



SEL MANUFACTURING COMPANY LIMITED

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

CIN: L51909PB2000PLC023679

Tel: +91-161-7111117, Fax: +91-161-7111118, Email: cs@selindia.in

Website: www.selindia.in

08th September, 2025

To

BSE Limited

Department of Corporate Services
25th Floor, PJ Towers, Dalal Street, Mumbai-
400001

National Stock Exchange of India Limited

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

Scrip Code: 532886

Symbol: SELMC

Sub: Notice of 25th Annual General Meeting

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

Dear Sir,

The 25th Annual General Meeting ('AGM') of the Company is scheduled to be held on Tuesday, the 30th day of September, 2025 at 11:00 A.M. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 29, Regulation 34 read with Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of the Annual Report for the Financial Year 2024-25 including Notice of 25th Annual General Meeting containing all the business to be transacted at the AGM.

The same is being circulated to the Members of the Company. The above documents are also available on the website of the Company i.e. http://www.selindia.in/annual_report.html

This is for your reference and records.

Thanking you,

Yours faithfully,

For SEL MANUFACTURING COMPANY LIMITED

Naveen Arora

Whole-time Director

DIN: 09114375



SEL MANUFACTURING COMPANY LIMITED

ANNUAL REPORT

2024-25



SEL MANUFACTURING COMPANY LIMITED

BOARD OF DIRECTORS

Ms. Meghna Mahendra Savla
Mr. Rajeev Bhalla
Mr. Dharminder Pal
Mr. Shashankrai
Ms. Menka Rajdev Yadav
Mr. Naveen Arora

Chairperson- Independent Director
Managing Director Cum CEO
Additional Director
Director
Independent Director
Whole-time Director

Auditors:

Kamboj Malhotra & Associates
Chartered Accountants,
B-XX-2815, IInd Floor, Gurdev
Nagar, Pakhowal Road,
Ludhiana- 141001 Punjab

Registered Office:

274, Dhandari Khurd,
G. T. Road,
Ludhiana (Punjab) 141014
CIN: L51909PB2000PLC023679
Email: cs@selindia.in
Contact: +91 161 7711177
Website: www.selindia.in

Registrar & Transfer Agent

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
Noble Heights, 1st Floor,
Plot No. NH2, LSC, C-1 Block,
Near Savitri Market, Janakpuri,
New Delhi-110058
Phone No: 011- 41410592,
Fax no: 011- 41410591
E-mail delhi@linkintime.co.in

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of the Company will be held on Tuesday, the 30th Day of September, 2025 at 11.00 A.M. (IST) through Video Conferencing / Other Audio Visual Means to transact the following business (es):

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2025 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, and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution(s):

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2025 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, as circulated to the members, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Shashankrai, (DIN: 08916697), who retires by rotation and being eligible offers himself for reappointment, and in this regard, 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 Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time and pursuant to any other Regulations, as may be applicable, Mr. Shashankrai, (DIN: 08916697), who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the Company liable to retire by rotation”

SPECIAL BUSINESS:

3. **Ratification of Remuneration payable to Cost Auditors for the Financial Year 2025-26:**

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 2025-26 amounting to Rs.77,000 exclusive of GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

4. **Regularization of the appointment of Ms. Meghna Mahendra Savla (DIN: 09152133), as an Independent Director of the Company for a term upto five consecutive years commencing from 05th August, 2025.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 161 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Ms. Meghna Mahendra Savla (DIN: 09152133)**, be and is hereby appointed as Director (Independent Director) of the Company to hold office for a term upto five consecutive years commencing from 05th August, 2025.”

5. **Regularization of the appointment of Ms. Menka Rajdev Yadav (DIN: 11220201), as an Independent Director of the Company for a term upto five consecutive years commencing from 05th August, 2025.**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 161 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Ms. Menka Rajdev Yadav (DIN: 11220201)**, be and is hereby appointed as Director (Independent Director) of the Company to hold office for a term upto five consecutive years commencing from 05th August, 2025.”

6. **Regularization of the appointment of Mr. Dharminder Pal (DIN: 11229145), as a Non - Executive, Non-Independent Director of the Company for a term upto five consecutive years commencing from 05th August, 2025.**

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 152, 161 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr. Dharminder Pal (DIN: 11229145)**, who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 05th August, 2025 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director (Non-Executive, Non-Independent) of the Company to hold office for a term upto five consecutive years commencing from 05th August, 2025.”

7. To approve appointment of M/s Lal Ghai & Associates, Practising Company Secretaries as secretarial auditors of the company for the period of Five Consecutive Years commencing from Financial Year 2025-26 to 2029-30:

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 Section 204 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), **M/s Lal Ghai & Associates**, Company Secretaries, Ludhiana (Registration No. P2014PB033300) be and are hereby appointed as Secretarial Auditors of the Company for the period of Five consecutive Years from Financial Year 2025-26 to 2029-30 at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to file requisite forms with the Registrar of Companies for the aforesaid appointment of Secretarial Auditor, to sign necessary papers and documents and to take all such steps as may be deemed necessary to give effect to the said resolution.”

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 08.09.2025
Place: 274, Dhandari Khud, G.T. Road,
Ludhiana- 141014 (Punjab)

Naveen Arora
Wholetime Director cum CFO
DIN: 09114375

NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, social distancing norm is to be followed. Accordingly, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated 25th September, 2023, Circular No. 09/2024 dated 19th September, 2024 and Securities and Exchange Board of India (SEBI) vide its Circular No. S E B I / H O / C F D / C M D 1 / CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/ 2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of members at a common venue. Thus, in compliance with the said Circulars, the 25th Annual General Meeting (AGM) of the Company will be held through video conferencing (VC) or other audio visual means (OAVM). Members can attend and participate in the AGM through VC/OAVM.
2. The Explanatory 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.
3. The Registered office of the company shall deemed to be the venue of the Meeting.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013, body corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by Securities Exchange Board of India (collectively referred to as “SEBI Circulars”), the Notice calling the AGM along with Annual Report for the year 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Depositories. Members may note that Notice and Annual Report 2024-25 has been uploaded on the website of the Company. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under other Requirements regarding the Director who is proposed to be appointed/re-appointed is given in the annexure to the Notice.
9. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Company's Registrar and Transfer Agent: M/s. MUFG Intime India Private Limited for assistance in this regard.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and Bank Details by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their self-attested copy of PAN card and bank details along with Original cancelled cheque leaf/attested bank passbook showing name of account holder and address, to the Registrar and Share Transfer Agents, M/s. MUFG Intime India Private Limited.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, etc. will be available for inspection in electronic mode during the AGM. All other documents referred to in the Notice will be available for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM i.e. Tuesday, the 30th Day of September, 2025.
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, and December 28, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed the services of Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
14. The members who have voted through remote e- voting will be eligible to attend the AGM but they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND EVOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1. The voting period begins on Saturday, 27th day of September, 2025 (09:00 A.M.) and ends on Monday, 29th day of September, 2025 (05:00 P.M.). 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 Monday, 22nd September, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option

	where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

5. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

8. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the EVSN for SEL Manufacturing Company Limited on which you choose to vote.
10. 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.
11. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
12. 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.
13. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
15. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
16. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
17. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at csumitghai@gmail.com and to the Company at the email address viz; cs@selindia.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@selindia.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@selindia.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

Other instructions:

1. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cutoff date.
2. The Company has appointed Mr. Sumit Ghai Partner of M/s Lal Ghai & Associates, Practising Company Secretary (Membership No. F10253), to act as the Scrutinizer to the e-voting process i.e. votes cast during the AGM and votes cast through remote e-voting, in a fair and transparent manner.
3. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM.
4. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company i.e. www.selindia.in on the website of CDSL i.e. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
5. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting i.e. Tuesday, the 30th Day of September, 2025.
6. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cutoff date i.e. 22nd September, 2025 may follow the same instructions as mentioned above for e-Voting.
7. A person who is not a Member as on the cutoff date i.e. 22nd September, 2025 should treat this Notice for information purposes only.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3 OF SPECIAL BUSINESS:

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 2025-26 at a remuneration of Rs. 77,000/- excluding the applicable GST and reimbursement of out of pocket expenses incurred by him in connection with the audit. As per Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the members of the Company.

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).

The Board recommends this Resolution for your approval.

ITEM NO. 4 OF SPECIAL BUSINESS:

The appointment of Ms. Meghna Mahendra Savla (DIN: 09152133), as a Director (Independent Director) of the Company is recommended for the approval of members. 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. The Board of Directors of your Company have appointed

Ms. Meghna Mahendra Savla (DIN: 09152133), as an additional Director (Independent) of the Company for a term upto five consecutive years commencing from 05th August, 2025, subject to the confirmation of her appointment by the members of the Company.

Ms. Meghna Mahendra Savla (DIN: 09152133), has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. 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. Meghna Mahendra Savla (DIN: 09152133), as an Independent Director is now being placed before the members in General Meeting for their approval.

In the opinion of the Board, Ms. Meghna Mahendra Savla (DIN: 09152133), fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and she is independent of the management. Ms. Meghna Mahendra Savla (DIN: 09152133), is interested and concerned in this Resolution. Other than that Ms. Meghna Mahendra Savla (DIN: 09152133), 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 SEBI (LODR) Regulations.

The Board recommends this Resolution for your approval.

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

ITEM NO. 5 OF SPECIAL BUSINESS

The appointment of Ms. Menka Rajdev Yadav (DIN: 11220201), as a Director (Independent Director) of the Company is recommended for the approval of members. 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. The Board of Directors of your Company have appointed Ms. Menka Rajdev Yadav (DIN: 11220201), as an additional Director (Independent) of the Company for a term upto five consecutive years commencing from 05th August, 2025, subject to the confirmation of her appointment by the members of the Company.

Ms. Menka Rajdev Yadav (DIN: 11220201), has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. 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. Menka Rajdev Yadav (DIN: 11220201), as an Independent Director is now being placed before the members in General Meeting for their approval.

In the opinion of the Board, Ms. Menka Rajdev Yadav (DIN: 11220201), fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and she is independent of the management. Ms. Menka Rajdev Yadav (DIN: 11220201), is interested and concerned in this Resolution. Other than that Ms. Menka Rajdev Yadav (DIN: 11220201), 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 SEBI (LODR) Regulations.

The Board recommends this Resolution for your approval.

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

ITEM NO. 6 OF SPECIAL BUSINESS

Mr. Dharminder Pal (DIN: 11229145), was appointed as an Additional Director (Non-Executive, Non-Independent) of the Company w.e.f. 05th August, 2025, who will hold office up to the conclusion of next Annual General Meeting of the Company to be held on 30th September 2025 in the terms of section 161 of the Companies Act 2013.

A brief Profile of proposed Director, is also included in Annexure to the Notice. Mr. Dharminder Pal (DIN: 11229145), is interested and concerned in this Resolution.

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

The Board recommends the Ordinary Resolution set out at Item No 6 of the Notice for approval by the shareholders.

ITEM NO. 7 OF SPECIAL BUSINESS

M/s Lal Ghai & Associates is Peer Reviewed Firm having more than 11 year professional experience having wide range of Legal, Secretarial and Taxation matters and provide services to various Listed/Unlisted entities, Banks and other Institutions. While recommending M/s Lal Ghai & Associates for appointment, the Board and the Audit Committee evaluated various factors, including their capability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, the clientele it serves, and its technical expertise. Renowned for its commitment to quality and precision, the firm has been Peer Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices. The Firm focused on providing comprehensive professional services in corporate law, SEBI regulations, FEMA compliance, and allied fields, delivering strategic solutions to ensure regulatory adherence and operational efficiency.

The terms and conditions for appointment of M/s Lal Ghai & Associates are as follows:

- Tenure - 05 consecutive years, to conduct the Secretarial Audit of five consecutive financial years commencing from 01st April 2025, until 31st March, 2030;
- The services to be rendered by M/s Lal Ghai & Associates as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

M/s Lal Ghai & Associates has provided its consent to act as the Secretarial Auditor of the Company and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the Listing Regulations.

Accordingly, the consent of the shareholders is sought for the appointment of M/s Lal Ghai & Associates as the Secretarial Auditor of the Company.



None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, in the Resolution set out in Item No. 7 of this Notice

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 08.09.2025
Place: 274, Dhandari Khud, G.T. Road,
Ludhiana- 141014 (Punjab)

Naveen Arora
Wholetime Director cum CFO
DIN: 09114375

Annexure to Notice

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36 (3) of the Listing Regulations)

Name of the Director	Mr. Shashankrai
DIN	08916697
Age	44 years
Date of Appointment	March 13, 2021
Qualification	Post Graduate
Nature of his expertise in specific functional areas	Strategy, Leadership & Entrepreneurship
Names of the other listed entities in which the person also holds the Directorship	NA
The membership of the committees of the board of other Listed Entities	NA
Disclosure of Relationship between Directors	Not Related
Equity Shareholding	NA

Name of the Director	Ms. Meghna Mahendra Savla
DIN	09152133
Age	35 years
Date of Appointment	05 th August, 2025
Qualification	Company Secretary
Nature of his expertise in specific functional areas	Robust experience in corporate compliance, governance and regulatory affairs.
Names of the other listed entities in which the person also holds the Directorship	<ol style="list-style-type: none"> 1. MSL Global Limited 2. Omnitex Industries (India) Limited 3. Parshva Enterprises Limited
The membership of the committees of the board of other Listed Entities	<ol style="list-style-type: none"> 1. MSL Global Limited - Audit Committee (Member) 2. MSL Global Limited - Nomination and remuneration Committee (Member) 3. Omnitex Industries (India) Limited- Audit Committee (Member) 4. Omnitex Industries (India) Limited - Nomination and remuneration Committee (Member)

	5. Omnitex Industries (India) Limited - Stakeholder Relationship Committee (Member) 6. Parshva Enterprises Limited- Nomination and remuneration Committee (Member)
Disclosure of Relationship between Directors	Not Related
Equity Shareholding	NA

Name of the Director	Ms. Menka Rajdev Yadav
DIN	11220201
Age	35 years
Date of Appointment	05 th August, 2025
Qualification	Qualified Company Secretary
Nature of his expertise in specific functional areas	Extensive experience in corporate compliance, secretarial practices, and regulatory affairs
Names of the other listed entities in which the person also holds the Directorship	NA
The membership of the committees of the board of other Listed Entities	NA
Disclosure of Relationship between Directors	Not Related
Equity Shareholding	NA

Name of the Director	Mr. Dharminder Pal
DIN	11229145
Age	39 years
Date of Appointment	05 th August, 2025
Qualification	Graduate
Nature of his expertise in specific functional areas	Skilled in strategic planning, business development and operations.
Names of the other listed entities in which the person also holds the Directorship	NA
The membership of the committees of the board of other Listed Entities	NA
Disclosure of Relationship between Directors	Not Related
Equity Shareholding	NA

DIRECTORS' REPORT

To
The Members
SEL Manufacturing Company Limited

The Directors hereby present the **25th** Annual Report on the affairs of the company together with Audited Financial Statements for the financial year ended **31st March, 2025**.

1. FINANCIAL RESULTS:

	Current Year	(Rs in Lakhs) Previous Year
	2024-25	2023-24
Revenue from Operations	3,286.91	37,427.31
Other Income	27.84	1 70.80
Total	3,314.75	37,598.11
Less:		
Expenditure	11,237.66	48,900.67
Depreciation & Amortisation	9,374.34	9,515.64
Profit/(loss)before exceptional items and tax:	(17,297.25)	(20,818.20)
Exceptional Items	4,225.26	1,522.87
Profit/(Loss) before tax	(13,071.99)	(19,295.33)
Less: Taxes	-	-
Profit/(Loss)from continuing Operations	(13,071.99)	(19,295.33)
Profit/(Loss)from discontinuing Operations	-	-
Profit/(Loss) for the period	(13,071.99)	(19,295.33)
Other Comprehensive Income	(2,199.72)	(1,185.51)
i)Items that will not be reclassified		
to Profit or loss	24.15	453.39
ii) Items that will be reclassified to Profit or loss	(2,223.87)	(1,638.90)
Total Comprehensive Income/(Loss)for the Period	(15,271.71)	(20,480.84)

2. BUSINESS:

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

3. STATE OF COMPANY'S AFFAIRS:

During the year under review, your company has Revenue from Operations of **Rs. 3,286.91 lacs** as compared to **Rs. 37,427.31 lacs** in the previous year. After deducting Expenses there was a loss of **Rs. 17,297.25 lacs** as compared to loss of **Rs. 20,818.20 lacs** during the previous year. After adjusting Exceptional Items there was Loss of **Rs. 13,071.99 lacs** as compared to loss of **Rs. 19,295.33 lacs** during the previous year. After providing for other adjustments/comprehensive income, the current year Loss stood at **Rs. 15,271.71 lacs** as compared to the Loss of **Rs. 20,480.84 lacs** during the previous year.

Earlier, the Company went through Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code (IBC), 2016, pursuant to an application filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by State Bank of India against SEL Manufacturing Company Limited ("Corporate Debtor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the

rules and regulations framed thereunder, as amended from time to time (“Code”), The Hon’ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 had approved the Resolution plan submitted by Consortium of Arr Ess Industries Private Limited and Leading Edge Commercial FZE (“Consortium” or “Resolution Applicant”) in respect of SEL Manufacturing Company Limited (“Company”). Pursuant to the Corporate Insolvency Resolution Process, the Company has been taken over by new management.

The Company has been regularly paying interest and instalments as per terms of resolution plan and there has never been a delay of even a single day in any of the months. Despite the foregoing compliance by the Company, the Company has received a notices from certain banks declaring the name of the Company as wilful defaulter. Post implementation of the resolution plan, certain actions were required to be taken sequentially by the resolution applicant, company and the lenders. First of all, joint documents were required to be executed and the same was done. Post that the resolution applicant was required to bring in Rs.50.00 crores. The same were brought in by the resolution applicant and it was used for making payments to financial creditors & operational creditors. Thereafter, a security trustee was appointed. After that equity shares & debentures were allotted to the lenders and the equity shares allotted to the resolution applicant were pledged with the lenders. As per terms of resolution plan, term loan-II of Rs.50.00 crores was required to be repaid and the same was duly done.

During the intervening period of one year, the lenders were required to take steps for removal of Company name from the CIBIL and fraud list and issue a satisfaction letter for removal of redundant charges of about Rs.12000 crores from MCA records. However, despite repeated reminders and requests from the Company nothing in this regard has been done by the banks. In fact, two of the bankers have included the name of the new directors in the CIBIL list even though the interest and instalments are being served on time. Due to this, the Company has not been able to obtain external rating.

The Company is finding it very difficult to raise finances from the market as the name of the Company and the new directors still appears in the CIBIL list and fraud list. Not only this, the Company is also not able to get business from international and domestic buyers as most of these buyers ask for credit rating before placing the orders. However, as the name of Company appears in CIBIL and fraud list and also because of redundant charges of Rs.12000 crores standing in the name of the Company, the Company is unable to get credit rating and consequently unable to generate orders from international buyers. All this is severely hampering the business of the Company.

The resolution applicant had estimated certain financial projections relating to sales and profitability while submitting the resolution plan with committee of creditors. Based on these financial projections, the repayment of loans and payment of interest was scheduled. However, due to reasons mentioned above, the Company is finding it very difficult to achieve the estimated sales and the company continues to incur losses. Due to continuation of situation, servicing of financial obligations is becoming difficult.

4. SUBSIDIARY COMPANY/FIRM(S):

SEL Aviation Private Limited, which was a subsidiary of the Company, has been struck off from the Register of Companies and dissolved with effect from 25th November 2023.

Accordingly, as on the date, the Company does not have any subsidiary as per the provisions of the Companies Act, 2013.

5. CONSOLIDATED FINANCIAL STATEMENTS:

Since the Company did not have any subsidiary during the financial year under review, the preparation of Consolidated Financial Statements is not applicable.

6. 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. Detailed compliances with the provisions of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013 for the year 2024-25 are given in Corporate Governance Report, which is attached and forms part of this report. The certificate of Chartered Accountant in Practice on compliance with corporate governance norms is also attached thereto.

7. DIVIDEND:

The directors have not recommended any dividend for the financial year 2024-25. Further, the dividend distribution policy is annexed and marked as **Annexure – E**.

8. AMOUNTS TRANSFERRED TO ANY RESERVES:

The Company has not transferred any amount to any reserves during the financial year.

9. SHARE CAPITAL:

There was no change in the Capital structure of the Company during the year, Further, the company has not issued any Equity Shares with Differential Rights, Employee Stock Options and/or Sweat Equity Shares.

10. 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.

11. SECRETARIAL STANDARDS:

The Company has complied with applicable secretarial Standards.

12. DIRECTORS AND KMP:

The following changes occurred in the directorship of the company during the period under review:-

1. **Ms. Nidhi Aggarwal** (DIN: 09149030) Independent Director of the company, resigned from the directorship of the company and accordingly she ceased to hold the office of director of the company w.e.f. 14th May, 2024.
2. **Ms. Meghna Mahendra Savla** (DIN: 09152133) Independent Director & Chairperson of the company, resigned from the directorship of the company and accordingly she ceased to hold the office of director of the company w.e.f. 14th May, 2024.
3. **Mrs. Seema Singh** (DIN: 10042852) was appointed as Additional Director (Independent Director) of the company w.e.f. 22nd May, 2024.

4. **Mr. Manjit Singh Kochar** (DIN: 08298764) was appointed as Additional Director (Independent Director) of the company w.e.f. 22nd May, 2024.
5. **Mr. Manjit Singh Kochar** (DIN: 08298764) was designated as chairperson of the company w.e.f. 22nd May 2024.
6. **Mr. Dinesh Kumar Mehtani** (DIN: 08909769), Director of the Company, retires by rotation at Annual General Meeting and being eligible offered himself for re-appointment. The shareholders approved the re-appointment at the AGM.
7. **Mrs. Seema Singh** (DIN: 10042852) was appointed as a Director (Independent Director) of the Company to hold office for a term upto five consecutive years commencing from 22nd May, 2024.
8. **Mr. Manjit Singh Kochar** (DIN: 08298764) was appointed as a Director (Independent Director) of the Company to hold office for a term upto five consecutive years commencing from 22nd May, 2024.
9. **Mr. Sumit Sushil Jain** (ACS A66642) an associate member of the Institute of Company Secretaries of India was appointed as Company Secretary cum Compliance Officer of the company w.e.f. 12th March, 2025.

The following changes occurred in the directorship and KMP of the company after the closure of financial year ending on 31st March, 2025 but before signing of this report :-

1. **Mr. Dinesh Kumar Mehtani** (DIN: 08909769), Director of the company, resigned from the directorship of the company and accordingly he ceased to hold the office of director of the company w.e.f. 18th July, 2025.
2. **Mrs. Seema Singh** (DIN: 10042852), Independent Director of the company, resigned from the directorship of the company and accordingly she ceased to hold the office of director of the company w.e.f. 29th July, 2025.
3. **Mr. Manjit Singh Kochar** (DIN: 08298764), Independent Director of the company, resigned from the directorship of the company and accordingly he ceased to hold the office of director of the company w.e.f. 29th July, 2025.
4. **Mr. Navneet Gupta**, Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the company, resigned from the position of CFO and KMP of the company and accordingly he ceased to hold the office of the company w.e.f. 31st July, 2025.
5. **Mr. Naveen Arora** (DIN: 09114375), whole-time Director was appointed as CFO (Chief Financial Officer) of the Company w.e.f. 05th August, 2025.
6. **Ms. Meghna Mahendra Savla** (DIN: 09152133) was appointed as an additional director (Independent) on the board of the company w.e.f. 05th August, 2025.

7. **Ms. Menka Rajdev Yadav** (DIN: 11220201) was appointed as an additional director (Independent) on the board of the company w.e.f. 05th August, 2025.
8. **Mr. Dharminder Pal** (DIN: 11229145) was appointed as an additional director (Non-Executive, Non-Independent) on the board of the company w.e.f. 05th August, 2025.
9. **Ms. Meghna Mahendra Savla** (DIN: 09152133) was designated as chairperson of the company w.e.f. 05th August, 2025.
10. **Mr. Sumit Sushil Jain** resigned from the post of Company Secretary & Compliance Officer of the company w.e.f. 11th August, 2025.

Further, the Board of Directors have recommended –

Mr. Shashankrai (DIN: 08916697), Director of the Company, retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Details of appointment and terms are given in detail in the Notice/Annexure to Notice for the ensuing Annual General Meeting. The Board recommended his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

13. BOARD COMMITTEES

The Company has constituted the following committees in compliance with the Companies Act, 2013 and the Listing Regulations.

Audit Committee
Nomination and Remuneration Committee
Stakeholders' Relationship Committee
Risk Management Committee

All these committees have been established as a part of the best corporate governance practices. There have been no instances where the Board has not accepted any recommendation of the aforesaid committees. The details in respect to the compositions, powers, roles, and terms of reference etc., are provided in the Corporate Governance Report forming part of this report.

17. 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 the Listing fees to the Both Stock exchanges for financial year 2024-25. Invoices for the listing fees have been generated for FY 2025-26. However, payment for the same is yet to be made.

18. AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the company at its Annual General Meeting held on 22nd September, 2022, had appointed M/s Kamboj Malhotra & Associates, (Formerly Known as M/s Malhotra Manik & Associates), Chartered Accountants, Ludhiana, (Firm Registration No. 015848N), as statutory auditors of the Company. The present term of M/s Kamboj Malhotra & Associates, as Statutory Auditors would expire till the conclusion of the Annual General Meeting of the Company to be held in the year 2027.

19. AUDITORS' REPORT:

M/s Kamboj Malhotra & Associates, (Formerly Known as M/s Malhotra Manik & Associates), Chartered Accountants, Ludhiana, (Firm Registration No. 015848N), have audited the financial statements of the Company for the financial year ended March 31, 2025. The report of Auditors and notes on accounts are self-explanatory and do not call for any further comment. Further, The Auditors' Report contain following Remarks/ Qualified Opinion in the report:

Auditor Remarks	Director's Comment
<i>The Company is required to determine impairment in respect of Property, Plant & Equipment and Capital Work in Progress as per the methodology prescribed under the said Ind AS. However the Management of the Company has not done impairment testing for the reasons explained in the note. In the absence of any working for impairment of the Property, Plant & Equipment and Capital Work in Progress as per Ind AS 36, the impact of impairment, if any on the IND AS financial Statements is not ascertainable.</i>	<i>The company has not carried out an impairment assessment of its Property, Plant & Equipment & Capital Work in Progress as at the Balance Sheet Date, due to prevailing financial Constraints. The company's manufacturing facilities remained non-operational for the majority of the Units, indicating potential impairment indicators. However, no impairment loss has been recognized during the year.</i>

20. COST AUDITORS:

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year and accordingly such accounts and records are made and maintained. The Board appointed M/s. Jatin Sharma & Co., Cost Accountants, as cost auditors of the Company for the financial year 2025-26 at a fee of INR 77,000 plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing annual general meeting. The cost audit report for the financial year ended March 31, 2025 would be filed with the Central Government.

21. BOARD MEETINGS:

During the year under review, the Board met Four (4) times and the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013. The details of Board Meeting are set out in Corporate Governance Report which forms part of this Annual Report.

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

The meeting of Independent Directors of the Company for the financial year 2024-25 was held on 14th November, 2024, to evaluate the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole. The evaluation was done by way of discussions on the performance of the Non-Independent Directors, Chairperson and Board as a whole. A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for

performance evaluation of non-executive directors and executive directors has been formulated by the Company.

The Board of Directors has evaluated the performance of the Board, its Committees and the Individual Directors as per the Nomination and Remuneration Policy.

23. POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION:

The Nomination & Remuneration Committee of the Company has formulated the 'Nomination & Remuneration Policy' on Director's appointment and remuneration which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013. The Nomination & Remuneration Policy is annexed hereto and forms part of this Report as Annexure D and is also available on the website of the Company at <http://www.selindia.in/uploads/Policies-and-Codes/8-Remuneration-Policy.pdf>

24. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

Not Applicable, during the year under review.

25. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not Applicable, during the year under review.

26. DECLARATION BY INDEPENDENT DIRECTORS:

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.

27. RISK MANAGEMENT:

The Risk Management Policy required to be formulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management policy may be accessed on the Company's website at <http://www.selindia.in/uploads/Policies-and-Codes/17-Risk-Management-Policy.pdf>.

28. LOANS, GUARANTEES & 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.

29. MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS:

The Company went through Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code (IBC), 2016, pursuant to an application filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by State Bank of India against SEL Manufacturing Company Limited ("Corporate Debtor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code"), The Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 had approved the Resolution plan submitted by Consortium of Arr Ess Industries Private Limited and Leading Edge Commercial FZE ("Consortium" or "Resolution Applicant") in respect of SEL Manufacturing Company Limited ("Company").

30. MATERIAL CHANGES & COMMITMENTS:

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2024-25 and till the date of this report.

31. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in SEL through various interventions and practices. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company believes in prevention of harassment of employees as well as contractors. During the year ended 31 March, 2025, no complaints pertaining to sexual harassment were received.

32. RELEVANT EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013 read with the rules made thereunder, the Annual Return of the Company has been disclosed on the website of the Company and web link thereto is <http://www.selindia.in/annual-return.html>.

33. SECRETARIAL AUDIT:

M/s Lal Ghai & Associates, Ludhiana (CP No. 14807), were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company for the financial year 2024-25. The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the financial year ended 31st March, 2025. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure F**.

34. RELATED PARTY TRANSACTION:

The Company has a policy to regulate the transactions of the Company with its related parties. As per policy, all related party transactions require approval as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The said policy is available on Company's website at weblink <http://www.selindia.in/uploads/Policies-and-Codes/9-Policy-on-Related-Party-Transactions.pdf>. Further, the Company has also formulated a policy for determining 'material' subsidiaries. The said policy is available on the Company's website viz. www.selindia.in/policy.html. Details of transactions are also given in **Annexure A** to this report in form **AOC 2**.

35. 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.

36. INTERNAL FINANCIAL CONTROLS & 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.

37. 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 initiatives proposed by the Company and updated on changes and developments in the domestic & global corporate and industry scenario. The details of the familiarization program for Directors is available on the website of the Company viz. <http://www.selindia.in/uploads/Policies-and-Codes/11-Familization-Programme-Policy.pdf>

38. AUDIT COMMITTEE:

The Board has constituted its Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2025, The Audit Committee of the Company comprises of the following members namely:

- 1) Mr. Manjit Singh Kochar
- 2) Mr. Dinesh Kumar Mehtani
- 3) Mrs. Seema Singh

Mr. Manjit Singh Kochar is the Chairman of the said committee.

However, after the closure of the financial year, due to changes in the Directorship of the company, the audit committee was reconstituted with following members:

Sr. No.	Name of Director	Designation
1.	Meghna Mahendra Savla	Chairperson
2.	Menka Rajdev Yadav	Member
3.	Dharminder Pal	Member

39. DEPOSITS

The company has received loan from entities as falls under Rule 2(1)(c) which shall not be considered as deposits as per Companies (Acceptance of Deposits) Rules, 2014 under the Companies Act, 2013.

40. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

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

41. 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- C** to this report and forms part of this report.

42. BUSINESS RESPONSIBILITY REPORT:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the Business Responsibility & Sustainability Report as part of the Annual Report for top 1000 listed entities based on market capitalization, However, this year the company does not fall under the top 1000 listed entities based on market capitalization, hence there is no requirement to prepare such report.

43. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts/financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit/loss of the Company for the year ended on 31st March, 2025;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts/financial statements have been prepared on a going concern basis.



- e) 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.
- f) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

44. CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the Company based on Annual Financial Statements.

45. ACKNOWLEDGEMENT:

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.

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 14.08.2025
Place: 274, Dhandari Khud,
G.T. Road, Ludhiana – 141014 (Punjab)

NAVEEN ARORA
Whole-time Director
DIN: 09114375

RAJEEV BHALLA
Managing Director
DIN: 0551773

ANNEXURE- A 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 arm's length transaction under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/ arrangements/ transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

The company does not entered into any such transactions as prescribed under Section 188 (1) of the Companies Act, 2013. Therefore, the details mentioned in aforesaid table are reported as 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.

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 14.08.2025
Place: 274, Dhandari Khud, G.T. Road,
Ludhiana – 141014 (Punjab)

NAVEEN ARORA
Whole-time director
DIN: 09114375

RAJEEV BHALLA
Managing Director
DIN: 0551773

ANNEXURE- B TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

i) Steps taken or Impact on conservation of energy:

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

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

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

iii) Capital Investment on energy conservation equipment etc.:

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

(a) Captive Power Plant (CPP Turbine)	2024-25*	2023-24
Units (Lac)	-	43.39
Husk per Unit (kg)	-	1.83
Cost/Unit (Rs.)	-	11.57

*During the year, the company has not operated power plant.

B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

Specific areas in which R & D activities/Technology Absorption were carried out

- 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 - Nil

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:

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

Rs in lac

	2024-25	2023-24
(i) Foreign Exchange earned	-	-
(a) FOB value of exports as per Balance Sheet	-	485.66
(b) Overseas Income	-	-
(ii) Foreign Exchange used	-	-
(a) CIF value of Imports	-	-
(b) Other Expenditure	-	-
(c) Overseas Expenditures	-	-

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 14.08.2025
Place: 274, Dhandari Khud,
G.T. Road, Ludhiana – 141014 (Punjab)

NAVEEN ARORA
Whole-time director
DIN: 09114375

RAJEEV BHALLA
Managing Director
DIN: 0551773

ANNEXURE- C TO 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 financial year ended 31st March, 2025:

1. THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR/KMP DURING THE FINANCIAL YEAR 2024-25 AND RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2024-25 ARE AS UNDER:

S.No.	Name of	Designation	Remuneration Rs in lac	% Increase in Remuneration In the Financial Year 2024-25	Ratio of Remuneration of each Director/KMP to Median Remuneration of Employees
1.	Mr Rajeev Bhalla	Managing Director cum Chief Executive Officer	-	Nil	-
2.	Mr Naveen Arora	Whole-time Director	20.64	Nil	11.79
3.	Mr Dinesh Kumar Mehtani*	Non-executive Director	-	Nil	-
4.	Mr Shashankrai	Non-executive Director	-	Nil	-
5.	Mr. Manjit Singh Kochar*	Independent Director	1.15	Nil	0.66
6.	Mrs. Seema Singh*	Independent Director	1.15	Nil	0.66
7.	Mr. Navneet Gupta*	Chief Financial Officer	36.00	Nil	20.57
8.	Sumit Sushil Jain*	Company Secretary	0.19	Nil	0.11

*Mr. Dinesh Kumar Mehtani ceased from the directorship of the company due to his resignation with effect from 18th July, 2025.

*Mr. Manjit Singh Kochar ceased from the directorship of the company due to his resignation with effect from 29th July, 2025.

*Mrs. Seema Singh ceased from the directorship of the company due to her resignation with effect from 29th July, 2025.

*Mr. Navneet Gupta resigned from the position of CFO (Chief Financial Officer) of the company with effect from 31st July, 2025.

*Mr. Sumit Sushil Jain resigned from the post of Company Secretary & Compliance Officer of the company w.e.f. 11th August, 2025.

Note:

- The median remuneration of employees of the Company during the financial year 2024-25 was 1.75 Lakh.
- During the financial year, there was a no change in the median remuneration of employees.
- There were 328 permanent employees on the rolls of Company as on March 31, 2025.
- 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 – During the year, there was no increase in the salary of any employee, nor was there any increase in the managerial remuneration.

2. PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION WHICH, IN THE AGGREGATE, WAS NOT LESS THAN RS 1,02,00,000/- PER ANNUM: NIL

S.No.	Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs)	Qualifi- cation	Experience (Years)	Date joining	of	Previous Employment	Percent Equity Shares held as on 31.03.2025
NA										

3. PERSONS EMPLOYED FOR A PART OF FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION FOR ANY PART OF THAT YEAR, AT A RATE WHICH IN AGGREGATE, WAS NOT LESS THAN RS 8,50,000/- PER MONTH – Nil

4. STATEMENT SHOWING DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

S.No.	Name	Age	Designation	Gross Remune-ration Rs in lac	Qualifi- cation	Expe-rienc- e (in yrs)	Date of Joining	Previous Employment	% of Equity shared held as on 31.03.2025	Whether relative of any director and if so, name of such director
1.	Rajesh Singla	59	President - Raw Material	36.18	MBA	34	29-Nov- 10	Vardhman Textiles Limited	No	No
2.	Navneet Gupta*	54	Chief Financial Officer	36.00	CA	29	8-May- 08	SEL Manufacturing Company Limited	No	No
3.	Jagdish Chand Thakur	55	Vice President (Operations)	14.16	Graduate	29	13-Nov- 08	T.C. Terrytex Ltd.	No	No
4.	Kuldeep Singh	44	Sr. Manager	0.85	Diploma in Textiles Technology	21	01-Mar- 25	Welspun India Ltd.	No	No
5.	Vijay Sharma	67	Senior Manager	8.64	Graduate	40	01-Apr- 08	Punjab Woolcombers Ltd.	No	No
6.	Pardeep Sharma	51	Manager (Civil)	8.64	Graduate	27	01-Jun- 10	Shobagia Sales Private Limited	No	No
7.	Santosh Kumar Gupta	35	Manager (Purchase)	7.80	Graduate	11	01-Jul- 23	Rhythm Textiles & Apparels Private Limited	No	No
8.	Sanjeet Kumar	47	Senior Executive	1.65	Post Graduate	25	07-Jan- 25	Vallabh Textiles Ltd.	No	No
9.	Mohinderjit Singh	59	Sr. Executive	5.43	Graduate	36	15-Jun- 11	Vardhman Textiles Limited	No	No
10.	Kuldeep Kumar	59	Lab Incharge	0.42	B.Sc.	37	12-Mar- 25	Vallabh Textiles Ltd.	No	No

*Mr. Navneet Gupta resigned from the position of CFO (Chief Financial Officer) of the company with effect from 31st July, 2025.

Note:

- Remuneration received includes basic salary, allowances, taxable value of perquisites etc.
- Nature of employment - All employees are/were on Roll of the Company.
- Nature of Duties- Employees are in charge of their respective departments as narrated above.



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

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 14.08.2025
Place: 274, Dhandari Khud,
G.T. Road, Ludhiana – 141014 PB

NAVEEN ARORA
Whole-time director
DIN: 09114375

RAJEEV BHALLA
Managing Director
DIN: 0551773

ANNEXURE-D TO THE DIRECTORS' REPORT REMUNERATION POLICY

1. POLICY

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

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

While formulating this policy, the factors laid down under Section 178(4) of the Act have been considered, 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:

1. 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 (organized by the company for

directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

2. 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.

By order of the Board
For SEL Manufacturing Company Limited
(CIN: L51909PB2000PLC023679)

Date: 14.08.2025
Place: 274, Dhandari Khud, G.T. Road,
Ludhiana – 141014 (Punjab)

NAVEEN ARORA
Whole-time director
DIN: 09114375

RAJEEV BHALLA
Managing Director
DIN: 0551773

SEL MANUFACTURING COMPANY LIMITED

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as to enable the Company to strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilised, etc.

The Board of Directors (Board) may consider declaration of interim dividend depending upon the cash flow situation of the Company. The dividend distribution shall be as per the recommendations of the Board and shall be decided at an annual general meeting of shareholders in case of final dividend, as may be permitted by the Companies Act, from time to time.

Subject to the provisions of the applicable law, the Company’s dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return:

Definitions

- (i) “**Act**” means the Companies Act, 2013 and Rules made thereunder, including any statutory amendment(s) or modification(s) thereof for the time being in force.
- (ii) “**Dividend**” includes final and interim dividend.
- (i) “**Dividend Payout ratio**” means a fraction of net income a company pays to its shareholders as dividend.
- (ii) “**Market capitalisation**” means the aggregate value of the company based on its current market price and the total number of outstanding shares of the company.
- (iii) “**Paid-up Share Capital**” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.
- (iv) “**Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, from time to time and as notified by the Securities and Exchange Board of India.

Parameters for declaration of dividend

The Board may consider the following various circumstances like current year's profit, future outlook, reinvestment opportunities of the Company, tax benefits, Company's present and future performance for declaration and payment of dividend.

(i) Financial parameters

- (a) Liquidity position;
- (b) Financial feasibility of the Company;
- (c) Availability of profits;
- (d) Business expansions, acquisitions, etc.;
- (e) Profit growth;
- (f) Debt interest coverage ratio;
- (g) Favorable Debt Equity ratio;

(ii) External Factors

- (a) Uncertain or recessionary economic and business conditions;
- (b) Restrictions imposed under the Act with regard to declaration of dividend;
- (c) Sectoral performance;
- (d) Shareholders' expectations;
- (e) Uncertain or recessionary economic and business conditions;
- (f) Government policy;
- (g) Risk effect.
- (h) Future uncertainties and industrial downturn;

(iii) Internal Factors

- (a) Working capital requirements;
- (b) Expansion and modernization of existing business;
- (c) Investment in research and development;
- (d) Mergers and Acquisitions;
- (e) Buyback options;

(iv) Utilisation of retained earnings

The decision of utilisation of retained earnings of the Company shall be based on the following factors:

- (a) High cost of debt;
- (b) Acquisition/Diversification of business;
- (c) Replacement of Capital intensive assets
- (d) Long term strategic plan;
- (e) Market or product development/expansion plan;
- (f) Modernisation Plan;
- (g) Increase in production capacity;

The Board may consider not declaring any dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. Dividend declared, if any, shall be declared and paid as per the provisions of the Act and other applicable regulations.

This policy may be reviewed periodically by the Board. In case of any subsequent changes in the provisions of the Act or Regulations or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws.

The policy will be available on the Company's website:

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**ANNEXURE-F SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
SEL Manufacturing Limited
#274, G T Road,
Dhandari Kalan,
Ludhiana – 141 014

We have Conducted the Secretarial Audit of the Compliances of applicable Statutory provisions and adherence to corporate practices by **M/s SEL Manufacturing Limited** having (CIN: L51909PB2000PLC023679) (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the **SEL Manufacturing 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 2025 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2025 according to the applicable provisions of:
 - (i) The Companies Act, 2013 (the “Act”) and the rules made thereunder including any re-enactment thereof;
 - (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, 1992 (‘SEBI Act’) viz:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the period under review)**
 - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable during the period under review)**

- d) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable during the period under review)**
- e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the period under review)**
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the period under review)**
- h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the period under review)**
- i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Other Laws which are specifically applicable to the Company to some extent.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India which are complied.
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE) read with SEBI (LODR) Regulations, 2015 were not complied within due dates.

We further report that I have not reviewed the Compliance of applicable financial laws by the Company as the same has been subject to review by the Internal and Statutory Auditors;

We have relied on the information & representations made by the company & its officers for systems and mechanisms formed by the company for its Compulsory Certificates, Registrations and various compliances filed by the company under applicable Acts as Environmental Laws & Labour Laws.

We further report on the basis of information received and records maintained by the company, that:-

- (a) The Board of Directors of the Company was adequately constituted with Executive, Non-Executive and Independent Directors. **HOWEVER SHASHANK RAI (DIN: 08916697) WHO WAS APPOINTED AS ADDITIONAL DIRECTOR ON 13/03/2021 AND WAS REGULARISED BY WAY OF GENERAL MEETING RESOLUTION DATED 28.04.2022 BUT THE REQUISITE FORM HAS NOT YET BEEN FILLED.** There was a change in the composition of the Board of Directors during the period under review.
- (b) Adequate notice was 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 and for meaningful participation at the meeting.
- (c) Majority decision was carried through while dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.

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 undertaken specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as follows:

- (i) The Company has not complied with the provisions of Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as it failed to appoint a Company Secretary following the resignation of Ms. Aarti Sharma (ACS 68577) from the position of Company Secretary-cum-Compliance Officer, effective 30th November 2023.

However, the non-compliance was subsequently rectified by the Board of Directors through the appointment of Mr. Sumit Sushil Jain as Company Secretary-cum-Compliance Officer with effect from 12th March 2025. It is further noted that Mr. Sumit Sushil Jain resigned from the said position with effect from 11th August 2025.

- (ii) The Company has not complied with the provisions of regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding achieving minimum public shareholding as prescribed in SEBI circulars. However, the company has submitted an application to SEBI seeking approval for the method adopted to comply with MPS Compliances, which is currently awaiting confirmation from SEBI.
- (iii) The Company does not currently maintain a functional website. However, appropriate steps are being taken by the company to make the website functional.

We further report that the above secretarial audit report has been given on the records and information made available by the Company. As on date of this report the company has started making the compliance which were pending during the period under review.

For LAL GHAI & ASSOCIATES
Company Secretaries

(SUMIT GHAI)
Partner, FCS
M. No.: F10253
CP No.: 12814
PR No. 6339/2024

Place: Ludhiana
Date: 14.08.2025

UDIN : F010253G001043551

To
The Members
SEL Manufacturing Limited
#274, G T Road,
Dhandari Kalan,
Ludhiana – 141 014

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 LAL GHAI & ASSOCIATES
Company Secretaries

(SUMIT GHAI)
Partner, FCS
M. No.: F10253
CP No.: 12814
PR No. 6339/2024

Place: Ludhiana
Date: 14.08.2025

UDIN : F010253G001043551

CORPORATE GOVERNANCE REPORT

The governance philosophy is based on trust, accountability, and ethical corporate relationship. Good governance practices stem from the culture and mindset of the organization and at SEL, we are committed to meet the aspirations of all our stakeholders. We consider our stakeholders as our partners in our success and we remain committed to maximizing stakeholder value, be it employees, suppliers, customers, investors, communities or policy makers etc. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values. We are committed to sound corporate governance principles and practices and constantly strive to adopt emerging best practices being followed worldwide.

1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

India is the world's second-largest producer of textiles and garments. The fundamental strength of the textile industry in India is its strong production base of a wide range of fiber/yarns from natural fibers like cotton, jute, silk and wool to synthetic/man-made fibers like polyester, viscose, nylon and acrylic. The textile industry serves as the platform offering a huge number of employment opportunities to eligible people in India. Both skilled laborers and unskilled officials are needed to run this business smoothly. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.

However, in recent times prices of cotton have increased significantly. The main reasons behind this rise are: lower domestic cotton production, higher demand and increasing international prices. Large cotton traders and multinational companies (MNCs) purchased and stockpiled huge quantities of cotton. Some quantity has also been exported. As prices skyrocket, the smaller mills are unable to purchase cotton due to working capital shortages. Orders from textiles firms have dried out as spinning yarn and knitting garments at the current cotton prices is becoming unviable for companies.

(a) Industry Structure and Development

India's textile exports witnessed a modest recovery in the fiscal year 2024–25 compared to 2023–24, reflecting a mixed performance influenced by both positive developments and persistent challenges. Total textile exports reached **\$37.7 billion**, registering a **year-on-year growth of approximately 5%**. While this reflects a positive trajectory, the growth has not been as robust or consistent as expected, primarily due to global geopolitical tensions that continue to impact the broader economic environment.

A key area of strength within the textile sector was the **segment comprising cotton yarn, fabrics, made-ups, and handloom products**, which experienced a **notable increase of 3.61%**, reaching **\$20.62 billion** in 2024–25. This growth was largely driven by a surge in **cotton yarn exports**, signaling resilience in specific sub-sectors of the industry.

However, the overall growth in textile exports was relatively subdued compared to the **6.01% growth in total exports** from India. The major driver of the country's export surge was the **services sector**, rather than textiles.

On the Other hand, high **raw material costs** have significantly hampered competitiveness, resulting in **increased input prices** that have restricted further growth. At the same time, **low**

demand has kept **yarn prices depressed**, adversely affecting profitability. This imbalance between rising input costs and suppressed end-product pricing has led to **underutilization of capacity** across the textile manufacturing sector.

In summary, while the textile industry has shown signs of recovery and sectoral resilience in areas like cotton yarn and handloom products, **structural challenges such as high raw material costs, weak global demand, and low - capacity utilization** continue to hinder sustained, high-paced growth.

Investments and Key Developments:

As of the year 2024-25 Cotton continues to dominate textile industry in India, accounting for nearly 60% of the total fibre consumption in the country. This preference for natural fibres contrasts with the global trend where manmade fibres hold a 72% share of total fibre consumption. However manmade fibers still dominate globally, comprising 72% of total fiber consumption. Natural fibers, including cotton, have a smaller share globally. Cotton remains a crucial cash crop, contributing significantly to global fiber production. It holds approximately 25% of the total global fiber production. Cotton maintains a substantial share, constituting around 60% of the raw material consumption basket of the Indian textile industry. The textile industry continues to be a major employer in India, directly employing more than 18 million people and indirectly supporting over 20 million jobs. The industry contributes around 2% to India's GDP and nearly 12% to industrial production. India maintains its position among the top five global exporters in various textile categories, including natural fibers, MMF spun yarn, filament yarn, woven fabric, and home textiles.

The Company:

The Company is vertically integrated multi-product textile company, manufacturing various kinds of Yarn and Terry Towels with production facilities located at various locations in India. The Company has integrated business operations. Its key competitive advantage is presence across the entire textiles chain right from sourcing the fiber/cotton to yarn production, fabric production to garmenting and terry towels. The integration allows the Company to optimize decisions of in-house and external sales and purchase at every stage to improve business returns depending on market conditions. It is this flexibility that provides the Company with a strong competitive edge in the market.

However, the performance of the Company was adversely affected during the year on account of High prices of raw material. Further, the Company is facing financial risks like shortage of working capital and non-availability of LC discounting limits. The Company's name continues to appear in CIBIL & fraud list notwithstanding the adoption and implementation of the resolution plan. Further, as redundant charges continue appearing in the records of MCA against the name of the Company, the rating agencies are reluctant to assign credit rating. This has very severely & adversely impacted the business of the Company and the Company is losing the confidence of its customers and suppliers. The Company is even facing problem in recruitment of talented personnel in the key functional areas like Marketing, HR, Operations and others so vital for the smooth functioning of the organisation. All these risks, if not resolved, may aggravate further in the times to come. From the industry perspective, the plants were shut down during some part of the year, though partially restored but capacity enhancement is restrained due to the above referred systemic risks faced by the Company. The tough situation of liquidity needs to be resolved to restore the business operations of the Company.

(b) Company's Performance:

During the year under review, your company has achieved Revenue from Operations of Rs. 3,286.91 lacs as compared to Rs. 37,427.31 lacs in the previous year. After deducting Expenses there was a loss of Rs. 17,297.25 lacs as compared to loss of Rs. 20,818.20 lacs during the previous year. After adjusting Exceptional Items there was Loss of Rs. 13,071.99 lacs as compared to loss of Rs. 19,295.33 lacs during the previous year. After providing for other adjustments/comprehensive income, the current year Loss stood at Rs. 15,271.71 lacs as compared to the Loss of Rs. 20,480.84 lacs during the previous year.

Product wise Performance:

The product wise performance during the year vis-à-vis previous fiscal is tabulated below:-

Rs in lac			
S.No.	Particulars	2024-25	2023-24
1	Terry Towel	34.06	3,080.03
2	Yarn	1,889.15	31,264.97
3	Garment	1.55	9.36
4	Knitted Cloth	-	-
5	Others	138.07	2,918.49
6	Job Work	1,224.08	154.46
	Total	3,286.91	37,427.31

The Company is functioning in only one Reportable Segment i.e. Textiles, hence Segment Reporting is not applicable.

Earlier, the Company went through Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code (IBC), 2016, pursuant to an application filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by State Bank of India against SEL Manufacturing Company Limited ("Corporate Debtor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code"),

The Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 had approved the Resolution plan submitted by Consortium of Arr Ess Industries Private Limited and Leading Edge Commercial FZE ("Consortium" or "Resolution Applicant") in respect of SEL Manufacturing Company Limited ("Company"). Since the implementation of the Resolution Plan in March, 2021, the Company was taken over by the new management.

(c) Dividend

No dividend has been declared for the financial year 2024-25.

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

Several obstacles faced by the Indian textile industry recently:

- In the last financial year, factory owners were forced to close due to the shortage of manpower. The lack of funds to buy raw materials for production was another drawback in this industry.
- Many textile companies face severe labor shortages and lack of regular transportation, if the factories are located in remote places.

- Cotton textile is the major player in the Indian textile industry. The price of cotton has risen too much now, which is a major setback for textile industry owners. They find it hard to maintain their supply chain due to this price hike.
- The inflation in the Indian economy results in frequent demands among laborers for salary hikes. Thus, industry owners do not find the means to expand their business and compete with global textile leaders from other countries.
- The high cost of power in India is another hindrance to textile production. Most modern machines are power-driven, which raises the overall production costs for business owners.

Challenges:

The Indian textile industry is at present is one of the largest and most important sectors in the economy in terms of output foreign exchange earnings and employment in India. The Textile industry has the enriched potential to scale new height in the globalized economy. The textile industry in India has gone through significant changes in anticipation of increased international competition. The industry is facing numerous problems and among them the most important ones are those of cotton price rise and liquidity for many organized sector units, and insufficient price realization. The long-range problems include the need for sufficient modernization and restructuring of the entire industry to cater more effectively to the demands of the domestic and foreign markets for textiles as per the needs of today and tomorrow.

Further, the Company is facing financial risks like shortage of working capital and non-availability of LC discounting limits. The Company's name continues to appear in CIBIL & fraud list notwithstanding the adoption and implementation of the resolution plan. Further, as redundant charges continue appearing in the records of MCA against the name of the Company, the rating agencies are reluctant to assign credit rating. This has very severely & adversely impacted the business of the Company and the Company is losing the confidence of its customers and suppliers

Opportunities

Fortunately, the Indian government has taken a series of positive steps to support the textile industry in this country. The Union Ministry of Textiles is more active in developing the textile industry, by constant coordination with business owners of this sector. The Union Budget for 2025-26 also announced some benefits that can help in the growth of the Indian textile industry.

The future of the Indian textile industry:

India is now recognized as one of the largest producer of cotton and jute garments in the world. There is tough competition from China, Bangladesh, Pakistan, and Vietnam for exporting textile products in the global market. Since the textile industry not only comprises large textile mills and high-end garment boutiques, self-employed artisans from rural areas are also promoted through government schemes, like MGNREGA. Many rural cooperatives and NGOs are also providing support to people working on a small-scale for the textile industry.

The technical matters of the textile industry have improved a lot in recent years. However, the Indian textile industry still needs to progress in the research and development of designs. The quality of raw materials also needs to be upgraded for the production of the best quality garments.

Principal operating strategies:

Our focus firstly would be on resolving the liquidity problems faced by the Company and normalization of operations of the Company.

Threats, risks and concerns:

Cotton, power and fuel costs are of concern. In recent times prices of cotton have increased significantly and have affected the business. There are general threats/risks like Labor availability, Increase in Input Costs, Consumer sentiment, Competition, Currency Movements, Change in Government Policies and other Trade barriers. 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. Any increase in cotton prices would have a material adverse effect on our business. Power and Fuel are also major manufacturing costs while producing textiles. Any increase in these costs has a negative impact on the profits of the company.

(e) Internal Control System and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. We believe that the Internal Control System must tend to develop a strong culture of Internal control for which it must encourage all personnel to understand its importance and to commit actively with the process and the management shall also promote high ethics and integrity standards in the staff. The systems adopted by the Company 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.

(f) Human Resources:

The aim is to create an inclusive working environment that attracts and retains the best people, enhances their flexibility, capability and motivation and encourages them to be involved in the growth of the Company. We believe in sophisticated equipment and skilled employee resources, together with strong management and design capabilities. As on 31.03.2025, the Company had 328 number of employees on rolls of the company.

(g) Operational and Financial Performance Overview (FY 2024–25)

During FY 2024–25, the Company continued to face operational challenges, with financial statements reflecting sustained operating losses. Concerns are there regarding the absence of recognized losses from a closed unit, particularly potential impairment losses related to outdated machinery and technology. Although depreciation continues to be charged over an estimated useful life of 30 years, it was suggested that a revaluation may be warranted to ensure alignment with current market realities and technological relevance. Revenue for the year declined significantly, primarily due to the Company operating solely under a job work model. While this shift eliminated raw material costs, it led to a disproportionately high share of power and fuel expenses—accounting for nearly 15% of revenue—as power and wages remain the two major cost drivers under this model. Additionally, income from job work is included under 'Sale of Services'. No new investments were made in subsidiaries or other entities during the year, and there were no legal

cases filed against the erstwhile promoters that could impact the Company's financial or operational standing.

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

Ratios	Numerator	Denominator	31 st March 2025	31 st March 2024	% Variance	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	0.04	0.10	60.00	The current ratio for FY 2024-25 was 0.04 times as compared to 0.10 times in the previous year, mainly on account of decrease in current assets & increase in current liabilities. The total current assets for the year were Rs. 1,782.08 lakhs as compared to Rs. 2,943.14 lakhs in the previous year. The current liabilities for the year were Rs. 50,420.09 lakhs as compared to Rs. 29,259.16 lakhs in the previous year.
Debt Equity Ratio	Total Liabilities	Total Equity	(5.14)	(17.46)	70.56	This decrease is on account of the reduction in net losses of the company for the year.
Debt Service Coverage Ratio	Earnings before Interest, Taxes & Non-Operating Income/expense	Total Debts Service Costs	(0.13)	(0.84)	84.52	This decrease is on account of the reduction in net losses of the company for the year.
Return on Equity (ROE)	Net Profit	Total Net Worth	62.51	342.18	81.73	This decrease is on account of the reduction in the negative earnings & net worth during the year.
Inventory Turnover (in days)	Sales	Average Inventory	179.84	30.75	484.85	The trade payables turnover ratio for the FY 2024-25 has increased. During the year, the company was mainly done job work instead of own manufacturing of finished goods.
Trade Receivables Turnover (in days)	Net Credit Sales	Average Debtors	9.34	3.28	184.76	The trade receivables turnover ratio for the FY 2024-25 has improved with the improvement in collections.
Trade Payables Turnover (in days)	Net Credit Purchases	Average Trade Payables	1668.45	106.63	1464.71	The trade payables turnover ratio for the FY 2024-25 has increased. During the year, the company was mainly done job work instead of own manufacturing of finished goods. The Company has been trying to pay the payables on time wherever possible.
Net Capital Turnover Ratio	Net Sales	Working Capital (CA-CL)	(0.07)	(1.42)	95.07	The variation in ratio is mainly on account of negative working capital of the company.
Net Profit Margin (%)	Net Profit after tax	Net Sales	(397.70)	(51.55)	671.48	The variation in ratio is mainly on account of net losses of the company.

Return on Capital Employed	Earnings before Interest & Taxes	Capital Employed	(0.13)	(0.16)	18.75	The variation in ratio is mainly on account of net losses of the company
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Cautionary Statement:

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

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

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence.

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

A declaration signed by the CEO is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2024-25.

Rajeev Bhalla
Managing Director cum Chief Executive Officer

3. BOARD OF DIRECTORS/BOARD MEETINGS

a) Board Meetings

The Board met 4 times during the financial year 2024-25. These meetings were held on 30.05.2024, 30.07.2024, 14.11.2024 and 14.02.2025.

b) Composition

The details of the Board composition, attendance of Directors at Board Meetings held during 2024-25 and their other memberships are given below:

S.No.	Name	Designation	Category	No. of Meetings attended	Attendance at last AGM	Total No. of Directorships in other Public Limited Companies		Total No. of Committee positions in Public Limited Companies		Directorships in other listed entities
						Chairperson	Member	Chairperson	Member	
1.	Mr Rajeev Bhalla	Managing Director Cum CEO	Executive Director	1	--	--	--	--	--	--
2.	Mr. Shashank Rai	Director	Non-Executive - Non Independent Director	1	--	--	--	--	--	--
3.	Mr Dinesh Kumar Mehtani	Director	Non-Executive - Non Independent Director	2	Yes	--	--	--	--	--
4.	Mr Naveen Arora	Whole-time Director	Executive Director	4	Yes	--	--	--	--	--
5.	Mr. Manjit Singh Kochar	Director	Non-Executive - Independent Director, Chairman	4	Yes	--	1	--	--	--
6.	Mrs. Seema Singh	Director	Non-Executive - Independent Director	4	Yes	--	3	--	--	1. PNC Infra Holdings Limited

Notes:

1. **Ms. Nidhi Aggarwal** (DIN: 09149030) Independent Director of the company, resigned from the directorship of the company and accordingly she ceased to hold the office of director of the company w.e.f. 14th May, 2024.
2. **Ms. Meghna Mahendra Savla** (DIN: 09152133) Independent Director & Chairperson of the company, resigned from the directorship of the company and accordingly she ceased to hold the office of director of the company w.e.f. 14th May, 2024.
3. **Mrs. Seema Singh** (DIN: 10042852) was appointed as Additional Director (Independent Director) of the company w.e.f. 22nd May, 2024.
4. **Mr. Manjit Singh Kochar** (DIN: 08298764) was appointed as Additional Director (Independent Director) of the company w.e.f. 22nd May, 2024.
5. **Mr. Manjit Singh Kochar** (DIN: 08298764) was designated as chairperson of the company w.e.f. 22nd May 2024.
6. **Mr. Dinesh Kumar Mehtani** (DIN: 08909769), Director of the Company, retires by rotation at Annual General Meeting and being eligible offered himself for re-appointment. The shareholders approved the re-appointment at the AGM.
7. **Mrs. Seema Singh (DIN: 10042852)** was appointed as a Director (Independent Director) of the Company to hold office for a term upto five consecutive years commencing from 22nd May, 2024.
8. **Mr. Manjit Singh Kochar** (DIN: 08298764) was appointed as a Director (Independent Director) of the Company to hold office for a term upto five consecutive years commencing from 22nd May, 2024.

9. **Mr. Sumit Sushil Jain** (ACS A66642) an associate member of the Institute of Company Secretaries of India was appointed as Company Secretary cum Compliance Officer of the company w.e.f. 12th March, 2025.

The following changes occurred in the directorship and KMP of the company after the closure of financial year ending on 31st March, 2025 but before signing of this report:-

1. **Mr. Dinesh Kumar Mehtani** (DIN: 08909769), Director of the company, resigned from the directorship of the company and accordingly he ceased to hold the office of director of the company w.e.f. 18th July, 2025.
2. **Mrs. Seema Singh** (DIN: 10042852), Independent Director of the company, resigned from the directorship of the company and accordingly she ceased to hold the office of director of the company w.e.f. 29th July, 2025.
3. **Mr. Manjit Singh Kochar** (DIN: 08298764), Independent Director of the company, resigned from the directorship of the company and accordingly he ceased to hold the office of director of the company w.e.f. 29th July, 2025.
4. **Mr. Navneet Gupta**, Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the company, resigned from the position of CFO and KMP of the company and accordingly he ceased to hold the office of the company w.e.f. 31st July, 2025.
5. **Mr. Naveen Arora** (DIN: 09114375), whole-time Director was appointed as CFO (Chief Financial Officer) of the Company w.e.f. 05th August, 2025.
6. **Ms. Meghna Mahendra Savla** (DIN: 09152133) was appointed as an additional director (Independent) on the board of the company w.e.f. 05th August, 2025.
7. **Ms. Menka Rajdev Yadav** (DIN: 11220201) was appointed as an additional director (Independent) on the board of the company w.e.f. 05th August, 2025.
8. **Mr. Dharminder Pal** (DIN: 11229145) was appointed as an additional director (Non-Executive, Non-Independent) on the board of the company w.e.f. 05th August, 2025.
9. **Ms. Meghna Mahendra Savla** (DIN: 09152133) was designated as chairperson of the company w.e.f. 05th August, 2025.
10. **Mr. Sumit Sushil Jain** resigned from the post of Company Secretary & Compliance Officer of the company w.e.f. 11th August, 2025.

Further, the Board of Directors have recommended –

Mr. Shashankrai (DIN: 08916697), Director of the Company, retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. Details of appointment and terms are given in detail in the Notice/Annexure to Notice for the ensuing Annual General Meeting. The Board recommended his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

- None of the Directors are related to each other.
- The Directorships held by directors as mentioned above, do not include directorships in foreign companies, alternate directorships, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.
- In accordance with Clause 26, Memberships/Chairpersonships of only the Audit committees and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.
- The holding(s) of Directors in the Company as on 31.03.2025 – As at 31st March, 2025, none of the directors was holding any equity shares in the Company.

- As mandated by Regulation 17A and 26 (1) (b) of the Listing Regulations, None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies have been made by the Directors.
- The details of the familiarization program for Directors is available on the website of the Company viz. www.selindia.in/policy.html

Skills/expertise/competencies fundamental for the effective functioning of the Company in the context of its business and sector:

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

Details of skills/expertise/competence of the Board of Directors during the year:

S. No.	Name	Skills/expertise/competence
1.	Mr Rajeev Bhalla	Innovation, Strategy, Technology, Leadership & Entrepreneurship
2.	Mr Shashank Rai	Strategy, Leadership & Entrepreneurship
3.	Mr Dinesh Kumar Mehtani	Financial, Banking & Finance
4.	Mr Naveen Arora	Financial, Accounts and Taxation
5.	Mr Manjit Singh Kochar	IT, Management and Banking
6.	Mrs Seema Singh	Financial, Banking & Management

Confirmation from the Board of Directors in context to Independent Directors:

In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Board confirms that the Independent Directors fulfill the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the directors are in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

None of the Independent Directors serve as Independent Director in more than seven listed entities. Each of the Independent Directors has registered their names on the online databank maintained by the Indian Institute of Corporate Affairs.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

During the year following Independent Directors resigned before the expiry of their tenure:

1. Ms. Nidhi Aggarwal resigned from the directorship (Independent Director) with effect from 14th May, 2024 due to her personal reasons.
2. Ms. Meghna Mahendra Savla resigned from the directorship (Independent Director) with effect from 14th May, 2024 due to her personal reasons.

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, during the year, comprised of the following members namely Mr. Manjit Singh Kochar (Chairperson), Mrs. Seema Singh and Mr. Dinesh Kumar Mehtani.

Pursuant to the resignation of Ms. Meghna Mahendra Savla on 14th May, 2024, Mr. Manjit Singh Kochar was appointed as Chairperson of the Audit Committee with effect from 22nd May, 2024 and due to resignation of Ms. Nidhi Aggarwal on 14th May, 2024, Mrs. Seema Singh was appointed as a member of the Audit Committee with effect from 22nd May, 2024. Accordingly, the constituent members of the Audit Committee after such changes were Mr. Manjit Singh Kochar (Chairperson), Mrs. Seema Singh and Mr. Dinesh Kumar Mehtani.

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

During the Financial Year 2024-25, the Audit Committee met on 30.05.2024, 30.07.2024, 14.11.2024 and 14.02.2025. Attendance of each Member at the Audit committee meetings held during the year:

S. No.	Name	No. of Meetings attended
1.	Mr. Manjit Singh Kochar	4
2.	Mrs. Seema Singh	4
3.	Mr. Dinesh Kumar Mehtani	2

However, after the closure of financial year, but before signing of this report, due to changes in the Directorship of the company, the audit committee was reconstituted with following members:

Sr. No.	Name of Director	Designation
1.	Ms. Meghna Mahendra Savla	Chairperson
2.	Ms. Menka Rajdev Yadav	Member
3.	Mr. Dharminder Pal	Member

e) Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Company, during the year, comprised of the following members namely Mrs. Seema Singh (Chairperson), Mr. Manjit Singh Kochar and Mr. Dinesh Kumar Mehtani.

Pursuant to the resignation of Ms. Nidhi Aggarwal on 14th May, 2024, Mrs. Seema Singh was appointed as Chairperson of the Nomination & Remuneration Committee with effect from 22nd May, 2024 and due to resignation of Ms. Meghna Mahendra Savla on 14th May, 2024, Mr. Manjit Singh Kochar was appointed as a member of the Nomination & Remuneration Committee with effect from 22nd May, 2024. Accordingly, the constituent members of the Nomination & Remuneration Committee after such changes were Mrs. Seema Singh (Chairperson), Mr. Manjit Singh Kochar and Mr. Dinesh Kumar Mehtani.

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

During the Financial Year 2024-25, the Nomination and Remuneration Committee met on 30th May, 2024, 30th July, 2024 and 14th November, 2024. Attendance of each Member at the Nomination & Remuneration Committee meetings held during the year is given as follows:

S. No.	Name	No. of Meetings attended
1.	Mrs. Seema Singh	3
2.	Mr. Manjit Singh Kochar	3
3.	Mr. Dinesh Kumar Mehtani	-

However, after the closure of financial year, but before signing of this report, due to changes in the Directorship of the company, the Nomination & Remuneration Committee was reconstituted with following members:

Sr. No.	Name of Director	Designation
1.	Ms. Menka Rajdev Yadav	Chairperson
2.	Ms. Meghna Mahendra Savla	Member
3.	Mr. Dharminder Pal	Member

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

The remuneration policy is directed towards rewarding performance, based on review of achievements.

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

f) Stakeholders Relationship Committee:

During the year, the Stakeholders Relationship Committee of the Company comprised of the following members namely Mr. Dinesh Kumar Mehtani (Chairperson), Mr. Manjit Singh Kochar, Mr. Rajeev Bhalla and Mrs. Seema Singh. The Compliance member of the committee is Mr. Dinesh Kumar Mehtani.

Pursuant to the resignation of Ms. Nidhi Aggarwal on 14th May, 2024, Mrs. Seema Singh was appointed as member of the Stakeholders Relationship Committee with effect from 22nd May, 2024 and due to resignation of Ms. Meghna Mahendra Savla on 14th May, 2024, Mr. Manjit Singh Kochar was appointed as a member of the Stakeholders Relationship Committee with effect from 22nd May, 2024. Accordingly, the constituent members of the Stakeholders Relationship Committee after such changes were Mr. Dinesh Kumar Mehtani (Chairperson), Mr. Manjit Singh Kochar, Mr. Rajeev Bhalla and Mrs. Seema Singh.

The Committee's constitution and terms of reference are as per the provisions of Section 178 of the Companies Act, 2013 and pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the committee meets to dispose of Investors complaints/requests as required.

During the Financial Year 2024-25, the Stakeholders Relationship Committee met on 14th November, 2024. Attendance of each Member at the Stakeholders Relationship Committee meetings held during the year is given as follows:

S. No.	Name	No. of Meetings attended
1.	Mr. Dinesh Kumar Mehtani	1
2.	Mr. Manjit Singh Kochar	1
3.	Mr. Rajeev Bhalla	-
4.	Mrs. Seema Singh	1

During the Financial Year 2024-25, 20 investor complaints were received and resolved. Further, there was no pendency in respect of shares received for transfers/dematerialization.

However, after the closure of financial year, but before signing of this report, due to changes in the Directorship of the company, the Stakeholders Relationship Committee was reconstituted with following members:

Sr. No.	Name of Director	Designation
1.	Mr. Dharminder Pal	Chairperson
2.	Ms. Menka Rajdev Yadav	Member
3.	Ms. Meghna Mahendra Savla	Member
3.	Mr. Rajeev Bhalla	Member

g) Risk Management Committee

During the year, the Risk Management Committee of the Company comprised of the following members namely Mr. Rajeev Bhalla (Chairperson), Mr. Manjit Singh Kochar and Mr. Dinesh Kumar Mehtani.

Pursuant to the resignation of Ms. Meghna Mahendra Savla on 14th May, 2024, Mr. Manjit Singh Kochar was appointed as member of the Risk Management Committee with effect from 22nd May,

2024. Accordingly, the constituent members of the Risk Management Committee after such changes were Mr. Rajeev Bhalla (Chairperson), Mr. Dinesh Kumar Mehtani and Mr. Manjit Singh Kochar.

The terms & conditions of the said committee are as per SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

During the Financial Year 2024-25, the Risk Management Committee met twice on 30th July, 2024 and 17th December, 2024. Attendance of each Member at the Risk Management Committee meetings held during the year is given as follows:

S.No.	Name	No. of Meetings attended
1.	Mr. Rajeev Bhalla	2
2.	Mr. Manjit Singh Kochar	1
3.	Mr. Dinesh Kumar Mehtani	1

However, after the closure of financial year, but before signing of this report, due to changes in the Directorship of the company, the Risk Management Committee was reconstituted with following members:

Sr. No.	Name of Director	Designation
1.	Mr. Rajeev Bhalla	Chairperson
2.	Ms. Meghna Mahendra Savla	Member
3.	Mr. Dharminder Pal	Member

The Company has formulated Risk Management Policy. The said policy is available on the Company's website viz. www.selindia.in/policy.html

h) Meeting of Independent Directors:

During the year under review, the Independent Directors met on 14th November, 2024, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program which provides information relating to the Company. The programme also

provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company.

The details of the Familiarization Programme conducted for the Independent Directors of the Company are available on the Company's website at www.selindia.in/policy.html

5. 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 Nomination and Remuneration Committee of the Board. The details of remuneration paid to them during the Financial year 2024-25 are given below:

S.No.	Name	Designation	Gross Salary - Rs in lac
1.	Mr Rajeev Bhalla	Managing Director	--
2.	Mr Naveen Arora	Whole-time Director	20.64

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

The Company 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 2024-25. 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.

Dividend Distribution Policy:

The Company has formulated a dividend distribution policy. The said policy is available on the Company's website viz. www.selindia.in/policy.html

6. GENERAL BODY MEETINGS:

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

Meeting	Day, Date & Time of Meeting	Venue of Meeting	No. of Special Resolutions Passed
24th Annual General Meeting	Thursday, the 22 nd day of August, 2024 at 11:00 A.M.	Video Conferencing / Other Audio Visual Means	Two
23 rd Annual General Meeting	Tuesday, the 22 nd day of August, 2023 at 11:00 A.M.	Video Conferencing / Other Audio Visual Means	Four
22 nd Annual General Meeting	Thursday, the 22 nd day of September, 2022 at 11.00 A.M.	Video Conferencing / Other Audio Visual Means	None

The Company did not pass any resolution through postal ballot during the Financial Year 2024-25 and further the Company do not propose to pass any resolution through postal ballot in the ensuing Annual General Meeting.

7. MEANS OF COMMUNICATION:

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

8. GENERAL INFORMATION FOR SHAREHOLDERS:

i. 25th Annual General Meeting

Date & Time	Tuesday, the 30 th day of September, 2024 at 11.00 A.M. through Video Conferencing / Other Audio Visual Means
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ii. Financial year 2025-26 (tentative)

First Quarterly Results	July-August, 2025
Second Quarterly Results	October-November, 2025
Third Quarterly Results	January-February, 2026
Fourth Quarterly & Annual Results 2025-26	April-May, 2026

iii. Date of Book Closure: Not applicable

iv. Dividend Payment Date: No dividend has been declared for the Financial Year 2024-25.

v. Name and address of Stock Exchanges at which the securities of the Company are listed.

BSE Limited Phiroze Jeeheebhoy Towers, Dalal Street, Mumbai-400001	National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051*
Script Code: 532886	Symbol: SELMC

The Company has paid the Listing fees to the Both Stock exchanges for financial year 2024-25. Invoices for the listing fees have been generated for FY 2025-26. However, payment for the same is yet to be made.

vi. ISIN Number for NSDL/CDSL: INE105I01020

vii. 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-INE105I01020.

The Company has appointed M/s MUFG Intime India Private Limited (formerly Link Intime India Private Limited) having its office at Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi -110058 as Registrar for depository services and share transfer work.

The dematerialized shares will be directly transferred to the beneficiaries through the depositories. The process of transfer/ transmission/ transposition etc. of equity shares in

physical form including dispatch of the share certificates/option letters is completed within a period of 10- 15 days if the documents are in order in all respects.

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

viii. Distribution of shareholding as on 31.03.2025

Share Holding	Share Holders		Share Holding	
	Number	% to total	Number	% to total
Up to 500	24627	95.08	1027163	3.10
501 to 1000	634	2.45	480562	1.45
1001 to 2000	318	1.23	467868	1.41
2001 to 3000	123	0.47	305782	0.92
3001 to 4000	42	0.16	148890	0.45
4001 to 5000	53	0.20	246821	0.74
5001 to 10000	55	0.21	387347	1.17
10001 and above	51	0.20	30070267	90.76
Total	25903	100.00	3,31,34,700	100.00
Physical Mode	5	0.02	33,345	00.10
Electronic Mode	25898	99.98	3,31,01,355	99.90

ix. Share Holding Pattern as on 31.03.2025

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	24851025	75.00
Foreign Portfolio Investors	42178	0.13
Financial Institutions and Banks	3910783	11.80
Bodies Corporate	420543	1.27
Public(Individuals)	3910171	11.80
Total	33134700	100.00

x. Details of Unclaimed shares as on 31.03.2025: Nil

xi. Outstanding GDRs, ADRs, Warrants or any Convertible instruments etc: Nil

xii. Registrars and Transfer Agents:

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi -110058. Tel.: 011 41410592 Fax.: 011 41410591. E-mail: delhi@linkintime.co.in

xiii. Investors Correspondence:

(a) Investor correspondence: All queries of investors regarding the Company's shares in physical/demat form, payment of dividend on shares, etc. may be sent to the following address:

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
Noble Heights, 1st Floor,
Plot No. NH-2, C-1 Block,
LSC Near Savitri Market,
Janakpuri, New Delhi -110058
Tel.: 011 41410592
Fax.: 011 41410591
E-mail: delhi@linkintime.co.in

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

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

xiv. Major Plant locations of the Company:

- (a) Village Lal Kalan, Tehsil Samrala, Ludhiana-Chandigarh Road, Near Neelon Canal Bridge, Ludhiana, Punjab
- (b) Village Shekhan Majara, Machiwara Rahon Road, Teh. & Distt. Nawanshehar, Punjab
- (c) Village Mehatwara, Teh. Ashta, Dist. Sehore, Madhya Pradesh

9. DISCLOSURES:

a. MATERIAL SIGNIFICANT TRANSACTIONS AND NON-COMPLIANCES, IF ANY:

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.

With reference to Non-submission of Annual Report for the financial year ended 31.03.2021, and holding of Annual General Meeting for the year 2021, as the Company went through Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code (IBC) 2016 and the Exchanges were informed in respect of, inter-alia, the insolvency commencement date, the appointment of the Resolution Professional, etc. and under which the terms of the approved Resolution Plan (The Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 had approved the Resolution plan of the Company) had to be implemented by the Company and there were other pending statutory compliances pertaining to the period when the company was under CIRP Process, which also had to be regularized by the Company as per the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021. The Resolution Plan also envisaged the scheme of reduction and consolidation of the capital of the Company which inter alia, provided for the reduction and consolidation of the issued, subscribed and paid up capital of the Company. We may further state that it is only after effect of Reduction and consolidation of share capital approval from the exchanges, corporate actions for further allotment of shares issued pursuant to approved resolution plan could be given effect to.

Reduction and Consolidation of Share Capital along with other Corporate Actions cannot be executed till the Company received approval from the Exchanges where the shares of the Company are listed with, and it is only after execution of the corporate actions pursuant to approval of both the Exchanges with whom the shares of the Company are listed with, these shares could be credited into respective Demat account of the respective allottees thereto. As per the circumstances narrated above the Company was not in a position to hold its Annual General meeting within the stipulated time period, as the reduction and consolidation of share capital and further allotment of shares pursuant to approved resolution plan were yet to be credited in the respective Demat account of the allottees thereof and terms of approved Resolution Plan vide Hon'ble National Company Law Tribunal, Chandigarh Bench order dated February 10, 2021 had to be complied with.

The Company has not complied with the provisions of regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Composition of Risk Management Committee and meeting to be held by Risk Management Committee, The decision taken by the Board of Directors to dissolve the Risk Management Committee in the meeting held on 30 May 2023 was inadvertent due to misinterpretation of the SEBI regulations, however the same has already been rectified by the board of directors of the company by constituting Risk Management Committee on 16th November, 2023.

The Company has not complied with the provision of Rule 8 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) 2015, as the company have not been able to appoint a company secretary after resignation of Ms. Aarti Sharma (ACS 68577 from the post of Company Secretary-cum-Compliance Officer of the Company w.e.f 30th November, 2023. However, the same has been made good by the appointment of **Mr. Sumit Sushil Jain** (ACS A66642) as Company Secretary cum Compliance Officer of the company w.e.f. 12th March, 2025.

However, **Mr. Sumit Sushil Jain** resigned from the post of Company Secretary & Compliance Officer of the company w.e.f. 11th August, 2025

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

b. **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 Chairperson 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/Relevant Authority 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.

c. **COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

With reference to non-submission of Annual Report for the financial year ended 31.03.2021, and holding of Annual General Meeting for the year 2021, the status is already explained in point (a) above.

d. **RELATED PARTY TRANSACTIONS:**

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

e. **MATERIAL SUBSIDIARIES:**

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.

f. **COMMODITY PRICE RISK:**

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

g. **CERTIFICATE FOR DIRECTORS DISQUALIFICATION:**

A certificate has been received from Lal Ghai & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

h. **WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR:** Not Applicable

i. **DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):** Nil

j. **DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS:**

M/s Kamboj Malhotra & Associates (Formerly Malhotra Manik & Associates), Chartered Accountants, (Firm Registration No. 015848N) been appointed as the Statutory Auditors of the Company. The particulars of payment of total fees for all services paid by the Company, on a

consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Particulars	Amount (Rs in Lacs)
Audit Fees (including audit and audit related services)	6.25

k. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in SEL through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company believes in prevention of harassment of employees as well as contractors. During the year ended 31 March, 2025, no complaints pertaining to sexual harassment were received.

l. DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED:

There is no Loans and advances in the nature of loans given to firms/companies in which directors are interested.

m. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY: Nil

10. COMPLIANCE WITH SEBI (LODR) REGULATIONS

The Company has complied with all the requirement of corporate governance report said out in the schedule V of SEBI (LODR) Regulations, 2015

11. 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").

12. CEO/CFO CERTIFICATION

As required by sub clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO have certified to the Board about compliance by the company with the requirements of the said sub clause for the financial year ended 31st March, 2025.

CEO / CFO CERTIFICATE

To

The Members
SEL Manufacturing Company Limited
274, Dhandari Khurd G.T. Road, Ludhiana – 141014 Punjab

In relation to the Audited Financial Accounts of the Company as at 31.03.2025, we hereby certify that,

- (a) We have reviewed the Audited Financial Statements, read with the cash flow statement of SEL Manufacturing Company Limited for the year ended 31st March, 2025 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for the financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee that :
 - (i) There were no significant changes, if any, in the internal control over the financial reporting during the year.
 - (ii) All significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to accounts of the Financial Statements; and
 - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Naveen Arora
Whole-time director cum CFO

Rajeev Bhalla
Managing Director cum CEO

Place: Ludhiana
Dated: 14.08.2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(In terms of Regulation 34(3) read with Para C (10) (i) Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
SEL Manufacturing Company Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of **SEL Manufacturing Company Limited (CIN L51909PB2000PLC023679)** having its registered office at 274, Dhandari Khurd, G.T. Road, Ludhiana -141014 Punjab (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub clause 10(i) of Para C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company and its officers, we hereby certify that none of the directors on the Board of the Company, as stated below, for the financial year ending on 31st March, 2025, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	DIN	Name of the Director	Designation	Category of Directorship as on March 31, 2025	Date of Appointment
1	08909769*	Dinesh Kumar Mehtani	Director	Non-Executive - Non Independent Director	13/03/2021
2	09114375	Naveen Arora	Whole-time director	Executive Director	08/04/2021
3	08916697	Shashankrai	Additional Director	Non-Executive - Non Independent Director	13/03/2021
4	00551773	Rajeev Bhalla	Managing Director	Executive Director	13/03/2021
5	08298764*	Manjit Singh Kochar	Director	Non-Executive - Independent Director	22/05/2024
6	10042852*	Seema Singh	Director	Non-Executive - Independent Director	22/05/2024

*Mr. Dinesh Kumar Mehtani ceased from the directorship of the company due to his resignation with effect from 18th July, 2025.

*Mr. Manjit Singh Kochar ceased from the directorship of the company due to his resignation with effect from 29th July, 2025.

*Mrs. Seema Singh ceased from the directorship of the company due to her resignation with effect from 29th July, 2025.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lal Ghai & Associates
Company Secretaries

(Sumit Ghai)
Partner
M. No.: F10253
CP No.: 12814
PR No. 6339/2024
UDIN: F010253G001043637

Place: Ludhiana
Date: 14.08.2025

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
SEL Manufacturing Company Limited

This certificate is issued in accordance with the terms of our engagement. We have examined the compliance of conditions of Corporate Governance by SEL Manufacturing Company Limited, for the year ended on 31st March, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

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

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

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations Except mentioned in Other matter.

Other Matter:

The Company earlier went through Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy code (IBC), 2016, pursuant to an application filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") by State Bank of India against SEL Manufacturing Company Limited ("Corporate Debtor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("Code"), The Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 had approved the Resolution plan submitted by Consortium of Arr Ess Industries Private Limited and Leading Edge Commercial FZE ("Consortium" or "Resolution Applicant") in respect of SEL Manufacturing Company Limited ("Company").

The Company has not complied with the provisions of Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as it failed to appoint a Company Secretary following the resignation of Ms. Aarti Sharma (ACS 68577) from the position of Company Secretary-cum-Compliance Officer, effective 30th November 2023. However, the non-compliance was subsequently rectified by the Board of Directors through the appointment of Mr. Sumit Sushil Jain as Company Secretary-cum-Compliance Officer with effect from 12th March 2025. It is further noted that Mr. Sumit Sushil Jain resigned from the said position with effect from 11th August 2025.

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

For Kamboj Malhotra & Associates
Chartered Accountants
(Firm Regn No. 015848N)

CA MANIK MALHOTRA
Partner
M. No. 094604

Place: Ludhiana
Date: 14.08.2025

INDEPENDENT AUDITORS' REPORT

To
The Members of SEL Manufacturing Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **SEL Manufacturing Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2025 the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of our observations described in the Basis for Qualified Opinion Paragraph below*, the aforesaid financial statements read with Paragraph Material Uncertainty relating to Going Concern and paragraph Emphasis of Matters described below give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We refer to:

1. *Note No. 58 of the audited financial statements, as per Indian Accounting Standard 36 on Impairments of Assets, the Company is required to determine impairment in respect of Property, Plant & Equipment and Capital Work in Progress as per the methodology prescribed under the said Ind AS. However the Management of the Company has not done impairment testing for the reasons explained in the said note. In the absence of any working for impairment of the Property, Plant & Equipment and Capital Work in Progress as per Ind AS 36, the impact of impairment, if any on the Ind AS financial statements is not ascertainable.*

We further report that the financial impact of matter stated in the Basis for Qualified Opinion can't be measured reliably for the year ended 31st March 2025.

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

Material Uncertainty relating to Going Concern

We draw your attention:

- As per resolution plan approved and implemented in financial year 2020-21, the company was stipulated to bring Rs. 6,500 lakhs for working capital and operational needs within first year of operation against which the company brought only Rs. 2,500 lakhs which created shortfall in working capital funds and affected the performance of the company.

- The company is incurring continuous losses since the implementation of resolution plan and had incurred total cumulative losses of Rs. 64,090 lakhs in last four years since implementation of resolution plan.
- Analytical Ratios of the company, as reported in note no. 53 of the Financial Statements, are reflecting tight liquidity, poor solvency as well as losses. The Current Ratio of 0.04:1 as at March 31, 2025 as against 0.10:1 as at March 31, 2024 clearly reflects squeezing of liquidity during the year. The liquidity ratios and Solvency Ratios of the company are deteriorated over previous years.
- The Company has a debt obligation of around Rs. 18,743 lakhs for the financial year 2025-26. Further Debt obligations are supposed to be paid out of available funds which will further add to the liquidity crunch of the company.
- As at year end, the current liabilities of the company are exceeding its current assets, which reflect erosion of Working Capital funds of the Company.
- Refer to Note no. 54 and 55 to the audited financial statements, the Company's performance is sub-optimal and falls short of expectations. The Company is currently operating at a deficit and experiencing severe liquidity stress. The major plants of the company were remained shut down for whole of the year under consideration. Due to financial constraints, the company has started job work operations at one of its unit instead of pursuing its own manufacturing activities and major source of operating income during the year under consideration is from job work. This dire financial predicament has rendered the Company incapable of fulfilling its various financial obligations. The company had defaulted in quarterly installment due from 30th September, 2023 to 31st March, 2025 amounting to Rs. 12,129 lakhs and also had not paid the interest due for the period July 2023 to March 2025 amounting to Rs. 11,345 lakhs.
- Refer to Note no. 57 to the financial statements, the shareholders of the Company have passed the resolution regarding the Initiation of Corporate Insolvency Resolution Process under Section 10 (including any modification or re-enactment thereof), if any, of the Insolvency and Bankruptcy Code, 2016 in its Extra Ordinary General Meeting held on 13th October, 2023.
- Further the company had decided to suspend pending capital projects which otherwise requires additional funds to complete the pending capital projects.

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

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

Emphasis of Matter

We draw attention to the following matters:

- (1) As reported vide Note no. 48 of the audited financial statements regarding the balance confirmations of Trade Receivables, Capital Advances, Advance to Suppliers & Trade Payables. During the course of preparation of financial statements, letters through ordinary posts have been sent to various parties by the company with a request to confirm their balances out of which few parties have confirmed their balances to Company.

Our opinion is not modified in respect of the matter.

Key Audit Matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act ;

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 above.

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

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 37(a) to the financial statements;

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend (including interim and final dividend) during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

(CA Manik Malhotra)
Partner
M.No.: 094604
UDIN: 25094604BMKZUG3043

Place: Ludhiana
Date: 30.05.2025

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date. We report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets :
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) According to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - (a) According to information and explanation given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and no discrepancies were noticed on such physical verification of inventories carried out by the management as compared to the book records. In our opinion the coverage and procedure of such verification by the management is appropriate.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs. Five crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the order is not applicable.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties during the year.
 - (a) The Company has not provided loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a)(A) and 3(iii)(a)(B) of the Order is not applicable.
 - (b) The Company has neither made investments nor provided guarantees or security or granted loans and advances in the nature of loans during the year. Hence, reporting under clause 3(iii)(b) is not applicable.
 - (c) The Company has not granted loans and advances in the nature of loans. Hence, reporting under clause 3(iii)(c) is not applicable.
 - (d) The Company has not granted loans and advances in the nature of loans and therefore, reporting under clause 3(iii)(d) is not applicable.
 - (e) The Company has not granted any loan or advance in the nature of loan and therefore, reporting under clause 3(iii)(e) is not applicable.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and therefore, reporting under clause 3(iii)(f) is not applicable.

- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted deposits or amounts which are deemed to be deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us and the books and records examined by us, we state that undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, cess and Punjab State Development Tax and Other Statutory Dues have not been regularly deposited by the company with the appropriate authorities and there have been serious delays in a large number of cases. According to the information and explanation given to us, there were undisputed amounts payable in respect of Goods and Services Tax, Provident fund and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the Dues	Amount (Rs in lakhs.)	Period to Which the Amount relates	Due Date	Date of Payment	Remarks, if any
The Employees' Provident Funds and Miscellaneous Provisions Act	Employees & Employers Provident Fund Contribution	23.98	July 2023	15 th of the next month	Not yet deposit	-
The Employees' Provident Funds and Miscellaneous Provisions Act	Employees & Employers Provident Fund Contribution	21.29	Aug. 2023	15 th of the next month	Not yet deposit	-
The Employees' Provident Funds and Miscellaneous Provisions Act	Employees & Employers Provident Fund Contribution	17.87	Sep. 2023	15 th of the next month	Not yet deposit	-
The Employees' Provident Funds and Miscellaneous Provisions Act	Employees & Employers Provident Fund Contribution	7.15	Aug. 2024	15 th of the next month	Not yet deposit	-
Punjab Labour Welfare Fund Act	Labour Welfare Fund Employees & Employers Contribution	1.39	April 2023 to Sept. 2023	31.10.2023	Not yet deposit	-
Punjab Labour Welfare Fund Act	Labour Welfare Fund Employees & Employers Contribution	0.48	Oct. 2023 to March. 2024	30.04.2024	Not yet deposit	-
Goods and Services Tax Act	Interest on reversal of Input Tax Credit	11.77	March 2023	30.04.2023	Not yet deposit	-
Goods and Services Tax Act	Interest on reversal of Input Tax Credit	25.57	March 2024	30.04.2024	Not yet deposit	-
Goods and Services Tax Act	Reverse Charge Mechanism (Madhya Pradesh)	0.10	March 2024	30.04.2024	Not yet deposit	-
Goods and Services Tax Act	Reverse Charge Mechanism (Madhya Pradesh)	0.99	June 2024	31.07.2024	Not yet deposit	-
Punjab Water Resources, Regulation and Management Act	Ground Water Extraction Charges	2.04	April 2024 to June 2024	20 th of the next month	Not yet deposit	-

(b) There are no statutory dues referred to in sub clause (a) which have not been deposited on account of any disputes.

- (viii) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) a) In our opinion and according to the information and explanation given to us, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the lenders as given below:

Name of the lender and Nature of Borrowing	Principle (Amount in lakhs)	Overdue Since	Interest (Amount in lakhs)	Overdue Since
Bank of Maharashtra (Term Loan)	319.44	30.09.2023	291.54	31.07.2023
Bank of Baroda (Term Loan)	349.84	30.09.2023	318.75	31.07.2023
Central Bank of India (Term Loan)	77.62	30.09.2023	70.54	31.07.2023
Exim Bank of India (Term Loan)	9.44	30.09.2023	8.62	31.07.2023
Indian Bank (Term Loan)	2,450.18	30.09.2023	2,244.10	31.07.2023
Indian Overseas Bank (Term Loan)	480.98	30.09.2023	413.53	31.07.2023
Karur Vysya Bank (Term Loan)	47.93	30.09.2023	43.73	31.07.2023
Pheonix Arc Private Limited (Term Loan)	311.61	30.09.2023	284.33	31.07.2023
Punjab & Sind Bank (Term Loan)	285.89	30.09.2023	200.88	31.07.2023
Punjab National Bank (Term Loan)	1,133.04	30.09.2023	1,030.41	31.07.2023
SBER Bank (Term Loan)	66.79	30.09.2023	60.93	31.07.2023
State Bank of India (Term Loan)	4,986.22	30.09.2023	4,892.34	31.07.2023
UCO Bank (Term Loan)	489.31	30.09.2023	457.08	31.07.2023
Union Bank of India (Term Loan)	1,120.62	30.09.2023	1,020.28	31.07.2023

However, refer to the note no. 55, the Company filed an application before the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench regarding the issue of declassification etc. The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench has passed an interim ex parte order vide dated 16th August, 2023 with direction, granting a complete moratorium to the company in the payment of amounts as per the plan including payment of deferred amount and interest of term loan and all other payments to the banks, till the next date of hearing.

- b) In our opinion and according to the information and explanation given to us, the Company (under old/previous management prior to liquidation) has been declared wilful defaulter by Bank of Maharashtra on 16.11.2022. In addition, the Company had also received a notice during the financial year 2022-23 from India Exim Bank for appearance before "Willful Defaulter Committee" in earlier year for replying on the willful defaulter notice.

c) In our opinion and according to the information and explanation given to us, the Company has not taken any term loans during the year.

d) In our opinion and according to the information and explanation given to us, the company had not raised any short term funds during the year. Hence, reporting under this clause is not applicable.

e) In our opinion and according to the information and explanation given to us, the Company has no subsidiaries, associates or joint ventures. Hence, reporting under this clause is not applicable.

f) In our opinion and according to the information and explanation given to us, the Company the Company has no subsidiaries, associates or joint ventures. Hence, reporting under this clause is not applicable.

- (x) a) In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the order is not applicable.

b) In our opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the order is not applicable.

- (xi) a) According to the information and explanation given to us, No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) In our opinion and according to the information and explanation given to us, no whistle-blower complaints have been received during the year by the Company.

- (xii) In our opinion, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, where applicable and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
b) We have considered the reports of the Internal Auditors for the period under Audit.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence reporting under clause 3(xv) of the order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and hence reporting under clause 3(xvi)(a),(b),(c) and (d) of the order is not applicable.
- (xvii) In our opinion and according to the information and explanation given to us, the Company had incurred cash losses amounting to Rs. 3,698 lakhs in the financial year and Rs. 9,780 lakhs in the immediately preceeding financial year. We further states that cash losses have been arrived at *without adjusting the financial impact of matter stated in paragraph 1 of Basis for Qualified Opinion paragraph*.
- (xviii) There has been no resignation of statutory auditors of the Company during the year; hence reporting under clause 3(xviii) of the order is not applicable.
- (xix) Refer to note no. 53 of the financial statements alongwith ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and on the basis of our observations mentioned in paragraph (Material Uncertainty Related to Going Concern), we are of the opinion that material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) In our opinion and according to the information and explanation given to us, the provisions of Section 135(5) of Companies Act are not applicable to the Company; hence reporting under clause 3(xx) of the order is not applicable.

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

(CA Manik Malhotra)
Partner
M.No.: 094604
UDIN: 25094604BMKZUG3043

Place: Ludhiana
Date: 30.05.2025

“Annexure – B” to the Independent Auditors’ Report

(Referred to in Paragraph 2(f) under the “Report on other legal and regulatory requirements” section of our report to the members of SEL Manufacturing Company Limited of even date)

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

We have audited the Internal Financial Controls over financial reporting of SEL Manufacturing Company Limited (“the Company”) as of 31st March, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over financial reporting

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

Inherent Limitations of Internal Financial Controls over financial reporting

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

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial controls operating effectively as on 31st March, 2025.

Basis for Qualified Opinion

In our opinion and according to the information and explanations given to us and based on our audit of Financial Statements, in respect of the matters disclosed in paragraphs under “Basis for Qualified Opinion”, “Material Uncertainty relating to Going Concern” and “Emphasis of Matter” of our main Independent Auditor’s Report which came to our notice during the course of audit of financial statements indicates material weaknesses in the internal financial controls over financial reporting as at 31st March, 2025.

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

Qualified Opinion

In our opinion, the matters disclosed in above paragraphs under “Basis for Qualified Opinion” indicate material weaknesses in the internal financial controls over financial reporting.

We have considered the disclaimer of opinion as well as material weaknesses identified and reported in Qualified Opinion paragraph in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended 31st March, 2025 and the disclaimer and material weaknesses do not affect our opinion on the financial statements of the Company.

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

(CA Manik Malhotra)
Partner
M.No.: 094604
UDIN: 25094604BMKZUG3043

Place: Ludhiana
Date: 30.05.2025

SEL MANUFACTURING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2025

(Rs. in lakhs)			
Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	88,326.13	97,738.24
(b) Capital Work in Progress	4	4,246.00	4,246.00
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets	4	-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets			
(i) Investments	5	6.21	129.51
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others	6	3.17	3.14
(i) Deferred Tax Assets (Net)		-	-
(j) Other Non-Current Assets	7	482.23	482.23
		93,063.73	1,02,599.12
(2) Current Assets			
(a) Inventories	8	902.70	1,715.75
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	9	86.89	81.26
(iii) Cash & Cash Equivalents	10	256.36	297.34
(iv) Bank Balances other than (iii) above	11	43.88	41.88
(v) Loans		-	-
(vi) Others	12	1.59	1.13
(c) Current Tax Assets (Net)	13	28.00	221.46
(d) Other Current Assets	14	462.66	584.32
		1,782.08	2,943.14
TOTAL ASSETS		94,845.81	1,05,542.26
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	3,313.47	3,313.47
(b) Other Equity	16	(24,224.09)	(8,952.38)
		(20,910.62)	(5,638.91)
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	65,262.44	81,864.32
(ia) Lease Liabilities	18	9.01	-
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises and;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions	19	64.88	57.69
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
		65,336.34	81,922.01
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	30,871.76	12,128.76
(ia) Lease Liabilities	21	11.30	-
(ii) Trade Payables	22		
(A) total outstanding dues of micro enterprises and small enterprises and;		455.96	454.63
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4,688.27	9,080.51
(iii) Other Financial Liabilities	23	14,148.57	7,326.26
(b) Other Current Liabilities	24	218.62	234.39
(c) Provisions	25	25.61	34.61
(d) Current Tax Liabilities(Net)		-	-
		50,420.09	29,259.16
TOTAL EQUITY & LIABILITIES		94,845.81	1,05,542.26

See accompanying notes to the financial statements

As per our report of even date attached

For Kamboj Malhotra & Associates

Chartered Accountants

Firm Reg. No. 015848N

(CA Manik Malhotra)

Partner

M.No.: 094604

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Managing Director & CEO
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

Place: Ludhiana

Date: 30.05.2025

(Navneet Gupta)
Chief Financial Officer

(Sumit Sushil Jain)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

Particulars	Note No.	(Rs. in lakhs)	
		Figures for the current reporting period	Figures for the previous reporting period
I. Revenue From Operations	26	3,286.91	37,427.31
II. Other Income	27	27.84	170.80
III. Total Income (I+II)		3,314.75	37,598.11
IV. Expenses			
Cost of Materials Consumed	28	1,641.47	29,883.13
Purchases of Stock-in-Trade		1.43	9.51
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	29	510.06	3,395.67
Employee Benefits Expense	30	837.84	2,573.72
Finance Cost	31	6,974.12	5,961.49
Depreciation and Amortization Expense	32	9,374.34	9,515.64
Other Expense	33	1,272.75	7,077.14
Total Expenses (IV)		20,612.00	58,416.31
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		(17,297.25)	(20,818.20)
VI. Exceptional Items	34	(4,225.26)	(1,522.87)
VII. Profit/(Loss) Before Tax (V-VI)		(13,071.99)	(19,295.33)
VIII. Tax Expense			
a) Current Tax		-	-
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		(13,071.99)	(19,295.33)
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-	-
XIII. Profit/(Loss) for the period (IX+XII)		(13,071.99)	(19,295.33)
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		24.15	453.39
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		(2,223.87)	(1,638.90)
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (net of taxes)		(2,199.72)	(1,185.51)
XV. Total Comprehensive Income for the Period (XIII+XIV)		(15,271.71)	(20,480.84)
XVI. Earning per Equity Share (for Continuing Operations)	36		
1) Basic		(39.45)	(58.23)
2) Diluted		(39.45)	(58.23)
XVII. Earning per Equity Share (for Discontinued Operations)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations)			
1) Basic		(39.45)	(58.23)
2) Diluted		(39.45)	(58.23)
See accompanying notes to the financial statements			

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

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

Place: Ludhiana
Date: 30.05.2025

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Managing Director & CEO
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(Navneet Gupta)
Chief Financial Officer

(Sumit Sushil Jain)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STATEMENT OF CASH FLOW

(Rs. In Lakhs)				
	Particulars	Details	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
A	Cash Flow from Operating Activities			
	Net Profit before Taxes & Extraordinary Items		(13,071.99)	(19,295.33)
	Adjustments for Non Cash Items:			
	-Depreciation & Amortization	9,374.34	9,515.64	
	-Provision for Diminution in Value of Investments	5.56	(1,443.76)	
	-Provision/(Reversal of Provision) for Doubtful Debts	(1,311.00)	(102.69)	
	-Reversal of GST Input Credit and interest thereon	(116.83)	309.63	
	-Allowances for Loans & Advances	(18.22)	(1,353.18)	
	-Interest Cost	6,970.39	5,955.69	
	-Interest Income	(24.33)	(104.28)	
	-(Profit)/Loss on Sale of Investments	(99.28)	-	
	-(Profit)/Loss on Sale of Plant, Property & Equipments	19.37	(376.64)	12,400.43
	Adjustments for Changes in Working Capital:			
	-Increase/ (Decrease) in Trade Payables	(4,390.91)	1,134.24	
	-Increase/ (Decrease) in Other Current & Financial Liabilities	6,806.07	2,420.78	
	-Increase/ (Decrease) in Current Provisions	(9.00)	(15.55)	
	-(Increase)/ Decrease in Trade Receivables	1,305.37	611.98	
	-(Increase)/ Decrease in Other Current Assets	256.71	1,682.03	
	-(Increase)/ Decrease in Current Assets Tax (Net)	193.46	462.53	
	-(Increase)/ Decrease in Bank Balance other than Cash	(2.00)	(2.08)	
	-(Increase)/ Decrease in Other Financial Assets	(0.47)	767.84	
	-(Increase)/ Decrease in Inventories	813.05	3,552.21	10,613.99
	Cash Generation from Operations		6,700.29	3,719.09
	-Taxes Paid		-	-
	Net Cash from Operating Activities		6,700.29	3,719.09
B	Cash Flows from Investing Activities			
	-Proceeds of Property, Plant & Equipments	54.33	376.64	
	-Interest Income	24.33	104.28	
	-(Increase)/Decrease of Non Current Investments	134.28	1,443.76	
	-(Increase)/ Decrease in Other Financial Assets Non Current	(0.03)	(0.58)	
	-Increase/(Decrease) in Other Financial Liabilities Non Current	9.01	-	
	-Increase/(Decrease) in Non Current Provisions	7.20	(410.64)	
	Net Cash Flows from Investing Activities		229.11	1,513.45
C	Cash Flows from Financing Activities			
	-Repayment of Non Current Borrowings	-	(841.78)	
	-(Increase)/ Decrease in Other Assets Non Current	-	1,568.00	
	-Interest Cost	(6,970.39)	(5,955.69)	
	Net Cash Flows from Financing Activities		(6,970.39)	(5,229.47)
	Net Increase/(Decrease) in Cash & Cash Equivalent		(40.98)	3.08
	Cash & Cash Equivalents - Opening Balance		297.34	294.26
	Cash & Cash Equivalents - Closing Balance		256.36	297.34
	Reconciliation of Cash & Cash Equivalents with the Balance Sheet			
	Cash and Bank Balances as per Balance Sheet (Note No.10)			
	In Current Accounts		220.82	273.23
	Cash on Hand		35.54	24.11
	Cash & Cash Equivalents as at the year end		256.36	297.34

The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flow".

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

For and on the behalf of Board of Directors

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

(Rajeev Bhalla)
Managing Director & CEO
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

Place: Ludhiana
Date: 30.05.2025

(Navneet Gupta)
Chief Financial Officer

(Sumit Sushil Jain)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) Current reporting period ended on 31st March, 2025

(In lakhs)

Balance at the beginning of the current period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current period
3,313.47	-	3,313.47	-	3,313.47

(2) Previous reporting period ended on 31st March, 2024

Balance at the beginning of the previous period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous period
3,313.47	-	3,313.47	-	3,313.47

B. Other Equity

(1) Current reporting period ended on 31st March, 2025

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings							
Balance at the beginning of the current period	-	-	2,900.48	51,937.97	-	(75,561.22)	-	-	-	-	-	11,770.40	(8,952.38)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	2,900.48	51,937.97	-	(75,561.22)	-	-	-	-	-	11,770.40	(8,952.38)
Total Comprehensive Income for the current year	-	-	-	-	-	(13,071.99)	-	-	-	-	-	(2,199.72)	(15,271.71)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current period	-	-	2,900.48	51,937.97	-	(88,633.22)	-	-	-	-	-	9,570.68	(24,224.09)

(2) Previous reporting period ended on 31st March, 2024

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings							
Balance at the beginning of the previous period	-	-	2,900.48	51,937.97	-	(56,265.90)	-	-	-	-	-	12,955.91	11,528.46
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	2,900.48	51,937.97	-	(56,265.90)	-	-	-	-	-	12,955.91	11,528.46
Total Comprehensive Income for the previous year	-	-	-	-	-	(19,295.33)	-	-	-	-	-	(1,185.51)	(20,480.84)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the previous period	-	-	2,900.48	51,937.97	-	(75,561.22)	-	-	-	-	-	11,770.40	(8,952.38)

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

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Managing Director & CEO
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

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

(Navneet Gupta)
Chief Financial Officer

(Sumit Sushil Jain)
Company Secretary

Place: Ludhiana
Date: 30.05.2025

I. Property, Plant and Equipment

NOTE NO.- 4

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Right of Use Asset	Total	Other Intangible Assets	Capital Work in Progress
Gross Value as at 1st April, 2023	8,493.43	162.07	83,734.51	1,95,243.59	3,795.43	723.37	482.05	135.66	2,92,770.12	455.76	4,246.00
Addition during the year	-	-	-	-	-	-	-	-	-	-	-
Deduction during the year	-	-	-	-	-	-	-	135.66	135.66	-	-
Gross Value as at 31st March, 2024	8,493.43	162.07	83,734.51	1,95,243.59	3,795.43	723.37	482.05	-	2,92,634.46	455.76	4,246.00
Addition during the year	-	-	-	-	-	-	-	35.92	35.92	-	-
Deduction during the year	-	-	-	-	-	87.57	-	-	87.57	-	0.00
Gross Value as at 31st March, 2025	8,493.43	162.07	83,734.51	1,95,243.59	3,795.43	635.80	482.05	35.92	2,92,582.81	455.76	4,246.00
Depreciation & Impairment											
Depreciation as at 1st April, 2023	-	20.96	28,650.66	1,52,463.61	3,257.11	573.05	449.10	101.75	1,85,516.24	455.76	-
Depreciation for the year	-	1.23	2,465.61	6,971.31	27.26	13.59	2.74	33.92	9,515.64	-	-
Disposal during the year	-	-	-	-	-	-	-	135.66	135.66	-	-
Depreciation as at 31st March, 2024	-	22.18	31,116.27	1,59,434.92	3,284.37	586.63	451.84	(0.00)	1,94,896.21	455.76	-
Depreciation for the year	-	1.23	2,465.98	6,832.41	55.47	7.75	2.51	8.98	9,374.34	-	-
Disposal during the year	-	-	-	-	-	13.87	-	-	13.87	-	-
Depreciation as at 31st March, 2025	-	23.41	33,582.25	1,66,267.33	3,339.84	580.52	454.35	8.98	2,04,256.68	455.76	-
Net Book Value											
As at 31st March, 2025	8,493.43	138.66	50,152.26	28,976.26	455.59	55.28	27.71	26.94	88,326.13	-	4,246.00
As at 31st March, 2024	8,493.43	139.88	52,618.25	35,808.67	511.06	136.73	30.22	0.00	97,738.24	-	4,246.00

Property, Plant and Equipment given as security against long term borrowings, refer note no. 17

Capital Work in Progress ageing schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended*	-	-	-	4,246.00	4,246.00
Total	-	-	-	4,246.00	4,246.00

*refer note no. 58

INVESTMENTS (NON CURRENT)		NOTE NO. - 5	
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	
(1) Investment in Equity Instruments			
(i) Others			
Quoted (At Fair Value)			
a) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited	0.68	0.68	
Less: Impairment in Value of Investment	(0.68)	(0.68)	
Unquoted (At Fair Value)			
a) 299,300 Equity Shares of Rs. 1/- each fully paid up of The DSE Estates Limited	209.51	209.51	
Less: Impairment in Value of Investment	(209.51)	(209.51)	
Unquoted (At Cost)			
a) 14,000 Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Private Limited	1.40	1.40	
b) 1,108,000 Equity Shares of Rs. 10/- each fully paid up of Bhradeshwar Vidyut Private Limited (formly known as OPGS Power Gujrat Private Limited)	5.56	5.56	
Less: Impairment in Value of Investment	(5.56)	-	
c) 48,050 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Limited	4.81	4.81	
(2) Investment in Mutual Funds (Unquoted-At Fair Value)			
a) 150,000 Units of Rs.10/- each of SBI Infrastructure Fund	-	61.86	
b) 50,000 Units of Rs.10/- each of SBI PSU Fund	-	12.66	
c) 55,187.638 Units of Rs. 10/- each of Union Multi Cap Fund	-	19.12	
d) 100,000 Units of Rs.10/- each of SBI Gold Fund	-	24.10	
TOTAL	6.21	129.51	
Aggregate Amount of Quoted Investments	0.68	0.68	
Market Value of Quoted Investments	-	-	
Aggregate Amount of UnQuoted Investments	221.27	256.27	
Aggregate Amount of Impairment in Value of Quoted Investments	0.68	0.68	
Aggregate Amount of Impairment in Value of Unquoted Investments	215.07	209.51	

OTHERS FINANCIAL ASSETS (NON CURRENT)		NOTE NO. - 6	
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	
(a) Bank Deposits with more than 12 months maturity	3.17	3.14	
TOTAL	3.17	3.14	

OTHER NON CURRENT ASSETS		NOTE NO. - 7	
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	
(i) Capital Advances	1,625.33	1,625.33	
(ii) Advances other than capital advances			
(a) Security Deposits	482.23	482.23	
Allowance/Impairment for Doubtful Loans & Advances	2,107.56	2,107.56	
TOTAL	1,625.33	1,625.33	
	482.23	482.23	

INVENTORIES		NOTE NO. - 8	
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	
(Valued at Cost or Net Realisable Value, whichever is lower)			
(a) Raw Materials	233.71	512.53	
(b) Work in Progress	356.26	490.33	
(c) Finished Goods			
-In Godown	118.64	494.62	
(d) Stores & Spares	194.09	218.26	
TOTAL	902.70	1,715.75	

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

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
a) Trade Receivables considered good-Secured	-	-
b) Trade Receivables considered good-Unsecured	86.89	81.26
c) Trade Receivables which have significant increase in Credit Risk; and	-	-
d) Trade Receivables-credit impaired	455.71	1,766.71
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)	542.60	1,847.97
TOTAL	455.71	1,766.71
	86.89	81.26

Ageing schedule refer note no. 51

Trade Receivables-credit impaired include Rs. Nil lakhs (Previous Year Rs. 1,160.36) due from the related parties.

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

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Balances With Scheduled Banks		
i) In Current Accounts	220.82	273.23
(b) Cash on Hand	35.54	24.11
TOTAL	256.36	297.34

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

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
Other Bank Balances		
i) In Fixed Deposits Accounts	43.88	41.88
(Deposits with original maturity of more than three months but less than twelve months)		
TOTAL	43.88	41.88

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

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(Unsecured, considered good)		
i) Interest Receivable	1.59	1.13
TOTAL	1.59	1.13

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

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
i) Prepaid Taxes	28.00	221.46
TOTAL	28.00	221.46

OTHER CURRENT ASSETS

NOTE NO. - 14

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
i) Advances to Suppliers	63.47	827.11
ii) Balance with Govt. Authorities	27,063.73	27,142.26
iii) Prepaid Expenses	2.42	16.35
iv) Others	1,024.92	1,026.46
	28,154.55	29,012.17
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)	27,691.89	28,427.85
TOTAL	462.66	584.32

EQUITY SHARE CAPITAL

NOTE NO. - 15

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Authorised 1,000,000,000 Equity Shares	1,00,000.00	1,00,000.00
250,000,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares	25,000.00	25,000.00
(b) Issued, Subscribed & Paid Up 33,134,700 Equity Shares Fully Paid Up	3,313.47	3,313.47
(c) Par Value per Share 33,134,700 Equity Shares Rs. 10/-		
(d) Reconciliation of the number of shares outstanding		
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
	Shares	Amount
Shares outstanding at the beginning of the year		
Equity Shares	3,31,34,700	3,313.47
Total	3,31,34,700	3,313.47
Add: Addition during the year		
Equity Shares	-	-
Total	-	-
Less: Reduction during the year		
Equity Shares	-	-
Total	-	-
Shares outstanding at the end of the year		
Equity Shares	3,31,34,700	3,313.47
Total	3,31,34,700	3,313.47
(e) Details of shares held by shareholders holding more than 5% shares in the Company		
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
State Bank of India 2,489,176 Shares	7.51%	7.51%
ARR ESS Leading Edge Pvt. Ltd.(Holding Company) 24,851,025 Shares	75.00%	75.00%
(f) Terms/rights, preference, restrictions attached to shares. During the year 2020-21, the resolution plan has been approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 10th February, 2021 under the Insolvency and Bankruptcy Code, 2016, the paid up equity share capital of the company was reduced and consolidated. Every shareholder holding 1000 equity share of Rs.10/- each got 1 equity share of Rs. 10/- and the fractional shares were allotted in favour of SBICAP Trustee Company Limited, acting as Trustee. As per the scheme of reduction and consolidation, 32,803,353 equity shares (new) were allotted in favour of financial creditors and resolution applicant.		
(g) Shares held by promoters at the end of the period		
Promoter Name	No. of Shares	% of total shares
ARR ESS Leading Edge Private Limited*	2,48,51,025	75
Total	2,48,51,025	75

*Leading Edge Commercial FZE is a Ultimate Holding Company of the Company

OTHER EQUITY		NOTE NO. - 16	
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	
(a) Capital Reserve			
Opening Balance	2,900.48	2,900.48	
Add: Addition during the year	-	-	
	2,900.48	2,900.48	
Less: Deduction during the year	-	-	
	2,900.48	2,900.48	
(b) Securities Premium			
Opening Balance	51,937.97	51,937.97	
Add: Addition during the year	-	-	
	51,937.97	51,937.97	
Less: Deduction during the year	-	-	
	51,937.97	51,937.97	
(c) Other Comprehensive Income			
Opening Balance	11,770.40	12,955.91	
Add: Addition during the year	24.15	453.39	
	11,794.55	13,409.30	
Less: Deduction during the year	2,223.87	1,638.90	
	9,570.68	11,770.40	
(d) Retained Earnings			
Opening Balance	(75,561.22)	(56,265.90)	
Add: Addition during the year	(13,071.99)	(19,295.33)	
	(88,633.22)	(75,561.22)	
Less: Deduction during the year	-	-	
	(88,633.22)	(75,561.22)	
TOTAL	(24,224.09)	(8,952.38)	

Nature and Purpose of Reserves

(i) Securities Premium Account

Securities Premium account is created on recording of premium on issue of shares. The reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Capital Reserve

Equity warrants issued in an earlier years on preferential basis, carrying an option to the holder of such warrants to exercised the option within 18 months from the date of allotment. The holders of equity warrants have not exercised their right of conversion within the stipulated period of 18 months from the date of allotment. Consequently, the said warrants stand forfeited and the application money received against warrants has been transferred to Capital Reserve.

(iii) Other Comprehensive Income

The company has elected to recognise changes in fair value of certain class of investments & amortization of borrowings in other comprehensive income. These fair value changes are accumulated within this reserve and shall be adjusted as per provisions of the Ind AS.

(iv) Retained Earnings

The same is created out of profits over the years and shall be utilized as per the provisions of the Companies Act, 2013.

BORROWINGS (NON CURRENT)		NOTE NO. - 17	
Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	
(a) Secured Loans			
i) Term Loans			
Banks (RTL-I)*	33,914.55	50,911.03	
From Other Parties*	946.75	1,599.57	
(b) Unsecured Loans			
i) Banks (RTL)^	1,802.34	2,896.04	
ii) Related Parties	3,380.39	3,159.24	
(Interest free loans repayable in 2027-28)			
(c) Unlisted Non-Marketable 0.01% Secured Non-Convertible Redeemable Debentures**			
2,87,80,793 Debentures of Rs. 100/- each fully paid up	22,695.48	20,967.74	
(d) Unlisted Non-Marketable 0.01% Unsecured Non-Convertible Redeemable Debentures**			
685,207 Debentures of Rs. 100/- each fully paid up	540.33	499.20	
(e) Unlisted Non-marketable Unsecured Non Interest Non-Convertible Redeemable Debentures**			
2,514,898 Debentures of Rs. 100/- each fully paid up	1,982.61	1,831.51	
TOTAL	65,262.44	81,864.32	

***Maturity Profile of Secured/Unsecured Term Loan (RTL) from Banks & Other Parties is as under:**

Financial Year	Amount (in lak)	Repayment Terms
2025-26	18,743	4 equal quarterly installments
2026-27	20,906	4 equal quarterly installments
2027-28	15,785	4 equal quarterly installments

Long term borrowings from banks are secured by the equitable mortgage of entire Land & Building of the Company and further secured by all the plant, property & equipments of the Company, immovable & movable, both present and future ranking pari-passu basis and personal guarantee of the erstwhile promoter directors. The said borrowings are further secured by equitable mortgage of the following properties of the erstwhile promoter directors.

Sr. No.	Owner/Erstwhile Promoter	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

[^]According to the approved resolution plan, the Bank of Maharashtra, the dissenting financial creditor, received an unsecured rupee term amounting to Rs. 1,867 lakhs in lieu of 0.01% Unlisted Non-Marketable Secured Non-Convertible Redeemable Debentures of Rs. 100/- each of Rs. 534 lakhs, Rs. 1,244 lakhs out of secured rupee term loan and Rs. 89 lakhs out of a short-term loan. The dissenting financial creditor will be paid on priority over assenting financial creditors on a deferred basis. Pursuant to the approved Resolution Plan, a corporate guarantee provided by the Company prior to the approval date shall stand extinguished without any further act, deed or action upon settlement of the claims of the financial creditors, who are beneficiaries of such guarantee. In respect of corporate guarantee, a portion of secured long term loan amounting to Rs. 1,598 lakhs attributable to the lenders as unsecured term loan.

****2,87,80,793 Nos. Unlisted Non-Marketable 0.01% Secured Non-Convertible Redeemable Debentures of Rs. 100/- each & 685,207 Nos. Unlisted Non-Marketable 0.01% Unsecured Non-Convertible Redeemable Debentures of Rs. 100/- each** were issued to the financial creditors of the Company on a preferential basis and 2,514,898 Nos. non interest bearing Unsecured Non-Convertible Redeemable Debentures of Rs. 100/- each to Resolution Applicant in accordance with the resolution plan as approved by the Hon'ble NCLT Chandigarh Bench. Debentures are amortized over the term period at the interest rate applicable as State Bank of India's MCLR per annum payable.

Repayment Profile of the Unlisted Non-Marketable 0.01% Secured/Unsecured Non-Convertible Redeemable Debentures is as under:

Financial Year	Amount (in lak)	Repayment Terms
2027-28	5,400.00	4 equal quarterly installments starting from 30.06.2027 to 31.03.2028
2027-28	24,066.00	Balance outstanding amount on 31.03.2028

Repayment Profile of the Unlisted Non-Marketable Unsecured Non Interest Non-Convertible Redeemable Debentures is as under:

Financial Year	Amount (in lak)	Repayment Terms
2028-29	2,514.90	Repayment due on 13.03.2029, subject to completion of repayment of Term Loan-I & II and NCDs issued to Financial Creditors pursuant to the terms of Resolution Plan.

In addition to the existing securities available with the secured lenders, further Resolution Applicant pledged 8,946,369 equity shares of the Company held by them, in favour of lenders to secure the Long Term Loan, Short Term Loan and Non-Convertible Redeemable Debentures.

The details of period and amount of default as on the balance sheet date in repayment of borrowings (secured/ unsecured rupee term loans from banks & others) and interest thereon as under:

Name of the Banks/Other Parties	Repayment of borrowings [^]		Interest accrued & Due and other	
	Amount of default	Period of default (since)	Amount of default	Period of default (since)
Bank of Maharashtra	319.44	30.09.2023	291.54	31.07.2023
Bank of Baroda	349.84	30.09.2023	318.75	31.07.2023
Central Bank of India	77.62	30.09.2023	70.54	31.07.2023
Export Import Bank of India	9.44	30.09.2023	8.62	31.07.2023
Indian Bank	2,450.18	30.09.2023	2,244.10	31.07.2023
Indian Overseas Bank	480.98	30.09.2023	413.53	31.07.2023
Karur Vysya Bank	47.93	30.09.2023	43.73	31.07.2023
Phoenix Arc Pvt. Ltd.	311.61	30.09.2023	284.33	31.07.2023
Punjab & Sind Bank	285.89	30.09.2023	200.88	31.07.2023
Punjab National Bank	1,133.04	30.09.2023	1,037.66	31.07.2023
Sber Bank	66.79	30.09.2023	60.93	31.07.2023
State Bank of India	4,986.22	30.09.2023	4,892.34	31.07.2023
UCO Bank	489.31	30.09.2023	457.74	31.07.2023
Union Bank of India	1,120.62	30.09.2023	1,020.28	31.07.2023
	12,128.91		11,344.96	

[^]repayment of borrowing is included in current maturities of long term borrowing, refer note no. 20

LEASE LIABILITIES (NON CURRENT)**NOTE NO. - 18**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Lease Liabilities	9.01	-
TOTAL	9.01	-

PROVISIONS (NON CURRENT)**NOTE NO. - 19**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Provision for Employee Benefits	64.88	57.69
TOTAL	64.88	57.69

CURRENT BORROWINGS**NOTE NO. - 20**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Secured Loans		
i) Current Maturities of Long Term Borrowings	30,871.76	12,128.76
TOTAL	30,871.76	12,128.76

LEASE LIABILITIES (CURRENT)**NOTE NO. - 21**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Lease Liabilities	11.30	-
TOTAL	11.30	-

TRADE PAYABLES (CURRENT)**NOTE NO. - 22**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
Trade Payables [^]		
-total outstanding dues of micro enterprises and small enterprises and;	455.96	454.63
-total outstanding dues of creditors other than micro enterprises and small enterprises	4,688.27	9,080.51
TOTAL	5,144.24	9,535.15

[^]ageing schedule refer note no. 52

[^]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 the Management for the period ended 31st March, 2025. This has been relied upon by the auditors. The relevant particulars as at 31st March, 2025 are given below:

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(i) the principal amount remaining unpaid to any supplier as at the end of the accounting year	455.96	454.63
(ii) interest due and unpaid to any supplier as at the end of the accounting year	92.33	25.20
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		2.03
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	131.04	38.71
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

OTHER FINANCIAL LIABILITIES (CURRENT)**NOTE NO. - 23**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
i) Interest Accrued and due on Borrowings*	11,342.95	4,470.11
ii) Employees Benefits	1,141.68	1,102.90
iii) Payable to Vendors-Non Trade	50.77	111.55
iv) Expenses Payable	1,599.33	1,625.85
v) Others Payable	13.83	15.84
TOTAL	14,148.57	7,326.26

*Included interest accrued and due on debentures amounting to Rs. 5.89 lakhs (Previous Year Rs. 2.94 lakhs)

OTHER CURRENT LIABILITIES**NOTE NO. - 24**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
i) Statutory Dues & Taxes	182.06	222.09
ii) Advances from Customers	36.56	12.30
TOTAL	218.62	234.39

PROVISIONS (CURRENT)**NOTE NO. - 25**

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
(a) Provision for Employee Benefits	25.61	34.61
TOTAL	25.61	34.61

REVENUE FROM OPERATIONS		NOTE NO. - 26	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Sale of Products			
Finished Goods	1,924.76	34,354.36	
Raw Material	-	651.40	
Sale of Services	1,224.08	154.46	
Other Operating Income			
Others	138.07	2,267.09	
TOTAL	3,286.91	37,427.31	

OTHER INCOME		NOTE NO. - 27	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Export Incentives	-	33.49	
Interest	24.33	104.28	
Other Income	-	7.75	
Foreign Exchange Fluctuation	-	5.39	
Rental Income	3.51	19.89	
TOTAL	27.84	170.80	

COST OF MATERIAL CONSUMED		NOTE NO. - 28	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Raw Material Consumed			
Opening Stock	414.12	500.79	
Add: Purchases (net)	1,328.04	29,321.46	
	1,742.16	29,822.25	
Less: Closing Stock	158.74	414.12	
Cost of raw material consumed during the year (A)	1,583.42	29,408.12	
Packing Material Consumed			
Opening Stock	98.41	109.66	
Add: Purchases (net)	34.60	463.76	
	133.01	573.41	
Less: Closing Stock	74.97	98.41	
Cost of packing material consumed during the year (B)	58.04	475.01	
TOTAL (A+B)	1,641.47	29,883.13	

CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS		NOTE NO. - 29	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Opening Stocks			
Work in Progress	490.33	2,692.44	
Finished Goods	494.62	1,688.19	
	984.95	4,380.63	
Closing Stocks			
Work in Progress	356.26	490.33	
Finished Goods	118.64	494.62	
	474.90	984.95	
Decrease/(Increase) in Inventories (A-B)	510.06	3,395.67	

EMPLOYEE BENEFITS EXPENSE		NOTE NO. - 30	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Wages,Salaries & Other Allowances	773.30	2,364.23	
Contribution to PF, ESI & Other Funds	56.65	191.35	
Staff & Labour Welfare	7.89	18.15	
TOTAL	837.84	2,573.72	

FINANCIAL COSTS		NOTE NO. - 31	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
a) Bank Charges	3.73	5.80	
b) Interest on			
i) Term Loans	6,869.89	5,915.19	
ii) Debentures	2.95	2.95	
iii) Others	97.55	37.56	
TOTAL	6,974.12	5,961.49	

DEPRECIATION & AMORTISATION EXPENSES		NOTE NO. - 32	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Depreciation of Tangible Assets	9,364.13	9,480.50	
Amortisation of Leasehold Land	1.23	1.23	
Depreciation of Right to Use Assets	8.98	33.92	
TOTAL	9,374.34	9,515.64	

OTHER EXPENSES		NOTE NO. - 33	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Powel & Fuel	742.55	6,223.40	
Consumables & Repair Maintenance	247.53	232.50	
Job Work Expenses	8.28	1.43	
Printing & Stationery	0.50	1.29	
Insurance	36.37	185.82	
Fees & Taxes	23.59	79.76	
Legal & Professional Charges	36.64	42.78	
Postage & Courier Charges	0.21	0.35	
Telephone Expenses	4.10	5.40	
Statutory Auditors' Remuneration			
-Audit Fee	4.00	6.00	
-Reimbursement of Expenses	0.25	0.26	
Tax Auditors' Remuneration			
-Tax Audit Fee	1.00	1.50	
Cost Auditors' Remuneration			
-Audit Fee	0.25	0.77	
General Repair & Maintenance	12.05	32.83	
Office Expenses	13.57	27.66	
Rent	9.35	28.60	
Travelling & Conveyance	8.97	15.36	
Water Charges	2.59	40.26	
Advertisement	1.76	2.76	
Building Repair & Maintenance	1.23	3.65	
Vehicles Expenses	18.45	33.00	
Business Promotion	-	0.74	
Commission	59.70	5.64	
Rebate & Discount	1.36	2.62	
Clearing Forwarding & Freight Outward	38.44	102.76	
TOTAL	1,272.75	7,077.14	

EXCEPTIONAL ITEMS		NOTE NO. - 34	
Particulars	Figures for the current reporting period	Figures for the previous reporting period	
Allowance/(Reversal) of Allowance for Doubtful Receivables	(1,311.00)	(102.69)	
Allowance/(Reversal) of Doubtful Loans & Advances	(18.22)	(1,353.18)	
Written back of Trade Payables	(2,704.87)	-	
Reversal of GST Input Credit and Interest thereon	(116.83)	309.63	
Loss on Written Off of Investments in Subsidiary Company, due to struck off	-	1,443.76	
Reversal of Impairment of Investments in Subsidiary Company, due to struck off	-	(1,443.76)	
Impairment in Value of Investments	5.56	-	
Loss/(Profit) on Sale of Property, Plant & Equipments	19.37	(376.64)	
Profit on Sale of Investments	(99.28)	-	
TOTAL	(4,225.26)	(1,522.87)	

NOTES TO THE FINANCIAL STATEMENTS

- 1. Corporate Information:** SEL Manufacturing Company Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The Corporate Identification Number (CIN) of the Company is L51909PB2000PLC023679 and its registered office is located at 274, G.T. Road, Dhandari Khurd, Ludhiana, Punjab. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange. The Company is engaged in the manufacturing, processing, trading & job work of textile products.

As at March 31, 2025, ARRESS Leading Edge Private Limited, the holding company owned 75% of the Company's equity share capital.

The Board of Directors approved the financial statements for the year ended March 31, 2025 and authorized for issue on May 00, 2025.

2. Significant Accounting Policies

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

These financial statements are presented in Indian Rupees ("INR"), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

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

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

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

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

Sale of Goods: Revenue from the sale of goods is recognized as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

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

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

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

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

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

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

- i) In respect of Raw Materials on FIFO basis.
- ii) In respect of Work in process and Finished Goods, at weighted average cost of raw material plus conversion cost & packing cost incurred to bring the goods to their present condition & location.
- iii) In respect of trading goods, on specific identification method.
- iv) In respect of Consumable Stores on weighted average basis.

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

2.5 Foreign Currency Transactions: The functional currency of SEL Manufacturing Company Ltd. is an Indian rupee.

Other foreign currency transactions:

- (i) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction except sales that are recorded at rate notified by the customs for invoice purposes. Such rate is notified in the last week of every month and is adopted for recording export sales of next month.
- (ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at balance sheet date are recognized as income or expenses in period in which they arise, except the exchange difference in case of fixed assets which have been adjusted to the cost of fixed assets.
- (iii) Foreign currency non-monetary items, which are carried in terms of historical cost, re-stated at the rate of exchange prevailing at the year-end and the gain or loss is accumulated in a foreign exchange fluctuation reserve.

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

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

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment

is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

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

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

2.9 Employee Benefits

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

(ii) Post Employment Benefits:

Defined Contribution Plans:

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

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

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

(iii) **Long Term Employee Benefits:** The liability for leave with wages is recognized on the basis of actuarial valuation at the balance sheet date using projected unit credit method.

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

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

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

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

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

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

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

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

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

2.13 Provisions and Contingent Liabilities & Contingent Assets

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

- (i) The company has a present obligation as a result of a past event;
- (ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- (iii) The amount of the obligation can be reliably estimated.

Contingent Liabilities: Contingent liability is disclosed in the case of:

- (i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- (ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

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

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

2.15 Lease

The Company as a lessee: The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain

lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The Company as a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.16 Financial Instruments:

(i) Financial assets:

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

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

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

- Financial assets at fair value
- Financial assets at amortized cost

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

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

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.
- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All other receivables

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

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

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

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

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

Other Investments

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

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

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

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(ii) Financial liabilities:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18 Current versus non-current classification: The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

2.19 Exceptional Items: Exceptional items are those items that management considers, by virtue of their size or incidence should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement and accordingly, disclosed in the notes accompanying to the financial statements.

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

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

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

2.23 Non-Current assets held for sale: Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the Statements of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.24 Ministry of Corporate Affairs ("MCA") notifies standard or amendments to the existing standard under Companies (Indian Accounting Standards) Rules as issued from time to time. On May 7, 2025, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2025, applicable from the date of their publication in the Official Gazette as below:

IND AS 101 – Disclosure of accounting policy information: The Amendments specify that an entity elects to measure assets and liabilities at fair value and to use that fair value as the deemed cost in its opening Ind AS Balance Sheet because of severe hyperinflation (see paragraphs D26–D30), the entity's first Ind AS financial statements shall disclose an explanation of how, and why, the entity had, and then ceased to have, a functional currency that is subject to severe hyperinflation."

The Company does not expect the amendments to have any significant impact in its financial statements.

IND AS 21 – Effect of Changes in Foreign Exchange Rates: The Amendments specify that "a currency is *exchangeable* into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations."

The Company does not expect the amendments to have any significant impact in its financial statements.

3. Significant accounting judgments, estimates and assumptions

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

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

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

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

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

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

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

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

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

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

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

Sr. No.	Name of Related Party	Relationship
1	ARR ESS Leading Edge Private Limited	Holding Company
2	Mr. Rajeev Bhalla Mr. Rajeev Bhalla Mr. Naveen Arora Mr. Dinesh Kumar Mehtani Mr. Shashank Rai Ms. Megna Mahendra Savla Ms. Nidhi Aggarwal Mr. Navneet Gupta Mr. Manjit Singh Kochar Mrs. Seema Singh Mr. Sumit Sushil Jain	Managing Director (appointed w.e.f. 13 th March, 2021) Chief Executive Officer (appointed w.e.f. 9 th November, 2023) Whole Time Director (appointed w.e.f. 08 th April, 2021) Director (appointed w.e.f. 13 th March, 2021) Director (appointed w.e.f. 13 th March, 2021) Independent Director (appointed w.e.f. 8 th November, 2023 & ceased on 14 th May, 2024) Independent Director (appointed w.e.f. 29 th June, 2021 & ceased on 14 th May, 2024) Chief Financial Officer (appointed w.e.f. 29 th May, 2014) Independent Director (appointed w.e.f. 22 nd May, 2024) Independent Director (appointed w.e.f. 22 nd May, 2024) Company Secretary (appointed w.e.f. 12 th March, 2025)
3	Mrs. Kavita Bhalla Mrs. Vaneeta Mehtani Mrs. Mansi Rai	Relatives of Key Management Personnel
4	ARR ESS Industries Private Limited ARR ESS Bros. R S A Packages Private Limited S A T Pack Private Limited A and A Advisors Private Limited Niketan Merchants Private Limited Eternys Infra Private Limited	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence

Related Parties Transactions:

Particulars	Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Subsidiary Company	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Managerial Remuneration	56.83	103.14	-	-	-	-
Directors Sitting Fee	2.30	5.75	-	-	-	-
Investment in Subsidiary Company Written Off, due to struck off	-	-	-	-	-	1,443.76
Amount Recovered	9.10	-	1,160.36	236.25	-	-
Amount Paid	10.34	-	70.26	-	-	-
Closing Balance Debit/(Credit)*	(13.91)	(7.67)	(3,380.39)	(2,069.15)	-	-

*provision for doubtful debts amounting Rs. Nil lakhs (Previous Year Rs. 1,160.36 lakhs) has been provided

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

Particulars		31st March, 2025	31st March, 2024
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	33,134,700	33,134,700
Profit/(Loss) for the year (continuing operations)	Lakhs	(13,071.99)	(19,295.33)
Weighted average earnings per shares (basic and diluted)	Rs.	(39.45)	(58.23)
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	(13,071.99)	(19,295.33)
Weighted average earnings per shares (basic and diluted)	Rs.	(39.45)	(58.23)

37. Contingent Liabilities and Capital Commitments**a. Contingent Liabilities:**

(Rs. in lakhs)

Particulars	31st March, 2025	31st March, 2024
i. Income Tax*	49.00	49.00
ii. Claims under different labour laws of employees	137.00	137.00

*During the year 2020-21, the resolution plan of the Company was approved and implemented. As per approved resolution plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution Plan, among other matters provide that upon the approval of this Resolution Plan by the National Company Law Tribunal (NCLT) and settlement and receipt of the payment towards the IRP costs and by the creditors in terms of this plan, all the liabilities demands, damages, penalties, loss, claims of any nature whatsoever (whether admitted/verified/submitted/rejected or nor, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, disputed or undisputed, present or future) including any liabilities, losses, penalties or damages arising out of non-compliances, to which the Company is or may be subject to and which pertains to the period on or before the Effective Date (i.e. 10th February, 2021) and are remaining as on that date shall stand extinguished, abated and settled in perpetuity without any further act or deed. The Resolution Plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

b. Capital Commitments

(Rs. in lakhs)

Particulars	31st March, 2025	31st March, 2024
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	2,485.83

As at 31 March 2025, the Company reassessed its outstanding capital commitments in light of continued operational and financial challenges that resulted in the prolonged shutdown of its manufacturing facilities. Based on this review, the Company determined that previously disclosed commitments relating to orders for capital goods pending for more than three years are no longer enforceable or valid. Accordingly, the capital commitments have been revised to Nil. Further, the Company had already recognized an impairment provision of Rs. 1,625.33 lakhs against the related capital advances.

38. Exceptional Items (net) for the year comprises of:

- The Company has made net reversal of an allowance for trade receivables under Expected credit losses (ECL) method aggregating to Rs. 1,313 lakhs, net of provision made, in compliance of Ind AS 109 which is charged to Statement of Profit & Loss as an exceptional item.
- The Company has given trade advances to the suppliers that are outstanding for a long time. In view of reduction in activities, the materials and services could not be called from such suppliers. In compliance of Ind AS 36 impairment for trade advances amounting to Rs. (18.22) lakhs, net of provision made, which is charged to Statement of Profit & Loss as an exceptional item.
- The company has made reversal of GST Input Tax amounting to Rs. (116.83) lakhs on trade payables outstanding for more than 180 days under rule 37 of CGST Rules and Sec. 16(2) of the CGST Act and interest thereon amounting to Rs. Nil lakhs which is charged to Statement of Profit & Loss as an exceptional item.
- The company has written back of trade payable amounting to Rs. 2,704.87 lakhs which is charged to Statement of Profit & Loss as an exceptional item.
- During the year, the Company disposed of certain Plant, Property & Equipments. The loss on disposed of the Plant, Property & Equipments amounting to Rs. 19.37 lakhs has been disclosed under exceptional items in the Statement of Profit and Loss, considering the non-recurring nature of the transaction.
- The company has impaired an unquoted investment amounting to Rs. 5.56 lakhs which is charged to Statement of Profit & Loss as an exceptional item.
- During the year, the company has realized mutual fund investment and the profit on realisation amounting to Rs. 99.22 lakhs which has been disclosed under exceptional items in the Statement of Profit and Loss.

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

40. Others:

- During the year 2019-20, The MP State Electricity Board had issued a "notice of discontinuance of supply" on 11th March, 2020 (against demand raised on 12th Dec 2019) upon the Company demanding as due and payable Rs. 1,286.27 lakhs on account of a revision of the security deposit in terms of Madhya Pradesh Electricity Regulatory Commission (Security Deposit) (Revision-I) Regulations, 2009 ("MERC Regulations") and other energy charges. Appeal filed before the Hon'ble National Company Law Tribunal (NCLT) is pending.

- ii) During the year 2019-20, Central Bureau of Investigation carried out search & seizure action at the registered office of the Company and the residence of the erstwhile Directors of the Company on 5th November 2019 from 09.30 AM to 09.00 PM. under section 165 of the Criminal Procedure Code. Based on the inquiry during the search proceedings, further no notice has been received nor any information called for.
- iii) During the year 2019-20, the Company has received notice dated 13th February, 2020 on 26th February, 2020 from the Ministry of Corporate Affairs further ordering the investigation of books of accounts and papers under section 210(1)(c) of the Companies Act, 2013 and the erstwhile Directors of the Company under section 217(5) of the Companies Act, 2013 have been issued summons to appear before the authorities. The notice has suitably been replied by the Company and upto the date of approval of these financial statements, no further communication, order, or demand has been received from the Ministry of Corporate Affairs. In view of the prolonged absence of any further correspondence, the matter is considered closed, and no further disclosures will be made in the subsequent financial statements unless new development arise.
- iv) During the year 2019-20, the Company has received summon dated 6th November, 2019 from the Directorate of Enforcement ("ED") u/s 37 of the FEMA, 1999 read with Section 131 of the Income Tax Act, 1961 and Section 30 of Code of Civil Procedure, 1908. Summon was issued in matter of GDRs issued by the Company for which a list of documents was being asked to be furnished to them. The notice has suitably been replied by the Company and upto the date of approval of these financial statements, no further communication, order, or demand has been received from the Directorate of Enforcement. In view of the prolonged absence of any further correspondence, the matter is considered closed, and no further disclosures will be made in the subsequent financial statements unless new development arise.
- v) During the year 2020-21, the Principal Commissioner of Income Tax (Central), Ludhiana filed an appeal before the Hon'ble High Court of Punjab & Haryana which was heard on 4th November, 2020 in the matter pertaining to the assessment u/s 153 w.r.s 143(3) of the Income Tax Act, 1961 for the assessment years 2010-11, 2011-12 & 2013-14, which was completed on January 31, 2017 where an amount of INR 28,000 lakhs was demanded from the Company. Appeals that were filed before the CIT (A) on 27th July, 2017 were decided by the CIT(A) on 29th December, 2017 against the company. On 2nd February, 2018, Company filed an appeal before the ITAT, Chandigarh bench against the order of CIT (A) and the same had been decided by the ITAT in the favor of the Company on 28th February, 2019. Appeal filed before the Hon'ble High Court of Punjab & Haryana is pending adjudication.

As per approved resolution plan, upon settlement of the liabilities, all or any other Government Dues, claims or demands made by, or liabilities or obligations owed or payable to or assessed by, the Governmental Authorities against the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheet of the Company or the profit & loss statements of the Company or the list of creditors, on or prior to the NCLT Approval Date, will be written off in full and subject to the provisions of the Code, the Company, the Resolution Applicant & its future directors shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto (refer note no. 37a).

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

Geographical information: The Company operates in two principal geographical areas - India and outside India.

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

Particulars	Revenue from external customers		Non-current assets*	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
India	3,286.91	36,941.65	93,054.36	102,466.47
Outside India	-	485.66	-	-
Total	3,286.91	37,427.31	93,054.36	102,466.47

*Non-current assets exclude those relating to financial assets and deferred tax assets.

Information about major customers: Two customers contributed 10% or more to the Company's revenue during the financial year 2024-25.

- 42.** During the year, lease payment amounting to Rs. 9.35 lakhs (Previous Year Rs. 28.60 lakhs) recognized in Statement of Profit and Loss. Also lease income amounting to Rs. 3.51 lakhs (Previous Year Rs. 19.89 lakhs) recognized in Statement of Profit and Loss.

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

Defined Benefit Plan :**a. Gratuity Funded**

Particulars	31st March, 2025	31st March, 2024
I. Change in benefit obligations		
Present value of obligations as at the beginning	86.14	440.33
Current Service cost	11.38	8.24
Interest expense	6.24	33.02
Remeasurements-Actuarial (gains)/losses	(17.53)	(369.88)
Benefits paid	(0.92)	(25.57)
Present value of obligations as at the end	85.31	86.14
II. Change in fair value of plan assets		
Fair value of plan assets at the beginning	4.02	3.76
Return on plan assets	0.28	0.27
Remeasurements-Actuarial (gains)/losses	(0.01)	(0.02)
Contributions	0.00	0.00
Benefits paid	0.00	0.00
Fair value of plan assets at the end	4.29	4.01
Funded status	(81.02)	(82.13)

III. Expenses recognized in Statement of Profit and Loss

Particulars	31st March, 2025	31st March, 2024
Service cost	11.38	8.24
Interest cost	6.24	33.02
Return on plan assets	(0.28)	(0.27)
Net gratuity cost	17.34	40.99

IV. Income/Expense recognized in the Other Comprehensive Income

Particulars	31st March, 2025	31st March, 2024
Actuarial (gains) / losses	(17.53)	(369.86)

V. Actuarial Assumptions: The weighted-average assumptions used to determine benefit obligations.

Particulars	31st March, 2025	31st March, 2024
Discount rate (per annum)	6.50%	7.25%
Salary Growth Rate (per annum)	5.00%	5.00%
Mortality	IALM (2012-14)	IALM (2012-14)
Expected rate of return on Plan Assets	15.00%	15.00%

The major categories of plan assets as a percentage of total

Particulars	31st March, 2025	31st March, 2024
Insurer managed funds	100%	100%

VI. Sensitivity Analysis

Particulars	31st March, 2025		31st March, 2024	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (Delta Effect of +/-1%)	87.95	82.84	88.46	83.98
Change in rate of salary increase (Delta Effect of +/-1%)	82.78	87.97	83.91	88.49
Change in rate of mortality (Delta Effect +/-10%)	85.47	85.14	86.07	86.20

- b. Provident Fund:** During the year, the company has recognized an expense of Rs. 43.29 lakhs (Previous Year Rs. 147.44 lakhs) towards provident fund scheme.

- c. Leave Encashment:** During the year, the company has recognized an expense of Rs. 3.99 lakhs (Previous Year Rs. 10.02 lakhs).

44. Income Tax Recognized (IND AS 12):

- 1. Income Tax:** The Company has not recognized any income tax expense in the Statement of Profit and Loss and other comprehensive income during the year on account of accumulated losses.

2. Unrecognized deferred tax assets and liabilities on account of deductible temporary differences, unused tax losses:

Particular	31st March, 2025	31st March, 2024
Deferred tax liabilities		
Property, plant and equipment	32,276.17	36,427.74
Right of use assets	8.98	-
Deferred tax assets*		
Provision for gratuity	(81.01)	(82.12)
Provision for leave encashment	(14.90)	(17.80)
Provision for doubtful debts & advances (net)	(29,772.93)	(31,819.89)
Provision for bonus	(740.23)	(727.77)
Lease liabilities	(20.31)	-
Unabsorbed depreciation and carry forward losses	(226,938.70)	(212,996.25)
Deferred tax (assets)/ liabilities	(225,282.93)	(209,216.09)

*In accordance with Ind AS 12, recognition of deferred tax asset has been restricted to the deferred tax liability as there is no reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets will be realized.

3. Reconciliation of effective tax rate: : The major components of income-tax expense and the reconciliation of tax expense based on the effective tax rate of the Company and the reported tax expense in profit or loss are as follows :

Particular	31st March, 2025	31st March, 2024
Profit before tax & After Exceptional items	(13,071.99)	(19,295.33)
Applicable Tax Rate	31.20%	31.20%
Computed Tax Expense	-	-
Tax Effect of:		
Expenses disallowed		
Depreciation	9,374.34	9,515.64
Exceptional Items	(1,323.66)	(1,430.30)
Others	7,082.99	5,098.06
Sub Total	2,061.68	(6,111.93)
Depreciation as per Income Tax	6,044.27	6,823.20
Others	18.14	405.69
Profit before/(loss) tax	(4,000.73)	(13,340.82)
Less : Unrecorded deferred tax assets on carry forward losses and other temporary differences	-	-
Current Tax Provision (A)	-	-
Deferred Tax Provision (B)	-	-
Tax Expense Charge/(Credit) in Statement of Profit and Loss(A+B)	-	-

Tax losses carried forward: Tax losses for which no deferred tax asset was recognized are as follows:

(Rs. in Lakhs)

Financial Year	31st March, 2025	31st March, 2024
2016-17	25,103.53	25,103.53
2017-18	62,861.30	62,861.30
2019-20	25.78	25.78
2021-22	2,674.04	2,674.04
2022-23	9,922.91	9,922.91
2023-24	6,517.12	6,517.12
Unabsorbed depreciation	119,834.02	115,813.98
Total	226,938.70	222,919.16

- 45. Financial Instruments by Category:** The carrying value and fair value of financial instruments at the end of each reporting period is as follows: (Rs. in lakhs)

Particulars	Cost		FVTPL		FVTOCI		Amortized Cost	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
FINANCIAL ASSETS								
<u>Non-Current Assets</u>								
Investments in								
- Equity Instruments	6.21	11.76	-	-	-	-	-	-
- Others	-	-	-	-	-	117.74	-	-
Other Financial Assets	-	-	-	-	-	-	3.17	3.14
<u>Current Assets</u>								
Trade Receivables	-	-	-	-	-	-	86.89	81.26
Other Financial Assets	-	-	-	-	-	-	1.59	1.13
Cash & Cash Equivalents	-	-	-	-	-	-	256.36	297.34
Bank Balances other than above	-	-	-	-	-	-	43.88	41.88
TOTAL FINANCIAL ASSETS	6.21	11.76	-	-	-	117.74	391.89	424.75
FINANCIAL LIABILITIES								
<u>Non-Current Liabilities</u>								
Borrowings	-	-	-	-	-	-	65,262.44	81,864.32
<u>Current Liabilities</u>								
Borrowings	-	-	-	-	-	-	30,871.76	12,128.76
Trade Payables	-	-	-	-	-	-	5,144.24	9,535.15
Other Financial Liabilities	-	-	-	-	-	-	14,148.57	7,326.26
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	-	115,427.01	110,854.49

- 46. Revenue from operations for the year ended 31st March, 2025 and 31st March, 2024 is as follows:**

Particulars	31st March, 2025	31st March, 2024
Revenue from sale of products	2,062.83	37,272.85
Revenue from job work	1,224.08	154.46
Total Revenue from Operations	3,286.91	37,427.31

Disaggregate Revenue Information: The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2025 and 31st March, 2024 by type of goods and services.

Particulars	31st March, 2025	31st March, 2024
Terry Towels	34.06	3,080.03
Yarn	1,889.15	31,264.97
Garments	1.55	9.36
Knitted Cloth	-	-
Others (Scrap, Raw Material & Waste)	138.07	2,918.49
Job Work	1,224.08	154.46
Total	3,286.91	37,427.31

47. **Fair Value Measurement** :The following table presents fair value hierarchy of assets and liabilities measured at fair value:

Particulars	Fair Value Measurement using					
	Level 1		Level 2		Level 3	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Non-Current Investments						
- Fair Value through OCI	-	-	-	117.74	-	-
<u>Financial Liabilities</u>						
Borrowings	-	-	107,477.16	93,993.08	-	-

48. The balances of Trade Receivables, Trade Payables and Advances to Capital & Other Suppliers are subject to confirmation/reconciliation and subsequent adjustments if any. During the year, letters through ordinary post have been sent to various parties with a request to confirm their balances as on 31st March, 2025 out of which few parties have confirmed their balances to the company.
49. **Financial Risk Management:** The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The management of the company has set out the company's overall business strategies and its risk management policy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the company's policy guidelines are complied with.

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

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

- (a) **Market Risk:** Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31st March, 2025 and 31st March, 2024.

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

- i) The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended 31st March, 2024, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions.
- (b) **Foreign Currency Risk Management:** The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.
- (c) **Liquidity Risk Management:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has been taking measures to ensure that the Company's cash flow from business borrowing is sufficient to meet the cash requirements for the Company's operations. The Company managing its liquidity needs by monitoring forecasted cash inflows and outflows in day to day business. Liquidity needs are monitored on various time bands, on a day to day and week to week basis, as well as on the basis of a rolling 30 day projections. Net cash requirements are compared to available working capital facilities in order to determine headroom or any short falls. Presently company's objective is to maintain sufficient cash to meet its operational liquidity requirements.

- (d) **Credit Risk Management:** Credit risk refers to the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company manages credit risk by implementing a robust framework of credit approvals, setting defined credit limits, and continuously monitoring the creditworthiness of its customers. Credit is granted in the normal course of business only after careful assessment of the customer's financial reliability. With the adoption of Ind AS 109 – *Financial Instruments*, the Company assesses impairment of financial assets using the

Expected Credit Loss (ECL) model. This approach requires recognition of credit losses based on forward-looking information and the estimation of losses expected over the life of the asset. The Company is exposed to credit risk primarily in relation to its trade receivables arising from the sale of readymade garments, towels, yarns, and from job work activities. Appropriate loss allowances are recognized based on historical trends, credit risk assessments, and management's expectations regarding future recoverability.

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

No Changes were made in the objectives, policies or processes during the years ended 31st March, 2025 and 31st March, 2024.

50. Disclosures pursuant to regulation 34(3) and 53(f) of schedule V of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

Particulars	31st March, 2025	31st March, 2024
(a) Loans & Advance in the nature of loans to Subsidiaries	-	-
(b) Loans & Advance in the nature of loans to Associates	-	-
(c) Loans and Advances in the nature of loans to Firms/Companies in which directors are interested	-	-
(d) Investment by the loanee in the shares of the company, when the Company has made a loan or advance in the nature of loan	-	-

51. Trade Receivables ageing schedule

As at 31st March, 2025

Particulars	Outstanding for following periods from due date of payment							
	Amount not due	Unbilled Amount	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables-considered good	-	-	0.74	86.15	-	-	-	86.89
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	455.71	-	-	455.71
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-	-
Total	-	-	0.74	86.15	455.71	-	-	542.60

As at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment							
	Amount not due	Unbilled Amount	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables-considered good	-	-	81.26	-	-	-	-	81.26
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	142.19	-	1,624.52	1,766.71
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables-which have significant increase in	-	-	-	-	-	-	-	-

credit risk								
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-	-
Total	-	-	81.26	-	142.19	-	1,624.52	1,847.97

52. Trade Payables ageing schedule**As at 31st March, 2025**

Particulars	Outstanding for following periods from due date of payment						
	Amount not due	Unbilled Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	455.96	-	-	455.96
(ii) Others	-	-	100.33	4,587.95	-	-	4,688.28
(iii) Disputed dues-MSME	-	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	-	-	100.33	5,043.91	-	-	5,144.24

As at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment						
	Amount not due	Unbilled Amount	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	420.98	33.65	-	-	454.63
(ii) Others	-	-	8,821.00	259.52	-	-	9,080.52
(iii) Disputed dues-MSME	-	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	-	-	9,241.98	293.17	-	-	9,535.15

53. Analytical Ratios

Ratios	Numerator	Denominator	31st March, 2025	31st March, 2024	%Variance	Reasons for variance [^]
Current Ratio	Current Assets	Current Liabilities	0.04	0.10	60.00	The current ratio for FY 2024-25 was 0.04 times as compared to 0.10 times in the previous year, mainly on account of decrease in current assets & increase in current liabilities. The total current assets for the year were Rs. 1,782.08 lakhs as compared to Rs. 2,943.14 lakhs in the previous year. The current liabilities for the year were Rs. 50,420.09 lakhs as compared to Rs. 29,259.16 lakhs in the previous year.
Debt Equity Ratio	Total Liabilities	Total Equity	(5.14)	(17.46)	70.56	This decrease is on account of the reduction in net losses of the company for the year.
Debt Service Coverage Ratio	Earnings before Interest, Taxes & Non Operating Income/expense	Total Debts Service Costs	(0.13)	(0.84)	84.52	This decrease is on account of the reduction in net losses of the company for the year.
Return on Equity (ROE)	Net Profit	Total Net Worth	62.51	342.18	81.73	This decrease is on account of the reduction in the negative earnings & net worth during the year.
Inventory Turnover(in days)	Sales	Average Inventory	179.84	30.75	484.85	The trade payables turnover ratio for the FY 2024-25 has increased. During the year, the company was mainly done job work instead of own manufacturing of finished goods.
Trade Receivables Turnover (in days)	Net Credit Sales	Average Debtors	9.34	3.28	184.76	The trade receivables turnover ratio for the FY 2024-25 has increased due to delay in collection.
Trade Payables Turnover (in days)	Net Credit Purchases	Average Trade Payables	1668.45	106.63	1464.71	The trade payables turnover ratio for the FY 2024-25 has increased. During the year, the company was mainly done job work instead of own manufacturing of finished goods. The Company has been trying to pay the payables on time wherever possible.
Net Capital	Net Sales	Working Capital	(0.07)	(1.42)	95.07	The variation in ratio is mainly on

Turnover Ratio		(CA-CL)				account of negative working capital of the company.
Net Profit Margin (%)	Net Profit after tax	Net Sales	(397.70)	(51.55)	671.48	The variation in ratio is mainly on account of net losses of the company.
Return on Capital Employed	Earnings before Interest & Taxes	Capital Employed	(0.13)	(0.16)	18.75	The variation in ratio is mainly on account of net losses of the company.

^During the financial year, the company has undergone significant operational and financial challenges, including a substantial decline in sales revenue by approximately 90% and a shift from manufacturing its own finished goods to undertaking job work to sustain operations. The company has negative earnings, indicating severe financial stress. Owing to these exceptional circumstances, the financial statements for the current year are not comparable with the previous year.

54. Pursuant to the Corporate Insolvency Resolution Process, the loan amounts have already been settled under IBC and the Company has been taken over by new management. The Company has been regularly paying interest upto June 2023 and quarterly installments upto June 2023 as per terms of resolution plan. Furthermore, term loan-II of Rs. 50.00 crores has also been repaid in accordance with the terms of resolution plan. Despite the foregoing compliance by the Company, the Company has received a notice from Bank of Maharashtra declaring the name of the Company (under old/previous management prior to liquidation) as willful defaulter on 16.11.2022 in respect of outstanding loan of Rs. 7,285 lakhs. Similarly, the Company has also received a notice from India Exim Bank for appearance before "Willful Defaulter Committee" in earlier year for replying on the willful defaulter notice.

Post implementation of the resolution plan in March, 2021 certain actions were required to be taken sequentially by the resolution applicant, company and the lenders detailed as under:

1. Joint documents for the loans were duly executed between the financial creditors & the Company.
2. Resolution Applicant introduced an amount of Rs. 5,000 lakhs upfront which was used to making payments to financial creditors & operational creditors.
3. Equity Shares and Debentures were allotted by the Company to the financial creditors.
4. Part of Equity Shares allotted to the Resolution Applicant was pledged by the Resolution Applicant with the financial creditors.
5. Term Loan-II of Rs. 4,911 lakhs which was required to be repaid within first year was duly repaid.
6. Resolution Applicant was required to bring in Rs. 6,500 lakhs as working capital out of which Rs. 2,500 lakhs have already been infused.
7. During the intervening period, the financial creditors were required to take the following steps:
 - i. Removal of the name of the Company from CIBIL List,
 - ii. Removal of the name of the Company from Fraud List,
 - iii. Issue a letter for satisfaction of redundant charges of about Rs. 12,000 crores standing in MCA in the name of the Company.

However, the financial creditors have failed to take any steps in this regard except para 7iii despite repeated requests from the Company.

Post implementation of the resolution plan the interest and installments of the Company are being served without any delay upto June 2023. However, due to non-action by the financial creditors as stated above is severely hampering the business of the Company and limiting the capacity of the Resolution Applicant to infuse capital.

55. Further, pursuant to the Corporate Insolvency Resolution Process, the Banks and financial institutions have not taken appropriate action regarding the declassification of the company under the list of Defaulters in the records of RBI, rating agencies, Central Fraud Registry, ECGC, non-cooperative borrower, etc. The same was stipulated to be done within 30 days from the effective date as per the approved resolution plan. The Company filed an application before the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench regarding not taking appropriate action by the banks & financial institutions within specific time period in this matter.

Consequently, the Company's performance during the year was sub-optimal and fell significantly short of expectations. The Company encountered numerous challenges that adversely impacted its ability to conduct business operations in a profitable and economically sustainable manner. An analysis of the operational performance indicates that the Company was unable to fully utilize its available capacities, resulting in a continued operational deficit and severe liquidity stress. Several plants remained shut for the majority of the period under review. In an effort to sustain operations and generate revenue, the Company initiated job work activities at one of its units during the year. Despite these efforts, the ongoing financial distress severely impaired the Company's ability to meet its financial obligations, including the payment of interest and servicing of outstanding loans.

The Company has not repaid the quarterly installment due for the period 30th September, 2023 to 31st March, 2025 amounting to Rs. 12,128.91 lakhs and also has not paid the monthly interest & other charges due for the period July, 2023 to March, 2025 amounting to Rs. 11,344.96 lakhs. The Company filed an application before the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench regarding the issue of declassification etc. as mentioned above. The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench has passed an interim ex parte order vide dated 16th August, 2023 with direction, granting a complete moratorium to the company in the payment of amounts as per the plan including payment of deferred amount and interest of term loan and all other payments to the banks, till the next date of hearing. As per said order the Company is also directed to infuse the necessary funds as provided for in the approved resolution plan within a reasonable period after the Banks have complied with direction to declassify the company from various lists as mentioned above.

56. During the financial year 2023-24, due to the default in payment of electricity dues of plant located at Village Mehatwara, Sehore, MP amounting to Rs. 2,244.63 lakhs. The Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Limited (MPMPKV), Bhopal has discontinued the electricity supply. Accordingly the company has adjusted the security deposit amounting to Rs. 892.60 lakhs against the amount payable in its financial statements during the financial year 2023-24.

Also due to the default in payment of electricity dues of plant located at Village Lal Kalan, Ludhiana amounting to Rs. 85.18 lakhs. The Punjab State Power Corporation Limited (PSPCL) has discontinued the electricity supply. However, the company has not adjusted the security deposit against the amount payable in its financial statements till date.

57. The shareholders of the Company have passed the resolution regarding the Initiation of Corporate Insolvency Resolution Process under Section 10 (including any modification or re-enactment thereof), if any, of the Insolvency and Bankruptcy Code, 2016 in its Extra Ordinary General Meeting held on 13th October, 2023.
58. In accordance with Ind AS 36—Impairment of Assets, the Company has not carried out an impairment assessment of its Property, Plant and Equipment & Capital Work in Progress as at the balance sheet date, due to prevailing financial constraints. The Company's manufacturing facilities remained non-operational for the majority of the units, indicating potential impairment indicators.
59. During the year under consideration, the Company's manufacturing plants remained shut for most of the period due to operational and financial challenges arising out of delays by banks and financial institutions in declassifying the Company from the list of Defaulters, despite an approved resolution plan. In compliance with IND AS16—Property, Plant, and Equipment, the Company has continued to charge depreciation on these idle assets, as they remain within the Company's operational framework and are intended for future use once operations resume.
60. The Company Secretary had resigned from the company on 30th November 2023. In accordance with Section 203 of the Companies Act, 2013, the company initiated the process of filling the vacancy within the prescribed timeframe. However, the company encountered significant challenges in appointing a suitable candidate due to its ongoing financial losses and its recent experience under the Corporate Insolvency Resolution Process (CIRP). These factors led several prospective candidates to decline the offer. Despite these difficulties, the Board of Directors made continuous and diligent efforts to identify a qualified professional and successfully appointed a new Company Secretary on 12th March 2025.
61. As per the provisions of the Companies Act, 2013, the Managing Director is entitled to receive remuneration for their services. However, due to the liquidity stress that the company is currently experiencing, it has become necessary to take certain measures to ensure the financial stability and continuity of the operations. In view of this, the Managing Director has voluntarily decided not to withdraw his remuneration until the financial situation of the company improves.
62. During the year, the Company was in receipt of Cautionary Letters from NSE and BSE pertaining to Risk Management Committee meetings under Regulation 21(3C) of SEBI (LODR) Regulations, 2015. The letters mentioned that the delay in conducting Risk Management Committee meeting, which was in contravention with the provisions of Regulation 21(3C) of SEBI (LODR) Regulations, 2015 and further warned the company to be careful in future and exercise due diligence for complying with the provisions of the Regulations. However, the company has suitably filed the reply for the said letters. There is no impact on financial, operation or other activities of the Company pursuant to the abovementioned cautionary letters.
63. During the year, the Company received notices from the National Stock Exchange (NSE) and BSE Limited regarding non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 ("Depository Regulations"). The non-compliance pertained to the requirement of appointing a qualified Company

Secretary as the Compliance Officer for the quarter ended 31st December, 2024. Consequently, a penalty of Rs. 1.09 lakh was imposed by each exchange. The Company has represented to the stock exchanges that a qualified Company Secretary has been appointed with effect from 12th March, 2025. Owing to the prevailing financial constraints, the Company intends to file a formal request seeking a waiver of the penalties imposed. As the outcome of the waiver request is currently pending and uncertain, no provision for the said penalties has been made in the financial statements for the year.

64. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
65. The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and no proceedings have been initiated or pending against the company under the said Act.
66. One of the trade payables of the Company has filed a petition before the Hon'ble Delhi High Court seeking appointment of an Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 to adjudicate the dispute between the parties, in accordance with the arbitration clause incorporated in the invoices raised by the said party. Pursuant to the High Court's order dated 10th July 2024, an Arbitrator has been appointed. As at the reporting date, the matter is pending before the appointed Arbitrator.
67. The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets during the financial year.
68. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
69. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
70. During the year, the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
71. The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Further, there were no previously unrecorded income and related assets which were required to be properly recorded in the books of account during the year.
72. During the year 2023-24, The Directorate of Enforcement carried out search, seizure or freezing action at the registered office of the Company on 12th January 2024 under section 17 of the Prevention of Money Laundering Act, 2002 (15 of 2003). Based on the inquiry during the search proceedings, further no notice has been received nor any information called for. In view of the absence of any further correspondence, the matter is considered closed, and no further disclosures will be made in the subsequent financial statements unless new development arise.
73. Trade receivables are presented net of impairment in the Balance Sheet.
74. There are not any charges or satisfaction yet to be registered with ROC beyond the statutory period during the financial year under consideration except the following.

Brief of Description of Charge	Location of the Registrar	Date of Satisfaction	Due Date for Filing (30 days from satisfaction)	Actual Date of Filing	Delay in days	Reason for Delay
Credit facilities from Union Bank of India amounting to Rs. 29,811.34 lakhs	Registrar of Company (Punjab & Chandigarh)	18 th March, 2024	17 th April, 2024	29 th April, 2024	12	The delay in filing the satisfaction of charge was not intentional. Upon realization of the oversight, the Company took prompt action to file the necessary Form CHG-4 along with applicable additional fees.

75. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
76. Previous year amounts have been reclassified/regrouped wherever necessary to make them comparable and conform to Ind AS presentation.
77. Note No. 1 to 76 forms integral part of the balance sheet and statement of profit & loss.

For Kamboj Malhotra & Associates
Chartered Accountants
FRN: 015848N

For and on the behalf of Board of

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

(Rajeev Bhalla)
Managing Director & CEO
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

Place: Ludhiana
Date: 30.05.2025

(Navneet Gupta)
Chief Financial Officer

(Sumit Sushil Jain)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED				
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2025				
(See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2015)				
(Rs. in lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (as reported after adjusting for qualifications)
	1.	Turnover / Total income	3,314.75	3,314.75
	2.	Total Expenditure	16,386.74	16,386.74
	3.	Net Profit/(Loss)	-13,071.99	-13,071.99
	4.	Earnings Per Share	39.45	39.45
	5.	Total Assets	94,845.81	94,845.81
	6.	Total Liabilities	1,15,756.43	1,15,756.43
	7.	Net Worth	-20,910.62	-20,910.62
	8.	Any other financial item(s) (as felt appropriate management)		
II.	Audit Qualification (each audit qualification separately):			
a.	Details of Audit Qualification:		The Company is required to determine impairment in respect of Property, Plant & Equipment and Capital Work in Progress as per the methodology prescribed under the said Ind AS. However the Management of the Company has not done impairment testing for the reasons explained in the note. In the absence of any working for impairment of the Property, Plant & Equipment and Capital Work in Progress as per Ind AS 36, the impact of impairment, if any on the Ind AS financial statements is not ascertainable.	
b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		Qualified Opinion	
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		First Time	
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		N.A.	
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the Impact of audit qualification:		N.A.	
	(ii) If management is unable to estimate the impact, reasons for the same:		The Company has not carried out an impairment assessment of its Property, Plant and Equipment & Capital Work in Progress as at the balance sheet date, due to prevailing financial constraints. The Company's manufacturing facilities remained non-operational for the majority of the units, indicating potential impairment indicators. However, no impairment loss has been recognized during the year.	
	(iii) Auditors' Comments on (i) or (ii) above:		The Company has not done impairment testing. Hence, we are unable to justify its reasonableness.	

Place: Ludhiana
Dated: 30/05/2025

.....
Naveen Arora
(Whole Time Director)

.....
CA Manik Malhotra
(Statutory Auditors)

.....
Manjit Singh Kochar
(Chairman, Audit
Committee)

.....
Navneet Gupta
(Chief Financial Officer)