>									
<b>1. Indian</b>									
a) Individuals / HUF	36729044	0	36729044	11.08	36729044	0	36729044	11.08	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	15546154	0	15546154	04.69	15546154	0	15546154	04.69	0.00
e) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other (Trust)	0	0	0	0.00	0	0	0	0	0.00
Sub-Total (A) (1):	52275198	0	52275198	15.77	52275198	0	52275198	15.77	0.00
<b>2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2):	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters(A) = (A) (1)+(A)(2)	52275198	0	52275198	15.77	52275198	0	52275198	15.77	0.00
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0.00
b) Banks/Fl	0	0	0	0	0	0	0	0	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	100000	0	100000	0.03	100000	0	100000	0.03	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-Total (B) (1):	100000	0	100000	0.03	100000	0	100000	0.03	0.00
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	38622348	250000	38872348	11.73	35978995	250000	36228995	10.93	-0.80
ii) Overseas	0	0	0		0	0	0	0	0.00
b) Individuals									
i) Individual share capital upto ` 1 lakh	52749766	6172	52755938	15.92	52225834	7412	52233246	15.76	-0.16
ii) Individual share capital in excess of ` 1 lakh	78872804	0	78872804	23.80	87301674	0	87301674	26.35	2.55
c) Others (specify)								0	
Trust	600	0	600	0.00	600	0	600	0.00	0.00
Non Resident Indians	4757949	0	4757949	1.44	5645803	0	5645803	1.70	0.26
Clearing Members	705818	0	705818	0.21	445737	0	445737	0.13	-0.08
Hindu Undivided Families	5620089	0	5620089	1.70	5436847	0	5436847	1.64	-0.06
Sub-total (B) (2):	181329374	256172	181585546	54.80	187035490	257412	187292902	56.52	1.72
Total Public Shareholding (B) = (B)(1)+(B)(2)	181429374	256172	181685546	54.83	187135490	257412	187392902	56.55	1.72
<b>TOTAL (A)+(B)</b>	<b>2,33704572</b>	<b>256172</b>	<b>233960744</b>	<b>70.61</b>	<b>239410688</b>	<b>257412</b>	<b>239668100</b>	<b>72.33</b>	<b>1.72</b>
C.Shares held by Custodians for GDR & ADRs	97386256	0	97386256	29.39	91678900	0	91678900	27.67	-1.72
<b>GRAND TOTAL (A)+(B)+C</b>	<b>331090828</b>	<b>256172</b>	<b>331347000</b>	<b>100.00</b>	<b>331089588</b>	<b>257412</b>	<b>331347000</b>	<b>100.00</b>	<b>0.00</b>



**ii) Shareholding of promoters (Including Promoter group)**

SN	Shareholder's Name	Shareholding at the beginning of the Year (As on 01.04.2014)			Shareholding at the end of year (As on 31.03.2015)			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbers to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Ram Saran Saluja	4621505	1.39	100.00	4621505	1.39	100.00	0.00
2	Neeraj Saluja	9871510	2.98	100.00	9871510	2.98	100.00	0.00
3	Sneh Lata	4621510	1.39	100.00	4621510	1.39	100.00	0.00
4	Ritu Saluja	4621506	1.39	100.00	4621506	1.39	100.00	0.00
5	Dhiraj Saluja	8371506	2.53	100.00	8371506	2.53	100.00	0.00
6	Reema Saluja	4621507	1.39	100.00	4621507	1.39	100.00	0.00
7	Shiv Narayan Investments (P)Ltd.*	15546154	4.69	100.00	15546154	4.69	100.00	0.00
	Total	52275198	15.77	100.00	52275198	15.77	100.00	0.00

\* Part of Promoter Group

**iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)**

There is no change in the promoters holding during the year.

**iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRs):**

SN	Name of Shareholder	Shareholding at the beginning of the year (01.04.2014)		Date	Reason	Increase/ Decrease in share holding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
1	Rama Dinanath Naik	4355250	1.31					4355250	1.31
				30.06.2014	Decrease	4000000	1.21	355250	0.11
				04.07.2014	Increase	117900	0.03	473150	0.14
				11.07.2014	Increase	187489	0.06	660639	0.20
				18.07.2014	Increase	75000	0.02	735639	0.22
				01.08.2014	Increase	121500	0.04	857139	0.26
				15.08.2014	Increase	58182	0.02	915321	0.28
				22.08.2014	Increase	183350	0.05	1098671	0.33
				30.09.2014	Decrease	735287	0.22	363384	0.11
				03.10.2014	Increase	94277	0.03	457661	0.14
				10.10.2014	Increase	73599	0.02	531260	0.16
				17.10.2014	Increase	7220	0.00	538480	0.16
				07.11.2014	Increase	171419	0.05	709899	0.21
				14.11.2014	Increase	49212	0.01	759111	0.23
				31.03.2015	Increase	66441	0.02	825552	0.25
2	R K R INVESTMENTS SERVICES PVT. LTD.	4220000	1.27	31.03.2015	At the end of the year	-	-	825552	0.25
								4220000	1.27
				30.06.2014	Increase	1520000	0.46	5740000	1.73
				30.09.2014	Increase	490000	0.15	6230000	1.88
				20.02.2015	Increase	600000	0.18	6830000	2.06
				27.03.2015	Increase	1015000	0.31	7845000	2.36
3	MRKR CONSTRUCTIONS PRIVATE LIMITED	2800000	0.84	31.03.2015	At the end of the year	-	-	7845000	2.36
								2800000	0.84
4	NETWORTH STOCK BROKING LIMITED	2085769	0.63					2085769	0.63
								2085769	0.63
				11.04.2014	Increase	2330	0.00	2088099	0.63



				18.04.2014	Increase	496490	0.15	2584589	0.78
				25.04.2014	Decrease	2509	0.00	2582080	0.78
				02.05.2014	Decrease	3939	0.00	2578141	0.78
				09.05.2014	Decrease	61	0.00	2578080	0.78
				23.05.2014	Increase	1058	0.00	2579138	0.78
				30.05.2014	Increase	6850	0.00	2585988	0.78
				06.06.2014	Decrease	1475	0.00	2584513	0.78
				13.06.2014	Decrease	680	0.00	2583833	0.78
				20.06.2014	Increase	1000	0.00	2584833	0.78
				30.06.2014	Decrease	7970	0.00	2576863	0.78
				04.07.2014	Decrease	1000	0.00	2575863	0.78
				11.07.2014	Increase	4600	0.00	2580463	0.78
				18.07.2014	Decrease	2181852	0.66	398611	0.12
				01.08.2014	Decrease	388733	0.11	9878	0.01
				29.08.2014	Increase	1200	0.00	11078	0.01
				05.09.2014	Increase	2650	0.00	13728	0.01
				12.09.2014	Decrease	500	0.00	13228	0.01
				19.09.2014	Increase	35300	0.00	48528	0.01
				30.09.2014	Increase	5925	0.00	54453	0.01
				03.10.2014	Decrease	53853	0.01	600	0.00
				10.10.2014	Increase	2170	0.00	2770	0.00
				17.10.2014	Increase	2000	0.00	4770	0.00
				31.10.2014	Increase	3000	0.00	7770	0.00
				14.11.2014	Increase	1000	0.00	8770	0.00
				21.11.2014	Increase	1000	0.00	9770	0.00
				28.11.2014	Decrease	964	0.00	8806	0.00
				19.12.2014	Decrease	600	0.00	8206	0.00
				31.12.2014	Decrease	2000	0.00	6206	0.00
				16.01.2015	Decrease	406	0.00	5800	0.00
				23.01.2015	Decrease	30	0.00	5770	0.00
				20.02.2015	Decrease	5000	0.00	770	0.00
				06.03.2015	Decrease	100	0.00	670	0.00
				20.03.2015	Decrease	300	0.00	370	0.00
				31.03.2015	At the end of the year	-	-	370	0.00

SN	Name of Shareholders	Shareholding at the beginning of the year (01.04.2014)		Date	Reason	Increase/Decrease in Share holding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
5	RAMA NAIK	1747569	0.53					1747569	0.53
				30.06.2014	Decrease	1000000	0.30	747569	0.23
				31.03.2015	At the end of the year	-	-	747569	0.23
6	RAGHUNATHA REDDY MEDA	1550000	0.47					1550000	0.47
				31.03.2015	At the end of the year	-	-	1550000	0.47
7	LOKESH JAIN	1446324	0.43					1446324	0.43
				13.06.2014	Increase	646410	0.20	2092644	0.63
				30.09.2014	Increase	795000	0.24	2887644	0.87
				31.03.2015	At the end of the year	-	-	2887644	0.87
8	KOTAK MAHINDRA INVESTMENTS LTD.	1275391	0.39					1275391	0.39
				11.04.2014	Increase	200727	0.06	1476118	0.45
				18.04.2014	Increase	506475	0.15	1982593	0.60
				02.05.2014	Increase	280929	0.08	2263522	0.68
				23.05.2014	Decrease	462594	0.14	1800928	0.54
				13.06.2014	Decrease	1800928	0.54	0	0.00
				25.07.2014	Increase	4548	0.00	4548	0.00
				08.08.2014	Increase	8036	0.00	12584	0.00
				15.08.2014	Increase	476327	0.15	488911	0.15

				22.08.2014	Increase	16735	0.00	505646	0.15
				12.09.2014	Decrease	7229	0.00	498417	0.15
				19.09.2014	Decrease	22090	0.01	476327	0.14
				31.03.2015	Decrease	476327	0.14	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00

SN	Name of Shareholder	Shareholding at the beginning of the year (01.04.2014)		Date	Reason	Increase/Decrease in Share holding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
9	BINDA R NAIK	1210000	0.36					1210000	0.36
				09.05.2014	Increase	800	0.00	1210800	0.36
				05.09.2014	Increase	21911	0.01	1232711	0.37
				19.09.2014	Increase	10000	0.00	1242711	0.37
				30.09.2014	Decrease	190000	0.06	1052711	0.31
				31.10.2014	Increase	12500	0.01	1065211	0.32
				14.11.2014	Increase	10000	0.00	1075211	0.32
				21.11.2014	Increase	5000	0.00	1080211	0.32
				31.03.2015	At the end of the year	-	-	1080211	0.32
10	JM FINANCIAL SERVICES LIMITED	1184610	0.36					1184610	0.36
				11.04.2014	Decrease	100000	0.03	1084610	0.33
				02.05.2014	Increase	15000	0.00	1099610	0.33
				20.06.2014	Increase	20000	0.01	1119610	0.34
				30.06.2014	Decrease	20000	0.01	1099610	0.33
				31.12.2014	Increase	1000	0.00	1100610	0.33
				27.02.2015	Decrease	1084610	0.32	16000	0.01
				27.03.2015	Decrease	1000	0.00	15000	0.01
				31.03.2015	At the end of the year	-	-	15000	0.01

v) Shareholding of Directors and Key Managerial Personnel :

SN	Name of Shareholder	Shareholding at the beginning of the year (01.04.2014)		Date	Reason	Increase/Decrease in Share holding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
1	Mr. Ram Saran Saluja	4621505	1.39					4621505	1.39
					No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	4621505	1.39
2	Mr. Neeraj Saluja	9871510	2.98					9871510	2.98
					No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	9871510	2.98
3	Mr. Dhiraj saluja	8371506	2.53					8371506	2.53
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	8371506	2.53
4	Mr. Navneet Gupta (Executive Dir. & CFO)	600	0.00					600	0.00
					No change	0	0.00	0.00	
				31.03.2015	At the end of the year	-	-	6.00	0.0



SN	Name of Share holders	Shareholding at the beginning of the year (01.04.2014)		Date	Reason	Increase/Decrease in Share holding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
5	Mr. Vinod Kumar Goyal	0	0	0.00				0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00
6	Mr. Ashwani Kumar	75	0.00				75	0.00	
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	75	0.00
7	Mr. Amit Narang	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00
8	Mr. Ranjan Madaan	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00
9	Mr. Kanwalnain Singh Kang	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00
10	Mr. Prem Kumar	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00
11	Ms. Paramjit Kaur	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2015	At the end of the year	-	-	0	0.00
12	Mr. Rahul Kapoor Company Secretary	0	0.00					0	0.00
				-	No change	0	0.00	0.00	
				31.03.2015	At the end of the year	-	-0	0.00	

#### V.INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (Figures Rs. in Crores)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebt ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3398.66	70.53	-	3469.19
ii) Interest due but not paid	66.05	-	-	66.05
iii) Interest accrued but not due	-	00.02	-	00.02
<b>Total (i + ii + iii)</b>	<b>3464.71</b>	<b>70.55</b>	<b>-</b>	<b>3535.26</b>
Change in Indebtedness during the financial year				
Addition	1029.24	-	-	1029.24
Reduction	(566.50)	(01.60)	-	(568.10)



## SEL Manufacturing Company Ltd.

<b>Net Change</b>	<b>462.74</b>	<b>(01.60)</b>	<b>-</b>	<b>461.14</b>
Indebtedness at the end of the financial year				
i) Principal Amount	3901.87	68.94	-	3970.81
ii) Interest due but not paid	25.58	-	-	25.58
iii) Interest accrued but not due	-	00.01	-	00.01
<b>Total (i + ii + iii)</b>	<b>3927.45</b>	<b>68.95</b>	<b>-</b>	<b>3996.40</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Mr. Neeraj Saluja Managing Director	Mr. Dhiraj Saluja Jt. Managing Director	Mr. Navneet Gupta Executive Director & CFO	Mr. Vinod Kumar goyal Executive Director & CEO	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14850000	7200000	3006252	7582979	32639231
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	550000	Nil	Nil	Nil	550000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...(performance based)	Nil	Nil	Nil	Nil	Nil
5.	Others, Retirement Benefits etc.	Nil	Nil	593748	217021	810769
	<b>Total (A)</b>	<b>15400000</b>	<b>7200000</b>	<b>3600000</b>	<b>7800000</b>	<b>34000000</b>

#### B. Remuneration to other directors:

SN	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board/ committee meetings	Commission	Others Please specify	
I.	Independent Directors				
1.	Mr. Prem Kumar	7000	Nil	Nil	700
2.	Mr. Ashwani Kumar	17000	Nil	Nil	17000
3.	Mr. Amit Narang	91000	Nil	Nil	91000
4.	Mr. Ranjan madaan	91000	Nil	Nil	91000
5.	Mr. Kanwalnain Singh Kang	14000	Nil	Nil	14000
6.	Ms. Paramjit Kaur	Nil	Nil	Nil	Nil
	<b>Total (I)</b>	<b>220000</b>	<b>Nil</b>	<b>Nil</b>	<b>220000</b>
II.	Other Non-Executive Directors				
1.	Mr. Ram Saran SalujaNil	Nil	Nil	Nil	Nil
	<b>Total (II)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Managerial Remuneration (I + II)</b>	<b>220000</b>	<b>Nil</b>	<b>Nil</b>	<b>220000</b>

Ms. Paramjit Kaur was appointed on Board w.e.f. 31.03.2015.


**C. Remuneration to Key Managerial Personnel other than MD/ Manager /WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Navneet Gupta Executive Director & CFO	Mr. Rahul Kapoor Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3006252	949051	3955303
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- others			
5.	Others, Retirement Benefits	593748	202949	796697
	Total	3600000	1152000	4752000

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act,	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any (give Details)
A. COMPANY		NONE			
Penalty					
Punishment					
Compounding					
B. DIRECTORS		NONE			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		NONE			
Penalty					
Punishment					
Compounding					

**RAM SARAN SALUJA**  
(CHAIRMAN)  
DIN: 01145051





**Annexure-VI**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended 31st March, 2015**

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, 2015 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, 2015 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (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, 1998;

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.

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.

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 there to, 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



## **SEL Manufacturing Company Ltd.**

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- Acts prescribed under prevention and control of Pollution/Environment Protection.

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. 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

- issued 6,97,10,000 (Six Crore Ninety Seven Lakh and Ten Thousand Only) 1% Non-Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 10/- (Rs. Ten) each to the Promoters of the company.
- The members of the Company have passed resolutions for the powers to Board of Directors u/s 180 of the Companies Act, 2013 by way of Special Resolution as required under companies Act, 2013 in the Annual General meeting held on 30.09.2014.

**For P. Sharma & Co.,  
Company Secretaries**

**Place: Bhatinda  
Date: 13.08.2015**

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

This report is to be read with our letter of even date which is annexd 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.

- 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.
- 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.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- 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.
- 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**

**Place: Bhatinda  
Date: 13.08.2015**

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



## **Annexure-VII: 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"). 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.

### **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature.
- b) The Nomination and Remuneration Committee is of the opinion that the director possesses requisite qualification for the practice of the profession.

### **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. 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 five basic tenets viz., 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. Your Company has been practicing the principles of good Corporate Governance over the years and has been upholding fair and ethical business and corporate practices and transparency in its dealings.

### 1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

SEL success has much to do with the contributions from its employees and the "Can-do" spirit that each of them epitomise and adopt. Our performance can be attributed to our strong integrated business model, wide product portfolio and our capability to deliver operating excellence.

#### (a) Industry Structure and Development

Rapid growth and urbanization have brought a sea change in the characteristics and preferences of India consumers. Indian population consists of an attractive age group with more than 40 million of its population falling under the age group of 15-35. The affluent youth population with a growing passion for fashion will drive the sales of apparels in the country. Fashion is increasingly seen as a form of self expression, and not just a functional purchase.

Increase in the amount of disposable income will also fuel the growth of the sector. Indian consumers, in the coming years will, naturally, tend to spend more than they wear. On an average; worldwide, people typically tend to spend around 6% of their income on clothes. Trends, both national and international, provide a strong tailwind to the textile and apparel sector.

Interest of global brands and retailers in the Indian market is likely to fuel the growth. India would attract more investments from global brands and retailers in the coming years. This is likely to spur the country's domestic demand and further enhance India's investment in supply chain processes.

The country's clothing and textile industry would become more competitive both at the domestic and global forefront. There would be diversification of the product mix thereby creating new opportunities for exports. Until 2005, Indian textile industry was driven by the availability of raw material, labor and Government policies. Till 2015 economists predict that the industry will be driven by manufacturing excellence,

supply chain efficiency, and a various range of product mix. After 2015, the industry is expected to be product, brand, and process driven.

Changes that occur in the Indian textile and apparel industry will have far reaching implications among the manufacturers, retailers, and designers. Fruits of growth of Indian economy have trickled down to its people, which are evidenced with the rising per capita income. The whole Indian economy is on a growth trajectory with its obvious impact in its textile and apparel sector.

#### The Company:

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 Ludhiana and NawanSheher in Punjab, Baddi in Himachal Pradesh and Sehore in Madhya Pradesh.

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. SEL Textiles Corporation is the wholly owned subsidiary of the Company in the state of California, USA. Omega Hotels Ltd. proposes to commence a hotel project at Agra in Uttar Pradesh.

#### (b) Company's Performance

During the year under review, your company has achieved Revenue from Operations of Rs. 232578.47 lacs as compared to Rs. 295603.95 lacs in the previous year. After deducting Expenses and Exceptional Items there was Loss of Rs. 13313.30 lacs as compared to Loss of Rs. 39986.33 lacs during the previous year. After providing for taxes and other adjustments, the current year loss stood at Rs. 9065.48 lacs as compared to loss of Rs. 25542.90 lacs during the previous year.

#### Segment wise Performance:

A Snapshot of major segmental sales/turnover for the current year and its comparison with the previous fiscal is tabulated below:-

Segment	2014-15 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	Growth (%)
Yarn	135696.92	129667.53	04.65
Terry Towel	46651.76	42326.99	10.22
Hosiery Garments	34276.90	56225.27	(39.04)
Knitted Fabric/ Cloth	11703.28	64683.97	(81.91)

During FY 2014-15, Yarn Sales grew by 4.65%, Terry towel by 10.22% respectively. However, the Sales of Hosiery Garments decreased by 39.04% due to lesser demand in global markets. Consequently knitted fabric sales also got reduced. The Company is functioning in only one Reportable





Segment i.e. Textiles, hence Segment Reporting required under AS-17 is not applicable.

## **(c) Dividend**

In order to conserve resources for the future and on account of current losses, no dividend has been declared for the financial year 2014-15. Your directors believe in sustained increase in shareholder value, eventually resulting in a higher return threshold.

## **(d) Outlook: Opportunity, Threats, Risks & Concerns**

The future looks bright for the Indian textile and apparel industry. There are positive drivers which indicate future growth opportunities. There is plenty of cotton with a good potential for higher yield. There is the chance to produce yarn instead of exporting cotton. There is growing export as well as domestic market demand. The Government supports modernization of the industry with a particular focus on closing the gaps in the textile value chain. Investment prospects depend on a business-friendly environment and good business expectations. The Government has taken several measures to create those positive impulses. But there are still some improvements possible. The industry waits for the proposed reforms in labor law, support to develop a skilled work force and programs to bind talents to be able to translate market needs into quality products.

Export means commitment to mutual free trade supported by excellent logistics based on strong infrastructure for power supply, transport and communication technology. Improvement in logistics is urgent in particular for the textile industry where fashion has to meet strict deadlines. Being creative and flexible with short response times is as important as competitive pricing. For the textile and apparel industry the rising need in easy care necessitates a higher share of blends of synthetic fibers with cotton.

### **Our principal operating strategies:**

We are trying to focus on cost cutting strategies, development of new markets and maintain the quality of our products to satisfy and exceed the expectations of the market and look forward to a better market sentiment for textiles.

### **Threats, risks and concerns**

A stronger economy and brighter sentiment holds out optimism for the order flow as a general feeling of buoyancy prevails. 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 a 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. However, the Company has over the years developed considerable expertise in responding to the changes in prices & demand. Due to company's integration & order based pricing, the company is generally able to pass on the increase in raw material prices to its customers. Advancement in technology may require us to make additional capital expenditure for upgrading our manufacturing facilities or may make our competitors plants more competitive. 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. 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.

## **(e) Internal Control System and their 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. 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)..

## **(f) Human Resources:**

Textile Industry is highly labour intensive in nature. The Company has developed an environment of harmonious and cordial relations with its employees. Our human resource policies are targeted at creating a motivated work force. Our efforts in building a conducive work atmosphere have helped us in having lower attrition rates. The Company has established training centres for up-gradation of worker skills.

### **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:**

At SEL, we believe that sound Corporate Governance is critical to enhance and retain investors' trust. Accordingly, your Company seeks to achieve its goals with integrity and fairness. The Company's philosophy is based on Accountability, Ethical conduct, Compliance with statutes, Interest of all stakeholders, Transparency and Timely disclosure. The objective is to institutionalize Corporate Governance practices that go beyond adherence to the regulatory framework. Your Company is committed to adhere to the norms of Corporate Governance on a consistent basis for meeting all its obligations towards the stakeholders. The Company's products are marketed not only in India but also across the globe. The Company is, therefore, conscious of the fact that the management and the employees need to



## SEL Manufacturing Company Ltd.

work ethically to achieve success globally. The company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole.

### 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 Managing Director 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 2014-15.

**Neeraj Saluja**

Mg. Director

### 2B. Whistle Blower 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.

### 3. BOARD OF DIRECTORS:

#### (a) Board Meetings

During the financial year 2014-15, 12 Board Meetings were held on 29.05.2014, 28.06.2014, 30.06.2014, 14.08.2014, 29.08.2014, 30.09.2014, 16.10.2014, 13.11.2014, 24.12.2014, 04.02.2015, 13.02.2015 and 31.03.2015 respectively.

#### (b) Composition

The Board comprises of Eleven Directors of which Six are Independent Non-Executive Directors.

The details of the Board composition, attendance of Directors at Board Meetings held during 2014-15 and their other memberships are given below:

S. No.	Name	Designation	Category	No. of Board Meetings Attended	Attendance at Last AGM	Total Number of Directorships in Other Public Ltd. Companies*		No. of Committee Position in Public Ltd. Companies**	
						Chairman	Member	Chairman	Member
1	Ram Saran Saluja	Chairman	Promoter	11	Yes	1	4	-	2
2	Neeraj Saluja	Managing Director	Promoter	10	Yes	1	5	1	1
3	Dhiraj Saluja	Jt. Managing Director	Promoter	01	No	-	4	-	-
4	Ashwani Kumar	Director	Independent	01	Yes	-	6	3	4
5	Navneet Gupta	Executive Director & CFO	Executive	12	Yes	-	3	1	2
6	Ranjan Madaan	Director	Independent	08	Yes	-	-	1	1
7	Vinod Kumar Goyal	Executive Director & CEO	Executive	12	Yes	-	1	-	-
8	Prem Kumar	Director	Independent	01	No	-	2	-	1
9	Amit Narang	Director	Independent	08	Yes	-	-	-	2
10	Kanwalnain Singh Kang	Director	Independent	02	No	-	-	-	-
11	Paramjit Kaur	Director	Independent	-	N.A.	-	-	-	-

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

Ms. Paramjit Kaur was appointed as an Additional Director w.e.f. 31.03.2015

\*The Directorships held by directors as mentioned above, do not include Directorships in foreign companies, Alternate Directorships, companies registered under Section 25 of the Companies Act, 1956/section 8 of the Companies Act, 2013 and private limited companies.

\*\*In accordance with Clause 49, Memberships/Chairmanships of only the Audit committees and Stakeholders Relationship/Investors Grievance Committees of all Public Limited Companies have been considered.





## SEL Manufacturing Company Ltd.

The holding(s) of Non-Executive directors in the Company as on 31.03.2015 is given as under:

Name of the Director	No. of shares held (face value of Rs.10/- each)
Mr. Ram Saran Saluja	4621505
Mr. Ashwani Kumar	75
Mr. Amit Narang	-
Mr. Ranjan Madaan	-
Mr. Prem Kumar	-
Mr. Kanwalnain Singh Kang	-
Ms. Paramjit Kaur	-

### (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, Mr. Amit Narang and Mr. Navneet Gupta. Mr. Ashwani Kumar, Mr. Amit Narang and Mr. Ranjan Madaan are non-executive Independent Directors of the Company. The terms of reference of the Audit Committee are as contained in Clause 49 of the Listing Agreement and as provided in Section 177 of the Companies Act, 2013. During the F.Y. 2014-15, the Audit Committee met on 29.05.2014, 14.08.2014, 13.11.2014 and 13.02.2015 respectively.

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

Name of Member	No. of Meetings attended
Sh. Ashwani Kumar	1
Sh. Ranjan Madaan	4
Sh. Amit Narang	4
Sh. Navneet Gupta	4

### (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 Listing Agreement of the Stock Exchanges.

The Nomination and Remuneration Committee comprises of three members namely Mr. Ranjan Madaan, Mr. Ashwani Kumar and Mr. Amit Narang. 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 Remuneration Committee met on 29.05.2014.

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
Sh. Amit Narang	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.

### 4. DIRECTORS' 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 Remuneration Committee /Nomination and Remuneration Committee of the board. The details of remuneration paid to them during the Financial year 2014-15 are given below:

Name	Designation	Gross Salary (Rs. in Lacs)
Sh. Neeraj Saluja	Managing Director	154.00
Sh. Dhiraj Saluja	Jt. Managing Director	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 2014-15. The criteria for payment of remuneration is time spent by the Non-Executive directors at the Board/Committee meetings and advice given by 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 Mr. Amit Narang. 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



## SEL Manufacturing Company Ltd.

compliance with the provisions of Section 178 of the Companies Act, 2013 and pursuant to the provisions of the Listing Agreement of the Stock Exchanges.

During the F.Y. 2014-15, Ten 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
14th AGM	Tuesday, 30.09.2014 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	Eight
13th AGM	Tuesday, 24.09.2013 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	ONE
12th AGM	Friday, 28.09.2012 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	ONE

No Extra-ordinary General Meeting of the company was held during the F.Y. 2014-15.

The Company did not pass any resolution through postal ballot during the financial year 2014-15 and further the Company do not propose to pass any resolution through postal ballot in the ensuing Annual General Meeting.

### 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.

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.

#### 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 31.03.2015, 9,16,78,900 shares of the face value of Rs.10/- each per share were outstanding, representing the shares underlying GDRs which were issued during 2012-13.

#### Compliance with clause 49

##### Mandatory Requirements

The Company is compliant with the applicable mandatory requirements of the clause 49.

### 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 of the Company are also made available at the Company's website [www.selindia.in](http://www.selindia.in).

### 9. GENERAL INFORMATION FOR SHAREHOLDERS:

#### i) 15th Annual General Meeting:

Date and Time : Wednesday, the 30th day of September, 2015 at 09.30 A.M.  
Venue : Regd. Office of the Company: 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141 014

#### ii) Financial year 2015-16

First Quarterly Results : Mid. August, 2015  
Second Quarterly Results : By end of October, 2015/Mid. Nov. 2015  
Third Quarterly Results : By end of January, 2016/Mid. Feb. 2016  
Fourth Quarterly Results : By end of April, 2016/Mid. May, 2016  
Annual Results 2015-16 : In the month of April/May, 2016

iii) Date of Book Closure : September 24, 2015 to September 30, 2015 (both days inclusive)

iv) Dividend Payment Date : No dividend has been declared for the F.Y. 2014-15

v) Listing : The Equity Shares of the Company are Listed with:

- Bombay Stock Exchange Limited,
- 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, 2014	22939.31	22197.51	3.88	2.97	3.85	2.95
May, 2014	25375.63	22277.04	6.76	3.06	6.75	3.05
June, 2014	25725.12	24270.20	6.24	4.51	6.35	4.55
July, 2014	26300.17	24892.00	6.09	4.07	6.10	4.05
August 2014	26674.38	25232.82	4.70	3.50	4.85	3.65
September 2014	27354.99	26220.49	6.37	3.85	6.40	3.80
October 2014	27894.32	25910.77	4.79	3.88	4.70	3.90
November 2014	28822.37	27739.56	4.95	3.66	4.90	3.45
December 2014	28809.64	26469.42	4.43	3.34	4.45	3.40
January 2015	29844.16	26776.12	4.49	3.66	4.50	3.65
February 2015	29560.32	28044.49	4.18	3.55	4.20	3.50
March 2015	30024.74	27248.45	3.98	3.01	4.00	3.00

**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-INE105101012

The Company has appointed M/s Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Limited) having its office at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, PVR Naraina, New Delhi 110028 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 31.03.2015**

Share Holding	Share Holders		Share Holding	
	Number	% to total	Number	% to total
Up to 250	29734	46.725	3034013	0.916
251 to 500	10502	16.503	4323181	1.305
501 to 1000	8514	13.379	7201068	2.173
1001 to 2000	5700	8.957	9020833	2.722
2001 to 3000	2472	3.885	6464184	1.951
3001 to 4000	1243	1.953	4517766	1.363
4001 to 5000	1229	1.931	5885528	1.776
5001 to 10000	2096	3.294	15798473	4.768
10001 and above	2146	3.373	275101954	83.025
<b>TOTAL</b>	<b>63636</b>	<b>100.00</b>	<b>331347000</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>10</b>	<b>00.02</b>	<b>257412</b>	<b>00.078</b>
<b>Electronic Mode</b>	<b>63626</b>	<b>99.98</b>	<b>331089588</b>	<b>99.922</b>

**(x) Share Holding Pattern as on 31.03.2015**

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	52275198	15.78
Foreign Institutional Investors	100000	00.03
Bodies Corporate	36228995	10.93
Public (Individuals)	139534920	42.11
Others	11528987	03.48
Shares held by custodians and against which Depository receipts have been issued	91678900	27.67
<b>TOTAL</b>	<b>331347000</b>	<b>100.00</b>



**(xi) Details of Unclaimed shares\* as on 31.03.2015 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. 01.04.2014	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. 31.03.2015.	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)  
44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, PVR Naraina, New Delhi 110 028  
Phone No: 011-41410592  
Fax no: 011-4141 0591  
E-mail delhi@linkintime.co.in

**xiii) Investors Correspondence:**

- 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)  
44, Community Centre, 2nd Floor, Naraina Industrial Area,  
Phase-I, PVR Naraina, New Delhi 110 028  
Phone No: 011-41410592, Fax no: 011-4141 0591,  
E-mail delhi@linkintime.co.in
- For securities held in Demat form  
To the Depository Participant
- 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 redressal division :  
ipo@selindia.in

website: www.selindia.in

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

- Vill: Lal Kalan, Teh: Samrala Ludhiana-Chandigarh Road, Near Neelon Canal Bridge, Ludhiana
- Vill Bajra Road, Ludhiana 141 007
- Plot No. 106, Industrial Area, Baddi (SFS) , Dist: Solan, H.P.
- C 256-257, Phase VIII, Focal Point, Ludhiana
- Vill. Shekhan Majara, Machiwara Rahon Road, Teh. & Distt. Nawanshehar (Pb.)
- Vill. Mehatwara, Teh. Ashta, Dist. Sehore, Madhya Pradesh
- G.T. Road, Opp. Mcdonalds, Doraha, Ludhiana.
- A-15, Phase-VII, Focal Point, Ludhiana,
- Plot No. 90, Industrial Area, Baddi (SFS), District Solan, Himachal Pradesh
- 23KM Stone, Delhi-Hisar Highway, Hansi (Hisar)
- 15B, RIICO Indl. Area, Neemrana, Distt. Alwar
- Vill. Udhawal, Teh. Nawanshehar, Dist. Saheed Bhagat Singh Nagar (Punjab)
- 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 IX of Clause 49 of the Listing Agreement with the Stock Exchanges, the CEO i.e. the Managing Director 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, 2015.



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**CERTIFICATE**

**(on compliance of conditions of Corporate Governance)**

To

The Members of

SEL Manufacturing Company Ltd.,

We have examined the compliance of conditions of Corporate Governance by SEL Manufacturing Company Ltd., for the year ended on 31st March, 2015, as per Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as per Clause 49 of the above mentioned Listing Agreement.

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

**FOR DASS KHANNA & CO.  
CHARTERED ACCOUNTANTS  
Registration No. 000402N**

**PLACE: LUDHIANA  
DATED: 13.08.2015**

**(CA. R.D. KHANNA)  
PARTNER  
M.No. 12391**





## INDEPENDENT AUDITOR'S REPORT

### To the Members of SEL Manufacturing Company Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SEL Manufacturing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date from the company's overseas branch at Sharjah, United Arab Emirates audited by other auditors'.

### 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 Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to the followings:

a) Note No. 28 (vii) of the financial statements relating search & seizure action u/s. 132(1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities during the financial

year 2013-14. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been considered necessary by the Company in this regard.

b) Note No. 37 of the financial statements which describes that during the year under review, the Corporate Debt Restructuring Package has been approved by Corporate Debt Restructuring Empowered Group (CDREG) on 28th June, 2014 and the Final Letter of Approval (LOA) was issued by CDREG on 30th June, 2014. The LOA from bank has also been received by company in the year under audit. The Company has given the complete effect of Corporate Debt Restructuring (CDR) in the year under review as the approval for the same is received by the company in the year under review.

### Other Matter

We did not audit the financial statements of Overseas branch included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 169.46 crores as at 31st March, 2015 and total revenues of Rs. 160.65 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of the branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

- 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;
- in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the company's overseas branch at United Arab Emirates not visited by us;
- the reports on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the company's overseas branch at United Arab Emirates audited by other auditors.
- in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;
- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
  - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses Refer Note 35 to the financial statements;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR DASS KHANNA & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000402N**

**PLACE: LUDHIANA  
DATED: 30.05.2015**

**(CA. R.D. KHANNA)  
PARTNER  
M.No. 12391**



## ANNEXURE TO THE AUDITOR'S REPORT

**The Annexure referred to in our report to the members of SEL Manufacturing Co. Ltd. for the year ended on 31st March, 2015. We report that:**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for certain items of fixed assets, the quantitative details of which, we are informed, are in the process of being compiled.
- (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. 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.
- ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of opinion that the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 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 the 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, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. No order 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 accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under sub-section (1) of the section 148 of the Companies Act, 2013, in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- vii) (a) According to the records of the company, the company

is regular in depositing undisputed statutory dues including income tax, wealth, tax, provident fund, employees state insurance, custom duty, sales tax, excise duty, service tax, value added tax, cess and other material statutory dues applicable to it though there has been slight delays in few cases of income tax deducted at source, employee state insurance and provident fund which are not material.

- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, provident fund, employees state insurance, custom duty, sales tax, excise duty, service tax, value added tax, cess and other material statutory dues in arrears, as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable. According to the records of the Company, the details of disputed income tax dues that have not been deposited by the Company as at March 31, 2015 are as follows:

Name of the statute	Nature of dues	Amount (In Rs.)	Accounting year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax deducted at source	16,11,740	2007-08	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	5,550	2008-09	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	39,600	2011-12	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	280	2012-13	DCIT, Centralized Processing Cell (TDS)

- (c) In our opinion and according to the information and explanation given to us, the Company has transferred within time the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) The accumulated losses as at the end of the financial year are less than 50% of its net worth. The company has incurred cash losses during the financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to banks as given below:

### Default of principle & interest on Long Term Borrowings

Bank Name	Nature of Amount	Amount	Overdue Since
State Bank of Bikaner & Jaipur	Interest	18,846,509	31.03.2015
	Principle	12,255,590	31.03.2015
State Bank of Patiala	Interest	30,719,919	31.03.2015
	Principle	19,659,517	31.03.2015
State Bank of India	Interest	20,753,920	31.01.2015
	Principle	23,430,038	31.01.2015





**ANNEXURE TO THE AUDITOR'S REPORT**

State Bank of Hyderabad	Interest	1,684,077	31.03.2015
	Principle	8,012,005	31.03.2015
State Bank of Travancore	Interest	22,261,877	31.03.2015
	Principle	14,323,660	31.03.2015
Kurur Vysya Bank	Interest	3,456,218	28.02.2015
	Principle	3,521,834	28.02.2015
Punjab & Sind Bank	Interest	11,899,437	31.01.2015
	Principle	11,549,563	31.01.2015
Bank of Maharashtra	Interest	1,881,791	28.02.2015
	Principle	6,895,473	31.03.2015
Punjab National Bank	Interest	21,188,501	28.02.2015
	Principle	14,059,943	31.03.2015
State Bank of Mysore	Interest	396,419	31.03.2015
	Principle	398,263	31.03.2015
Indian Bank	Interest	7,073,418	31.03.2015
	Principle	326,665	31.03.2015
United Bank	Interest	12,535,811	31.03.2015
	Principle	13,055,389	31.03.2015
Union Bank of India	Interest	2,477,597	31.01.2015
	Principle	2,357,453	31.03.2015
Uco Bank	Interest	13,859,406	28.02.2015
	Principle	8,993,107	31.03.2015
Corporation Bank	Interest	16,943,420	31.03.2015
	Principle	11,600,150	31.03.2015

Allahabad Bank	Interest	50,133,734	31.03.2015
	Principle	102,733,937	31.01.2015
Dena Bank	Interest	13,958,669	31.01.2015
	Principle	14,201,202	31.01.2015
Vijaya Bank	Interest	1,191,472	28.02.2015
	Principle	962,378	31.03.2015
Andhra Bank	Interest	4,163,218	31.03.2015
EXIM Bank	Interest	422,843	28.02.2015
	Principle	363,347	31.03.2015

- x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by its 100% owned subsidiary from banks are not prejudicial to the interest of the company.
- xi) In our opinion and according to the information and explanations given to us, the term loans raised during the year were applied prima facie for the purpose for which the loans were obtained.
- (xii) Based on the audit procedures performed and the information and explanations given by the management to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR DASS KHANNA & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000402N**

**PLACE: LUDHIANA  
DATED: 30.05.2015**

**(CA. R.D. KHANNA)  
PARTNER  
M.No. 12391**



## SEL Manufacturing Company Ltd.

### BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	NOTE NO.	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	40105,70,000	33134,70,000
(b) Reserves & Surplus	4	75657,30,808	84909,95,233
(c) Money Received Against Share Warrants		-	-
<b>2. Share Application Money Pending Allotment</b>		-	-
<b>3. Non Current Liabilities</b>			
(a) Long Term Borrowings	5	259760,96,231	145644,24,769
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>4. Current Liabilities</b>			
(a) Short Term Borrowings	7	107012,29,647	157938,70,131
(b) Trade Payables	8	23135,05,614	20326,52,375
(c) Other Current Liabilities	9	42621,76,773	68523,95,086
(d) Short Term Provisions	10	646,95,898	475,49,437
<b>TOTAL</b>		<b>548940,04,971</b>	<b>510953,57,030</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		212267,45,523	231991,15,446
(ii) Intangible Assets		52,60,262	313,95,066
(iii) Capital Work in Progress		17863,64,722	16400,45,746
(iv) Intangible Assets Under Development		-	-
(b) Non Current Investments	12	56045,55,036	55799,57,621
(c) Deferred Tax Assets (Net)	6	4638,84,193	96,61,394
(d) Long Term Loans & Advances	13	3916,30,958	13762,99,377
(e) Other Non-Current Assets	14	5579,72,796	5533,59,969
<b>2. Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	15	121393,26,920	70997,69,327
(c) Trade Receivables	16	74198,10,960	81680,99,115
(d) Cash & Cash Equivalents	17	4684,59,584	1332,97,501
(e) Short Term Loans & Advances	18	10393,90,302	5901,42,008
(f) Other Current Assets	19	37906,03,714	27142,14,459
<b>TOTAL</b>		<b>548940,04,971</b>	<b>510953,57,030</b>

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date  
For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

PARTICULARS	NOTE NO.	Current Year In Rupees	Previous Year In Rupees
I. Revenue From Operations	20	232578,46,914	295603,95,263
II. Other Income	21	12262,42,933	9012,18,027
<b>III. Total Revenue (I+II)</b>		<b>244840,89,847</b>	<b>304616,13,290</b>
IV. Expenses			
Cost of Material Consumed	22	147229,98,415	221223,92,529
Purchases of Stock-in-Trade		19934,68,337	21347,76,076
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	23	(12691,95,570)	(18709,09,269)
Employee Benefits Expenses	24	11095,69,108	12278,93,052
Finance Costs	25	24781,31,914	31222,43,276
Depreciation and Amortization Expenses	27	29327,22,331	21243,10,725
Other Expenses	26	38477,25,058	37901,09,559
<b>Total Expenses</b>		<b>258154,19,594</b>	<b>326508,15,948</b>
<b>V. Profit Before Exceptional And Extraordinary Items And Tax (III-IV)</b>		<b>(13313,29,747)</b>	<b>(21892,02,658)</b>
VI. Exceptional Items	30	-	18094,31,166
<b>VII. Profit Before Extraordinary Items And Tax (V-VI)</b>		<b>(13313,29,747)</b>	<b>(39986,33,824)</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit Before Tax (VII-VIII)</b>		<b>(13313,29,747)</b>	<b>(39986,33,824)</b>
X. Tax Expense:			
1) Current Tax		-	-
2) Deferred Tax		(4445,50,249)	(15127,79,595)
3) Earlier Years		197,68,440	684,35,922
<b>XI. Profit/(Loss) for the period from Continuing Operations (IX-X)</b>		<b>(9065,47,938)</b>	<b>(25542,90,151)</b>
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations After Tax (XII-XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>(9065,47,938)</b>	<b>(25542,90,151)</b>
XVI. Earning per Equity Share of face value of Rs. 10 each			
(1) Basic		(2.74)	(7.71)
(2) Diluted		(2.74)	(7.71)

The accompanying notes are an integral part of the financial statements.

This is the Profit & Loss Statement referred to in our report of even date  
For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary



## SEL Manufacturing Company Ltd.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Details In Rupees	Current Year In Rupees	Details In Rupees	Previous Year In Rupees
<b>A Cash Flow from Operating Activities</b>				
Net Profit before Taxes & Extraordinary Items		(13313,29,747)		(39986,33,824)
Adjustments for Non Cash Items:				
- Depreciation	29327,22,331		21243,10,725	
- Interest Paid	24211,16,891		30521,43,378	
- Interest Received	(481,69,148)		(554,83,137)	
- Share of Loss from Firm	3,71,196		4,44,062	
- (Profit)/Loss on Sale of Fixed Assets	8,72,840	53069,14,110	96,816	51215,11,844
Adjustments for Changes in Working Capital:				
- Increase/ (Decrease) in Trade Payables	2808,53,239		(7677,41,995)	
- Increase/ (Decrease) in Other Current Liabilities	(25902,18,313)		31309,29,707	
- Increase/ (Decrease) in Short Term Provision	171,46,461		(3164,95,687)	
- (Increase)/ Decrease in Trade Receivables	7482,88,155		(26458,22,148)	
- (Increase)/ Decrease in Short Term Loans & Advances	(4492,48,294)		2616,74,585	
- (Increase)/ Decrease in Other Current Assets	(1,0763,89,255)		(7826,33,528)	
- (Increase)/ Decrease in Inventories	(5,0395,57,593)	(81091,25,600)	36532,93,992	25332,04,926
<b>Cash Generation from Operations</b>		(41335,41,237)		36560,82,946
- Taxes Paid		197,68,440		684,35,922
<b>Net Cash from Operating Activities</b>		(41533,09,677)		35876,47,024
<b>B Cash Flows from Investing Activities</b>				
- Purchase of Fixed Assets & Capital Work in Process	(11178,49,943)		(15643,56,309)	
- Sale of Fixed Assets	79,83,479		302,03,429	
- Interest Received	481,69,148		554,83,137	
- Share of Loss from Firm	(3,71,196)		(4,44,062)	
- (Increase)/Decrease of Non Current Investments	(245,29,407)		(154,92,628)	
- (Increase)/ Decrease in Other Non Current Assets	(46,12,827)		414,76,160	
- (Increase)/ Decrease in Long Term Loans & Advances	9846,68,419		(11524,39,392)	
<b>Net Cash Flows from Investing Activities</b>		(1065,42,327)		(26055,69,666)
<b>C Cash Flows from Financing Activities</b>				
- Proceeds from Issue of Capital & Securities Premium	6971,00,000		-	
- Proceeds/(Repayment) of Long term Borrowings	114116,71,462		(11810,60,649)	
- Proceeds/(Repayment) of Short term Borrowings	(50926,40,484)		31377,19,663	
- Interest Paid	(24211,16,891)		(30521,43,378)	
<b>Net Cash Flows from Financing Activities</b>		45950,14,087		(10954,84,365)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>		3351,62,084		(1134,07,008)
Cash & Cash Equivalents - Opening Balance		1332,97,500		2467,04,508
Cash & Cash Equivalents - Closing Balance		4684,59,584		1332,97,500

Subject to our separate report of even date  
For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary

**SHARE CAPITAL**
**Note No. - 3**

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
<b>(a) Authorised</b>		
1,000,000,000 Equity Shares	100000,00,000	100000,00,000
250,000,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares	25000,00,000	-
<b>(b) Issued,Subscribed &amp; Paid Up</b>		
331,347,000 Equity Shares Fully Paid Up.	33134,70,000	33134,70,000
69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares	6971,00,000	-
	40105,70,000	33134,70,000

<b>(c) Par Value per Share</b>	
331,347,000 Equity Share	Rs. 10/-
1% redeemable, Non Cumulative, Non convertible preference Shares	Rs. 10/-

**(d) Reconciliation of the number of shares outstanding**

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Shares	Amount	Shares	Amount
<b>Shares outstanding at the beginning of the year</b>				
Equity Shares	3313,47,000	33134,70,000	3313,47,000	33134,70,000
1% Redeemable, Non Cumulative, Non Convertible preference Shares	-	-	-	-
<b>Total</b>	3313,47,000	33134,70,000	3313,47,000	33134,70,000
<b>Add: Addition during the year</b>				
Equity Shares	-	-	-	-
1% Redeemable, Non Cumulative, Non Convertible preference Shares	697,10,000	6971,00,000	-	-
<b>Total</b>	697,10,000	6971,00,000	-	-
<b>Less: Deduction during the year</b>				
Equity Shares	-	-	-	-
1% Redeemable, Non Cumulative, Non Convertible preference Shares	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Shares outstanding at the end of the year</b>				
Equity Shares	3313,47,000	33134,70,000	3313,47,000	33134,70,000
1% Redeemable, Non Cumulative, Non Convertible preference Shares	697,10,000	6971,00,000	-	-
<b>Total</b>	4010,57,000	40105,70,000	3313,47,000	33134,70,000
<b>(e) Shares in the Company held by preference Shareholder holding more than 5% Shares</b>				
Dhiraj Saluja	51310000 Shares	73.60%		
Neeraj Saluja	12400000 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



## SEL Manufacturing Company Ltd.

holders of Equity Shares. As on 31.03.2015, 91,678,900 shares (Previous Year 97,386,256 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

**PREFERENCE SHARES :** The Company has issued 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of face value Rs. 10/- each, redeemable at the option of the Board not later than 10 years from the date of allotment. The 1% Redeemable, Non Cumulative, Non Convertible Preference Shareholders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the Redeemable, Non Cumulative, Non Convertible Preference Shares is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

<b>RESERVES &amp; SURPLUS</b>		<b>NOTE NO. - 4</b>
<b>PARTICULARS</b>	<b>AS AT 31.03.2015 In Rupees</b>	<b>AS AT 31.03.2014 In Rupees</b>
<b>a) Capital Reserves</b>		
Opening Balance	2900,47,926	2900,47,926
Add: Addition during the year	-	-
	2900,47,926	2900,47,926
Less: Deduction during the year	-	-
	<b>2900,47,926</b>	<b>2900,47,926</b>
<b>b) Securities Premium Reserve</b>		
Opening Balance	51937,96,919	51937,96,919
Add: Addition during the year	-	-
	51937,96,919	51937,96,919
Less: Deduction during the year	-	-
	<b>51937,96,919</b>	<b>51937,96,919</b>
<b>c) General Reserve</b>		
Opening Balance	23200,00,000	23200,00,000
Add: Addition during the year	-	-
	23200,00,000	23200,00,000
Less: Deduction during the year	-	-
	<b>23200,00,000</b>	<b>23200,00,000</b>
<b>d) Foreign Exchange Fluctuation Reserve</b>		
Opening Balance	-	-
Add: Addition during the year	68,008	-
	68,008	-
Less: Deduction during the year	-	-
	<b>68,008</b>	<b>-</b>
<b>e) Surplus</b>		
Opening Balance	6871,50,388	32414,40,539
Add: Addition during the year	(9065,47,938)	(25542,90,151)
	<b>(2193,97,550)</b>	<b>6871,50,388</b>
Less: Carrying amounts of fixed assets debited to retained earnings where remaining useful life of the assets is Nil as on 01.04.2014	187,84,495	-
	<b>(2381,82,045)</b>	<b>6871,50,388</b>
<b>TOTAL</b>	<b>75657,30,808</b>	<b>84909,95,233</b>

<b>LONG TERM BORROWINGS</b>		<b>NOTE NO. - 5</b>
<b>PARTICULARS</b>	<b>AS AT 31.03.2015 In Rupees</b>	<b>AS AT 31.03.2014 In Rupees</b>
<b>a) Secured Loans</b>		
i) Term Loans		
- From Banks	252960,60,210	138739,60,294
<b>b) Unsecured Loans</b>		
i) Vehicle Loans		
- From Banks	4,36,021	108,64,475
<b>Others</b>		
ii) Loans from Related Parties	6796,00,000	6796,00,000
(Interest free loans repayable in 2023-24)		
<b>TOTAL</b>	<b>259760,96,231</b>	<b>145644,24,769</b>



## SEL Manufacturing Company Ltd.

### Terms and conditions of secured loans taken from banks and status of continuing default as at year end

Type of Loans	Rupee Term Loan I (RTL-I)	Rupee Term Loan II (RTL-II)	Funded Interest Term Loan 1 (FITL-I)	Working Capital Term Loan (WCTL)	Funded Interest Term Loan II (WCTL FITL-II)
Sanctioned Amount	172714,00,000	32604,00,000	31332,00,000	63928,00,000	12281,00,000
Balance as on 31.03.2015	168485,63,581	11907,54,461	28718,17,331	63894,69,883	1951,79,660
Rate of Interest	11.25%	11.25%	11.25%	11.25%	11.25%
Repayment Type	Monthly	Monthly	Monthly	Quarterly	Quarterly
Repayment during the year ending					
31/03/2015	3454,28,000	-	1644,93,000	-	-
31/03/2016	4317,85,000	-	20929,77,600	2557,12,000	61,40,500
31/03/2017	6908,56,000	978,12,000	8757,29,400	3356,22,000	982,48,000
31/03/2018	18998,54,000	1956,24,000	-	3835,68,000	1228,10,000
31/03/2019	20725,68,000	2934,36,000	-	7991,00,000	1535,12,500
31/03/2020	22,452,82,000	3912,48,000	-	7991,00,000	1842,15,000
31/03/2021	25907,10,000	5216,64,000	-	11187,40,000	1842,15,000
31/03/2022	25907,10,000	5868,72,000	-	11187,40,000	2149,17,500
31/03/2023	25907,10,000	6520,80,000	-	11187,40,000	2149,17,500
31/03/2024	17703,18,500	5216,64,000	-	4634,78,000	491,24,000
Overdue Principle Amount	1077,50,391	-	1609,49,121	-	-
Overdue Since	March 2015	-	March 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	Details 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 unsecured loans

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Monthly Installment	Repayment Type	No. of Instalment Outstanding
HDFC Bank	13.00	36	26,400	Monthly	2
HDFC Bank	12.00	36	220,630	Monthly	14
HDFC Bank	11.50	36	64,070	Monthly	5
ICICI Bank	10.00	60	476,500	Monthly	10
Kotak Mahindra Prime Ltd.	12.00	36	287,010	Monthly	6
State Bank of Bikaner & Jaipur	11.15	36	14,180	Monthly	1
State Bank of Bikaner & Jaipur	11.15	36	15,334	Monthly	1
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	2
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	2
State Bank of Bikaner & Jaipur	11.65	36	12,821	Monthly	3
State Bank of Bikaner & Jaipur	11.40	36	25,550	Monthly	5





## SEL Manufacturing Company Ltd.

### DEFERRED TAX ASSET/LIABILITY (Net)

NOTE NO. - 6

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	In Rupees	In Rupees
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	15092,64,375	16707,43,503
Gross Deferred Tax Liability	15092,64,375	16707,43,503
Deferred Tax Asset		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis and unabsorbed depreciation	19731,48,568	16804,04,897
Gross Deferred Tax Asset	19731,48,568	16804,04,897
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(4638,84,193)</b>	<b>(96,61,394)</b>

### SHORT TERM BORROWINGS

NOTE NO. - 7

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	In Rupees	In Rupees
(a) Secured Loans		
i) Loans Repayable on Demand		
From Banks	107012,29,647	157938,70,131
<b>TOTAL</b>	<b>107012,29,647</b>	<b>157938,70,131</b>

#### 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:

S.No.	Onwer	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 msg. 700 sq.yds. at Rajpura Road, Vill. Pratap Singhwala Ludhiana
5.	Sh. Neeraj Saluja	Land msg. 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 @ 11.25% p.a.

### TRADE PAYABLES

NOTE NO. - 8

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	In Rupees	In Rupees
Trade Payables*	23135,05,614	20326,52,375
<b>TOTAL</b>	<b>23135,05,614</b>	<b>20326,52,375</b>

\*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 and relied upon by the Auditors, the relevant particulars as at 31st March, 2015 are Nil.

**OTHER CURRENT LIABILITIES**
**NOTE NO. - 9**

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
a) Current Maturities of Long Term Debts	30306,91,324	43187,50,170
b) Interest Accrued but not due on borrowings	67,756	27,23,051
c) Interest Accrued and due on borrowings#	2558,48,257	10728,19,138
d) Unpaid Dividends	-	28,348
e) Other Payables		
i) Statutory Dues & Taxes	203,99,693	255,09,061
ii) Employees Benefits	1198,62,503	1139,80,330
iii) Advances from Customers	2603,89,065	7562,44,457
iv) Payable to Vendors-Non Trade	2970,99,175	2570,48,491
v) Others Payable	2778,18,999	3052,92,040
<b>TOTAL</b>	<b>42621,76,773</b>	<b>68523,95,086</b>

#Interest accrued and due includes Rs. 25.58 crores (Previous Year 107.28) relates to defaults in repayment of interest on bank loans.

**SHORT TERM PROVISIONS**
**NOTE NO. - 10**

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
a) Provision for Employee Benefits	641,73,898	470,24,437
b) Others		
- Wealth Tax	5,22,000	5,25,000
<b>TOTAL</b>	<b>646,95,898</b>	<b>475,49,437</b>



Fixed Assets		NOTE NO.- 11									
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	BALANCE AS ON 01.04.2014	ADDITIONS DURING THE YEAR	SALES/ADJUSTMENT DURING THE YEAR	BALANCE AS ON 31.03.2015	BALANCE AS ON 01.04.2014	PROVIDED DURING THE YEAR	SALES/ADJ. DURING THE YEAR	BALANCE AS ON 31.03.2015	AS ON 31.03.2015	AS ON 31.03.2014	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(a) Tangible Assets</b>											
i) Land	10367,67,485	-	-	10367,67,485	-	-	-	-	10367,67,485	10367,67,485	
ii) Leasehold Land	732,88,658	-	-	732,88,658	39,98,820	8,51,986	-	48,50,806	684,37,852	692,89,838	
iii) Building	83111,21,962	68,11,446	-	83179,33,408	6413,29,048	2450,38,840	-	8863,67,888	74315,65,520	76697,92,914	
iv) Road	484,13,448	-	-	484,13,448	21,61,124	130,27,663	(50,15,377)	202,04,164	282,09,284	462,52,324	
v) Plant & Machinery	185266,06,359	9618,59,411	13,03,090	194871,62,680	46236,12,395	25674,16,724	(146,76,172)	72057,05,291	122814,57,390	139029,93,964	
vi) Furniture & Fittings	3919,78,911	-	-	3919,78,911	581,38,938	469,77,278	(4,16,240)	1055,32,456	2864,46,455	3338,39,973	
vii) Vehicles	1659,51,845	28,60,110	121,76,728	1576,35,227	636,97,350	210,62,364	21,39,916	826,19,799	750,15,428	1032,54,495	
viii) Office Equipments	438,33,287	-	-	438,33,287	69,08,834	122,12,673	(58,65,672)	249,87,179	188,46,108	369,24,453	
	<b>285989,61,955</b>	<b>9715,30,967</b>	<b>134,79,818</b>	<b>295570,13,104</b>	<b>53998,46,509</b>	<b>29065,87,527</b>	<b>(238,33,545)</b>	<b>83302,67,582</b>	<b>212267,45,523</b>	<b>231991,15,446</b>	
<b>b) Intangible Assets</b>											
l) Computer Software	455,75,820	-	-	455,75,820	141,80,754	261,34,804	-	403,15,558	52,60,262	313,95,066	
<b>( c)Capital Work in Progress</b>	<b>16400,45,746</b>	<b>11081,78,387</b>	<b>9618,59,411</b>	<b>17863,64,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17863,64,722</b>	<b>16400,45,746</b>	
<b>Total</b>	<b>302845,83,521</b>	<b>20797,09,354</b>	<b>9753,39,229</b>	<b>313889,53,646</b>	<b>54140,27,263</b>	<b>29327,22,331</b>	<b>(238,33,545)</b>	<b>83705,83,140</b>	<b>230183,70,506</b>	<b>248705,56,258</b>	
<b>Previous Year</b>	<b>287552,28,938</b>	<b>17157,68,968</b>	<b>1864,14,385</b>	<b>302845,83,521</b>	<b>32944,18,020</b>	<b>21243,10,725</b>	<b>47,01,482</b>	<b>54140,27,263</b>	<b>248705,56,258</b>	<b>-</b>	



**NON CURRENT INVESTMENTS**

**NOTE NO. - 12**

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
<b>Trade Investments (At Cost)</b>		
<b>(a) Investment in Equity Instruments (Unquoted)</b>		
<b>Subsidiaries</b>		
I) 127,057,200 Equity Shares of Rs. 10/- each fully paid up of SEL Textiles Ltd. (Previous Year 127,057,200 Equity Shares of Rs. 10/- each fully paid up)	<b>51146,23,500</b>	51146,23,500
<b>Other Investments (At Cost)</b>		
<b>(a) Investment in Equity Instruments (Quoted)</b>		
I) 3,124 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited (Previous Year 3,124 Equity Shares of Rs. 10/- each fully paid up)	<b>30,00,000</b>	30,00,000
ii) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited (Previous Year 778 Equity Shares of Rs. 10/- each fully paid up)	<b>67,555</b>	67,555
<b>(b) Investment in Equity Instruments (Unquoted)</b>		
<b>Subsidiaries</b>		
i) 48,92,699 Equity Shares of Rs. 10/- each fully paid up of Omega Hotels Ltd. (Previous Year Nil Equity Shares of Rs. 10/- each fully paid up)	<b>3133,16,690</b>	-
ii) 39,89,600 Equity Shares of Rs. 10/- each fully paid up of SEL Aviation Pvt. Ltd. (Previous Year 39,89,600 Equity Shares of Rs. 10/- each fully paid up)	<b>1443,76,000</b>	1443,76,000
iii) 10,000 Equity Shares of USD 1/- each fully paid up of SEL Textile Corporation (Previous Year 10,000 Equity Shares of USD 1/- each fully paid up)	<b>6,25,908</b>	5,57,900
<b>Associates</b>		
i) (24000) Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Limited (Previous Year 24000 Equity Shares of Rs. 10/- each fully paid up)	-	2,40,000
ii) (2,392,700) Equity Shares of Rs. 10/- each fully paid up of Omega Hotels Ltd. (Previous Year 2392700 Equity Shares of Rs. 10/- each fully paid up)	-	2883,16,700
<b>Others</b>		
I) 299,300 Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited (Previous Year 299,300 Equity Shares of Re. 1/- each fully paid up)	<b>209,51,000</b>	209,51,000
ii) 14,000 Equity Share of Rs. 10/- each fully paid up Rythm Textile & Apparels park Limited (Previous Year Nil Equity Shares of Rs. 10/- each fully paid up)	<b>1,40,000</b>	-
iii) 48,050 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Ltd. (Previous Year 48,050 Equity Shares of Rs. 10/- each fully paid up)	<b>4,80,500</b>	480,500
<b>(c) Investment in Mutual Funds (Unquoted)</b>		
I) 150,000 Units of Rs.10/- each of SBI Infrastructure Fund (Previous Year 150,000 units of Rs. 10/- each)	<b>15,00,000</b>	15,00,000
ii) 50,000 Units of Rs.10/- each of SBI PSU Fund (Previous Year 50,000 units of Rs. 10/- each)	<b>5,00,000</b>	5,00,000
iii) 55,187.638 Units of Rs. 10/- each of Union KBC Equity Fund (Previous Year 55,187.638 Units of Rs.10/- each)	<b>5,00,000</b>	5,00,000
iv) 100,000 Units of Rs.10/- each of SBI Gold Fund (Previous Year 100,000 Units of Rs.10/- each)	<b>10,00,000</b>	10,00,000
<b>(d) Investments in Partnership Firm</b>		
<b>i) 99% Share in SE Exports</b>		
Capital (After adjusting Drawings)	38,45,079	
Add: Share of Profits	(371,196)	
	<b>34,73,883</b>	38,44,466



## SEL Manufacturing Company Ltd.

Name of Partners	Share of Profit	Amount of Capital as on 31st March, 2015	Amount of Capital as on 31st March, 2014		
Mr. Dhiraj Saluja	0.50%	3,06,190	3,08,371		
Mrs. Reema Saluja	0.50%	7,29,567	7,31,748		
SEL Manufacturing Co. Ltd.	99.00%	34,73,883	38,44,467		
		<b>TOTAL</b>		<b>56045,55,036</b>	55799,57,621
Market Value of Quoted Investments				<b>26,68,895</b>	29,07,710
Aggregate Value of Quoted Investments				<b>30,67,555</b>	30,67,555
Aggregate Value of UnQuoted Investments				<b>56014,87,481</b>	55768,90,066

### LONG TERM LOANS AND ADVANCES

NOTE NO. - 13

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(Unsecured, considered good)		
a) Capital Advances	<b>2171,78,070</b>	12526,55,569
b) Security Deposits	<b>1744,52,888</b>	1236,43,808
<b>TOTAL</b>	<b>3916,30,958</b>	13762,99,377

### OTHER NON CURRENT ASSETS

NOTE NO. - 14

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
a) MAT Credit Entitlement	<b>5533,59,969</b>	5533,59,969
b) Fixed Deposits with banks	<b>46,12,827</b>	-
<b>TOTAL</b>	<b>5579,72,796</b>	5533,59,969

### INVENTORIES

NOTE NO. - 15

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
a) Raw Materials	<b>50028,26,043</b>	12366,42,835
b) Work in Progress	<b>9113,48,799</b>	13237,12,953
c) Finished Goods		
- In Godown	<b>57077,22,735</b>	39168,60,386
- In Transit	<b>4486,06,678</b>	5459,08,902
d) Stock in Trade	-	120,00,400
e) Stores & Spares	<b>688,22,666</b>	646,43,851
<b>TOTAL</b>	<b>121393,26,920</b>	70997,69,327



## SEL Manufacturing Company Ltd.

### TRADE RECEIVABLES

NOTE NO. - 16

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(Unsecured, considered good)		
a) Outstanding for a period exceeding six months from the date they are due for payment	32604,11,089	31077,79,058
b) Other Receivables	41593,99,871	50603,20,057
<b>TOTAL</b>	<b>74198,10,960</b>	<b>81680,99,115</b>

### CASH & CASH EQUIVALENTS

NOTE NO. - 17

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
a) Cash in Hand	196,63,509	355,24,373
b) Balances With Scheduled Banks		
i) In Current Accounts	1378,07,678	628,44,850
ii) In Fixed Deposits Accounts	302,48,966	349,28,277
c) Other Bank Balances		
i) In Fixed Deposits Accounts	2807,39,431	-
<b>TOTAL</b>	<b>4684,59,584</b>	<b>1332,97,501</b>

### SHORT TERM LOANS AND ADVANCES

NOTE NO. - 18

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(Unsecured, considered good)		
a) Others		
i) Advances to Suppliers	6979,19,150	3097,87,726
ii) Statutory Dues & Taxes	2759,97,098	2394,40,510
iii) Prepaid Taxes	225,65,728	182,56,637
iv) Others	429,08,326	226,57,135
<b>TOTAL</b>	<b>10393,90,302</b>	<b>5901,42,008</b>

### OTHER CURRENT ASSETS

NOTE NO. - 19

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(Unsecured, considered good)		
a) Others		
i) Duty Drawback Receivable	5125,15,491	3736,29,877
ii) Interest Subsidy Receivable	32761,69,895	23395,84,474
iii) Interest Receivable	19,18,329	10,00,108
<b>TOTAL</b>	<b>37906,03,714</b>	<b>27142,14,459</b>

### REVENUE FROM OPERATIONS

NOTE NO. - 20

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Sale of Products		
Finished Goods	206747,16,814	244916,14,339



## SEL Manufacturing Company Ltd.

Traded Goods	21581,76,399	48030,05,662
Other Operating Income		
Waste/Sale Scrap	4249,53,701	2657,75,262
	232578,46,914	295603,95,263
Less: Excise Duty	-	-
<b>TOTAL</b>	<b>232578,46,914</b>	<b>295603,95,263</b>

### Details of Sales (Finished Goods)

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Yarn	131970,60,203	121296,75,372
Hosiery Garments	16421,52,369	16608,42,196
Terry Towel	46651,75,759	42326,99,803
Knitted Cloth	11703,28,483	64683,96,968
	206747,16,814	244916,14,339
Less: Excise Duty	-	-
<b>TOTAL</b>	<b>206747,16,814</b>	<b>244916,14,339</b>

### Details of Sales (Traded Goods)

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Yarn	3726,32,294	8370,77,720
Hosiery Garments	17855,37,942	39616,84,400
Raw Material	6,163	42,43,542
<b>TOTAL</b>	<b>21581,76,399</b>	<b>48030,05,662</b>

### OTHER INCOME

#### NOTE NO. - 21

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Export Incentives	8148,79,871	4552,01,763
Interest (Gross)	481,69,148	554,83,137
Other Income	18,07,923	9,25,600
Foreign Exchange Fluctuation	3536,87,110	3889,37,527
Rental Income	6,28,000	6,70,000
Job Work Income	70,70,881	-
<b>TOTAL</b>	<b>12262,42,933</b>	<b>9012,18,027</b>

### COST OF MATERIAL CONSUMED

#### NOTE NO. - 22

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Raw Material Consumed		
Opening Stock	11987,27,990	45902,99,990
Add: Purchases (net)	179956,14,578	183383,52,849
	191943,42,568	229286,52,838
Less: Closing Stock	49696,81,132	11987,27,990
<b>Cost of raw material consumed during the year (A)</b>	<b>142246,61,436</b>	<b>217299,24,848</b>
Packing Material Consumed		
Opening Stock	379,14,845	407,84,230
Add: Purchases (net)	4935,67,046	3895,98,295
	5314,81,891	4303,82,525





## SEL Manufacturing Company Ltd.

Less: Closing Stock		331,44,911	379,14,845
<b>Cost of packing material consumed during the year</b>	<b>(B)</b>	<b>4983,36,980</b>	<b>3924,67,680</b>
<b>TOTAL (A+B)</b>		<b>147229,98,415</b>	<b>221223,92,529</b>

### Details of Raw Material Consumed

<b>PARTICULARS</b>	<b>Current Year In Rupees</b>	<b>Previous Year In Rupees</b>
Raw Cotton/Waste	106105,16,929	102571,73,488
Polyster Fibre	5437,90,711	5664,66,678
Yarn	5702,43,818	8173,56,081
Knitted Cloth	25001,09,978	100889,28,601
<b>TOTAL</b>	<b>142246,61,436</b>	<b>217299,24,848</b>

### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

NOTE NO. - 23

<b>PARTICULARS</b>	<b>Current Year In Rupees</b>	<b>Previous Year In Rupees</b>
<b>Opening Stocks</b>		
Work in Process	13237,12,953	16129,03,925
Finished Goods	44627,69,288	16723,49,659
Stock in Trade	120,00,400	24517,50,954
<b>(A)</b>	<b>57984,82,641</b>	<b>57370,04,538</b>
<b>Closing Stocks</b>		
Work in Process	9113,48,799	13237,12,953
Finished Goods*	61563,29,412	62722,00,454
Stock in Trade	-	120,00,400
<b>(B)</b>	<b>70676,78,211</b>	<b>76079,13,807</b>
<b>Decrease/(Increase) in Inventories</b>	<b>(A-B)</b>	<b>(12691,95,570)</b>

\*Previous year includes Rs. 1,809,431,166/- as reduction in value of inventories, referred note no. 30

### EMPLOYEE BENEFITS EXPENSE

NOTE NO. - 24

<b>PARTICULARS</b>	<b>Current Year In Rupees</b>	<b>Previous Year In Rupees</b>
Wages, Salaries & Other Allowances	10111,14,210	11270,84,792
Contribution to PF, ESI & Other Funds	726,22,878	685,82,624
Staff & Labour Welfare	258,32,020	322,25,636
<b>TOTAL</b>	<b>11095,69,108</b>	<b>12278,93,052</b>

### FINANCIAL COSTS

NOTE NO. - 25

<b>PARTICULARS</b>	<b>Current Year In Rupees</b>	<b>Previous Year In Rupees</b>
a) Bank Charges	570,15,023	700,99,898
b) Interest on		
i) Working Capital Limits	10940,30,331	19781,66,223
ii) Term Loans	11892,82,584	8882,54,738
iii) Car Loans	18,99,251	34,10,614
iv) Others	1359,04,725	1823,11,803
<b>TOTAL</b>	<b>24781,31,914</b>	<b>31222,43,276</b>



<b>OTHER EXPENSES</b>		<b>NOTE NO. - 26</b>	
<b>PARTICULARS</b>	<b>Current Year In Rupees</b>	<b>Previous Year In Rupees</b>	
Powel & Fuel	22025,76,992	22362,46,594	
Consumables & Repair Maintenance	7669,90,708	7222,23,758	
Job Work Expenses	698,56,596	422,50,521	
Printing & Stationery	20,36,278	18,52,063	
Insurance	250,26,384	232,01,783	
Fees & Taxes	107,78,554	113,57,613	
Donation	22,06,021	1,00,400	
Legal & Professional Charges	976,21,177	204,89,212	
Postage & Courier Charges	83,61,196	86,61,142	
Telephone & Fax Expenses	52,40,447	63,25,729	
Statutory Auditors' Remuneration			
- Audit Fee	25,26,541	29,98,450	
- Tax Audit Fee	7,25,000	8,75,000	
- Reimbursement of Expenses	92,051	49,641	
- Service Tax	5,61,430	4,43,907	
Cost Auditors' Remuneration			
- Audit Fee	-	85,000	
General Repair & Maintenance	134,76,667	108,27,616	
Office Expenses	227,63,698	174,85,885	
Festival Expenses	80,29,401	112,09,619	
Rent	32,85,024	47,95,314	
Travelling & Conveyance	475,60,906	500,45,966	
Water Charges	78,73,919	149,49,439	
Service Tax Paid	38,29,187	80,93,449	
Advertisement	16,39,585	40,79,564	
Loss on Sale of Fixed Assets	8,72,840	96,816	
Security Expenses	2,96,069	4,12,516	
Building Repair & Maintenance	19,97,851	17,83,602	
Share of Loss from Partnership Firms	3,71,196	4,44,062	
Vehicles Expenses	127,52,315	159,56,516	
Wealth Tax	5,22,000	5,25,000	
Business Promotion	101,73,838	169,88,857	
Commission	1815,95,850	2403,94,213	
Rebate & Discount	199,33,366	293,52,725	
Clearing Forwarding & Freight Outward	3161,51,972	2855,07,588	
<b>TOTAL</b>	<b>38477,25,058</b>	<b>37901,09,559</b>	

<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		<b>NOTE NO. - 27</b>	
<b>PARTICULARS</b>	<b>Current Year In Rupees</b>	<b>Previous Year In Rupees</b>	
Depreciation of Tangible Assets	29065,87,527	21184,39,508	
Depreciation of Intangible Assets	261,34,804	58,71,217	
<b>TOTAL</b>	<b>29327,22,331</b>	<b>21243,10,725</b>	



## **NOTES TO FINANCIAL STATEMENTS**

### **1. Corporate Information**

SEL Manufacturing Co. Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange. The Company is engaged in the manufacturing, processing & trading of yarn, fabric, readymade garments and towel.

### **2. Significant Accounting Policies**

#### **2.1 Basis of Preparation**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### **2.2 Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

#### **2.3 Revenue Recognition**

##### **i) Sales**

Revenue from sale of goods is recognized:

- i) When all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership: and
- ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

##### **ii) Export Incentives**

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

##### **iii) Dividend**

Dividend income is recognised when the right to receive the payment is established.

##### **iv) Interest**

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **2.4 Investments**

Long term Investments are carried at cost less provision, if any, for diminution in value which is other than temporary, and current investments are carried at lower of cost and fair value.

#### **2.5 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.

#### **2.6 Foreign Currency Transactions**

##### **(a) Foreign Branch (Integral)**

- i) Fixed assets are translated at the rates on the date of purchase/acquisition of assets and Inventories are translated at the rates that existed when costs were incurred.
- ii) All foreign currency monetary items outstanding at the year-end are translated at the year-end exchange rates. Income and expenses are translated at average rates of exchange and depreciation is translated at the rates referred to in (a)(i) above for fixed assets.

The resulting exchange gains & losses are recognized in the profit and loss account.



**(b) 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.

**2.7 Fixed Assets**

**(i) a) Tangible Assets**

Fixed Assets are stated at acquisition cost including inward freight, duties, taxes and incidental expenses relating to acquisition net of subsidy relating to specific fixed asset and accumulated depreciation.

**b) Intangibles Assets**

Computer Software's are amortized over the estimated useful life.

**(ii) Capital work in progress**

Capital work in progress includes cost of assets at site, construction expenditure for acquisition of capital assets and pre-operative expenditure pending allocation to fixed assets.

**(iii) Expenditure incurred during construction period**

In respect of new/major expansion, the indirect expenditure incurred during implementation period upto the date of commencement of commercial production, which is attributable to the construction of the project, is capitalized on various categories of fixed assets on proportionate basis. The unallocated expenses are shown in pre-operative expenses.

**2.8 Depreciation**

Depreciation on Fixed Assets is provided based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.

**2.9 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.

**2.10 Employee Benefits**

**(i) Defined Contribution Plan:**

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.

**(ii) Defined Benefit Plans (Gratuity):**

The Company has a defined benefit Gratuity plan covering all its employees. Gratuity is covered under a scheme of Life Insurance Corporation of India (LIC) and contribution in respect of such scheme is recognized in the Profit & Loss Account. The liability/asset as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with Accounting Standard 15 on 'Employee Benefit'.

**(iii) Leave with wages**

Provision for earned leave due for the year is made on the actual valuation as at the close of the year.

**2.11 Accounting for Taxes on Income**

**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 assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.



#### **Minimum Alternative Tax**

Minimum Alternative Tax credit is recognized as an asset only when & to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date & 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 specified period.

#### **2.12 Impairment of 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. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. 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, except in case of revalued assets.

#### **2.13 Provisions and Contingent Liabilities**

- (a) 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
- (b) 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.

#### **2.14 Earnings per share**

Basic earning per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average numbers of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### **2.15 Basis of Incorporation of integral foreign operations**

Figures in respect of the Company's overseas branch in United Arab Emirates have been incorporated on the basis of Financial Statement audited by the auditors of the branch.

#### **2.16 Operating Leases**

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Lease rentals paid for such leases are recognized as an expense on systematic basis over the term of lease.

#### **2.17 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. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

#### **28. Contingent Liabilities**

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	(Rs. In Crores)	
	March 31, 2015	March 31, 2014
i) Export Bills Discounted	40.15	43.65
ii) Estimated amount of capital contracts remaining to be executed net of advances	55.87	41.51
iii) Guarantees given by the Company on behalf of SEL Textiles Ltd. (Subsidiary Company)	2013.26	1487.55



## SEL Manufacturing Company Ltd.

iv)	Income Tax*	0.17	0.53
v)	Performance Guarantees issued for export obligations	17.98	495.61
vi)	Others (Net of deposit of Rs. Nil crores (Previous Year Rs. 0.07 crores)	-	0.07
(vii)	Further to the search and seizure operations by the Income-tax Authorities in September 2013, the Income Tax Department issued notice u/s 153A (1) of the Income Tax Act, 1961, dated March 24, 2014 for submission of Income Tax Returns u/s 153A (1) (a) from Assessment Year 2008-09 to 2013-14 in pursuance of the search conducted u/s 132 of the Income Tax Act, 1961. The Company has filed return in response to notices as required by the authorities. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been made in the books for additional liability for tax, interest and penalty, if any.		

\*includes demand from tax authorities for various matters. The Company/tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management.

29. The related party disclosure in accordance with Accounting Standard-18 "Related Party Disclosures" 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	*SEL Textile Corporation	Subsidiary Company
5	#Omega Hotels Ltd.	Subsidiary Company
6	*Silverline Corporation Ltd.	Fellow Subsidiary Company
7	\$SEL Textiles Overseas Ltd.	Fellow Subsidiary Company
8	Mr. R.S.Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
9	Mrs. Sneha Lata Saluja Mrs. Ritu Saluja Mrs. Reema Saluja	Relatives of KMP
10	*Shiv Narayan Investments Pvt. Ltd. *Saluja International \$Rythm Textiles & Apparels Park Ltd.	Enterprises over which key management personal and relatives of such personal is able to exercise significant influence

\*No transactions have taken place during the year.

#became subsidiary w.e.f. 17.07.2014 which was an associate before that.

\$ cease to exist as associate/fellow subsidiary during the year.



## SEL Manufacturing Company Ltd.

### Related Parties Transactions:

(Rs. in Crores)

Particulars	Subsidiaries		Associates		Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase & Processing of Goods & Consumables Stores	132.90	107.64	-	-	-	-	-	-	132.90	107.64
Sale & Processing of Goods & Consumables Stores	100.09	165.23	-	-	-	-	-	-	100.09	165.23
Services Received	0.38	0.38	-	-	-	-	-	-	0.38	0.38
Purchase of:										
- Fixed Assets	0.37	1.23	-	-	-	-	-	-	0.37	1.23
Investment made/(withdrawal)	2.50	1.59	-	-	-	-	(0.01)	-	2.49	1.59
Preference Capital Contribution received in cash	-	-	-	-	69.71	-	-	-	69.71	-
Loan Taken	-	-	-	-	-	67.96	-	-	-	67.96
Share/(Loss) of Profit	(0.04)	(0.04)	-	-	-	-	-	-	(0.04)	(0.04)
Other Services	1.13	-	-	-	-	-	-	-	1.13	-
Rent Paid	0.02	0.02	-	-	0.01	0.01	-	-	0.03	0.03
Rent Received	0.03	0.03	-	0.01	-	-	0.01	-	0.04	0.04
Managerial Remuneration	-	-	-	-	3.42	3.20	-	-	3.42	3.20
Remuneration Paid	-	-	-	-	0.05	0.05	-	-	0.05	0.05
Corporate Guarantee Given	2013.26	1487.55	-	-	-	-	-	-	2013.26	1487.55
Closing Balance of Related Parties Debits	557.29	555.22	-	0.02	-	-	-	-	557.29	555.24
Closing Balance of Related Parties Credits	25.97	13.56	-	-	-	-	-	-	25.97	13.56

30. During the year 2013-14 the Company had identified non-moving, slow moving, obsolete and damaged inventory in finished goods. An aggregate amount of Rs. 180.94 crores was recognizes as reduction in value of inventories due to write down thereof to net realizable value by charging to Profit & Loss Statement as an exceptional item.

### 31. Earnings Per Share

The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Accounting Standard (AS)-20 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	Unit	Current Year	Previous Year
Profit/(Loss) after tax before Extra ordinary Items (A)	Rs.	(906,547,938)	(2,554,290,151)
Weighted average number of equity shares (B)	No.	331347000	331347000
Weighted average number of Potential equity shares (C)	No.	-	-
Total (D)	No.	331347000	331347000
Basic EPS (A/B)	Rs.	(2.74)	(7.71)
Diluted EPS (A/D)	Rs.	(2.74)	(7.71)

32. The outstanding balances as at March 31, 2015 in respect of some of the Trade Receivables and trade payables are subject to confirmation from the respective parties and consequent reconciliation/adjustments arising there from, if any. The management however, does not expect any material difference affecting the financial statements for the year.

33. In opinion of the Board, all the current assets, loans & advances have the value on realization in the ordinary course of business at-least equal to amount at which they are stated.

34. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with the provisions of Schedule II to the Act. In case of fixed assets which have already completed their useful life in terms of Schedule II of the Act, the carrying value (net of deferred tax) of Rs. 18,784,495/- of such assets as at April 1, 2014 has been adjusted to Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated as per method over the re-calculated remaining life. The depreciation expense charged for the year ended March 31, 2015 would have been lower by Rs. 87.51 crores, had the Company continued with the previously prescribed depreciation rates as per Schedule-XIV of the Companies Act, 1956.

35. There are no long term contracts as on 31.03.2015 including derivative contracts for which there are any material foreseeable losses.



### 36. Segment Reporting

Segment Information as required by Accounting Standard (AS)-17 on Segment Reporting, issued by Companies (Accounting Standards) Rules 2014, has been compiled on the basis of the consolidated financial statements and is disclosed in the notes to accounts forming part of the consolidated financial statements in accordance with the above standard. Therefore segment information in respect of separate financial statements of the company is not being disclosed in the stand alone financial statements.

37. The Company followed an aggressive growth path in the last ten years, it 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.

During the year, the Company's proposal for restructuring 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 Company executed Master Restructuring Agreement (MRA) with CDR Lenders on 24th September, 2014. The details of the Restructuring package as approved by CDR cell are as under:

- 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).
- The promoters to bring contribution equivalent to 25% of the sacrifice amount of by lenders. Accordingly, promoters have brought in an amount of Rs. 69.71 crores as 1% Redeemable, Non-Cumulative, Non-Convertible Preference Shares.
- 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. Tentative recompense amount comes to Rs. 129.51 crores.

### 38. Lease Rent

- 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	(Rs. In Crores)	
	2014-15	2013-14
Future Minimum lease payments obligation on non-cancellable operating leases	<b>0.33</b>	0.36
Not later than one year	<b>0.05</b>	0.05
Later than one year and not later than five years	<b>0.10</b>	0.10
Later than five years	<b>0.18</b>	0.21
Lease payment recognized in Profit and Loss Account	<b>0.03</b>	0.03

- Rent Income also includes Lease Rentals received towards Factory Building & Office Premises. Such operating leases are generally for a period of 5 to 20 years. The particulars of these leases are as follows:

Particulars	(Rs. In Crores)	
	2014-15	2013-14
Future Minimum lease payments under non-cancellable operating leases	0.24	0.32
Not later than one year	0.06	0.06
Later than one year and not later than five years	0.12	0.15
Later than five years	0.06	0.11
Lease Income recognized in Profit and Loss Account	0.06	0.07

39. Prior year amounts have been reclassified wherever necessary to conform with current year presentation.

40. During the year the company has transferred the unclaimed dividend for the year 2007-08 amounting to Rs. 28,348/- to the Investor Education and Protection Fund.



## SEL Manufacturing Company Ltd.

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

(Rs. In Crores)		
Particulars	2014-15	2013-14
Opening Balance	6.99	-
Add: Expenses incurred during the year		
Bank Interest & Charges	(0.28)	6.98
Foreign Exchange Fluctuation & Other Expenses	-	0.01
Sub Total	(0.28)	6.99
Less: Expenses capitalized during the year	-	-
Closing Balance	6.71	6.99

42. 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 Accounting Standard (AS15) are as under:

### a. Gratuity

The principal assumptions used in actuarial valuation of gratuity are as below:

		(In Rs.)
Particulars	Current Year	Previous Year
<b>1. Actuarial Assumption</b>		
- Discount Rate	8.00%	8.00%
- Expected rate of future salary escalation	8.00%	7.00%
<b>2. Changes in present value of Obligation as on 31/03/2015</b>		
Present value of obligations as at beginning of year	54,094,591	33,977,067
Interest cost	4,327,567	2,718,165
Current Service Cost	21,540,912	28,176,962
Benefits Paid	(4,159,850)	(1,538,281)
Actuarial (gain)/ loss on obligations	(7,484,603)	(9,239,322)
Present value of obligations as at end of year	68,318,618	54,094,591
<b>3. Changes in the fair value of plan assets as on 31/03/2015</b>		
Fair value of plan assets at beginning of year	7,070,154	8,085,943
Expected return on plan assets	492,020	522,492
Contributions	742,395	-
Benefits Paid	(4,159,850)	(1,538,281)
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the end of year	4,144,719	7,070,154
<b>4. Amount recognized in the balance sheet and statements of profit and loss</b>		
Present value of obligations as at the end of year	68,318,618	54,094,591
Fair value of plan assets as at the end of the year	4,144,719	7,070,154
Funded status	64,173,899	47,024,437
Net asset/(liability) recognized in balance sheet	(64,173,899)	(47,024,437)
<b>5. Expenses recognized in statement of profit and loss</b>		
Current Service cost	21,540,912	28,176,962
Interest Cost	4,327,567	2,718,165
Expected return on plan assets	(492,020)	(522,492)
Net Actuarial (gain)/ loss recognized in the year	(7,484,603)	(9,239,322)
Total expenses recognized in statement of profit and loss	17,891,856	21,133,313



## SEL Manufacturing Company Ltd.

### b. Provident Fund

During the year the company has recognized an expense of Rs. 68,305,367/- (Previous Year Rs. 64,239,676/-) towards provident fund scheme.

### c. Leave Encashment

During the year the company has recognized an expense of Rs. 20,829,055/- (Previous Year Rs. 19,513,456/-).

### 43. Value of Imports on CIF Basis

(In Rs.)		
S.No.	Particulars	
	2014-15	2013-14
i) Raw Materials	50,915,821	72,635,558
ii) Packing Material	4,700,974	1,315,687
iii) Stores & Spares	15,249,968	37,532,017
iv) Capital Goods	6,687,840	70,155,768

### 44. Expenditure in Foreign Currency

(In Rs.)		
S.No.	Particulars	
	2014-15	2013-14
i) In India	104,469,642	178,825,644
ii) Overseas Expenditures (Revenue)	1,532,443,999	1,193,882,529
iii) Overseas Expenditures (Capital)	6,811,447	4,978,867

### 45. Earning in Foreign Currency

(In Rs.)		
S.No.	Particulars	
	2014-15	2013-14
i) FOB Value	11,893,555,613	10,151,666,007
ii) Overseas Income	1,606,544,078	3,832,641,029

### 46. Imported and Indigenous Raw Materials and Stores & Spares Consumed

(In Rs.)					
Sr. No.	Particulars	31st March, 2015	% of total Consumption as on 31st March, 2015	31st March, 2014	% of total Consumption as on 31st March, 2014
i)	Raw Materials				
	-Indigenous	14,173,745,615	99.64%	21,657,289,292	99.67%
	-Imported	50,915,821	0.36%	72,635,558	0.33%
ii)	Packing Material				
	-Indigenous	493,636,006	99.06%	391,151,993	99.66%
	-Imported	4,700,974	0.94%	1,315,687	0.34%
iii)	Stores & Spares				
	-Indigenous	751,740,740	98.01%	684,691,741	94.80%
	-Imported	15,249,968	1.99%	37,532,017	5.20%

For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

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

(CA. R.D. Khanna)  
Partner  
M. No. 12391

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420

(Rahul Kapoor)  
Company Secretary

Place: Ludhiana  
Date: 30.05.2015



## **Independent Auditor's Report On Consolidated Financial Statements**

### **To the Members of SEL Manufacturing Company Limited**

We have audited the accompanying consolidated financial statements of SEL Manufacturing Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of Rs. 61.47 crores as at March 31, 2015, total revenues of Rs. 17.02 crores and net cash outflows amounting to Rs. 2.95 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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 and the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes 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 reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March,

2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 30 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**FOR DASS KHANNA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000402N**

**PLACE: LUDHIANA  
DATED: 30.05.2015**

**(CA. R.D. KHANNA)  
PARTNER  
M.No. 12391**



## SEL Manufacturing Company Ltd.

### Consolidated Balance Sheet as at 31st March, 2015

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2015	31.03.2014
		In Rupees	In Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	3	40105,70,000	33134,70,000
b) Reserves & Surplus	4	69078,32,056	87082,25,403
c) Money Received Against Share Warrants		-	-
<b>2. Share Application Money Pending Allotment</b>		-	-
<b>3. Minority Interest</b>		45,07,128	24,74,710
<b>4. Non Current Liabilities</b>			
a) Long Term Borrowings	5	373367,29,139	223735,21,411
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		-	-
<b>5. Current Liabilities</b>			
a) Short Term Borrowings	7	131956,67,573	191886,60,752
b) Trade Payables	8	26637,44,818	24505,16,331
c) Other Current Liabilities	9	63665,50,024	97773,56,896
d) Short Term Provisions	10	796,46,028	588,98,489
<b>TOTAL</b>		<b>705652,46,767</b>	<b>658731,23,991</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	11	292420,77,259	306210,54,050
ii) Intangible Assets		52,60,262	357,18,835
iii) Capital Work in Progress		57370,57,026	48076,73,666
iv) Intangible Assets Under Development		-	-
b) Non Current Investments	12	4338,80,855	7541,82,549
c) Deferred Tax Assets (Net)	6	9252,61,183	1115,68,392
d) Long Term Loans & Advances	13	16737,37,963	41695,19,341
e) Other Non-Current Assets	14	6500,71,700	6447,99,969
<b>2. Current Assets</b>			
a) Current Investments	15	-	2161,00,000
b) Inventories	16	144671,88,392	92533,71,149
c) Trade Receivables	17	105060,56,923	108720,91,241
d) Cash & Cash Equivalents	18	9751,44,632	2032,50,208
e) Short Term Loans & Advances	19	15304,27,728	10333,51,075
f) Other Current Assets	20	44190,82,845	31504,43,516
<b>TOTAL</b>		<b>705652,46,767</b>	<b>658731,23,991</b>

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date  
For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary



## SEL Manufacturing Company Ltd.

### Consolidated Profit & Loss Statement for the Year Ended 31st March, 2015

PARTICULARS	NOTE NO.	Current Year In Rupees	Previous Year In Rupees
I. Revenue From Operations	21	286342,37,466	363317,97,511
II. Other Income	22	15403,24,376	12829,35,979
III. Total Revenue (I+II)		301745,61,842	376147,33,490
IV. Expenses			
Cost of Material Consumed	23	186027,37,582	284509,82,048
Purchases of Stock-in-Trade		17583,08,699	21409,82,145
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	(11311,72,038)	(39097,06,294)
Employee Benefits Expenses	25	13272,57,077	14675,50,862
Finance Costs	26	34248,29,214	43209,45,048
Depreciation and Amortization Expenses	28	36666,16,385	26679,09,868
Other Expenses	27	47989,76,373	45851,99,621
Total Expenses		324475,53,293	397238,63,298
V. Profit Before Exceptional And Extraordinary Items And Tax (III-IV)		(22729,91,451)	(21091,29,807)
VI. Exceptional Items	31	-	25308,58,908
VII. Profit Before Extraordinary Items And Tax (V-VI)		(22729,91,451)	(46399,88,715)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		(22729,91,451)	(46399,88,715)
X. Tax Expense:			
1) Current Tax		3,97,710	19,800
2) Deferred Tax		(8038,53,846)	(17600,85,649)
4) Earlier Years		252,05,216	635,36,760
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		(14947,40,531)	(29434,59,626)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations After Tax (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(14947,40,531)	(29434,59,626)
XVI. Minority Interest		7,20,554	4,12,081
XVII. Profit/(Loss) For The Period (XV-XVI)		(14954,61,085)	(29438,71,707)
XVIII. Earning per Equity Share of face value of Rs. 10 each			
1) Basic		(4.51)	(8.88)
2) Diluted		(4.51)	(8.88)

The accompanying notes are an integral part of the financial statements.

This is the Profit & Loss Statement referred to in our report of even date  
For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary




**Consolidated Cash Flow Statement for the Year Ended 31st March, 2015**

<b>PARTICULARS</b>	<b>Details In Rupees</b>	<b>Current Year In Rupees</b>	<b>Details In Rupees</b>	<b>Previous Year In Rupees</b>
<b>A Cash Flow from Operating Activities</b>				
Net Profit before Taxes & Extraordinary Items		(22737,12,005)		(46404,00,796)
<b>Adjustments for Non Cash Items:</b>				
- Depreciation	36666,16,385		26679,09,868	
- Interest Paid	33439,24,227		42194,70,634	
- Interest Received	(621,41,787)		(608,49,234)	
- (Profit)/Loss on Sale of Fixed Assets	23,67,694		5,78,623	
		69507,66,520		68271,09,890
<b>Adjustments for Changes in Working Capital:</b>				
- Increase/ (Decrease) in Trade Payables	2132,28,487		19546,31,432	
- Increase/ (Decrease) in Other Current Liabilities	(34108,06,872)		49916,80,037	
- Increase/ (Decrease) in Short Term Provisions	207,47,539		(4259,72,892)	
- (Increase)/ Decrease in Trade Receivables	3660,34,318		(34874,92,527)	
- (Increase)/ Decrease in Short Term Loans & Advances	(4970,76,653)		3274,81,143	
- (Increase)/ Decrease in Current Investments	2161,00,000		(2161,00,000)	
- (Increase)/ Decrease in Other Current Assets	(12686,39,329)		(8460,78,576)	
- (Increase)/ Decrease in Inventories	(52138,17,243)	(95742,29,753)	26408,80,954	49390,29,571
<b>Cash Generation from Operations</b>		(48971,75,238)		71257,38,665
-Taxes Paid		256,02,926		635,56,560
<b>Net Cash from Operating Activities</b>		(49227,78,164)		70621,82,105
<b>B Cash Flows from Investing Activities</b>				
- Purchase of Fixed Assets & Capital Work in Process	(32356,29,624)		(50896,97,856)	
- Goodwill	(2858,47,706)		4612,23,937	
- Sale of Fixed Assets	177,50,953		315,71,705	
- Foreign Exchange Difference Reserve	(2,776)		54,424	
- Interest Received	621,41,787		608,49,234	
- Disposal of Investments	25,868		-	
- (Increase)/Decrease of Non Current Investments	3203,01,694		(485,91,514)	
- (Increase)/ Decrease in Other Non Current Assets	(52,71,731)		414,76,160	
- (Increase)/ Decrease in Long Term Loans & Advances	24957,81,378		(17684,08,099)	
- Increase/(Decrease)in Long Term Provisions	-		260,30,955	
<b>Net Cash Flows from Investing Activities</b>		(6307,50,156)		(62854,91,054)
<b>C Cash Flows from Financing Activities</b>				
- Proceeds from Issue of Capital & Securities Premium	6971,00,000		-	
- Increase/(Decrease) in Minority Interest	20,32,418		(64,10,151)	
- Proceeds/(Repayment) of Long term Borrowings	149632,07,728		(9423,78,448)	
- Proceeds/(Repayment) of Short term Borrowings	(59929,93,179)		34687,56,588	
- Share Warrant Application Money	-		(2187,00,000)	
- Interest Paid	(33439,24,227)		(42194,70,634)	
<b>Net Cash Flows from Financing Activities</b>		63254,22,741		(19182,02,644)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>		7718,94,422		(11415,11,594)
Cash & Cash Equivalents - Opening Balance		2032,50,209		13447,61,803
Cash & Cash Equivalents - Closing Balance		9751,44,631		2032,50,209

Subject to our Separate Report of even date  
For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary



**SHARE CAPITAL**

**Note No. - 3**

<b>PARTICULARS</b>	<b>AS AT 31.03.2015 In Rupees</b>	<b>AS AT 31.03.2014 In Rupees</b>
<b>(a) Authorised</b>		
1,000,000,000 Equity Shares	<b>100000,00,000</b>	100000,00,000
250,000,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares	<b>25000,00,000</b>	-
<b>(b) Issued, Subscribed &amp; Paid Up</b>		
331,347,000 Equity Shares Fully Paid Up.	<b>33134,70,000</b>	33134,70,000
69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares	<b>6971,00,000</b>	-
	<b>40105,70,000</b>	<b>33134,70,000</b>
<b>(c) Par Value per Share</b>		
331,347,000 Equity Shares	Rs. 10/-	
1% Redeemable, Non Cumulative, Non Convertible Preference Shares	Rs. 10/-	

**(d) Reconciliation of the number of shares outstanding**

<b>Particulars</b>	<b>As at 31st March, 2015</b>		<b>As at 31st March, 2014</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
<b>Shares outstanding at the beginning of the year</b>				
Equity Shares	<b>3313,47,000</b>	<b>33134,70,000</b>	3313,47,000	33134,70,000
1% Redeemable, Non Cumulative, Non Convertible Preference Shares	-	-	-	-
<b>Total</b>	<b>3313,47,000</b>	<b>33134,70,000</b>	3313,47,000	33134,70,000
<b>Add: Addition during the year</b>				
Equity Shares	-	-	-	-
1% Redeemable, Non Cumulative, Non Convertible Preference Shares	<b>697,10,000</b>	<b>6971,00,000</b>	-	-
<b>Total</b>	<b>697,10,000</b>	<b>6971,00,000</b>	-	-
<b>Less: Deduction during the year</b>				
Equity Shares	-	-	-	-
1% Redeemable, Non Cumulative, Non Convertible Preference Shares	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Shares outstanding at the end of the year</b>				
Equity Shares	<b>3313,47,000</b>	<b>33134,70,000</b>	3313,47,000	33134,70,000
1% Redeemable, Non Cumulative, Non Convertible Preference Shares	<b>697,10,000</b>	<b>6971,00,000</b>	-	-
<b>Total</b>	<b>4010,57,000</b>	<b>40105,70,000</b>	3313,47,000	33134,70,000

**(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, restriction 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.



## SEL Manufacturing Company Ltd.

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 31.03.2015, 91,678,900 shares (Previous Year 97,386,256 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

**PREFERENCE SHARES :** The Company has issued 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of face value Rs. 10/- each, redeemable at the option of the Board not later than 10 years from the date of allotment. The 1% Redeemable, Non Cumulative, Non Convertible Preference Shareholders have a right to receive dividend, prior to the Equity Shareholders. The dividend proposed by the Board of Directors on the Redeemable, Non Cumulative, Non Convertible Preference Shares is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference Shareholders are eligible to receive the remaining assets of the Company before distribution to the Equity Shareholders, in proportion to their shareholding.

### RESERVES & SURPLUS

NOTE NO. - 4

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
<b>a) Capital Reserve</b>		
Opening Balance	3012,52,481	-
Add: Addition during the year	(2858,47,706)	3012,52,481
	154,04,775	3012,52,481
Less: Deduction during the year	-	-
	<b>154,04,775</b>	<b>3012,52,481</b>
<b>b) Securities Premium Reserve</b>		
Opening Balance	51866,83,319	51866,83,319
Add: Addition during the year	-	-
	51866,83,319	51866,83,319
Less: Deduction during the year	-	-
	<b>51866,83,319</b>	<b>51866,83,319</b>
<b>c) General Reserve</b>		
Opening Balance	23200,00,000	23200,00,000
Add: Addition during the year	-	-
	23200,00,000	23200,00,000
Less: Deduction during the year	-	-
	<b>23200,00,000</b>	<b>23200,00,000</b>
<b>(d) Foreign Exchange Fluctuation Reserve</b>		
Opening Balance	41,535	(12,889)
Add: Addition during the year	(2776)	54,424
	38,759	41,535
Less: Deduction during the year	-	-
	<b>38,759</b>	<b>41,535</b>
<b>(e) Surplus</b>		
Opening Balance	9002,48,068	38440,91,154
Add: Addition during the year	(14954,61,085)	(29438,71,707)
	(5952,13,017)	9002,19,447
Less: Adjustment relating to disposal of Investments	25,868	-
Less: Carrying amounts of fixed assets debited to retained earnings where remaining useful life of the assets is Nil as on 01.04.2014	191,07,648	(28,621)
	<b>(6142,94,797)</b>	<b>9002,48,068</b>
<b>TOTAL</b>	<b>69078,32,056</b>	<b>87082,25,403</b>



## SEL Manufacturing Company Ltd.

### LONG TERM BORROWINGS

NOTE NO. - 5

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
<b>a) Secured Loans</b>		
i) Term Loans		
- From Banks	363096,57,684	214016,30,675
ii) Interest Accrued and But Not Due on Borrowings		
- From Banks	257,26,567	-
<b>b) Unsecured Loans</b>		
i) Vehicle Loans		
- From Banks	6,44,888	161,90,736
ii) Loans from Related Parties	10007,00,000	9557,00,000
(Interest free loans repayable in 2023-24)		
<b>TOTAL</b>	<b>373367,29,139</b>	<b>223735,21,411</b>

### Terms and conditions of secured loans taken from banks and status of continuing default as at year end

Type of Loans	Rupee Term Loan (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)
I) Sanctioned Amount	316064.00.000	32604.00.000	48946.00.000	74553.00.000	14622.00.000
Balance as on 31.03.2015	276049,50,206	11907,54,461	28718,17,331	63894,69,883	1951,79,660
Rate of Interest	11.25%	11.25%	11.25%	11.25%	11.25%
Repayment Type	Monthly	Monthly	Monthly	Quarterly	Quarterly
Repayment during the year ending					
31/03/2015	4535,43,000	-	2655,97,360	-	-
31/03/2016	6648,90,000	-	32708,25,780	2583,68,250	529,60,500
31/03/2017	14236,28,000	978,12,000	13581,76,860	3674,97,000	1684,78,000
31/03/2018	32461,84,000	1956,24,000	-	4366,93,000	2164,50,000
31/03/2019	37287,06,000	2934,36,000	-	9053,50,000	1769,22,500
31/03/2020	41896,05,000	3912,48,000	-	9584,75,000	1842,15,000
31/03/2021	46870,72,000	5216,64,000	-	13046,77,500	1842,15,000
31/03/2022	49210,30,000	5868,72,000	-	13046,77,500	2149,17,500
31/03/2023	50294,84,000	6520,80,000	-	13843,65,000	2149,17,500
31/03/2024	31785,90,799	5216,64,000	-	5351,95,405	491,24,000
Overdue Principle Amount	1445,98,391	-	2439,43,100	-	-
Overdue Interest Amount	691,91,441	-	148,60,029	53,63,425	14,30,116
Overdue Since	March 2015	-	March 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.	Onwer	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 unsecured Loans**

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Monthly Installment	Repayment Type	No. of Installments outstanding
HDFC Bank	13.00	36	26,400	Monthly	2
HDFC Bank	12.00	36	2,20,630	Monthly	14
HDFC Bank	11.50	36	64,070	Monthly	5
HDFC Bank	9.72	36	2,82,447	Monthly	10
HDFC Bank	10.51	36	31,260	Monthly	10
HDFC Bank	10.51	36	31,260	Monthly	10
ICICI Bank	10.00	60	4,76,500	Monthly	10
ICICI Bank	8.90	36	1,05,588	Monthly	14
Kotak Mahindra Prime Ltd.	12.00	36	2,87,010	Monthly	6
Kotak Mahindra Prime Ltd.	9.94	36	95,700	Monthly	7
State Bank of Bikaner & Jaipur	11.15	36	14,180	Monthly	1
State Bank of Bikaner & Jaipur	11.15	36	15,334	Monthly	1
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	2
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	2
State Bank of Bikaner & Jaipur	11.65	36	12,821	Monthly	3
State Bank of Bikaner & Jaipur	11.40	36	25,550	Monthly	5

**DEFERRED TAX ASSET/ LIABILITY (Net)**
**NOTE NO. - 6**

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	18916,71,266	20024,05,140
Gross Deferred Tax Liability	18916,71,266	20024,05,140
Deferred Tax Asset		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis and unabsorbed depreciation	28169,32,451	21139,73,532
Gross Deferred Tax Asset	28169,32,451	21139,73,532
Net Deferred Tax (Asset)/Liability	(9252,61,185)	(1115,68,392)

**SHORT TERM BORROWINGS**
**NOTE NO. - 7**

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
i) Loans Repayable on Demand		
From Banks	131956,67,573	191886,60,752
<b>TOTAL</b>	<b>131956,67,573</b>	<b>191886,60,752</b>

**Details of security for working capital borrowings**

1) 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.

S.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 msg. 700 sq.yds. at Rajpura Road, Vill. Pratap Singhwala Ludhiana
5.	Sh. Neeraj Saluja	Land msg. 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 @ 11.25% p.a.

**TRADE PAYABLES**
**NOTE NO. - 8**

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
Trade Payables*	26637,44,818	24505,16,331
<b>TOTAL</b>	<b>26637,44,818</b>	<b>24505,16,331</b>

\*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 and relied upon by the Auditors, the relevant particulars as at 31st March, 2015 are NIL.

**OTHER CURRENT LIABILITIES**
**NOTE NO. - 9**

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(a) Current Maturities of Long Term Debts	44869,08,301	63690,05,048
(b) Interest Accrued but not due on borrowings	909,12,767	28,06,669
© Interest Accrued and due on borrowings#	2845,74,866	16013,91,683
(d) Unpaid Dividends	-	28,348
(e) Other Payables		
i) Statutory Dues & Taxes	287,15,395	339,54,609
ii) Employees Benefits	1451,84,145	1363,22,055
iii) Advances from Customers	5957,23,979	7579,72,620
iv) Payable to Vendors-Non Trade	3707,77,539	3675,22,740
v) Others Payable	3637,53,032	5083,53,124
<b>TOTAL</b>	<b>63665,50,024</b>	<b>97773,56,896</b>

#Interest accrued and due includes Rs. 26.70 crores (Previous Year 160.14 Crores) relates to defaults in repayment of interest on bank loans.

**SHORT TERM PROVISIONS**
**NOTE NO. - 10**

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(a) Provision for Employee Benefits	785,48,768	581,28,689
(b) Others		
- Income Tax	3,97,710	19,800
- Wealth Tax	6,99,550	7,50,000
<b>TOTAL</b>	<b>796,46,028</b>	<b>588,98,489</b>



Consolidated Fixed Assets										
PARTICULARS		GROSS BLOCK				DEPRECIATION			NET BLOCK	
	BALANCE AS ON 01.04.2014 Rs.	ADDITIONS DURING THE YEAR Rs.	SALES DURING THE YEAR Rs.	BALANCE AS ON 31.03.2015 Rs.	BALANCE AS ON 01.04.2014 Rs.	PROVIDED DURING THE YEAR Rs.	SALES DURING THE YEAR Rs.	BALANCE AS ON 31.03.2015 Rs.	AS ON 31.03.2015 Rs.	AS ON 31.03.2014 Rs.
(a) Tangible Assets										
i) Land	17686,45,233	-	-	17686,45,233	-	-	-	-	17686,45,233	17686,45,233
ii) Leasehold Land	732,88,658	-	-	732,88,658	39,98,820	8,51,986	-	48,50,806	684,37,852	692,89,838
iii) Building	108431,64,481	68,11,446	-	108499,75,927	7759,72,307	3242,46,953	-	11002,19,256	97497,56,671	100671,92,178
iv) Road	484,13,448	-	-	484,13,448	21,61,123	130,27,663	(50,15,377)	202,04,164	282,09,284	462,52,324
v) Plant & Machinery	235467,22,094	22933,62,950	130,64,995	258270,20,049	53987,59,896	32099,82,419	(93,62,945)	86181,05,264	172089,14,786	181479,62,198
vi) Furniture & Fittings	4008,00,216	84,903	-	4008,85,119	598,03,790	478,59,244	(5,90,607)	1082,53,643	2926,31,476	3409,96,424
vii) Vehicles	2204,05,940	28,60,110	206,88,898	2025,77,152	760,38,680	272,51,538	55,23,253	977,66,965	1048,10,187	1443,67,261
viii) Office Equipments	458,09,760	8,63,250	-	466,73,010	71,97,559	129,38,010	(58,65,672)	260,01,241	206,71,769	386,12,201
	369472,49,830	23039,82,659	337,53,893	392174,78,596	63239,32,175	36361,57,812	(153,11,348)	99754,01,338	292420,77,259	306233,17,657
(b) Intangible Assets										
i) Computer Software	526,83,090	-	-	526,83,090	169,64,255	304,58,573	-	474,22,828	52,60,262	357,18,835
(c) Capital Work in Progress	48076,73,666	18912,42,771	9618,59,411	57370,57,026	-	-	-	-	57370,57,026	48076,73,666
Total	418076,06,586	41952,25,430	9956,13,304	450072,18,712	63408,96,430	36666,16,385	(153,11,348)	100228,24,166	349843,94,547	354667,10,157
Previous Year	369133,51,596	75465,54,689	26545,63,304	418053,42,982	36785,74,884	26679,09,868	55,88,322	63408,96,430	354644,46,552	-



**NON CURRENT INVESTMENTS**
**NOTE NO. - 12**

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
<b>Other Investments (At Cost)</b>		
<b>(a) Investment in Equity Instruments (Quoted)</b>		
i) 3124 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited (Previous Year 3124 Equity Shares of Rs. 10/- each fully paid up)	30,00,000	30,00,000
ii) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited (Previous Year 778 Equity Shares of Rs. 10/- each fully paid up)	67,555	67,555
<b>(b) Investment in Equity Instruments (Unquoted)</b>		
<b>Associates</b>		
i) (24000) Equity Shares of Rs. 10 each fully paid up of Rythm Textile & Apparels Park Limited (Previous Year 24000 Equity Shares of Rs. 10/- each fully paid up)	-	77,68,645
ii) (2,392,700) Equity Shares of Rs. 10/- each fully paid up of Omega Hotels Ltd. (Previous Year 23,92,700 Equity Shares of Rs. 10/- each fully paid up)	-	3095,54,949
<b>Others</b>		
i) 299,300 Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited (Previous Year 299,300 Equity Shares of Re. 1/- each fully paid up)	209,51,000	209,51,000
ii) 14,000 Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Limited (Previous Year Nil Equity Shares of Rs. 10/- each fully paid up)	1,40,000	-
<b>(c) Investments in Preference Shares</b>		
<b>Others</b>		
i) 3,692,930 9% Redeemable Preference Shares of Rs. 10 each fully paid up of Rhythm Textile & Apparels Park Limited (Previous Year 3,692,930 9% Redeemable Preference Shares of Rs. 10 each fully paid up)	4062,22,300	4062,22,300
<b>d) Investment in Mutual Funds (Unquoted)</b>		
i) 1,50,000 Units of Rs.10 each of SBI Infrastructure Fund (Previous Year 1,50,000 units of Rs. 10/- each)	15,00,000	15,00,000
ii) 50,000 Units of Rs.10 each of SBI PSU Fund (Previous Year 50,000 units of Rs. 10/- each)	5,00,000	5,00,000
iii) 55,187.638 Units of Rs.10 each of Union KBC Equity Fund (Previous Year 55187.638 Units of Rs.10 each)	5,00,000	5,00,000
iv) 100,000 Units of Rs.10 each of SBI Gold Fund (Previous Year 100,000 Units of Rs.10 each)	10,00,000	10,00,000
<b>(e) Other Non-Current Investments</b>		
i) Investment in Gold	-	31,18,100
<b>TOTAL</b>	<b>4338,80,855</b>	<b>7541,82,549</b>
Market Value of Quoted Investments	26,68,895	29,07,710



## SEL Manufacturing Company Ltd.

Aggregate Value of Quoted Investments	30,67,555	30,67,555
Aggregate Value of UnQuoted Investments	4308,13,300	7511,14,994

### LONG TERM LOANS AND ADVANCES

NOTE NO. - 13

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(Unsecured, considered good)		
(a) Capital Advances	14629,90,751	40129,92,368
(b) Security Deposits	2107,47,212	1565,26,973
<b>TOTAL</b>	<b>16737,37,963</b>	<b>41695,19,341</b>

### OTHER NON CURRENT ASSETS

NOTE NO. - 14

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(a) MAT Credit Entitlement	6454,58,873	6447,99,969
(b) Fixed Deposits with banks	46,12,827	-
<b>TOTAL</b>	<b>6500,71,700</b>	<b>6447,99,969</b>

### CURRENT INVESTMENTS

NOTE NO. - 15

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
Share Application Money in Shiv Narayan Investments Pvt. Ltd.	-	2161,00,000
<b>TOTAL</b>	<b>-</b>	<b>2161,00,000</b>

### INVENTORIES

NOTE NO. - 16

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(a) Raw Materials	53826,94,078	12987,47,155
(b) Work in Progress	14548,31,136	17839,43,616
(c) Finished Goods		
- In Godown	64812,40,220	50931,35,017
- In Transit	4486,06,678	7159,39,940
(d) Stock in Trade	6021,18,856	2626,06,278
(e) Stores & Spares	976,97,425	989,99,142
<b>TOTAL</b>	<b>144671,88,392</b>	<b>92533,71,149</b>

### TRADE RECEIVABLES

NOTE NO. - 17

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
	In Rupees	In Rupees
(Unsecured, considered good)		
(a) Outstanding for a period exceeding six months from the date they are due for payment	50260,16,455	40221,09,445
(b) Other Receivables	54800,40,468	68499,81,796
<b>TOTAL</b>	<b>105060,56,923</b>	<b>108720,91,241</b>



## SEL Manufacturing Company Ltd.

### CASH & CASH EQUIVALENTS

NOTE NO. - 18

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
(a) Cash in Hand	535,54,014	662,46,530
(b) Balances With Scheduled Banks		
i) In Current Accounts	3409,19,064	730,94,084
ii) In Fixed Deposits Accounts	520,14,493	639,09,595
(c) Other Bank Balances		
i) In Fixed Deposits Accounts	5286,57,061	-
<b>TOTAL</b>	<b>9751,44,632</b>	<b>2032,50,208</b>

### SHORT TERM LOANS AND ADVANCES

NOTE NO. - 19

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
(Unsecured, considered good)		
(a) Others		
i) Advances to Suppliers	7490,88,850	3699,26,777
ii) Statutory Dues & Taxes	6661,09,927	6294,52,758
iii) Prepaid Taxes	241,30,161	198,15,642
iv) Others	910,98,791	141,55,899
<b>TOTAL</b>	<b>15304,27,728</b>	<b>10333,51,075</b>

### OTHER CURRENT ASSETS

NOTE NO. - 20

PARTICULARS	AS AT 31.03.2015 In Rupees	AS AT 31.03.2014 In Rupees
(Unsecured, considered good)		
(a) Others		
i) Duty Drawback Receivable	6091,48,510	4355,36,661
ii) Interest Subsidy Receivable	38079,72,158	27139,03,616
iii) Interest Receivable	19,62,178	10,03,240
<b>TOTAL</b>	<b>44190,82,845</b>	<b>31504,43,516</b>

### REVENUE FROM OPERATIONS

NOTE NO. - 21

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Sale of Products		
Finished Goods	252156,21,562	303273,38,867
Traded Goods	27471,90,529	55359,02,727
Other Operating Income		
Waste/Sale Scrap	7076,03,393	4728,82,932
	286704,15,484	363361,24,526
Less: Excise Duty	361,78,018	43,27,015
<b>TOTAL</b>	<b>286342,37,466</b>	<b>363317,97,511</b>



## SEL Manufacturing Company Ltd.

### Details of Sales (Finished Goods)

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Yarn	180237,50,376	162559,92,643
Hosiery Garments	16079,84,648	16608,42,196
Terry Towel	43996,14,544	35684,11,870
Knitted Cloth	11842,71,994	88420,92,158
	252156,21,562	303273,38,867
Less: Excise Duty	361,78,018	43,27,015
<b>TOTAL</b>	<b>251794,43,544</b>	<b>303230,11,852</b>

### Details of Sales (Traded Goods)

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Yarn	4465,62,126	8387,69,773
Hosiery Garments	18197,05,665	39616,84,400
Raw Material	6,163	87,33,642
Knitted Cloth	1617,55,343	-
Towel	3191,61,232	7267,14,912
<b>TOTAL</b>	<b>27471,90,529</b>	<b>55359,02,727</b>

### OTHER INCOME

NOTE NO. - 22

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Export Incentives	9939,97,113	5558,76,839
Interest (Gross)	621,41,787	608,49,234
Foreign Exchange Fluctuation	4730,97,122	6646,67,520
Rental Income	7,54,055	4,53,749
Other Income	103,34,299	10,88,637
<b>TOTAL</b>	<b>15403,24,376</b>	<b>12829,35,979</b>

### COST OF MATERIAL CONSUMED

NOTE NO. - 23

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Raw Material Consumed		
Opening Stock	12608,32,310	49526,41,023
Add: Purchases (net)	221039,59,592	242898,39,468
	233647,91,902	292424,80,491
Less: Closing Stock	53495,49,167	12608,32,310
Cost of raw material consumed during the year (A)	180152,42,735	279816,48,181
Packing Material Consumed		
Opening Stock	379,14,845	466,57,340
Add: Purchases (net)	5827,24,913	4605,91,371
	6206,39,758	5072,48,711
Less: Closing Stock	331,44,911	379,14,845
Cost of packing material consumed during the year (B)	5874,94,847	4693,33,866
<b>TOTAL (A+B)</b>	<b>186027,37,582</b>	<b>284509,82,048</b>

**Details of Raw Material Consumed**

<b>PARTICULARS</b>	<b>CURRENT YEAR In Rupees</b>	<b>PREVIOUS YEAR In Rupees</b>
Raw Cotton/Waste	149550,16,192	142518,13,403
Polyster Fibre	5437,90,711	5664,66,678
Yarn	5693,12,100	11085,04,536
Knitted Cloth	19471,23,732	120548,63,564
<b>TOTAL</b>	<b>180152,42,735</b>	<b>279816,48,181</b>

**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS  
AND STOCK IN TRADE**
**NOTE NO. - 24**

<b>PARTICULARS</b>	<b>CURRENT YEAR In Rupees</b>	<b>PREVIOUS YEAR In Rupees</b>
Opening Stocks		
Work in Process	17839,43,616	19200,54,453
Finished Goods	58090,74,957	35623,65,575
Stock in Trade	2626,06,278	9943,57,437
(A)	<b>78556,24,851</b>	<b>64767,77,465</b>
Closing Stocks		
Work in Process	14548,31,136	17839,43,616
Finished Goods*	69298,46,897	83399,33,865
Stock in Trade	6021,18,856	2626,06,278
(B)	<b>89867,96,889</b>	<b>103864,83,759</b>
<b>Decrease/(Increase) in Inventories (A-B)</b>	<b>(11311,72,038)</b>	<b>(39097,06,294)</b>

\* Previous year includes Rs. 25308,58,908/- as reduction in value of inventories, referred note No. 31

**EMPLOYEE BENEFITS EXPENSE**
**NOTE NO. - 25**

<b>PARTICULARS</b>	<b>CURRENT YEAR In Rupees</b>	<b>PREVIOUS YEAR In Rupees</b>
Wages, Salaries & Other Allowances	12078,83,825	13413,25,622
Contribution to PF, ESI & Other Funds	894,21,649	846,22,460
Staff & Labour Welfare	299,51,603	416,02,780
<b>TOTAL</b>	<b>13272,57,077</b>	<b>14675,50,862</b>

**FINANCIAL COSTS**
**NOTE NO. - 26**

<b>PARTICULARS</b>	<b>CURRENT YEAR In Rupees</b>	<b>PREVIOUS YEAR In Rupees</b>
a) Bank Charges	809,04,987	1014,74,414
b) Interest on		
i) Working Capital Limits	13016,85,112	24738,88,165
ii) Term Loans	18443,92,660	14880,49,825
iii) Car Loans	27,34,529	49,77,309
iv) Others	1951,11,926	2525,55,335
<b>TOTAL</b>	<b>34248,29,214</b>	<b>43209,45,048</b>

<b>OTHER EXPENSES</b>		<b>NOTE NO. - 27</b>
<b>PARTICULARS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>In Rupees</b>	<b>In Rupees</b>
Job Work Expenses	698,56,596	422,50,521
Powel & Fuel	28411,21,476	27306,80,474
Consumables & Repair Maintenance	8493,41,922	7919,74,632
Printing & Stationery	21,24,668	19,95,346
Insurance	313,05,884	283,29,067
Fees & Taxes	131,89,579	149,59,869
Donation	22,06,021	1,19,600
Legal & Professional Charges	1258,15,535	305,32,714
Postage & Courier Charges	86,27,513	100,71,675
Telephone & Fax Expenses	61,04,086	74,19,711
Statutory Auditors' Remuneration		
-Audit Fee	33,54,541	40,63,450
-Tax Audit Fee	11,59,500	12,00,000
-Reimbursement of Expenses	1,33,700	90,248
-Service Tax	7,49,138	6,05,453
Cost Auditors' Remuneration		
-Audit Fee	-	1,29,000
General Repair & Maintenance	150,35,460	219,92,334
Office Expenses	241,62,733	190,79,290
Festival Expenses	85,64,401	117,08,719
Rent	43,89,005	59,25,766
Travelling & Conveyance	561,54,944	481,20,625
Water Charges	78,73,919	149,49,439
Service Tax Paid	49,73,912	96,95,244
Advertisement	16,39,585	40,79,564
Loss on Sale of Fixed Assets	23,67,694	5,78,623
Security Expenses	2,96,069	4,12,516
Building Repair & Maintenance	24,68,406	22,59,831
Vehicles Expenses	142,02,416	170,75,052
Wealth Tax	6,99,550	7,50,000
Business Promotion	101,73,838	169,88,857
Commission	2180,73,860	3104,38,419
Rebate & Discount	263,85,111	413,65,104
Clearing Forwarding & Freight Outward	4464,25,312	3953,58,479
<b>TOTAL</b>	<b>47989,76,373</b>	<b>45851,99,621</b>

<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		<b>NOTE NO. - 28</b>
<b>PARTICULARS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>In Rupees</b>	<b>In Rupees</b>
Depreciation of Tangible Assets	36361,57,812	26608,86,205
Depreciation of Intangible Assets	304,58,573	70,23,662
<b>TOTAL</b>	<b>36666,16,385</b>	<b>26679,09,868</b>



## **NOTES TO FINANCIAL STATEMENTS**

### **1. Principles of Consolidation**

In preparing consolidated financial statements; the financial statements of parent company and subsidiary are combined on line-by-line basis by adding together the like items of assets, liabilities, income and expenses. The inter group balances and transactions and unrealized profits and losses are fully eliminated.

Minority 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 Company.

Minority 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 company'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.

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

### **2. Significant Policies**

#### **2.1 Employee Benefits**

##### **i) Defined Contribution Plan:**

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.

##### **ii) Defined Benefit Plans (Gratuity):**

The Company has a defined benefit Gratuity plan covering all its employees. Gratuity is covered under a scheme of Life Insurance Corporation of India (LIC) and contribution in respect of such scheme is recognized in the Profit & Loss Account. The liability/asset as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with Accounting Standard 15 on 'Employee Benefit'.

##### **iii) Leave with wages**

Provision for earned leave due for the year is made on the actual valuation as at the close of the year.

#### **2.2 As far as possible, the consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented in the same manner as Company's separate financial statements.**

#### **2.3 Other significant accounting policies**

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

### **29. Contingent Liabilities**

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	(Rs. In Crores)	
	March 31, 2015	March 31, 2014
(i) Export Bills Discounted	55.97	67.28
(ii) Estimated amount of capital contracts remaining to be executed net of advances	249.51	152.78
(iii) Income Tax*	0.17	0.53
(iv) Performance Guarantees issued for export obligations	20.89	495.80
(v) Others (Net of deposit of Rs. Nil crores (Previous Year Rs. 0.07 crores).	-	0.07
(vi) Further to the search and seizure operations by the Income-tax Authorities in September 2013, the Income Tax Department issued notice u/s 153A (1) of the Income Tax Act, 1961, dated March 24, 2014 for submission of Income Tax Returns u/s 153A (1) (a) from Assessment Year 2008-09 to 2013-14 in pursuance of the search conducted u/s 132 of the Income Tax Act, 1961. The Company has filed return in response to notices as required by the authorities. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been made in the books for additional liability for tax, interest and penalty, if any.		

\*includes demand from tax authorities for various matters. The Company/tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management.



### 30. Related Party Disclosures

The related party disclosure in accordance with Accounting Standard-18 "Related Party Disclosures" 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	#Omega Hotels Ltd.	Subsidiary Company
5	SEL Textile Corporation	Foreign Subsidiary Company
6	Silverline Corporation Ltd.	Fellow Subsidiary Company
7	SEL Textiles Overseas Ltd.	Fellow Foreign Subsidiary Company
8	Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
9	Mrs. Sneha Lata Saluja Mrs. Ritu Saluja Mrs. Reema Saluja	Relatives of KMP
10	Shiv Narayan Investments Pvt. Ltd. *Saluja International \$Rythm Textile & Apparels Park Ltd.	Enterprises over which key management personal and relatives of such personal is able to exercise significant influence

\*No transactions have taken place during the year.

# became subsidiary w.e.f. 17.07.2014 which was an associate before that.

\$ cease to exist as associate in March 2015.

### Related Parties Transactions: (Rs. in Crores)

Particulars	Associates		Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Preference Capital Contribution Received in cash	-	-	69.71	-	-	-	69.71	-
Rent Paid	-	-	0.01	0.01	-	-	0.01	0.01
Rent Received	-	0.01	-	-	0.01	-	0.01	0.01
Loan Taken	-	-	4.50	95.57	-	-	4.50	95.57
Managerial Remuneration	-	-	3.82	3.55	-	-	3.82	3.55
Closing Balance of Related Parties Debit/(Credit)	-	0.02	-	-	0.01	21.61	0.01	21.63

31. During the year 2013-14 the Company had identified non-moving, slow moving, obsolete and damaged inventory in finished goods, which was concluded in the same year. An aggregate amount of Rs. 253.08 crores was recognized as reduction in value of inventories due to write down thereof to net realizable value by charging to Profit & Loss Statement as an exceptional item.

32. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with the provisions of Schedule II to the Act. In case of fixed assets which have already completed their useful life in terms of Schedule II of the Act, the carrying value (net of deferred tax) of Rs. 18,992,548/- of such assets as at April 1, 2014 has been adjusted to Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated as per method over the re-calculated remaining life. The depreciation expense charged for the year ended March 31, 2015 would have been lower by Rs. 100.04 crores, had the Company continued with the previously prescribed depreciation rates as per Schedule-XIV of the Companies Act, 1956.

### 33. Earnings Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been in accordance with Accounting Standard (AS)-20 on Earnings per Share issued by the Institute of Chartered Accountants of India.

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



## SEL Manufacturing Company Ltd.

Particulars		Unit	Current Year	Previous Year
Profit after tax before Extra ordinary Items (A)		Rs.	(14946,85,248)	(29434,59,627)
Weighted average number of equity shares (B)		No.	3313,47,000	3313,47,000
Weighted average number of Potential equity shares (C)		No.	-	-
Total (D)		No.	3313,47,000	3313,47,000
Basic EPS (A/B)		Rs.	(4.51)	(8.88)
Diluted EPS (A/D)		Rs.	(4.51)	(8.88)

34. Prior year amounts have been reclassified wherever necessary to conform with current year presentation.

### 35. Segment Reporting

The Company is mainly engaged in the business of manufacturing of textiles consisting of yarn, fabrics and garments. Considering the nature of business and financial reporting of the Company, the Company has only one segment textile as reportable segment. The Company operates in Local & Export segments geographically. The sale for both is separately given, but due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately.

#### a. Primary Segment: Business Segment

The segment other than textile has been classified as other segment.

(Rs. In crores)

Particulars	Textiles		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>						
External Segment	2863.42	3633.18	0.00	0.00	2863.42	3633.18
Other Income	147.74	122.16	0.00	0.00	147.74	122.16
Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<b>3011.17</b>	<b>3755.34</b>	<b>0.00</b>	<b>0.00</b>	<b>3011.17</b>	<b>3755.34</b>
<b>Segment Results</b>	100.89	(48.14)	0.00	0.00	100.89	(48.14)
Operating Profit					100.89	(48.14)
Interest Expense					334.39	421.95
Interest Income					6.21	6.08
Income Taxes					(77.82)	(169.65)
<b>Net Profit</b>					(149.47)	(294.35)
<b>OTHER INFORMATION</b>						
Segment Assets	7011.74	6533.98	0.00	0.00	7011.74	6533.98
Unallocated Corporate Assets					47.76	53.33
<b>Total Assets</b>					7059.50	6587.31
Segment Liabilities	646.54	983.62	0.00	0.00	646.54	983.62
Unallocated Corporate Liabilities					4118.34	3023.24
<b>Total Liabilities</b>					4764.88	4006.86
<b>Capital Expenditures</b>	230.40	260.52	0.00	0.00		
<b>Depreciation</b>	366.66	266.79	0.00	0.00		
<b>Non Cash Expenses other than depreciation</b>	0.00	0.00	0.00	0.00		

#### b. Secondary Segment: Geographical segment

The financial information about geographical segment is presented below:

(Rs. In crores)

	2014-15	2013-14
<b>1. Segment Revenue-External Turnover</b>		
- Within India	1067.69	1916.45
- Outside India	1795.73	1716.73
<b>Total Revenue</b>	<b>2863.42</b>	<b>3633.18</b>
<b>2. Segment Assets</b>		
- Within India	6970.11	6496.70
- Outside India	89.40	90.61
<b>Total Assets</b>	<b>7059.51</b>	<b>6587.31</b>



## SEL Manufacturing Company Ltd.

### 3. Capital Expenditures

- Within India	229.72	260.02
- Outside India	0.68	0.50
<b>Total Assets</b>	<u>230.40</u>	<u>260.52</u>

36. a) The Consolidated Financial Statements present the consolidated accounts of SEL Manufacturing Company Limited with its following subsidiaries.

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest as at	
		31.03.2015	31.03.2014
SEL Textiles Ltd.	India	100.00%	100.00%
SE Exports	India	99.00%	99.00%
SEL Aviation Pvt. Ltd.	India	97.54%	97.54%
Omega Hotels Ltd.	India	97.85%	-
SEL Textiles Corporation	USA	100.00%	100.00%

b) In case of associates where the company directly holds more than 20% of equity investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23- "Accounting for Investments in Associates in Consolidated Financial Statement".

Name of Associates	Country of Incorporation	Proportion of Ownership Interest as at	
		31.03.2015	31.03.2014
Rythm Textile & Apparels Park Ltd.	India	-	33.27%
Omega Hotels Ltd.	India	-	47.85%

For Dass Khanna & Co.  
Chartered Accountants  
Firm Registration No. 000402N

(CA. R.D. Khanna)  
Partner  
M.No. 12391  
Place : Ludhiana  
Date: 30.05.2015

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

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420  
Rahul Kapoor  
Company Secretary



## SEL Manufacturing Company Ltd.

### Form AOC-1

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/Joint ventures

#### PART-A: Subsidiaries

(Rs. in Crores)

Sr. No.	Particulars	SEL Textiles Ltd.	SE Exports	SEL Aviation Pvt. Ltd.	Silverline Corporation Ltd.	SEL Textiles Corporation	Omega Hotels Ltd.
1.	Share Capital	127.05	0.45	4.09	4.14	0.06	4.99
2.	Reserves & Surplus	341.63	-	9.63	36.46	(0.01)	0.99
3.	Total assets	2126.01	0.46	14.03	40.82	0.05	6.57
4.	Total liabilities	2126.01	0.46	14.03	40.82	0.05	6.57
5.	Investments	81.03	-	-	-	-	-
6.	Turnover	785.37	-	0.73	16.29	-	0.001
7.	Profit before taxation	(93.17)	(0.04)	(1.40)	0.12	-	0.00
8.	Provision for taxation	(31.11)	-	(4.26)	0.03	-	0.00
9.	Profit after taxation	(62.06)	(0.04)	2.86	0.09	-	0.00
10.	Proposed dividend	-	-	-	-	-	-
11.	% of Share holding	100%	99%	97.54%	98.79%	100%	97.85%
12.	Reporting currency and Exchange rate as on the last date of F.Y. for foreign	-	-	-	-	US\$ Exchange Rate as on 31.03.2015 : 62.5908	

Name of subsidiaries which are yet to commence operations:	Names of subsidiaries which have been liquidated or sold during the year:
1. Omega Hotels Ltd. 2. SEL Textiles Corporation	1. SEL Textiles Overseas Ltd.

#### 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	1. Rythm Textile & Apparels Park Ltd.

(Neeraj Saluja)  
Managing Director  
DIN: 00871939

(Navneet Gupta)  
Executive Director  
DIN: 02122420

Rahul Kapoor  
Company Secretary

## SEL MANUFACTURING COMPANY LIMITED

Registered Office: 274, Dhandari Khurd, G.T. Road, LUDHIANA 141 014 (Punjab)

Ph.: 91-161-6611111, Fax : 91-161-6611112

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	
DP. ID* :		Folio No.:	
Client ID* :		Email ID	

I/We, being the member/members of SEL MANUFACTURING COMPANY LIMITED, hereby appoint:

1. Name _____	2. Name _____	3. Name _____
Address _____	Address _____	Address _____
E-mail id _____	E-mail id _____	E-mail id _____
Signature _____ or failing him/her	Signature _____ or failing him/her	Signature _____

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 Wednesday, the 30<sup>th</sup> day of September, 2015 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 Accounts of the Company for the year ended 31st March 2015, together with the Report of the Directors & auditors thereon.
	b)	Adoption of the Audited Consolidated Financial Statements of the Company for the year ended 31st March 2015, together with the Report of the Auditors thereon.
2		Re-appointment of Shri Navneet Gupta, (DIN: 02122420) a Director of the Company who retires by rotation
3		Appointment of Auditors and fixing their remuneration

#### Special Business

4		Appointment of Ms. Paramjit Kaur (DIN: 07141638) as an Independent Director of the Company for a term of upto five years.
5		Ratification of remuneration payable to Cost Auditors, M/s Jatin Sharma & Co., Cost Accountants, for the year 2015-16.
6		Special Resolution for payment of remuneration to Mr. Neeraj Saluja as Managing Director of the Company.
7		Special Resolution for payment of remuneration to Mr. Dhiraj Saluja as Jt. Managing Director of the Company.
8		Special Resolution for payment of remuneration to Mr. Navneet Gupta, as Executive Director & CFO of the Company.
9		Special Resolution for payment of remuneration to Mr. Vinod Kumar Goyal, as Executive Director & CEO of the Company.
10		Special Resolution for confirmation of re-appointment and remuneration of Mr. Neeraj Saluja as Managing Director of the Company.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Here

\* Applicable for shareholders holding shares in electronic form.

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.: 91-161-6611111, Fax : 91-161-6611112

Website: www.selindia.in

CIN : L51909PB2000PLC023679

**ATTENDANCE SLIP**

**15th Annual General Meeting September 30, 2015**

Folio No./DP and Client ID (as applicable)

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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 15th 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 Wednesday, the 30<sup>th</sup> day of September, 2015 at 9.30 A.M

Name of the member/proxy

Signature of member/proxy

(in Block Letters)

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.

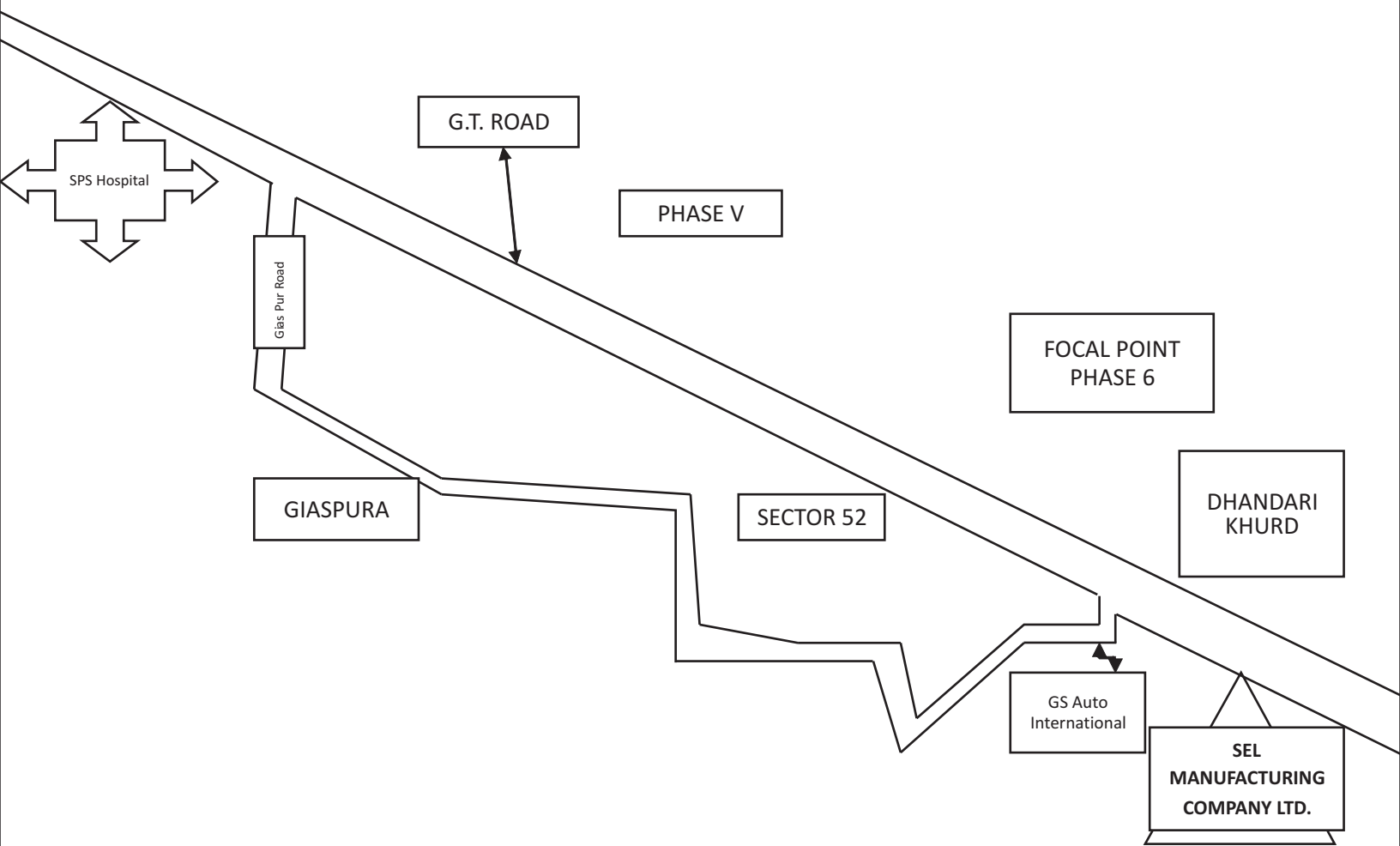
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**ROUTE MAP TO THE VENUE OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING**

**Venue: SEL MANUFACTURING COMPANY LIMITED**

**274, DHANDARI KHURD, G.T. ROAD, LUDHIANA -141014 (PUNJAB)**







**SEL Manufacturing Company Ltd.**

## Notes

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a guide for writing. There are no margins, text, or other markings on the paper.

*If undelivered, please return to :*  
**SEL MANUFACTURING COMPANY LIMITED**  
274, Dhandari Khurd, G.T. Road,  
Ludhiana 141014  
Punjab, (India)