ANNUAL REPORT 2020-21

SEL Manufacturing Company Ltd.

Board of Directors
(Current)

Sh. Rajeev Bhalla	Mg. Director
Sh. Naveen Arora	Whole-time Director
Sh. Dinesh Kumar Mehtani	Director
Sh. Shashank Rai	Director
Sh. Sushil Kumar	Director
Sh Rajiv Kumar Maheshwary	Director
Smt. Nidhi Aggarwal	Director
Sh. Vishal Sharat Ohri	Director (Nominee)

Auditors

Malhotra Manik & Associates
Chartered Accountants,
29-A, Bhai Randhir Singh Nagar,
Ludhiana - 141001
Punjab

Registered Office:

274, Dhandari Khurd, G. T. Road,
Ludhiana (Pb.) 141 014

CIN: L51909PB2000PLC023679

Registrar & Transfer Agent
Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Ltd.)
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

Contents

SEL MANUFACTURING COMPANY LIMITED
Regd.Office: 274, DHANDARI KHURD, G.T. ROAD, LUDHIANA,141 014 PUNJAB (INDIA)
CIN: L51909PB2000PLC023679

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NOTICE

Notice is hereby given that the 21ST Annual General Meeting of the Members of the Company will be held on Thursday, the 28th day of April, 2022 at 02.00 P.M. (IST) through Video Conferencing / Other Audio Visual Means to transact the following business(es):

AS ORDINARY BUSINESS:-

1. To receive, consider and adopt:

   a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 including the Statement of Profit & Loss Account for the financial year ended on that date together with the report of Board of Directors & Auditors thereon.

   b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 including the Statement of Profit & Loss Account for the financial year ended on that date together with the report of Auditors thereon.

AS SPECIAL BUSINESS:-

2. 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 2021-22 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."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 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, Mr. Sushil Kumar (DIN: 00126157), be and is hereby appointed a Director and also an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 31st March, 2021."

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

"RESOLVED THAT pursuant to the provisions of Sections 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, Mr. Rajiv Kumar Maheshwary (DIN: 07342702), be and is hereby appointed a Director and also an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 31st March, 2021."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 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. Nidhi Aggarwal (DIN: 09149030), be and is hereby appointed a Director and also an Independent Woman Director of the Company to hold office for a term upto five consecutive years commencing from 29th June, 2021."

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

"RESOLVED THAT pursuant to the provisions of Sections 161, 196, 197, 203 and any other applicable sections/provisions, if any, of the Companies Act, 2013 and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be applicable, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to such other modification(s), amendment(s), alteration(s) as may be required and subject to the requisite approval of the Central Government, if any, required, the consent of the Company be and is hereby accorded for the appointment of Mr. Naveen Arora (DIN: 09114375), as a Director, liable to retire by rotation, and also as the Whole time Director of the Company for a period of three years w.e.f. 08.04.2021 on a consolidated amount of Remuneration upto Rs**.** 1,72,000/- per month.

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 161, 196, 197, 203 and any other applicable sections/provisions, if any, of the Companies Act, 2013 and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be applicable, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to such other modification(s), amendment(s), alteration(s) as may be required and subject to the requisite approval of the Central Government, if any, required, the consent of the Company be and is hereby accorded for the appointment of Sh. Rajeev Bhalla (DIN: 00551773) as Director of the Company and also as the Managing Director of the Company for a period of three years w.e.f. 08.04.2021 on a consolidated amount of Remuneration upto Rs**. 10**,00,000/- per month.

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable Section(s)/provisions, if any, of the Companies Act, 2013 Mr. Vishal Sharat Ohri (DIN:09361145) who has been appointed as Nominee Director on the Board of the Company, be and is hereby appointed as Director (Nominee) of the Company, not liable to retire by rotation."

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

"RESOLVED THAT Mr. Dinesh Kumar Mehtani (DIN: 08909769), who was appointed as an Additional Director under the provisions of Section 161 of the Companies Act, 2013 and other applicable provisions, and who holds Office up to the date of Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Shashank Rai (DIN: 08916697), who was appointed as an Additional Director under the provisions of Section 161 of the Companies Act, 2013 and other applicable provisions, and who holds Office up to the date of Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

(NAVEEN ARORA)
DIRECTOR
DIN:09114375

Ludhiana, 31.03.2022
Regd. Off.:
274, Dhandari Khurd, G.T. Raod
Ludhiana-141014 (Pb.)
CIN: L51909PB2000PLC023679

NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, social distancing is a norm 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 and 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 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated January 15, 2021 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 21ST 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 relative Statement pursuant to Section 102 of the Companies Act, 2013 in Respect of Item(s) of Special Business is annexed hereto and forms part of the Notice.

3. The venue of the Meeting shall be deemed to be the registered office of the Company.

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 authorised 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 line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, the Notice calling the AGM alongwith Annual Report for the year 2020-21 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 2020-21 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 Register of Members and Share Transfer books shall remain closed from April 22, 2022 to April 28, 2022 (both days inclusive).

8. 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 atleast 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.

9. 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.

10. 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. Link Intime India Pvt. Ltd. for assistance in this regard.

11. 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.

12. 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 alongwith Original cancelled cheque leaf/attested bank passbook showing name of account holder and address, to the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd..

13. 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 up to the date of AGM i.e. April 28, 2022.

14. 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 and December 14, 2021 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.

15. 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 REMOVE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on 25th April, 2022 (9:00 a.m.) and ends on 27th April, 2022 (5:00 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 21st April, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) 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.

(iv) 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**	1) Userswho 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 URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful loginthe Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 i.e. CDSL/NSDL/KARVY/LINKINTIME, 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 availableathttps://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link availableon www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 evoting 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**	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.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	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.comor contact at 022- 23058738 and 22-23058542-43.
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 toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual AGM for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on “Shareholders” module.
3) Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) 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.
6) 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) • 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 RTA records in order to login. • If both the details are not recorded with the depository or RTA, please enter the member id / folio number in the Dividend Bank details field.

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

(vii) 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.

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

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

(x) 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.

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

(xii) 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.

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

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

(xv) 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.

(xvi) **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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required 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 shivaligupta393@gmail.com and to the Company at the email address viz; info@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 THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM 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.

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 atleast 7 **days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at info@selindia.in. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM. 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 info@selindia.in.

1. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

2. Only those shareholders, who are present in the AGM 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 AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through

VC/OAVM facility, then the votes cast by such shareholders shall 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 RTA/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 delhi@linkintime.co.in.

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:

i) Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date.

ii) The Company has appointed M/s Gupta Shivali and Associates, Practising Company Secretary (Membership No. 30617), 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.

iii) 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.

iv) 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.

v) 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. 28th April, 2022.

vi) 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 cut-off date i.e. 21st April, 2022 may follow the same instructions as mentioned above for e-Voting.

vii) A person who is not a Member as on the cut off date i.e. 21st April, 2022 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 022-23058738 and 022-23058542/43.

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, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

FOR ITEM NO.2:

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 2021-22 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 Directos, 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.

FOR ITEM NO.3:

The appointment of Mr. Sushil Kumar (DIN: 00126157), as a Director and also as an 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 Mr. Sushil Kumar

(DIN: 00126157), as a Director and also as the Independent Director of the Company for a term upto five consecutive years commencing from 31st March, 2021 subject to the confirmation of his appointment by the members of the Company.

Mr. Sushil Kumar (DIN: 00126157), 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 Mr. Sushil Kumar (DIN: 00126157), as Independent Director is now being placed before the members in General Meeting for their approval.

In the opinion of the Board, Mr. Sushil Kumar fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent director and he is independent of the management.

Mr. Sushil Kumar is interested and concerned in this Resolution. Other than Mr. Sushil Kumar 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.

FOR ITEM NO.4:

The appointment of Mr. Rajiv Kumar Maheshwary (DIN: 07342702), as a Director and also as an 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 Mr. Rajiv Kumar Maheshwary (DIN: 07342702), as a Director and also as the Independent Director of the Company for a term upto five consecutive years commencing from 31st March, 2021 subject to the confirmation of his appointment by the members of the Company.

Mr. Rajiv Kumar Maheshwary (DIN: 07342702), 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 Mr. Rajiv Kumar Maheshwary (DIN: 07342702), as Independent Director is now being placed before the members in General Meeting for their approval.

In the opinion of the Board, Mr. Rajiv Kumar Maheshwary fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent director and he is independent of the management.

Mr. Rajiv Kumar Maheshwary is interested and concerned in this Resolution. Other than Mr. Rajiv Kumar Maheshwary, 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.

FOR ITEM NO.5:

The appointment of Ms. Nidhi Aggarwal (DIN: 09149030), as a Director and also as an Independent Woman 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. Nidhi Aggarwal (DIN: 09149030), as a Director and also as the Independent Woman Director of the Company for a term upto five consecutive years commencing from 29th June, 2021, subject to the confirmation of her appointment by the members of the Company.

Ms. Nidhi Aggarwal (DIN: 09149030), has given a declaration to the Board that she 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. Nidhi Aggarwal (DIN: 09149030), as an Independent woman Director is now being placed before the members in General Meeting for their approval.

In the opinion of the Board, Ms. Nidhi Aggarwal fulfils the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and she is independent of the management.

Ms. Nidhi Aggarwal is interested and concerned in this Resolution. Other than Ms. Nidhi Aggarwal, 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.

FOR ITEM NO. 6:

The Board of Directors of your Company have appointed Mr. Naveen Arora (DIN: 09114375), as a Director and also as the Whole time Director of the Company for a period of three years w.e.f. 08.04.2021 subject to the confirmation of his appointment and remuneration by the members of the Company. The remuneration proposed to be paid to Whole time Director has been approved by the Nomination and Remuneration Committee of the Board and the resolution is put for your approval in this meeting. Mr.

Naveen Arora, Whole time Director of the Company besides being responsible for the overall management of the Company, is also incharge of overseeing accounts/finance. Other details required in pursuance of Schedule V of the Companies Act, 2013 and under other regulations etc., are mentioned in the Annexure to the Notice. The appointment of Mr. Naveen Arora, as a Director and also as a Whole time Director of the Company is recommended for the approval of members.

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

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

The Board Recommends this Resolution for your approval.

FOR ITEM NO. 7:

Mr. Rajeev Bhalla (DIN: 00551773), was nominated by the Resolution Applicant as an Additional Director on the Board of the Company w.e.f. 13.03.2021, in terms of the approved Resolution Plan under IBC. Further, the Board of Directors of your Company have appointed Mr. Rajeev Bhalla (DIN: 00551773), as the Managing Director of the Company for a period of three years w.e.f. 08.04.2021 subject to the confirmation of his appointment and remuneration by the members of the Company. The remuneration proposed to be paid to Managing Director has been approved by the Nomination and Remuneration Committee of the Board and the resolution is put for your approval in this meeting. Mr. Rajeev Bhalla, Managing Director besides being responsible for the overall management of the Company, also looks after complete operations of the Company. Other details required in pursuance of Schedule V of the Companies Act, 2013, and under other regulations etc., are mentioned in the Annexure to the Notice. The appointment of Mr. Rajeev Bhalla, as a Director and also as the Managing Director of the Company is recommended for the approval of members.

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

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

The Board Recommends this Resolution for your approval.

FOR ITEM NO.8:

Mr. Vishal Sharat Ohri (DIN: 09361145) was appointed as a Nominee Director from SBI/Lender Bank(s), on the Board w.e.f. 09.11.2021 as per the terms of the approved Resolution Plan under IBC. A brief Profile of him is also included in Annexure to the Notice.

Mr. Vishal Sharat Ohri is interested and concerned in this Resolution. Other than Mr. Vishal Sharat Ohri, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board Recommends this Resolution for your approval.

FOR ITEM NO.9:

Mr. Dinesh Kumar Mehtani (DIN: 08909769), was nominated by the Resolution Applicant as an Additional Director on the Board of the Company w.e.f. 13.03.2021, in terms of the approved Resolution Plan under IBC. He was appointed as an Additional Director under the provisions of Section 161 of the Companies Act, 2013 and other applicable provisions. He holds office up to the date of this Annual General Meeting.

As per the provisions of the Companies Act, 2013 and Rules framed there under, confirmation of the members of the Company is required for the appointment as Director of the Company. Hence the proposed resolution is recommended for your consideration and approval. Other details required in pursuance of the Companies Act, 2013, and under other regulations etc., are mentioned in the Annexure to the Notice

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

The Board Recommends this Resolution for your approval.

FOR ITEM NO.10:

Mr. Shashank Rai (DIN: 08916697), was nominated by the Resolution Applicant as an Additional Director on the Board of the Company w.e.f. 13.03.2021, in terms of the approved Resolution Plan under IBC. He was appointed as an Additional Director under the provisions of Section 161 of the Companies Act, 2013 and other applicable provisions. He holds office up to the date of this Annual General Meeting.

As per the provisions of the Companies Act, 2013 and Rules framed there under, confirmation of the members of the Company is required for the appointment as Director of the Company. Hence the proposed resolution is recommended for your consideration and approval. Other details required in pursuance of the Companies Act, 2013, and under other regulations etc., are mentioned in the Annexure to the Notice

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

The Board Recommends this Resolution for your approval.

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

(NAVEEN ARORA)
DIRECTOR
DIN: 09114375

Ludhiana, 31.03.2022
Regd. Off.:
274, Dhandari Khurd, G.T. Raod
Ludhiana-141014 (Pb.)
CIN:L51909PB2000PLC023679

Annexure to Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 28th APRIL, 2022

Name of Director with DIN	Mr. Rajeev Bhalla (DIN00551773)	Mr. Dinesh Kumar Mehtani (DIN: 08909769)	Mr. Shashank Rai (DIN : 08916697)	Sh. Naveen Arora (DIN:09114375)
Resume including Expertise in specific functional area	Mr. Rajeev Bhalla aged 46 years S/o Sh. Ashok Bhalla is an Industrialist/Entrepreneur and has more than 18 years of experience in the Industry. He is on the Board of several companies.	Mr. Dinesh Kumar Mehtani aged 53 years S/o Sh. Naresh Kumar Mehtani is a Practising Chartered Accountant and has vast experience in Accounts and Financial matters.	Mr. Shashank Rai aged 40 years S/o Sh. Aipratapnarain is an Entrepreneur and has more than 15 years of experience in the Industry.	Mr. Naveen Arora, aged 45 years S/o Sh. Madan Lal Arora, has more than 17 years of experience in the field of Accounts and Taxation. He has worked with companies like Sportking India Ltd
List of other Companies in which Directorship held	1) R S A Packages Pvt. Ltd.. 2) S A T Pack Pvt. Ltd.. 3) Eternys Infra Pvt. Ltd. 4) Niketan Merchants Pvt. Ltd. 5) Arr Ess Industries Pvt. Ltd. 6) Arr Ess Leading Edge Pvt. Ltd. 7) A And A Advisors Pvt. Ltd.	1) Arr Ess Leading Edge Private Limited	1) Arr Ess Leading Edge Private Limited	1) SEL Aviation Pvt. Ltd.
Chaiman/Member of the Committee of Board of Directors of other Companies	----	----	----	--
Inter-Se relationship with other Directors of the Company	Not related	Not related	Not related	Not related
Shareholding in the Company	Nil	Nil	Nil	Nil

DETAILS OF DIRECTORS SEEKING APPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 28th APRIL, 2022

Name of Director with DIN	Mr. Sushil Kumar (DIN: 00126157)	Mr. Rajiv Kumar Maheshwaryl (DIN: 07342702)	Ms. Nidhi Aggarwal (DIN : 09149030)	Mr. Vishal Sharat Ohri (DIN:09361145)
Resume including Expertise in specific functional area	Mr. Sushil Kumar aged 59 years is a Chartered Accountant and has elaborate experience of more than 30 years in the field of finance, accounting and management/corporate consultancy. He has been the past Chairman of Ludhiana Branch of NIRC of the Institurte of Chartered Accountants of India and is also associated with various social and philanthropic organizations.	Dr. Rajiv Kumar Maheshwary aged 62 years has done PhD and MBA (Marketing and Finance). He has rich Industrial experience and is an academician and researcher, exposed to extensive planning & leadership skills for performance.	Ms. Nidhi Aggarwal, aged 38 years has done PhD in Management and MBA (Finance). She has rich experience and is an academician and researcher, exposed to extensive planning & leadership skills for performance. She has also worked as Investor Relationship Officer at Karvy Computershare Pvt. Ltd..	Mr. Vishal Sharat Ohri, aged 62 years has done BSc (PCM) and MBA (Banking & Finance). He has served in SBI at various levels and has over 35 years of experience in Banking and other areas.
List of other Companies in which Directorship held	--	--	--	--
Chaiman/Member of the Committee of Board of Directors of other Companies	----	--	--	--
Inter-Se relationship with other Directors of the Company	Not related	Not related	Not related	Not related
Shareholding in the Company	Nil	Nil	Nil	Nil

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

I	General Information	
	(1) Nature of Industry	Textiles
	(2) Date or expected date of commencement of commercial production	The Company was incorporated on 08.05.2000 and the certificate of commencement of Business was dated 02.06.2000 respectively.
	(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
	(4) Financial performance based on given indicators	The details of financial performance of the Company for the financial years 2020-21 and 2019-20 are duly provided in the Annual Report 2021 which accompanies this Notice.
	(5) Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration.
II	Information about the appointee/releevant person	
	(1) Background details	Mr. Rajeev Bhalla is the Managing Director of the Company. Mr. Naveen Arora is the Whole time Director of the Company.
	(2) Past remuneration	Details of remuneration is duly given in the Annual Report 2021 which accompanies this Notice.
	(3) Recognition or awards	--
	(4) Job profile and his suitability	1. Mr. Rajeev Bhalla aged 46 years S/o Sh. Ashok Bhalla is an Industrialist/Entrepreneur and has more than 18 years of experience in the Industry. He is on the Board of several companies. 2. Mr. Naveen Arora, aged 45 years S/o Sh. Madan Lal Arora, has more than 17 years of experience in the field of Accounts and Taxation. He has worked with companies like Sportking India Ltd.
	(5) Remuneration proposed	Details of remuneration are duly given in the Notice and Explanatory Statement thereto.
	(6) Comparative remuneration profile with respect ot industry, size of the company, profile of the position and person	The remuneration is as per Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V and other Rules under the Companies Act, 2013 and is comparable to the remuneration of CEO/MD/Whole time Director/ED levels of similar sized Textile manufacturing Companies in India and abroad.

	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Rajeev Bhalla is not related to any other Director on the Board. He does not hold any Shares of the Company. None of other Key Managerial Personnel of any other senior Managerial personnel is related. No other pecuniary relationship other than being Managing Director Mr. Naveen Arora is not related to any other Director on the Board. He does not hold any Shares of the Company. None of other Key Managerial Personnel of any other senior Managerial personnel is related. No other pecuniary relationship other than being Whole time Director.
III	Other Information	
	(1) Reasons of loss or inadequate profits (2) Steps taken or porposed to be taken for improvement (3) Expected increase in productivity and profits in measurable terms	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 NCLT vide its order ("**Admission Order**") dated April 11, 2018 ("**Insolvency Commencement Date**") had admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of the Corporate Debtor. Subsequently, the NCLT *vide* its order dated April 25, 2018 ("**IRP Order**") appointed Mr. **Navneet Kumar Gupta,** as the interim resolution professional of the Corporate Debtor ("**IRP**"). As narrated above, the Company was undergoing Corporate Insolvency Resolution Process ("**CIRP**") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. Upon re-initiation of CIRP, the management of the Company was handed over from the existing board of directors to the resolution professional appointed by the Hon'ble NCLT. The Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 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**")
IV	Disclosures	As required, the information is provided under Corporate Governance Section of the Annual Report 2021.

DIRECTORS' REPORT

To
The Members
SEL Manufacturing Company Ltd.

The Directors hereby present the 21st Annual Report on the affairs of the company together with Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS **(Rupees in Lacs)**

		Current Year (2020-21)		Previous year (2019-20)
Revenue from Operations		19038.45		29104.29
Other Income		232.66		7659.79
		19271.11		36764.08
Less :				
Expenditure	33390.82		35333.24	
Depreciation &Amortization	10723.19	44114.01	10782.78	46116.02
Profit/(loss)before exceptional items And tax:		(24842.90)		(9351.94)
Exceptional Items		(535236.65)		244749.42
Profit/(Loss) before tax:		510393.75		(254101.36)
Less :				
Taxes :		--		--
Profit/(Loss)from continuing Operations		510393.75		(254101.36)
Profit/(Loss)from discontinuing Operations		--		--
Profit/(Loss) for the period		510393.75		(254101.36)
Other Comprehensive Income				
i)Items that will not be reclassified to Profit or loss		318.16		62.28
ii) Items that will be reclassified to Profit or loss		2426.34		(779.99)
Total Comprehensive Income/(Loss)for the Period		513138.25		(254819.07)

The Directors of the Reconstituted Board were not in office for the majority period to which these report/annexures primarily pertains. During the CIRP Process (i.e. between 11th April, 2018 and 12th March, 2021), Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company. The Reconstituted Board is submitting these reports/annexures in compliance with the Act and other Regulations and the Directors, as on date, are not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the acquisition.

BUSINESS:

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

State of Company's affairs:

During the year under review, your company has achieved Revenue from Operations of Rs. 19038.45 lacs as compared to Rs. 29104.29 lacs in the previous year. After deducting Expenses there was loss of Rs. 24842.90 lacs as compared to loss of Rs. 9351.94 lacs during the previous year. After adjusting Exceptional Items there was Profit of Rs. 510393.75 lacs as compared to Loss of Rs. 254101.36 lacs during the previous year. After providing for other adjustments/comprehensive income, the current year Profit/Income stood at Rs. 513138.25 lacs as compared to loss of Rs. 254819.07 lacs during the previous year.

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 NCLT vide its order ("**Admission Order**") dated April 11, 2018 ("**Insolvency Commencement Date**") had admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of the Corporate Debtor. Subsequently, the NCLT *vide* its order dated April 25, 2018 ("**IRP Order**") appointed Mr. **Navneet Kumar Gupta,** as the interim resolution professional of the Corporate Debtor ("**IRP**").

Subsequently, on a writ petition filed by the Corporate Debtor and the managing director of the Corporate Debtor against the Admission Order, the Hon'ble High Court of Punjab and Haryana ("**High Court**") *vide* its order dated May 01, 2018, while disallowing the writ petition, kept the CIRP of the Corporate Debtor in abeyance and ordered that the IRP not take over the management of the Corporate Debtor till May 15, 2018 ("**First Abeyance Order**"). Pursuant to the First Abeyance Order, the existing management of the Corporate Debtor continued to manage the affairs of the Corporate Debtor during the period of abeyance. Against the First Abeyance Order, a special leave petition was filed before the Hon'ble Supreme Court, which, while dismissing the said special leave petition, *vide* its order dated May 12, 2018, extended the abeyance of the CIRP by another week, during which period the existing management retained control over the management of the Corporate Debtor. Accordingly, upon the lapse of the period of abeyance, as stipulated by the Hon'ble Supreme Court, the CIRP of the Corporate Debtor resumed on May 21, 2018 and Mr. Navneet Kumar Gupta, resumed his position and duties as the IRP on the same date. Thereafter, in accordance with the provisions of the

Code, the first meeting of the committee of creditors of the Corporate Debtor was held on June 15, 2018 wherein *inter alia* the IRP was confirmed as the resolution professional of the Corporate Debtor ("**Resolution Professional**").

Subsequently, a petition was filed by one of the promoters and directors of the Corporate Debtor, before the High Court ("**Petition**") wherein the High Court, *vide* its interim order dated June 22, 2018, directed the CIRP of the Corporate Debtor to be kept in abeyance ("**Second Abeyance Order**") and directed the earlier board of directors of the Corporate Debtor to operate their bank accounts and bank operations as before the initiation of the CIRP of the Corporate Debtor to protect the interest of the bank consortium. This Petition was transferred to the Hon'ble Supreme Court ("**Transferred Case**"). The Hon'ble Supreme Court *vide* its order dated September 6, 2019 as prayed for, dismissed the Transferred Case as withdrawn ("**Withdrawal Order**"). A copy of the Withdrawal Order was published on September 11, 2019 ("**Publication Date**"). Accordingly, on and from the Publication Date, the CIRP of the Corporate Debtor stood restored and the Resolution Professional had resumed his position as such.

As such on and from the Publication Date, the Resolution Professional had again assumed control over the management of the affairs of the Corporate Debtor and the powers of the board of directors of the Corporate Debtor.

As narrated above, the Company was undergoing Corporate Insolvency Resolution Process ("**CIRP**") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. Upon re-initiation of CIRP, the management of the Company was handed over from the existing board of directors to the resolution professional appointed by the Hon'ble NCLT.

Further the Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 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**") and the Monitoring Committee ("**MC**") of the Company (constituted in terms of the Resolution Plan) in its meeting held on March 13, 2021 duly appointed the nominees of the Resolution Applicant as Directors of the Company and approved the reconstitution of the Board of Directors of the Company ("**Reconstituted Board**").

Pursuant to the Resolution Plan submitted by the Consortium of ARR ESS Industries Private Limited and Leading Commercial Edge FZE (Collectively referred to as the "Resolution Applicant") and its approval by the Hon'ble National Company Law Tribunal, Chandigarh bench, vide their orders dated 10th February, 2021 for the corporate insolvency of the Company, which is implemented from 13th March, 2021 (i.e. closing date as defined under the resolution plan) the following consequential impacts have been given in accordance with approved resolution plan:

i) The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from 13th March, 2021.

ii) The erstwhile promoter group has been classified as public shareholders.

iii) With effect from 13th March, 2021, the existing issued, subscribed and paid up equity share capital of the Company has been reduced from Rs. 33,134.70 lakhs divided into 331,347,000 equity shares of Rs. 10 each to Rs. 33.13 lakhs divided into 3,31,347 equity share of Rs. 10 each thereby reducing the value of issued, subscribed and paid up equity share capital of the Company by Rs. 33,101.57 lakhs. Further, with effect from 13th March, 2021, the existing issued, subscribed, paid up 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10 each stand fully cancelled and extinguished. As prescribed in the Resolution Plan, the reduction in the share capital of the Company amounting to Rs. 33,101.57 lakhs is adjusted against the debit balance as appearing in its profit and loss account (i.e. retained earnings). As per the approved Resolution Plan, 32,803,353 equity shares (new) were allotted in favour of financial creditors and resolution applicant.

iv) Transfer of Subsidiary Company M/s SEL Textiles Limited: As a part of the Resolution Plan, the Parent Company has transferred its identified subsidiary to the trust alongwith its entire equity/ownership interest held in the subsidiary, at a fair value on "as is where is whatever there is" and without recourse basis".

v) Pursuant to the approved resolution plan by NCLT, the Company has issued Unlisted Non-Marketable Secured/Unsecured Non-Convertible Redeemable Debentures (i.e. 3,19,80,898 Debentures of Rs.100/- each) amounting Rs. 319,80,89,800.00 to the Financial Creditors and Resolution Applicant of the Company.

Other terms of Resolution Plan are also provided in Notes to the Financial Statements.

SUBSIDIARY COMPANY/FIRM(S):

As at 31.03.2021, the Company has the following Subsidiary Company namely SEL Aviation Pvt. Ltd..

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

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

SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of Aviation services. The contribution of Subsidiaries in the overall performance is as given in Consolidated Financial Statements. Further the Report on financial position of subsidiaries alongwith names of companies which have ceased to be its subsidiaries, associate companies etc. during the year has been duly provided as an Attachment in prescribed Form AOC1.

Consolidated Financial Statements:

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

CORPORATE GOVERNANCE:

Your Company is committed to adhere to the best Practices of governance. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment & compliances. A separate section on Corporate Governance and a Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report

DIVIDEND:

The directors have not recommended any dividend for the Financial year 2020-21.

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

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

FIXED DEPOSITS:

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

SECRETARIAL STANDARDS:

The Company has complied with applicable secretarial Standards.

DIRECTORS & KMP:

As narrated before, the Company was undergoing Corporate Insolvency Resolution Process ("**CIRP**") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. Upon re-initiation of CIRP, the management of the Company was handed over from the existing board of directors to the resolution professional appointed by the Hon'ble NCLT.

Upon approval of the Resolution Plan, the existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from 13th March, 2021.

As on date the Board of Directors consist of Mr. Rajeev Bhalla, Mr. Naveen Arora, Mr. Dinesh Kumar Mehtani, Mr. Shashank Rai, Mr. Sushil Kumar, Ms. Nidhi Aggarwal, Mr. Rajiv Kumar Maheshwary and Mr. Vishal Sharat Ohri (Nominee). Further on 8th April, 2021 Mr. Rajeev Bhalla was appointed as Managing Director and Mr. Naveen Arora as Whole Time Director of the Company respectively.

As new Board was formed w.e.f. 13.03.2021 respectively, confirmation for appointment of Directors is proposed for approval in the ensuing Annual General Meeting. Further appointment of Independent directors by Special resolution is also proposed for approval in the ensuing Annual General Meeting. Further, the appointment/remuneration of Mr. Rajeev Bhalla as Managing Director and Mr. Naveen Arora, as Whole time Director of the Company respectively for a period of 3 years is put for confirmation by the members of the Company in the ensuing Annual General Meeting. Details of appointment and terms are given in detail in the Notice/Annexure to Notice for the ensuing Annual General Meeting.

LISTING WITH EXCHANGES AND LISTING FEES:

The Equity Shares of the Company are presently listed with Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Ltd. (NSE). Further the Company has paid listing fees to both the exchanges (i.e. BSE and NSE) upto financial year 2021-22.

FURTHER ISSUE OF SECURITIES:

As per the approved Resolution Plan by NCLT, 32,803,353 New Equity shares of the face value of Rs. 10/- each were allotted in favour of financial creditors and resolution applicant (SPV).

Further pursuant to the approved resolution plan by NCLT, the Company has issued Unlisted Non-Marketable Secured/Unsecured Non-Convertible Redeemable Debentures (i.e. 3,19,80,898 Debentures of Rs.100/- each) amounting Rs. 319,80,89,800.00 to the Financial Creditors and Resolution Applicant(SPV), of the Company.

AUDITORS:

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

AUDITORS' REPORT:

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

COST AUDITORS:

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year 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 2021-22 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, 2021 has been filed with the Central Government.

Number of Board Meetings held during the year:

Upon approval of the Resolution plan pursuant to CIRP, new Board of Directors was formed. The Board met 4 times during the financial year 2020-21, the details of which are given in corporate governance section.

Annual Evaluation of the performance of the Board, its Committees and of Individual Directors:

The Company was undergoing Corporate Insolvency Resolution Process ("**CIRP**") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. Upon approval of the Resolution plan pursuant to CIRP, new Board of Directors was formed.

Declaration by Independent Directors as required under Section 149(7) of the Companies Act, 2013:

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

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

POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION

The Company strives to maintain an appropriate combination of executive, non-executive and independent Directors including at least one woman Director. The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, listing agreement and other applicable regulations or guidelines. All the Board appointments are based on meritocracy. The potential candidates for appointment to the Board are interalia evaluated on the basis of highest level of personal and professional ethics, standing, integrity, values and character; appreciation of the Company's vision, mission, values; prominence in business, institutions or professions; professional skill, knowledge and expertise; financial literacy and such other competencies and skills as may be considered necessary. In addition to the above, the candidature of an independent Director is also evaluated in terms of the criteria for determining independence as stipulated under Companies Act, 2013, listing agreement and other applicable regulations or guidelines. In case of re-appointment of Independent Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level. There is a Remuneration Policy for Directors, KMPs and other employees.

LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

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

MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS

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 NCLT vide its order ("**Admission Order**") dated April 11, 2018 ("**Insolvency Commencement Date**") had admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of the Corporate Debtor. Subsequently, the NCLT *vide* its order dated April 25, 2018 ("**IRP Order**") appointed Mr. **Navneet Kumar Gupta,** as the interim resolution professional of the Corporate Debtor ("**IRP**").

Subsequently, on a writ petition filed by the Corporate Debtor and the managing director of the Corporate Debtor against the Admission Order, the Hon'ble High Court of Punjab and Haryana ("**High Court**") *vide* its order dated May 01, 2018, while disallowing the writ petition, kept the CIRP of the Corporate Debtor in abeyance and ordered that the IRP not take over the management of the Corporate Debtor till May 15, 2018 ("**First Abeyance Order**"). Pursuant to the First Abeyance Order, the existing management of the Corporate Debtor continued to manage the affairs of the Corporate Debtor during the period of abeyance. Against the First Abeyance Order, a special leave petition was filed before the Hon'ble Supreme Court, which, while dismissing the said special leave petition, *vide* its order dated May 12, 2018, extended the abeyance of the CIRP by another week, during which period the existing management retained control over the management of the Corporate Debtor. Accordingly, upon the lapse of the period of abeyance, as stipulated by the Hon'ble Supreme Court, the CIRP of the Corporate Debtor resumed on May 21, 2018 and Mr. Navneet Kumar Gupta, resumed his position and duties as the IRP on the same date. Thereafter, in accordance with the provisions of the

Code, the first meeting of the committee of creditors of the Corporate Debtor was held on June 15, 2018 wherein *inter alia* the IRP was confirmed as the resolution professional of the Corporate Debtor ("**Resolution Professional**").

Subsequently, a petition was filed by one of the promoters and directors of the Corporate Debtor, before the High Court ("**Petition**") wherein the High Court, *vide* its interim order dated June 22, 2018, directed the CIRP of the Corporate Debtor to be kept in abeyance ("**Second Abeyance Order**") and directed the earlier board of directors of the Corporate Debtor to operate their bank accounts and bank operations as before the initiation of the CIRP of the Corporate Debtor to protect the interest of the bank consortium. This Petition was transferred to the Hon'ble Supreme Court ("**Transferred Case**"). The Hon'ble Supreme Court *vide* its order dated September 6, 2019 as prayed for, dismissed the Transferred Case as withdrawn ("**Withdrawal Order**"). A copy of the Withdrawal Order was published on September 11, 2019 ("**Publication Date**"). Accordingly, on and from the Publication Date, the CIRP of the Corporate Debtor stood restored and the Resolution Professional had resumed his position as such.

As such on and from the Publication Date, the Resolution Professional had again assumed control over the management of the affairs of the Corporate Debtor and the powers of the board of directors of the Corporate Debtor.

Further the Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 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**") and the Monitoring Committee ("**MC**") of the Company (constituted in terms of the Resolution Plan) in its meeting held on March 13, 2021 duly appointed the nominees of the Resolution Applicant as Directors of the Company and approved the reconstitution of the Board of Directors of the Company ("**Reconstituted Board**"). The Reconstituted Board has just been formed on March 13, 2021 and is in process to regularise all the issues at the earliest.

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

MATERIAL CHANGES & COMMITMENTS

Apart from the Orders of NCLT and other Court(s) Orders, completion of CIRP process under IBC, and State of Company's Affairs as stated earlier, no material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2020-21 and till the date of this report.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in SEL through various interventions and practices. The

Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company believes in prevention of harassment of employees as well as contractors. During the year ended 31 March, 2021, no complaints pertaining to sexual harassment were received.

RELEVANT EXTRACT OF THE ANNUAL RETURN

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

SECRETARIAL AUDIT

The report of the Secretarial Audit is annexed to this report as Annexure V.

With reference to Secretarial Auditors comments regarding not having alteast Half of the Board of Independent Directors as per the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per SEBI (LODR) Third Amendment Regulations, 2018 the provisions as specified in Regulation 17 etc. of the SEBI(LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code. Further upon approval of the Resolution plan pursuant to CIRP, new Board of Directors was formed on 13.03.2021.

With reference to other comments regarding Non-submission of Financial Results in time under Regulation 33 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter/financial year ended 31.03.2020, quarter ended 30.06.2020, quarter/half year ended 30.09.2020, quarter/nine months period ended 31.12.2020, and also for Non-submission of annual Report for F.Y. ended 31.03.2020, Non holding of AGM for the year 2020 and annual forms thereof, the Company was under CIRP process during that period and the Exchanges were informed in respect of interalia the insolvency commencement date, the appointment of the RP etc. and the Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company.

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

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 SEBI(LODR) Regulations. The said policy is available on the Company's website viz. *www.selindia.in/policy.html*

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

VIGIL MECHANISM

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

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY:

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

FAMILIARISATION PROGRAM FOR DIRECTORS:

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

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

CHANGES IN CAPITAL STRUCTURE:

As per the terms of the approved Resolution Plan under IBC, with effect from 13th March, 2021, the existing issued, subscribed and paid up equity share capital of the Company has been reduced from Rs. 33,134.70 lakhs divided into 331,347,000 equity shares of Rs. 10 each to Rs. 33.13 lakhs divided into 3,31,347 equity share of Rs. 10 each thereby reducing the value of issued, subscribed and paid up equity share capital of the Company by Rs. 33,101.57 lakhs.

As such in terms of the aforesaid scheme, the Monitoring Committee of the Company (which was formed as per the terms of the Approved Resolution Plan for undertaking the implementation of the Approved Resolution Plan and had the powers of the Board of Directors of the Company) in their meeting held on February 26, 2021 had fixed the Record Date i.e. Wednesday, March 10, 2021 for the purpose of determining the equity shareholders of Sel Manufacturing Company Ltd. to whom fully paid-up equity shares will be allotted by the Company, in exchange of equity shares held by them in SEL Manufacturing Company Ltd. as per details given below:

1Equity Share, of a face value of INR 10 each, of the Company for every 1000 Equity Shares of a face value of INR 10 each held by them in SEL Manufacturing Company Ltd.

Further, with effect from 13th March, 2021, the existing issued, subscribed, paid up 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10 each stand fully cancelled and extinguished. As prescribed in the Resolution Plan, the reduction in the share capital of the Company amounting to Rs. 33,101.57 lakhs is adjusted against the debit balance as appearing in its profit and loss account (i.e. retained earnings).

Further, as per the approved Resolution Plan, 32,803,353 Equity shares (new) of the face value of Rs.10/- each were allotted in favour of Financial Creditors and Resolution Applicant (SPV).

Further pursuant to the approved resolution plan by NCLT, the Company has issued Unlisted Non-Marketable Secured/Unsecured Non-Convertible Redeemable Debentures (i.e. 3,19,80,898 Debentures of Rs.100/- each) amounting Rs. 319,80,89,800.00 to the Financial Creditors and Resolution Applicant (SPV) for the Company.

AUDIT COMMITTEE:

The Board has constituted its Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company presently comprises of the following members namely Mr. Sushil Kumar, Mr. Rajiv Kumar Maheshwary, Mr. Dinesh Kumar Mehtani and Ms. Nidhi Aggarwal. Mr. Sushil Kumar is the chairman of the said committee.

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

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

PARTICULARS OF EMPLOYEES:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

The Directors confirm that:

- In the preparation of the annual accounts/financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit/loss of the Company for the year ended on 31st March, 2021;

- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The annual accounts/financial statements have been prepared on a going concern basis.

- That Internal financial controls were laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

CORPORATE SOCIAL RESPONSIBILITY

Although the CSR provisions are not applicable to the Company based on Annual Financial Statements for the F.Y. 2019-20, The Company has formed the Corporate Social Responsibility Committee, which consists of Sh. Rajeev Bhalla, (Chairman), Mr. Sushil Kumar and Sh. Dinesh Kumar Mehtani.

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

ACKNOWLEDGEMENTS:

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

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

PLACE : LUDHIANA	**(NAVEEN ARORA)**	**(RAJEEV BHALLA)**
DATED : 31.03.2022	**WHOLE TIME DIRECTOR**	**MANAGING DIRECTOR**
	DIN:09114375	**DIN:** 00551773

ANNEXURE-I TO THE DIRECTORS' REPORT

A. Conservation of energy

i) Steps taken or Impact on conservation of energy:

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

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

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

iii) Capital Investment on energy conservation equipments etc.:

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

	2020-21	2019-20
(a) Captive Power Plant (CPP Turbine)		
Units (Lacs)	363.69	562.05
Husk per Unit (Kg)	1.62	1.69
Cost/Unit (Rs.)	5.16	6.03

B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

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

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

Benefits Derived

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

Future Plan of Action

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

times to come.

Expenditure on R & D

(Rs. In Lacs)

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

Technology Absorption

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

Benefits Derived

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

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

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

(Rs. in Lacs)

		2020-21	2019-20
(i)	Foreign Exchange earned		
	(a) FOB value of exports as per Balance Sheet	1843.72	4529.72
	(b) Overseas Income	--	--
(ii)	Foreign Exchange used		
	(a) CIF value of Imports	186.32	104.16
	(b) Other Expenditure	36.90	153.97
	(c)Overseas Expenditures	--	--

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

PLACE : LUDHIANA
DATED : 31.03.2022

(NAVEEN ARORA)
WHOLE TIME DIRECTOR
DIN:09114375

(RAJEEV BHALLA)
MANAGING DIRECTOR
DIN: 00551773

ANNEXURE-II TO THE DIRECTORS' REPORT

Information pursuant to provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Directors' Report for the year ended 31st March, 2021:

Name	Age (Yrs.)	Designation	Gross Remn. (Rs.)	Qualification	Experience (Yrs.)	Dt. Of joining	Previous Employment	%age of Eq. Shares held as on 31.03.2019
Mr. Vinod Kumar Goyal	62	CEO	21,34,623	MBA	40 Yrs	13.07.2010	Vardhman Texgarments Ltd./ Vardhman Textiles Ltd.	(0.00%)
Mr. Navneet Gupta	51	CFO	10,67,312	CA	26 Yrs.	08-05-2008	SEL Mfg. Co. Ltd.	(0.00%)
Mr. Manuj Mehta	52	President (HR)	3050674	MBA	30 Yrs.	22-11-2010	Malwa Industries Ltd.	(0.00%)
Mr. Jayanta Kumar Das	57	President (Operations)	3069000	B.Tech. in Textile tech.	34 Yrs.	08-04-2013	Vallabh Textile Co. Ltd. Ldh.	(0.00%)
Mr. Anchal Kumar	54	President (Commercial)	2073500	B.Tech. in Textile tech.	32 Yrs.	30-08-2010	Vardhman Textiles Ltd	(0.00%)
Mr. Rajesh Singla	56	President (Raw material)	2904000	MBA	32 Yrs.	29-11-2010	Vardhman Textiles Ltd.	(0.00%)
Mr. Raman Kumar	46	Asstt. Vice President (Marketing)	2268750	Diploma in FD	24 Yrs.	04-11-2008	Vanasthali Textile Ind.Ltd.	(0.00%)
Mr. Chhotu Ali	48	President (Marketing)	2821500	B.Tech	22 Yrs.	01-04-2008	Cheema Spintex	(0.00%)
Mr. Mukhwinder Pal Singh	54	Asstt. Vice President (Production)	1658800	Diploma in textiles	32 Yrs.	12-10-2007	Vardhman textiles Ltd.	(0.00%)
Mr. Rajinder Singh Minhas	53	Vice President	1324400	Diploma in Electrical	31 Yrs.	01-03-2008	Sportking	(0.00%)
Mr. Parveen Kumar Tanwar	54	Manager	1320000	MSW	15 Yrs.	24-09-2007	Vardhman textiles Ltd.	(0.00%)

*Remuneration received includes basic salary, allowances, taxable value of perquisites etc..
All employees are on Roll of the Company.

Nature of Duties:

Employees are incharge of their respective departments as narrated above.

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

PLACE : LUDHIANA	**(NAVEEN ARORA)**	**(RAJEEV BHALLA)**
DATED : 31.03.2022	**WHOLE TIME DIRECTOR**	**MANAGING DIRECTOR**
	DIN:09114375	**DIN:** 00551773

MANAGERIAL REMUNERATION

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

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

N.A. : As no remuneration was paid to Directors during the year.

(b) increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

The company has not paid any profit linked commission to non-executive Independent Directors of the Company. During the year, there has also been no increase in remuneration for Chief Financial Officer and Chief Executive Officer and Company Secretary of the Company.

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

13.00%

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

7280

(e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in the remuneration of employees was 13.00%. During the financial year 2020-21 there has not been any increase in the Remuneration to Managing Director/whole time Directors of the Company. The company has not paid any profit linked commission to non-executive independent Directors of the Company. Further during the year, there has also been no further increase in remuneration for Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company. Accordingly, there is no comparative information in this regard.

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

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

PLACE : LUDHIANA	**(NAVEEN ARORA)**	**(RAJEEV BHALLA)**
DATED : 31.03.2022	**WHOLE TIME DIRECTOR**	**MANAGING DIRECTOR**
	DIN: 09114375	**DIN:** 00551773

ANNEXURE-III TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

. The CSR policy of the Company is also placed on the website of the Company viz.

www.selindia.in/policy.html

2. **Composition of CSR Committee**

The Corporate Social Responsibility Committee consists of Sh. Rajeev Bhalla, (Chairman), Mr. Sushil Kumar and Sh. Dinesh Kumar Mehtani.

3. **Average net profit of the Company for last three financial years**

N.A since losses were incurred.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

N.A.

5. **Details of CSR spent during the financial year :**

a. Total amount to be spent for the financial year; N.A.

b. Amount unspent, if any; N.A

c. Manner in which the amount spent during the financial year N.A.

6. **In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

N.A.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

N.A.

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

--N.A--

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

PLACE : LUDHIANA	**(NAVEEN ARORA)**	**(RAJEEV BHALLA)**
DATED : 31.03.2022	**WHOLE TIME DIRECTOR**	**MANAGING DIRECTOR**
	DIN: 09114375	**DIN:** 00551773

ANNEXURE-IV TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

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

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

   --NONE--

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

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

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

PLACE : LUDHIANA	**(NAVEEN ARORA)**	**(RAJEEV BHALLA)**
DATED : 31.03.2022	**WHOLE TIME DIRECTOR**	**MANAGING DIRECTOR**
	DIN: 09114375	**DIN:** 00551773

Annexure-V

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2021

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

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

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

Based on our verification of the SEL Manufacturing Company Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SEL Manufacturing Company Limited, for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent they were applicable to the Company:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company and records in pursuant thereto, on test-check basis, we report that the Company has generally complied with the following laws applicable to the Company:

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

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

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

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

A1) As per clause 17(1)(b) and 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company does not consist to have atleast half of the Board of Independent Directors, optimum combination, as per the requirement under said clause of the Listing Regulations.

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A2) Non-submission of Financial Results within prescribed time under Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, for the quarter and financial year ended 31st March, 2020, for the quarter ended 30th June, 2020, for the quarter and half year period ended 30th September, 2020, and for the quarter and nine months period ended 31st December, 2020 respectively.

A3) Non submission of Annual Report for the Financial year ended March, 2020 as prescribed under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A4) Non holding of Annual General Meeting for the year 2020 respectively as provided under section 96 of the Act.

A5) Consequent to Non Holding of Annual General Meeting for the year 2020 and non finalization of financial statements in time, the Annual Financial statement u/s 137 and Annual Return u/s 92 for the Financial year ended 31.03.2020 also not filed.

The company was undergoing Corporate Insolvency Resolution Process (CIRP) (i.e. between 11th April, 2018 and 12th March, 2021), and the Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company. The Reconstituted Board of Directors have been in office since 13th March, 2021.

We further state that:

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 NCLT vide its order ("**Admission Order**") dated April 11, 2018 ("**Insolvency Commencement Date**") had admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of the Corporate Debtor. Subsequently, the NCLT *vide* its order dated April 25, 2018 ("**IRP Order**") appointed Mr. **Navneet Kumar Gupta** (Regn No: IBBI/IPA-001/IP-P00001/2016-17/10009) as the Interim resolution professional of the Corporate Debtor ("**IRP**") who was later confirmed as Resolution Professional of the Company.

Subsequently, a petition was filed by one of the promoters and directors of the Corporate Debtor, before the High Court ("**Petition**") wherein the High Court, *vide* its interim order dated June 22, 2018, directed the CIRP of the Corporate Debtor to be kept in abeyance. This Petition was transferred to the Hon'ble Supreme Court ("**Transferred Case**"). The Hon'ble Supreme Court *vide* its order dated September 6, 2019 as prayed for, dismissed the Transferred Case as withdrawn ("**Withdrawal Order**"). A copy of the Withdrawal Order was published on September 11, 2019 ("**Publication Date**"). Accordingly, on and from the Publication Date, the CIRP of the Corporate Debtor stood restored and the Resolution Professional had resumed its position.

Further, the Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 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**") and the Monitoring Committee ("**MC**") of the Company (constituted in terms of the Resolution Plan) in its meeting held on March 13, 2021 duly appointed the nominees of the Resolution Applicant as Directors of the Company and approved the reconstitution of the Board of Directors of the Company ("**Reconstituted Board**"). The Reconstituted Board has been formed on March 13, 2021.

After restoration of the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, the powers of Board of Directors of the Company stood suspended and the said powers were exercised by the Resolution Professional. As a result thereof, Committee of Creditors held its meetings from time to time during the period under review. However Reconstituted Board of Directors have been in office only since 13th March, 2021 and Board Meetings were held only thereafter. The changes in the composition of the Board of Directors that took place during the period under review as such were carried out in compliance with the provisions of the Act.

We may further state here that as provided under Sub-Regulation 2A and 2B in Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions as specified in Regulation 17,18,19,20 and 21 of the SEBI (LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code.

Further after the Reconstituted Board of Directors have been in office since 13th March, 2021, adequate notices were given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Decisions at the board meetings were taken unanimously.

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

We may further report that Pursuant to the Resolution Plan submitted by the Consortium of ARR ESS Industries Private Limited and Leading Commercial Edge FZE (Collectively referred to as the "Resolution Applicant") and its approval by the Hon'ble National Company Law Tribunal, Chandigarh bench, vide their order dated 10th February, 2021 for the corporate insolvency of the Company, which is implemented from 13th March, 2021 (i.e. closing date as defined under the resolution plan), the following consequential impacts have been given in accordance with approved resolution plan.

i) With effect from 13th March, 2021, the existing issued, subscribed and paid up equity share capital of the Company has been reduced from Rs. 33,134.70 lakhs divided into 331,347,000 equity shares of Rs. 10 each to Rs. 33.13 lakhs divided into 3,31,347 equity share of Rs. 10 each thereby reducing the value of issued, subscribed and paid up equity share capital of the Company by Rs. 33,101.57 lakhs. Further, with effect from 13th March, 2021, the existing issued, subscribed, paid up 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10 each stand fully cancelled and extinguished.

ii) Further as per approved Resolution Plan 32,803,353 equity shares (new) of the Company of the face value of Rs.10/- each were allotted to financial creditors and resolution applicant.

iii) As a part of the Resolution Plan, the Parent Company has transferred its identified subsidiary to the trust alongwith its entire equity/ownership interest held in the subsidiary, at a fair value on "as is where is whatever there is" and without recourse basis".

iv) Pursuant to the approved resolution plan by NCLT, the Company has issued Unlisted Non-Marketable Secured/Unsecured Non-Convertible Redeemable Debentures (i.e. 3,19,80,898 Debentures of Rs.100/- each) amounting Rs. 319,80,89,800.00 to the Financial Creditors and Resolution Applicant of the Company.

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

For P. Sharma & Co.,
Company Secretaries

Pawan Sharma
ACS No.: 15148
C P No.: 12316

Place: Bhatinda
Date: 25.11.2021

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

ANNEXURE A

To,
The Members,
SEL Manufacturing Company Limited

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

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

For P. Sharma & Co.,
Company Secretaries

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

Place: Bhatinda
Date: 25.11.2021

Annexure-VI: 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:

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

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

attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

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

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent).
- Driven by the role played by the individual.
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay.
- Consistent with recognised best practices.
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition:

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

CORPORATE GOVERNANCE REPORT

The company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

(a) Industry Structure and Development

India's Textiles industry has around 4.5 crore employed workers. The industry contributed 7% to the industry output (by value) in 2018-19. The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19. Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US$ 22.89 billion between April 2021 and October 2021. The Indian textiles market is expected to be worth >US$ 209 billion by 2029. Cotton production is expected to reach 37.10 million bales and consumption is expected to reach 114 million bales in FY21—13% growth over the previous year. The production of raw cotton in India is estimated to have reached 35.4 million bales in FY20^. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 2.40 MT in FY21 (till January 2021), while that for yarn, the production stood at 4,762 million kgs during same period. India's home textile exports grew at a healthy rate of 9% in FY21 despite the pandemic.

Investments and Key Developments

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US$ 3.75 billion from April 2000 to March 2021.

The production-linked incentive (PLI) scheme for man-made fibre and technical textiles will help boost manufacturing, increase exports and attract investments into the sector.

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 fibre/cotton to yarn production, fabric production to garmenting and terry towels. The integration allows the Company to optimise 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

(b) Company's Performance:

During the year under review, your company has achieved Revenue from Operations of Rs. 19038.45 lacs as compared to Rs. 29104.29 lacs in the previous year. After deducting Expenses there was loss of Rs. 24842.90 lacs as compared to loss of Rs. 9351.94 lacs during the previous year. After adjusting Exceptional Items there was Profit of Rs. 510393.75 lacs as compared to Loss of Rs. 254101.36 lacs during the previous year. After providing for other adjustments/comprehensive income, the current year Profit/Income stood at Rs. 513138.25 lacs as compared to loss of Rs. 254819.07 lacs during the previous year.

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 NCLT vide its order ("**Admission Order**") dated April 11, 2018 ("**Insolvency Commencement Date**") had admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of the Corporate Debtor. Subsequently, the NCLT *vide* its order dated April 25, 2018 ("**IRP Order**") appointed Mr. **Navneet Kumar Gupta,** as the interim resolution professional of the Corporate Debtor ("**IRP**").

Subsequently, on a writ petition filed by the Corporate Debtor and the managing director of the Corporate Debtor against the Admission Order, the Hon'ble High Court of Punjab and Haryana ("**High Court**") *vide* its order dated May 01, 2018, while disallowing the writ petition, kept the CIRP of the Corporate Debtor in abeyance and ordered that the IRP not take over the management of the Corporate Debtor till May 15, 2018 ("**First Abeyance Order**"). Pursuant to the First Abeyance Order, the existing management of the Corporate Debtor continued to manage the affairs of the Corporate Debtor during the period of abeyance. Against the First Abeyance Order, a special leave petition was filed before the Hon'ble Supreme Court, which, while dismissing the said special leave petition, *vide* its order dated May 12, 2018, extended the abeyance of the CIRP by another week, during which period the existing management retained control over the management of the Corporate Debtor. Accordingly, upon the lapse of the period of abeyance, as stipulated by the Hon'ble Supreme Court, the CIRP of the Corporate Debtor resumed on May 21, 2018 and Mr. Navneet Kumar Gupta, resumed his position and duties as the IRP on the same date. Thereafter, in accordance with the provisions of the Code, the first meeting of the committee of creditors of the Corporate Debtor was held on June 15, 2018 wherein *inter alia* the IRP was confirmed as the resolution professional of the Corporate Debtor ("**Resolution Professional**").

Subsequently, a petition was filed by one of the promoters and directors of the Corporate Debtor, before the High Court ("**Petition**") wherein the High Court, *vide* its interim order dated June 22, 2018, directed the CIRP of the Corporate Debtor to be kept in abeyance ("**Second Abeyance**

Order") and directed the earlier board of directors of the Corporate Debtor to operate their bank accounts and bank operations as before the initiation of the CIRP of the Corporate Debtor to protect the interest of the bank consortium. This Petition was transferred to the Hon'ble Supreme Court ("**Transferred Case**"). The Hon'ble Supreme Court *vide* its order dated September 6, 2019 as prayed for, dismissed the Transferred Case as withdrawn ("**Withdrawal Order**"). A copy of the Withdrawal Order was published on September 11, 2019 ("**Publication Date**"). Accordingly, on and from the Publication Date, the CIRP of the Corporate Debtor stood restored and the Resolution Professional had resumed his position as such.

As such on and from the Publication Date, the Resolution Professional had again assumed control over the management of the affairs of the Corporate Debtor and the powers of the board of directors of the Corporate Debtor.

As narrated above, the Company was undergoing Corporate Insolvency Resolution Process ("**CIRP**") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. Upon re-initiation of CIRP, the management of the Company was handed over from the existing board of directors to the resolution professional appointed by the Hon'ble NCLT.

Further the Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 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**") and the Monitoring Committee ("**MC**") of the Company (constituted in terms of the Resolution Plan) in its meeting held on March 13, 2021 duly appointed the nominees of the Resolution Applicant as Directors of the Company and approved the reconstitution of the Board of Directors of the Company ("**Reconstituted Board**").

Pursuant to the Resolution Plan submitted by the Consortium of ARR ESS Industries Private Limited and Leading Commercial Edge FZE (Collectively referred to as the "Resolution Applicant") and its approval by the Hon'ble National Company Law Tribunal, Chandigarh bench, vide their orders dated 10th February, 2021 for the corporate insolvency of the Company, which is implemented from 13th March, 2021 (i.e. closing date as defined under the resolution plan) the following consequential impacts have been given in accordance with approved resolution plan:

i) The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from 13th March, 2021.

ii) The erstwhile promoter group has been classified as public shareholders.

iii) With effect from 13th March, 2021, the existing issued, subscribed and paid up equity share capital of the Company has been reduced from Rs. 33,134.70 lakhs divided into 331,347,000 equity shares of Rs. 10 each to Rs. 33.13 lakhs divided into 3,31,347 equity share of Rs. 10 each thereby reducing the value of issued, subscribed and paid up equity share capital of the Company by Rs. 33,101.57 lakhs. Further, with effect from 13th March, 2021, the existing issued, subscribed, paid up 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10 each stand fully cancelled and extinguished. As prescribed in the Resolution Plan, the reduction in the share capital of the Company amounting to Rs.

33,101.57 lakhs is adjusted against the debit balance as appearing in its profit and loss account (i.e. retained earnings). As per the approved Resolution Plan, 32,803,353 equity shares (new) were allotted in favour of financial creditors and resolution applicant.

iv) Transfer of Subsidiary Company M/s SEL Textiles Limited: As a part of the Resolution Plan, the Parent Company has transferred its identified subsidiary to the trust alongwith its entire equity/ownership interest held in the subsidiary, at a fair value on "as is where is whatever there is" and without recourse basis".

v) Pursuant to the approved resolution plan by NCLT, the Company has issued Unlisted Non-Marketable Secured/Unsecured Non-Convertible Redeemable Debentures (i.e. 3,19,80,898 Debentures of Rs.100/- each) amounting Rs. 319,80,89,800.00 to the Financial Creditors and Resolution Applicant of the Company.

Other terms of Resolution Plan are also provided in Notes to the Financial Statements.

(c) Dividend

No dividend has been declared for the financial year 2020-21.

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

Though there are many opportunities and investment in the textile industry, like any other industry, the textile industry of India also undergoes certain challenges. The frequently changing policies stated by the government at the central and state levels create an immense pressure on the textile industry. The GST applied on the products make the garments and clothes even more expensive.

Another challenge that the textile industry faces is the limitation to access the latest and best technology while also failing to meet the global standards in the competitive export market. Apart from these issues like child labour, competition from neighbouring countries regarding low-cost garments, personal safety norms are some of the challenges the Indian textile industry faces.

Failing to comply with environmental regulations can put supply chain in jeopardy, as pressure mounts for the apparel industry to improve environmental compliance efforts.

Unlike in developed countries, textile factories in India are not fully automated and remain labour-intensive and moreover Unorganized weaving sector is another issue

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 charges in anticipation of increased international competition. The industry is facing numerous problems and among them the most important once are those of 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.

Opportunities

The textile industry in India is very strong as it has a variety of natural and man-made fibres and yarns. India's textile industry plays a technological and capital-intensive role and is compared with industries like heavy machinery, automobiles etc. Since the pattern of industrialisation in trade has become common in consumer goods industries and labour-intensive industries there is immense opportunity in the textile industry. India is estimated to be the second most appealing market by the year 2025. . This boost results in a wide range of capacity to manufacture different products that can be transported within India as well as across the world.

Apart from this, India has one of the most extremely varied textile sectors as it has hand-woven textiles on one end while capital intensive mills on the other end which results in an enormous number of opportunities in the textile industry.

Our principal operating strategies are to:

Our focus firstly would be on development of new markets, cost cutting across departments, enhance the quality of our products to satisfy and exceed the expectations of the market. Emphasis would be on better quality and customer service.

Threats, risks and concerns:

Cotton/power and fuel costs are of concern. There are general threats/risks like Labour 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 an 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 integirty 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. Most of the Company's critical functions such as operations, supply chain, finance & accounts and human resources are linked through implementation of

Enterprise Resource Planning, (ERP)/Systems, Applications, and Products in Data Processing (*SAP)*..

(f) Human Resources:

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 31.03.2021 the Company has 7280 number of employees on rolls of the company.

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

The Company went through Corporate Insolvency Resolution Process (CIRP). The company had been facing cash flow mismatch and not able to serve debt obligations. Due to adverse financial performance and erosion in net worth and ratios in negative, the Company is unable to comments on the financial ratios.

Cautionary Statement:

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

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

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2(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 2020-21.

Vinod Kumar Goyal
CEO

2(B) Whistle Blower Mechanism/Vigilance Mechanism:

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

3. BOARD OF DIRECTORS:

(a) Board Meetings

The Board met 4 times during the financial year 2020-21 after the new Board was constituted after CIRP Process under IBC. These meetings were held on 13.03.2021, 16.03.2021, 19.03.2021 and 31.03.2021 respectively.

(b) Composition

The details of the Board composition, attendance of Directors at Board Meetings held during 2020-21 and their other memberships are given below:

S. No	Name	Designation	Category	No. of Board Meet-ings Atte-nded	Atte-dance at Last AGM	Total Number of Directorships in other Public Ltd. Companies*		No. of Committee Positions in Public Ltd. Companies**		Directorship in other listed entity (Category of Directorship)
						Chairman	Member	Chairman	Member	
1	Rajeev Bhalla	Managing Director	Promoter	04	N.A.	--	--	--	1	--
2	Dinesh Kumar Mehtani	Director	Promoter	04	N.A.	--	--	1	1	--
3	Shashank Rai	Director	Promoter	01	N.A.	--	--	--	--	--
4	Rajiv Kumar Maheshwary	Director	Independent	N.A.	N.A.	--	--	--	1	--
5	Sushil Kumar	Director	Independent	N.A.	N.A.	--	--	1	1	--

Notes:
Mr. Naveen Arora was appointed as Director w.e.f. 08.04.2021 and Ms. Nidhi Aggarwal was appointed as Director w.e.f. 29.06.2021 respectively. Further, Mr. Vishal Sharat Ohri was appointed as Director (Nominee) w.e.f. 09.11.2021 respectively.
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/Chairmanships of only the Audit committees and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.
The details of the familiarisation program for Directors is available on the website of the Company viz. www.selindia.in*/policy.html*

The holding(s) of Directors in the Company as on 31.03.2021 is given as under:

Name of the Director	No. of Equity shares held (face value of Rs.10/- each)
Rajeev Bhalla	--
Dinesh Kumar Mehtani	--
Shashank Rai	--
Rajiv Kumar Maheshwary	--
Sushil Kumar	--

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, resultling in a practical understanding of organizations, processes, strategic planning, and driving change and long-term growth.

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

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

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

(d) Audit Committee

Upon approval of the Resolution Plan under IBC, the new Board of Directors was formed w.e.f. 13.03.2021 respectively. The Audit committee was formed w.e.f. 31.03.2021 respectively and presently consists of the following members namely Mr. Sushil Kumar (Chairman), Mr. Rajiv Kumar Maheshwary, Mr. Dinesh Kumar Mehtani and Ms. Nidhi Aggarwal.

Mr. Sushil Kumar, Mr. Rajiv Kumar Maheshwary, and Ms. Nidhi Aggarwal are non-executive Independent Directors of the Company.

The terms of reference of the Audit Committee are as contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as provided in Section 177 of the Companies Act, 2013. No Meetings for Audit Committee due to CIRP process during the F.Y. 2020-21.

(e) Nomination & Remuneration Committee

Upon approval of the Resolution Plan under IBC, the new Board of Directors was formed w.e.f. 13.03.2021 respectively. The Nomination & Remuneration Committee was formed w.e.f. 31.03.2021 respectively and presently consists of the following members namely Mr. Sushil Kumar (Chairman), Mr. Rajiv Kumar Maheshwary, Mr. Dinesh Kumar Mehtani and Ms. Nidhi Aggarwal.

The Committee's constitution and terms of reference 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.

Mr. Sushil Kumar, Mr. Rajiv Kumar Maheshwary, and Ms. Nidhi Aggarwal are non-executive Independent Directors of the Company. No Meetings for Nomination & Remuneration Committee due to CIRP process during the F.Y. 2020-21.

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

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

4. DIRECTORS' REMUNERATION:

No Managerial Remuneration was paid to Managing Director, Whole time Director/Executive Director during the F.Y. 2020-21 due to CIRP process under IBC.

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 remuneration during the Financial Year 2020-21. The criteria for payment of remuneration is time spent by the Non-Executive Directors at the Board/Committee meetings and advice given be these directors to the Management.

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Upon approval of the Resolution Plan under IBC, the new Board of Directors was formed w.e.f. 13.03.2021 respectively. The Stakeholders relationship Committee was formed w.e.f. 31.03.2021 respectively and presently consists of the following members namely Mr. Dinesh Kumar Mehtani (Chairman), Mr. Sushil Kumar, Mr. Rajeev Bhalla, and Ms. Nidhi Aggarwal. The Compliance member of the committee is Mr. Dinesh Kumar Mehtani.

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.

During the F.Y. 2020-21, Four Investor complaints were received and resolved. Further, there was no pendency in respect of shares received for transfers/dematerialization.

6. GENERAL BODY MEETINGS:

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

MEETING	DAY, DATE & TIME OF MEETING	VENUE	NO. OF SPECIAL RESOLUTIONS
19th AGM	Thursday, 26.09.2019 09.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	FOUR
18th AGM	Thursday, 27.09.2018 09.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	THREE
17th AGM	Wednesday, 27.09.2017 09.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	FOUR

No Extra-ordinary General Meeting of the Company was held during the F.Y. 2020-21.

The Company did not pass any resolution through postal ballot during the financial year 2020-21 and further the Company do not propose to pass any resolution through postal ballot in the ensuing Annual General Meeting.

CERTIFICATE FOR DIRECTORS DISQUALIFICATION:

A certificate has been received from P Sharma & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS:

M/s Malhotra Manik & Associates, Chartered Accountants, (Firm Registration No. 015848N) 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:

	Amount (Rs. In Lakhs)
Audit Fees (including audit and audit related services)	**2.85**

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, 2021, no complaints pertaining to sexual harassment were received.

VIGIL MECHANISM

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

7. DISCLOSURES:

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

Further with reference to not having alteast Half of the Board of Independent Directors as per the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per SEBI (LODR) Third Amendment Regulations, 2018 the provisions as specified in Regulation 17 etc. of the SEBI(LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code. Further upon approval of the Resolution plan pursuant to CIRP, new Board of Directors was formed on 13.03.2021.

Further, with reference to Non-submission of Financial Results in time under Regulation 33 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter/financial year ended 31.03.2020, quarter ended 30.06.2020, quarter/half year ended 30.09.2020, quarter/nine months period ended 31.12.2020, and also for Non-submission of Annual Report for F.Y. ended 31.03.2020, Non holding of AGM for the year 2020, the Company was under CIRP process during that period and the Exchanges were informed in respect of interalia the insolvency commencement date, the appointment of the RP etc. and the Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company.

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

RELATED PARTY TRANSACTIONS:

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*

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

Convertible Warrants and GDR Issue:

The Company on 01.06.2012 had issued 220,000,000 Equity shares of the Company of the face value of Rs.10/ each consequent to the Global Depository Receipts (GDR) issue of the Company. As on 31.03.2021, 49,600 shares of the face value of Rs.10/- each per share were outstanding, representing the shares underlying GDRs which were issued during 2012-13.

Commodity price risk:

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

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

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

Further with reference to not having alteast Half of the Board of Independent Directors as per the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per SEBI (LODR) Third Amendment Regulations, 2018 the provisions as specified in Regulation 17 etc. of the SEBI(LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code. Further upon approval of the Resolution plan pursuant to CIRP, new Board of Directors was formed on 13.03.2021.

Further, with reference to Non-submission of Financial Results in time under Regulation 33 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter/financial year ended 31.03.2020, quarter ended 30.06.2020, quarter/half year ended 30.09.2020, quarter/nine months period ended 31.12.2020, and also for Non-submission of Annual Report for F.Y. ended 31.03.2020, Non holding of AGM for the year 2020, the Company was under CIRP process during that period and the Exchanges were informed in respect of interalia the insolvency commencement date, the appointment of the RP etc. and the Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company.

8. MEANS OF COMMUNICATION:

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

9. GENERAL INFORMATION FOR SHAREHOLDERS:

i) 21ST Annual General Meeting:

Date and Time	: Thursday, the 28th day of April, 2022 at 02.00 P.M. through Video Conferencing / Other Audio Visual Means

ii) Financial year 2021-22 (tentative)

First Quarterly Results : July 2021
Second Quarterly Results : November 2021
Third Quarterly Results : February 2022
Fourth Quarterly Results/
Annual Results 2021-22 : In the month of April/May, 2022

iii) Date of Book Closure : April 22, 2022 to April 28, 2022 (both days inclusive)

(iv) Dividend Payment Date : No dividend has been declared for the F.Y. 2020-21

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

a) Bombay Stock Exchange Limited,
b) National Stock Exchange of India Limited

(vi) Stock code

NSE: SELMC
BSE: 532886
ISIN Number for NSDL/CDSL:
INE105I01020

(vii) Stock Market Data :

Month	BSE SENSEX		At Bombay Stock Exchange Limited (BSE) (in Rs.)		At National Stock Exchange of India Limited (NSE) (in Rs.)	
	High	Low	Month's high quoted price	Month's low quoted price	Month's high quoted price	Month's low quoted price
April, 2020	33,887.25	27,500.79	0.54	0.39	0.60	0.35
May, 2020	32,845.48	29,968.45	0.54	0.51	0.55	0.40
June, 2020	35,706.55	32,348.10	0.70	0.49	0.85	0.35
July, 2020	38,617.03	34,927.20	1.38	0.73	1.40	0.90
August 2020	40,010.17	36,911.23	1.15	0.87	1.15	0.85
September 2020	39,359.51	36,495.98	2.38	1.15	2.20	1.10
October 2020	41,048.05	38,410.20	3.60	2.05	3.45	2.05
November 2020	44,825.37	39,334.92	2.71	2.07	2.65	2.05

December 2020	47,896.97	44,118.10	2.80	2.05	2.80	2.10
January 2021	50,184.01	46,160.46	2.71	1.78	2.70	1.80
February 2021	52,516.76	46,433.65	2.36	1.51	2.40	1.65
March 2021	51,821.84	48,236.35	1.44	1.14	1.60	1.35

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

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

The International Securities Identification Number (ISIN) is ISIN-INE105I01020

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

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

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

(ix) Distribution of shareholding as on 31.03.2021

Share Holding	**Share Holders Number**	**% to total**	**Share Holding Number**	**% to total**
Up to 500	17076	99.67	121321	0.37
501 to 1000	10	0.05	7285	0.02
1001 to 2000	12	0.07	16981	0.05
2001 to 3000	1	0.01	2796	0.01
3001 to 4000	3	0.02	10899	0.03
4001 to 5000	9	0.05	40882	0.12
5001 to 10000	1	0.01	5250	0.02
10001 and above	20	0.12	32929286	99.38
TOTAL	**17132**	**100.00**	**33134700**	**100.00**
Physical Mode	**6**	**00.04**	**33644**	**00.10**
Electronic Mode	**17126**	**99.96**	**33101056**	**99.90**

(x) Share Holding Pattern as on 31.03.2021

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	24903297	75.16
Foreign Portfolio Investors	42178	00.13
Financial Institutions/Banks	7952328	24.00
Bodies Corporate	13357	00.04
Public (Individuals)	163782	00.49
Others	10158	00.03
Shares held against GDRs/ADRs	49600	00.15
TOTAL	**33134700**	**100.00**

(xi) Details of Unclaimed shares as on 31.03.2021: Nil

(xii) Registrars and Transfer Agents

Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry 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:

Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry 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 Ltd.,
274, Dhandari Khurd, G.T. Road,
Ludhiana (Pb.) 141014

e-mail ID of the grievance redressel division : rahul@selindia.in
website: www.selindia.in

(xiv) Major Plant locations of the Company:

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

(xv) Unclaimed Dividends

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

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

(xvi) CEO/CFO Certification

As required by sub clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO have certified to the Board about compliance by the company with the requirements of the said sub clause for the financial year ended 31st March, 2021.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
SEL Manufacturing Company Ltd.,

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

We have examined the compliance of conditions of Corporate Governance by SEL Manufacturing Company Ltd., for the year ended on 31st March, 2021, 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.

Other Matter:

Pursuant to an application filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench 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, the NCLT vide its order dated April 11, 2018 had admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of the Corporate Debtor i.e. SEL Manufacturing Company Ltd.. Subsequently, the NCLT vide its order dated April 25, 2018 appointed Mr. Navneet Kumar Gupta, as the interim resolution professional of the Corporate Debtor.

As narrated above, the Company was undergoing Corporate Insolvency Resolution Process ("CIRP") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. During the CIRP Process, the powers of the Board stood suspended and the Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company,

We may further state here that, the provisions as specified in Regulation 17, 18, 19, 20 and 21 of the SEBI (LODR) Regulations, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency code. (Sub-Regulation 2A and 2B in Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

Further the Hon'ble National Company Law Tribunal, Chandigarh Bench on February 10, 2021 approved the Resolution plan submitted by Consortium of Arr Ess Industries Private Limited and Leading Edge Commercial FZE in respect of SEL Manufacturing Company Limited and the Monitoring Committee of the Company (constituted in terms of the Resolution Plan) in its meeting held on March 13, 2021 duly appointed the nominees of the Resolution Applicant as Directors of the Company.

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

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

PLACE: LUDHIANA
DATED: 31.03.2022

(CA MANIK MALHOTRA)
PARTNER
M. No. 094604

MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS

29-A, Bhai Randhir Singh Nagar
Ludhiana – 141001
Mobile No. 9855037608,9814022781
E-Mail:mmasso123@gmail.com

INDEPENDENT AUDITORS' REPORT

To
The Members of SEL Manufacturing Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of SEL Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, 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 then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2021, and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31st March, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
(i) **Accounting treatment for the effects of the Resolution Plan** Refer Note No. 37 to the Standalone Financial Statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2021 under Insolvency and Bankruptcy Code, 2016. Owing to the size of the over-due credit facilities due to financial creditors and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a complex exercise. In respect of de-recognition	We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognized in the standalone Financial Statements: • Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis. • Verified the payment of funds on test check basis as

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

of operational and financial creditors (Including Corporate Guarantee), difference between the carrying amount of financial liabilities extinguished and consideration paid, is recognized in statement of profit and loss account in accordance with "Ind AS-109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items". Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users understanding of the Financial Statements as a whole and materiality thereof.	per the Resolution Plan. • Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the standalone financial statements in respect of the implementation of the resolution plan.
(ii) **Contingent liabilities** Refer Note No. 40(a) to the standalone financial statements; Prior to the approval of the Resolution Plan, there were certain litigations against the company. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished except as mentioned in Note 40(a)(ii).	We have reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact. • Evaluated whether the accounting principles applied by the management fairly present the amounts in financial statements in accordance with the principles of Ind AS. • Discussion with the management on the development in litigations during the year ended 31st March, 2021. • Obtaining representation letter from the management on the assessment of those matters.

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

The Company's Board of Directors (read with Note No. 56 of the standalone financial statements) is responsible for the preparation and presentation of its report herein after called the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the 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 in the 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, 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 Standalone Financial Statements

The Company's Board of Directors (read with Note No. 56 of the standalone financial statements) 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

MALHOTRA MANIK & ASSOCIATES CA CHARTERED ACCOUNTANTS LUDHIANA

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

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

• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

MALHOTRA MANIK & ASSOCIATES CA CHARTERED ACCOUNTANTS LUDHIANA

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

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

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

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

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under.

e. On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act ;

f. 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"

g. 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.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 40(a) to the standalone financial statements;
ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR MANIK MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 015848N

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

Manik Malhot

(CA MANIK MALHOTRA)
PARTNER
M.No: 094604
UDIN: 21094604AAAABQ2484

PLACE: LUDHIANA
DATED: 29.06.2021

Annexure - A to the Independent Auditors' Report

The Annexure-A referred to the Independent Auditors' Report to the members of the company on the Standalone financial statements for the year ended on 31st March, 2021. We report that:

(i) (a)The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipments.

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

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

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

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

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

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

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

(vii) (a) According to the information and explanations given to us and the books and records examined by us, we state that the company is regular in depositing undisputed statutory dues including income tax, provident fund, employees state insurance, custom duty, Goods & services tax, The Punjab State Development Tax, cess and other statutory dues to the appropriate authorities though there has been a slight delay in cases of income tax, provident fund and employee state insurance. According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, provident fund, employees state insurance, custom duty, Goods & services tax, The Punjab State Development Tax, cess and other material statutory dues, as at 31st March, 2021 for a period of more than six months from the date they became payable.

(b) As mentioned in note 40(a) to the standalone financial statements, as per approved resolution plan, which interalia resulted in extinguishment of all contingent liabilities (except income tax) pertaining to the period on or before the effective date. There are no dues of income tax, provident fund, employees state insurance, custom duty, Goods & services tax, The Punjab development tax and other statutory dues which have not been deposited on account of any dispute.

MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
LUDHIANA

(viii) The National Company Law Tribunal ('NCLT') has approved the terms of the Resolution Plan submitted by Resolution Applicant, pursuant to which loans or borrowings owed by the Company as at that date have been settled and balance amount has been extinguished. Accordingly, the Company has not defaulted in repayment of loans / borrowings to any financial institution/Bank.

(ix) In our opinion and according to the information and explanations given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year. All allotment of shares/Non convertible debenture to the Financial Creditors and Resolution Applicant during the year were as per the NCLT order dated 10.02.2021 under section 31 of the IBC Code, 2016.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

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

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

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year .All allotment of shares/Non convertible debenture during the year were as per the NCLT order dated 10.02.2021 under section 31 of the IBC Code, 2016.

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

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

FOR MANIK MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 015848N

MALHOTRA MANIK & ASSOCIATES CA CHARTERED ACCOUNTANTS LUDHIANA

Manik Malhotra

(CA MANIK MALHOTRA)
PARTNER
M.No: 094604
UDIN: 21094604AAAABQ2484

PLACE: LUDHIANA
DATED: 29.06.2021

Annexure - B to the Independent Auditors' Report

(Referred to in Paragraph (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 over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of **SEL Manufacturing Company Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company (read with Note No. 56 of the standalone financial statements) is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 directors and RP 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 Standalone financial statements.

MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
LUDHIANA

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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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.

FOR MANIK MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 015848N

MANIK MALHOTRA & ASSOCIATES CA CHARTERED ACCOUNTANTS LUDHIANA

Manik Malhotra

(CA MANIK MALHOTRA)
PARTNER
M.No: 094604
UDIN: 21094604AAAABQ2484

PLACE: LUDHIANA
DATED: 29.06.2021

SEL MANUFACTURING COMPANY LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	1,28,144.41	1,39,890.30
(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	175.25	133.02
(ii) Trade Receivable		-	-
(iii) Loans	6	1,870.68	1,039.80
(iv) Others	7	2.57	0.50
(i) Deferred Tax Assets (Net)		-	-
(j) Other Non-Current Assets	8	-	-
		1,34,438.91	1,45,309.62
(2) Current Assets			
(a) Inventories	9	2,261.37	2,742.03
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	10	6,254.27	7,110.93
(iii) Cash & Cash Equivalents	11	707.68	181.76
(iv) Bank Balances other than (iii) above	12	536.42	34.64
(v) Loans		-	-
(vi) Others	13	0.96	17.76
(c) Current Tax Assets (Net)	14	1,832.43	1,909.36
(d) Other Current Assets	15	2,047.22	2,230.92
		13,640.35	14,227.41
(3) Assets Classified as held for Sale	16	1,149.39	-
TOTAL ASSETS		1,49,228.65	1,59,537.03
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	3,313.47	33,134.70
(b) Other Equity	18	38,302.74	(5,14,908.07)
		41,616.21	(4,81,773.37)
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	95,771.17	1,18,092.11
(ii) Trade Payables		-	-
(iii) Other Financial Liabilites	20	106.43	-
(b) Provisions	21	100.96	139.68
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
		95,978.56	1,18,231.79
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	-	3,42,718.54
(ii) Trade Payables	23		
(1) total outstanding dues of micro enterprises and small enterprises;		-	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		1,284.95	6,766.73
(iii) Other Financial Liabilities	24	4,668.59	1,72,824.90
(b) Other Current Liabilities	25	254.86	144.53
(c) Provisions	26	514.24	623.91
(d) Current Tax Liabilities(Net)		-	-
		6,722.64	5,23,078.61
(3) Liabilities directly associated with assets classified as held for sale	27	4,911.23	-
TOTAL EQUITY & LIABILITIES		1,49,228.65	1,59,537.03

See accompanying notes to the financial statements

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

MALHOTRA MANIK & ASSOCIATES CA CHARTERED ACCOUNTANTS LUDHIANA

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

Place: Ludhiana
Date: 29.06.2021

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	CURRENT YEAR	PREVIOUS YEAR
I. Revenue From Operations	28	19,038.45	29,104.29
II. Other Income	29	232.66	7,659.79
III. Total Income (I+II)		19,271.11	36,764.08
IV. Expenses			
Cost of Materials Consumed	30	2,173.67	6,324.90
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	365.44	1,934.16
Employee Benefits Expense	32	5,025.87	6,792.17
Finance Cost	33	176.84	121.05
Depreciation and Amortization Expense	34	10,723.19	10,782.78
Other Expense	35	25,648.98	20,160.96
Total Expenses (IV)		44,114.01	46,116.02
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		(24,842.90)	(9,351.94)
VI. Exceptional Items	36	(5,35,236.65)	2,44,749.42
VII. Profit/(Loss) Before Tax (V-VI)		5,10,393.75	(2,54,101.36)
VIII. Tax Expense			
a) Current Tax		-	-
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		5,10,393.75	(2,54,101.36)
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)		5,10,393.75	(2,54,101.36)
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		318.16	62.28
(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		2,426.34	(779.99)
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income(net of taxes)		2,744.50	(717.71)
XV. Total Comprehensive Income for the Period (XIII+XIV)		5,13,138.25	(2,54,819.07)
XVI. Earning per Equity Share (for Continuing Operations)	39		
1) Basic		161.19	(76.69)
2) Diluted		161.19	(76.69)
XVII. Earning per Equity Share (for Discontinuing Operations)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinuing & Continuing Operations)	39		
1) Basic		161.19	(76.69)
2) Diluted		161.19	(76.69)
See accompanying notes to the financial statements			

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

MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

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

Place: Ludhiana
Date: 29.06.2021

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STANDALONE STATEMENT OF CASH FLOW AS AT 31ST MARCH, 2021

(Rs. In Lakhs)

	Particulars	Details	Current Year	Details	Previous Year
A	Cash Flow from Operating Activities				
	Net Profit before Taxes & Extraordinary Items		5,10,393.75		(2,54,101.36)
	Adjustments for Non Cash Items:				
	-Depreciation & Amortization	10,723.19		10,782.78	
	-Provision for Dimunition in Value of Investments	-		2,02,100.73	
	-Provision/(Reversal of Provision) for Doubtful Debts	(1,00,828.99)		546.39	
	-Extinguishment of Trade Payable, Other Current and Non Current Liabilitie	(4,35,253.66)		-	
	-Impairment in Value of Capital Work in Progress	-		12,544.57	
	-Allowances for Loans & Advances	66.13		28,031.82	
	-Interest Cost	145.86		17.81	
	-Interest Income	(62.05)		(295.22)	
	-Dividend Income	(0.41)		-	
	-Share of Loss/(Profit) from Firm	-		(47.49)	
	-(Profit)/Loss on Sale of Fixed Assets	(12.93)	(5,25,222.85)	-	2,53,681.38
	Adjustments for Changes in Working Capital:				
	-Increase/ (Decrease) in Trade Payables	2,054.24		(75.47)	
	-Increase/ (Decrease) in Other Current Liabilities	2,372.22		27.70	
	-Increase/ (Decrease) in Other Financial Liabilities	(2,271.90)		622.09	
	-Increase/ (Decrease) in Current Provisions	(109.67)		32.50	
	-(Increase)/ Decrease in Trade Receivables	1,01,685.66		(3,396.38)	
	-(Increase)/ Decrease in Other Current Assets	117.56		(764.02)	
	-(Increase)/ Decrease in Current Assets Tax (Net)	76.93		(464.48)	
	-(Increase)/ Decrease in Bank Balance other than Cash	(501.78)		(2.05)	
	-(Increase)/ Decrease in Other Financial Assets	16.80		294.90	
	-(Increase)/ Decrease in Inventories	480.66	1,03,920.74	3,156.76	(568.45)
	Cash Generation from Operations		89,091.64		(988.43)
	-Taxes Paid		-		-
	Net Cash from Operating Activities		89,091.64		(988.43)
B	Cash Flows from Investing Activities				
	-Purchase of Plant, Property & Equipments	(135.77)		(23.80)	
	-(Increase)/Decrease in Capital Work in Process	-		149.85	
	-Proceeds of Plant, Property & Equipments	22.00		-	
	-Interest Income	62.05		295.22	
	-Share of Profit/(Loss) from Firm	-		47.49	
	-Dividend Income	0.41		-	
	-(Increase)/Decrease of Non Current Investments	8.68		(33.49)	
	-(Increase)/ Decrease in Non Financial Loans	(830.88)		-	
	-(Increase)/ Decrease in Non Current Loans	(2.07)		-	
	-Increase/(Decrease)in Other Financial Liabilities Non Current	106.43			
	-Increase/(Decrease)in Non Current Provisions	(38.72)		3.56	
	Net Cash Flows from Investing Activities		(807.87)		438.84
C	Cash Flows from Financing Activities				
	-Proceeds from Issue of Equity Share Capital	3,280.34		-	
	-Proceeds/(Repayment) of Non Current Borrowings	(1,09,671.28)		(88.29)	
	-Proceeds of Non Current Borrowings pursuant to resolution plan	70,573.46		-	
	-Proceeds of Non Convertible Debentures pursuant to resolution plan	31,980.90		-	
	-(Increase)/ Decrease in Other Financial Assets Non Current	-		(94.80)	
	-Repayment of Current Financial Borrowings pursuant to completion of CIRP	(88,686.64)		457.14	
	-Proceeds of Current Financial Borrowings pursuant to resolution plan	4,911.23		-	
	-Interest Cost	(145.86)		(17.81)	
	Net Cash Flows from Financing Activities		(87,757.86)		256.24
	Net Increase/(Decrease) in Cash & Cash Equivalent		525.91		(293.35)
	Cash & Cash Equivalents - Opening Balance		181.76		475.12
	Cash & Cash Equivalents - Closing Balance		707.68		181.76

Note: For the purpose of above cash flow, money received by special purpose vehicle and paid by the company pursuant to resolution plan has been considered.

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

Subject to our Separate Report of Even Date
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

MALHOTRA MANIK & ASSOCIATES CA CHARTERED ACCOUNTANTS LUDHIANA

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

Place: Ludhiana
Date: 29.06.2021

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital (In Lakhs)

As At 01.04.2019	Changes in equity share capital during the year	As At 31.03.2020	Changes in equity share capital during the year*	As At 31.03.2021
33,134.70	-	33,134.70	29,821.23	3,313.47

refer note

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial	Reserves and Surplus: Capital Reserve	Securities Premium	General Reserve	Foreign Exchange Fluctuation Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensi	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of	Other items of Other Comprehensive Income	Total
As at 01.04.2019	-	-	2,900.48	51,937.97	-	-	(3,20,909.16)	-	-	-	-	-	5,981.70	(2,60,089.01)
General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,54,101.36)	-	-	-	-	-	(717.71)	(2,54,819.07)
As at 31.03.2020	-	-	2,900.48	51,937.97	-	-	(5,75,010.52)	-	-	-	-	-	5,263.99	(5,14,908.07)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31.03.2020	-	-	2,900.48	51,937.97	-	-	(5,75,010.52)	-	-	-	-	-	5,263.99	(5,14,908.07)
Total Comprehensive Income for the year	-	-	-	-	-	-	5,10,393.75	-	-	-	-	-	2,744.50	5,13,138.25
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reduction in value of equity share capital & Preference Share Capital	-	-	-	-	-	-	40,072.57	-	-	-	-	-	-	40,072.57
As at 31.03.2021	-	-	2,900.48	51,937.97	-	-	(24,544.20)	-	-	-	-	-	8,008.49	38,302.74

*refer note no. 17

As per our report of even date attached

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

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

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

Place: Ludhiana
Date: 29.06.2021

I. Property, Plant and Equipment

NOTE NO.- 4

Particulars	Freehold Land	Leasehold Land	Building & Roads	Plant & Machinery	Fixtures & Fittings	Vehicles	Office Equipments	Right of Use Asset	Total	Other Intangible Assets	Capital Work in Progress
Gross Value as at 1st April, 2019	8,580.69	732.89	85,032.12	1,95,306.40	3,878.23	1,001.55	467.83	-	2,94,999.71	455.76	16,940.42
Addition during the year	-	-	-	6.35	12.85	-	4.60	-	23.80	-	-
Deduction during the year	-	-	-	-	-	-	-	-	-	-	12,694.42
Gross Value as at 31st March, 2020	8,580.69	732.89	85,032.12	1,95,312.74	3,891.08	1,001.55	472.43	-	2,95,023.51	455.76	4,246.00
Addition during the year	-	-	-	0.11	-	-	-	135.66	135.77	-	-
Deduction during the year*	87.26	310.48	1,297.60	5.33	103.05	181.40	-	-	1,985.13	-	0.00
Gross Value as at 31st March, 2021	8,493.43	422.40	83,734.51	1,95,307.51	3,788.04	820.16	472.43	135.66	2,93,174.15	455.76	4,246.00
Depreciation & Impairment											
Depreciation as at 1st April, 2019	-	82.59	19,224.79	1,21,327.37	2,490.65	797.99	427.05	-	1,44,350.43	455.76	-
Depreciation for the year	-	8.52	2,505.09	7,936.22	271.45	53.94	7.56	-	10,782.78	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Depreciation as at 31st March, 2020	-	91.11	21,729.88	1,29,263.58	2,762.10	851.93	434.61	-	1,55,133.21	455.76	-
Depreciation for the year	-	8.35	2,503.49	7,869.56	258.28	41.39	8.22	33.92	10,723.19	-	-
Disposal during the year	-	43.74	513.93	5.07	91.60	172.33	-	-	826.67	-	-
Depreciation as at 31st March, 2021	-	55.71	23,719.43	1,37,128.07	2,928.78	720.99	442.83	33.92	1,65,029.74	455.76	-
Net Book Value											
As at 31st March, 2021	8,493.43	366.69	60,015.08	58,179.44	859.26	99.17	29.60	101.75	1,28,144.41	-	4,246.00
As at 31st March, 2020	8,580.69	641.78	63,302.24	66,049.16	1,128.98	149.62	37.82	-	1,39,890.30	-	4,246.00

*deduction in property, plant and equipment (refer note no. 37(viii))

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

INVESTMENTS (NON CURRENT) NOTE NO. - 5

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(1) Investment in Equity Instruments		
(i) Subsidaries (Unquoted-At Fair Value)		
a) Nil Equity Shares of Rs. 10/- each fully paid up of SEL Textiles Limited*	-	2,52,470.24
(Previous Year 127,057,200 Equity Shares of Rs. 10/- each fully paid up)		
Less: Impairment in Value of Investment	-	(2,52,470.24)
b) 3,989,600 Equity Shares of Rs. 10/- each fully paid up of SEL Aviation Private Limited	1,443.76	1,443.76
Less: Impairment in Value of Investment	(1,443.76)	(1,443.76)
c) 48,050 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Limited**	-	4.81
(ii) Others		
Quoted (At Fair Value)		
a) 6,248 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited	109.50	69.51
b) 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) Nil Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited	-	209.51
(Previous Year 299,300 Equity Shares of Re. 1/- each fully paid up)		
Less: Impairment in Value of Investment	-	(209.51)
Unquoted (At Cost)		
a) 14,000 Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Limited	1.40	1.40
b) 1,108,000 Equity Shares of Rs. 10/- each fully paid up of OPGS Power Gujrat Private Limited	5.56	5.56
c) 48,050 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Limited**	4.81	-
(2) Investment in Mutual Funds (Unquoted-At Fair Value)		
a) 150,000 Units of Rs.10/- each of SBI Infrastructure Fund	23.00	16.66
b) 50,000 Units of Rs.10/- each of SBI PSU Fund	3.84	3.81
c) 55,187.638 Units of Rs. 10/- each of Union Multi Cap Fund	9.44	8.55
d) 100,000 Units of Rs.10/- each of SBI Gold Fund	17.71	14.05
(3) Investments in Partnership Firm (At Cost)#		
a) 99% Share in SE Exports		
Capital (After adjusting Drawings) -		
Add: Share of Profits -	-	8.68
TOTAL	175.25	133.02

* For transfer of subsidiary (refer note no. 37(vi))

** cease to exist as fellow subsidairy w.e.f. 13th March 2021.

cease to exist from the partnership firm w.e.f. 13th March 2021.

Market Value of Quoted Investments	109.50	69.51
Aggregate Amount of Quoted Investments	30.68	30.68
Aggregate Amount of UnQuoted Investments	65.75	63.51
Aggregate Impairment in Value of Investments	1,444.44	2,54,124.18

FINANCIAL ASSETS (NON CURRENT LOANS) NOTE NO. - 6

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
a) Security Deposits	1,870.68	1,039.80
TOTAL	1,870.68	1,039.80

OTHERS FINANCIAL ASSETS (NON CURRENT) NOTE NO. - 7

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Fixed Deposits with Banks	2.57	0.50
(Deposits with original maturity of more than 12 months)		
TOTAL	2.57	0.50

OTHER NON CURRENT ASSETS NOTE NO. - 8

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
a) Capital Advances	1,625.33	1,625.38
	1,625.33	1,625.38
Allowance/Impairment for Doubtful Loans & Advances#	1,625.33	1,625.38
TOTAL	-	-

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Balance at the beginning of the year	1,625.38	1,665.99
Less: Amount collected and hence reversal of provision	0.05	40.61
Add: Provision made during the year	-	-
Balance at the end of the year	1,625.33	1,625.38

MALHOTRA MANIK & ASSOCIATES
CA
CHARTERED ACCOUNTANTS
LUDHIANA

INVENTORIES

NOTE NO. - 9

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(Valued at Cost or Net Realisable Value, whichever is lower)		
(a) Raw Materials	392.82	546.02
(b) Work in Progress	574.22	753.53
(c) Finished Goods		
-In Godown	869.14	1,117.53
-In Transit	69.86	7.59
(d) Stores & Spares	355.34	317.36
TOTAL	2,261.37	2,742.03

TRADE RECEIVABLES (CURRENT)

NOTE NO. - 10

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
a) Trade Receivables considered good-Secured	-	-
b) Trade Receivables considered good-Unsecured^	6,254.27	7,110.93
c) Trade Receivables which have significant increase in Credit Risk; and	-	-
d) Trade Receivables-credit impaired*	2,521.18	1,03,350.17
	8,775.44	1,10,461.10
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)#	2,521.18	1,03,350.17
TOTAL	6,254.27	7,110.93

*refer note no. 37(vii)

^Trade Receivables considered good-unsecured include Rs. 1,396.61 lakhs (Previous Year Nil) due from related parties.(refer note no. 38)

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Balance at the beginning of the year	1,03,350.17	1,02,803.78
Less: Amount assigned/realised including foreign exchange fluctuation and hence reversal of provision	1,00,828.99	7,306.83
Add: Provision made during the year	-	7,853.22
Balance at the end of the year	2,521.18	1,03,350.17

CASH & CASH EQUIVALENTS

NOTE NO. - 11

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Cash in Hand	7.19	26.72
(b) Balances With Scheduled Banks		
i) In Current Accounts^	700.49	153.03
ii) In Fixed Deposits Accounts	-	2.01
(Deposits with original maturity of less than 3 months)		
TOTAL	707.68	181.76

^Bank balances in current accounts include amounts payable to operational creditors & workmen and employee aggregating to Rs. 246 lakhs is kept in separate current accounts pursuant to completion of CIRP. According to the resolution plan, Bank balances also include a Debt Service Reserve Account (DSRA) which has to be maintained for a one year on or after the effective date and in which the aggregate balance standing to the credit of account will not be less than next three months interest payable to the financial creditors. As at the date of financial statements, the aggregate balance of Rs. 234 lakhs standing to the credit of a Debt Service Reserve Account and an amount of Rs. 500 lakhs to maintain inline of Debt Service Reserve Account, lying in the form of fixed deposits. The Company has no right, title, and claim on the same.

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

NOTE NO. - 12

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Other Bank Balances		
i) In Fixed Deposits Accounts*	536.42	34.64
(Deposits with original maturity of more than three months but less than twelve months)		
TOTAL	536.42	34.64

*banks held as security against interest on borrowings, refer note no. 11

OTHERS FINANCIAL ASSETS (CURRENT)

NOTE NO. - 13

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(Unsecured, considered good)		
i) Interest Receivable	0.96	17.76
TOTAL	0.96	17.76

CURRENT TAX ASSETS (NET)

NOTE NO. - 14

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
I) Prepaid Taxes	1,832.43	1,909.36
TOTAL	1,832.43	1,909.36

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

OTHER CURRENT ASSETS — NOTE NO. - 15

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(Unsecured, considered good)		
i) Advances to Suppliers	5,400.94	4,789.03
ii) Balance with Govt. Authorities	27,807.71	28,277.55
iii) Prepaid Expenses	213.87	357.76
iv) Others	1,027.78	1,143.48
	34,450.30	34,567.81
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)#	32,403.07	32,336.89
TOTAL	2,047.22	2,230.92

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Balance at the beginning of the year	32,336.89	4,264.46
Less: Amount collected and hence reversal of provision	-	34.45
Add: Provision made during the year	66.18	28,106.88
Balance at the end of the year	32,403.07	32,336.89

ASSETS CLASSIFIED AS HELD FOR SALE — NOTE NO. - 16

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Property, Plant & Equipment*	1,149.39	-
TOTAL	1,149.39	-

*refer note no. 37(viii)

EQUITY SHARE CAPITAL — NOTE NO. - 17

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(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	33,134.70
(Previous Year 331,347,000 Equity Shares Fully Paid Up)	3,313.47	33,134.70
(c) Par Value per Share		
33,134,700 Equity Shares — Rs. 10/-		

(d) Reconciliation of the number of shares outstanding

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year				
Equity Shares	33,13,47,000	33,134.70	33,13,47,000	33,134.70
Total	33,13,47,000	33,134.70	33,13,47,000	33,134.70
Add: Addition during the year				
Equity Shares	3,28,03,353	3,280.34	-	-
Total	3,28,03,353	3,280.34	-	-
Less: Reduction during the year				
Equity Shares	33,10,15,653	33,101.57	-	-
Total	33,10,15,653	33,101.57	-	-
Shares outstanding at the end of the year				
Equity Shares	3,31,34,700	3,313.47	33,13,47,000	33,134.70
Total	3,31,34,700	3,313.47	33,13,47,000	33,134.70

(e) Detials of shares held by shareholders holding more than 5% shares in the Company

State Bank of India	2,489,176 Shares	7.51%
Indian Bank	1,816,483 Shares	5.48%
ARR ESS Leading Edge Pvt. Ltd.(Holding Company)	24,851,025 Shares	75.00%

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

As per the resolution plan approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 10th February, 2021 under the Insolvency and Bankrupty 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.

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

The Company issued 220,000,000 equity shares of the face value of Rs. 10 per share consequent to Global Depository Receipt (GDRs) issue of the company during the year 2012-13. Holders of Global Depository Receipt (GDRs) are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares. As on 31.03.2021, 49,600 shares (Previous Year 49,600,000 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

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OTHER EQUITY NOTE NO. - 18

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Captial Reserve		
Opening Balance	2,900.48	2,900.48
Add: Addition during the year	-	-
	2,900.48	2,900.48
Less: Deduction during the year	-	-
	2,900.48	2,900.48
(b) Securities Premium		
Opening Balance	51,937.97	51,937.97
Add: Addition during the year	-	-
	51,937.97	51,937.97
Less: Deduction during the year	-	-
	51,937.97	51,937.97
(c) Other Comprehensive Income		
Opening Balance	5,263.99	5,981.70
Add: Addition during the year	318.16	41.11
	5,582.15	6,022.81
Less: Deduction during the year	(2,426.34)	758.81
	8,008.49	5,263.99
(d) Retained Earnings		
Opening Balance	(5,75,010.52)	(3,20,909.16)
Add: Addition during the year	5,10,393.75	(2,54,101.36)
Add: Reduction in value of Equity Share Capital & Preference Share Capital*	40,072.57	-
	(24,544.20)	(5,75,010.52)
Less: Deduction during the year	-	-
	(24,544.20)	(5,75,010.52)
TOTAL	38,302.74	(5,14,908.07)

*refer note no. 37(iii)

BORROWINGS (NON CURRENT) NOTE NO. - 19

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(At Amortised Cost)		
(a) Secured Loans		
i) Term Loans		
Banks	-	1,07,997.86
Banks (RTL-I)*	62,752.18	-
From Other Parties*	1,750.38	-
(b) Unsecured Loans		
i) Banks (RTL)^	3,330.45	-
ii) Others	-	25.00
iii) Related Parties	-	5,500.58
(c) Unlisted Non-Marketable 0.01% Secured Non-Convertible Redeemable Debentures**		
2,87,80,793 (Previous Year Nil) Debentures of Rs. 100/- each fully paid up	25,142.96	-
(d) Unlisted Non-Marketable 0.01% Unsecured Non-Convertiable Redeemable Debentures**		
685,207 (Previous Year Nil) Debentures of Rs. 100/- each fully paid up	598.60	-
(e) Unlisted Non-marketable Unsecured Non Interest Non-Convertible Redeemable Debentures**		
2,514,898 (Previous Year Nil) Debentures of Rs. 100/- each fully paid up	2,196.61	-
Liability Component of Compound Financial Instrument		
(f) Preference Share Capital$		
Nil 1% Redeemable, Non Cumulative, Non Convertible Preference Shares Fully Paid Up (Previous Year 69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares Fully Paid Up)	-	4,568.68
TOTAL	95,771.17	1,18,092.11

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

Financial Year	Amount (in lakhs)	Repayment Terms
2022-23	2,163	4 equal quarterly installments
2023-24	3,605	4 equal quarterly installments
2024-25	9,372	4 equal quarterly installments
2025-26	18,743	4 equal quarterly installments
2026-27	20,906	4 equal quarterly installments
2027-28	15,785	4 equal quarterly installments

Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Chandigarh Bench of the National Company Law Tribunal ("NCLT") dated 11th April, 2018. On 10th February, 2021 the NCLT approved the terms of the Resolution Plan submitted by the consortium led by Arr Ess Industries Private Limited and Leading Edge Commercial FZE. The accounting for the borrowings was carried out the terms of such Resolution Plan. As all the borrowings were settled on 13th March, 2021.

As per resolution plan, Term Loan (secured/unsecured) shall be paid along with monthly interest ("Applicable Interest") to be calculated as under:
a) Interest at the rate of 4% per annum for initial 1 year from the Effective Date on the Term Loan on a reducing outstanding balance basis;
b) Interest at the rate of 6% per annum in the 2nd year from the Effective Date on the Term Loan on a reducing outstanding balance basis;
c) Interest at the rate of the then applicable State Bank of India's 1 year MCLR per annum payable from the 3rd year from Effective Date on the Term Loan on a reducing outstanding balance basis.
Considering the State Bank of India's 1 year MCLR per annum applicable for March, 2021, the non current borrowings have been amortised for a period of two years, on the average of first two years rate of interest as per resolution plan.

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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 approval and implementation of the 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.

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

Financial Year	Amount (in lakhs)	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 lakhs)	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 pursant 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, ShortTerm Loan and Non-Convertible Redeemable Debentures.

$As per resolution plan, the existing issued, subscribed and paid up 69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares shall stand fully cancelled and extinguished.

OTHER FINANCIAL LIABILITES (NON CURRENT) — **NOTE NO. - 20**

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Lease Liabilities	106.43	-
TOTAL	106.43	-

PROVISIONS (NON CURRENT) — **NOTE NO. - 21**

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Provision for Employee Benefits	100.96	139.68
TOTAL	100.96	139.68

SHORT TERM BORROWINGS — **NOTE NO. - 22**

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Secured Loans		
Loans Repayable on Demand		
From Banks		
Working Capital Loans*	-	3,42,718.54
TOTAL	-	3,42,718.54

*Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Chandigarh Bench of the National Company Law Tribunal ("NCLT") dated 11th April, 2018. On 10th February, 2021 the NCLT approved the the terms of the Resolution Plan submiited by the consortium led by Arr Ess Industries Private Limited and Leading Edge Commercial FZE. The accounting for the borrowings including corporate guarantee was carried out the terms of such Resolution Plan. As all the borrowings were settled on 13th March, 2021.

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TRADE PAYABLES

NOTE NO. - 23

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Trade Payables		
-total outstanding dues of micro enterprises and small enterprises;*	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,284.95	6,766.73
TOTAL	1,284.95	6,766.73

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management, the relevant particulars as at 31st March, 2021 are Nil.

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(i) Principal amount and the interest due remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

OTHER FINANCIAL LIABILITIES (CURRENT)

NOTE NO. - 24

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Current Maturities of Long Term Debts	-	1,53,156.91
ii) Current Maturities of Long Term Debts (Others)	-	100.00
iii) Interest Accrued and due on Borrowings	125.79	12,309.35
iv) Interest Accrued and not due on Borrowings	0.16	-
v) Employees Benefits	1,151.48	1,064.47
vi) Payable to Vendors-Non Trade	325.63	2,405.40
vii) Expenses Payable	3,031.11	3,548.83
viii) Others Payable	34.42	239.94
TOTAL	4,668.59	1,72,824.90

OTHER CURRENT LIABILITIES

NOTE NO. - 25

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Statutory Dues & Taxes	239.18	78.43
ii) Advances from Customers	15.68	66.11
TOTAL	254.86	144.53

PROVISIONS (CURRENT)

NOTE NO. - 26

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Provision for Employee Benefits	514.24	623.91
TOTAL	514.24	623.91

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

NOTE NO. - 27

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Short Term Loan#		
(a) Secured		
-Banks	4,666.86	-
-From Other Parties	130.17	-
(b) Unsecured		
-Banks	114.20	-
TOTAL	4,911.23	-

#Short term loan is to be repayable within six months from the effective date i.e the date of approval of resolution plan out of the sale proceeds of Identified Assets. In case, repayable is not completed within six months, the Resolution Applicant has to infuse additional resources to liquidate the short term loan (refer note 37(viii)). 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 short term loan amounting to Rs. 114.20 lakhs attributable to the lenders as unsecured short term loan.

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REVENUE FROM OPERATIONS

NOTE NO. - 28

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sale of Products		
Finished Goods	2,012.06	7,000.84
Raw Material	-	6.73
Sale of Services	16,904.44	20,426.36
Others	121.95	1,670.36
TOTAL	19,038.45	29,104.29

OTHER INCOME

NOTE NO. - 29

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Export Incentives	124.45	333.83
Interest	62.05	295.22
Share of profit from Partnership Firms	-	47.49
Other Income	16.39	80.85
Foreign Exchange Fluctuation	-	6,883.17
Profit on Sale of Property, Plant & Equipments	12.93	-
Dividend Income	0.41	-
Rental Income	16.43	19.23
TOTAL	232.66	7,659.79

COST OF MATERIAL CONSUMED

NOTE NO. - 30

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Raw Material Consumed			
Opening Stock		353.00	631.18
Add: Purchases (net)		765.32	4,230.43
		1,118.32	4,861.61
Less: Closing Stock		298.00	353.00
Cost of raw material consumed during the year	(A)	**820.32**	**4,508.61**
Packing Material Consumed			
Opening Stock		193.02	198.40
Add: Purchases (net)		1,255.15	1,810.91
		1,448.17	2,009.31
Less: Closing Stock		94.82	193.02
Cost of packing material consumed during the year	(B)	**1,353.35**	**1,816.29**
TOTAL	(A+B)	**2,173.67**	**6,324.90**

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

NOTE NO. - 31

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Opening Stocks			
Work in Process		753.53	1,819.16
Finished Goods		1,125.13	2,796.50
	(A)	1,878.66	4,615.66
Closing Stocks			
Work in Process		574.22	753.53
Finished Goods		939.00	1,927.97
	(B)	1,513.21	2,681.50
Decrease/(Increase) in Inventories	(A-B)	**365.44**	**1,934.16**

EMPLOYEE BENEFITS EXPENSE

NOTE NO. - 32

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Wages,Salaries & Other Allowances	4,657.27	6,289.21
Contribution to PF, ESI & Other Funds	331.32	432.45
Staff & Labour Welfare	37.28	70.50
TOTAL	**5,025.87**	**6,792.17**

FINANCIAL COSTS

NOTE NO. - 33

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
a) Bank Charges	30.98	103.24
b) Interest on		
i) Term Loans	125.79	-
ii) Debentures	0.16	-
iii) Others	19.92	17.81
TOTAL	176.84	121.05

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DEPRECIATION & AMORTISATION EXPENSES

NOTE NO. - 34

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation of Tangible Assets	10,680.93	10,774.26
Amortisation of Leasehold Land	8.35	8.52
Depreciation of Right to Use Assets	33.92	-
TOTAL	10,723.19	10,782.78

OTHER EXPENSES

NOTE NO. - 35

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Powel & Fuel	11,007.76	14,551.95
Consumables & Repair Maintenance	1,219.34	3,426.96
Job Work Expenses	35.14	282.91
Printing & Stationery	5.86	13.76
Insurance	350.55	189.91
Fees & Taxes	96.76	116.80
Donation	-	0.32
Legal & Professional Charges	20.79	104.02
Postage & Courier Charges	17.00	46.26
Telephone & Fax Expenses	9.76	20.07
Statutory Auditors' Remuneration		
-Audit Fee	2.85	2.85
-Reimbursement of Expenses	-	0.12
Tax Auditors' Remuneration		
-Tax Audit Fee	0.90	0.90
Cost Auditors' Remuneration		
-Audit Fee	0.77	0.77
General Repair & Maintenance	52.73	75.37
Office Expenses	38.23	22.24
Festival Expenses	8.10	0.89
Rent	90.54	40.11
Travelling & Conveyance	16.60	94.10
Water Charges	43.02	57.82
Advertisement	1.22	1.54
Foreign Exchange Fluctuation	12,185.35	-
Building Repair & Maintanenace	1.17	2.39
Vehicles Expenses	54.18	62.69
Business Promotion	-	40.30
Commission	9.75	60.99
Rebate & Discount	98.38	581.30
Clearing Forwarding & Freight Outward	282.22	363.65
TOTAL	25,648.98	20,160.96

EXCEPTIONAL ITEMS

NOTE NO. - 36

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Impairment in Value of Investments in Subsidaries	-	2,02,023.10
Impairment in Value of Capital Work in Progress	-	12,544.57
Allowance/Reversal of Allowance for Doubtful Receivables	(1,00,828.99)	546.39
Allowance/Impairment for Doubtful Loans & Advances	66.13	28,031.82
Corporate Insolvency Resolution Process Expenses	779.87	723.06
Inventories Written Down to Net Realisable Value	-	802.84
Impairment In Value of Investments	-	77.63
Extinguishment of Trade Payables, Other Current Financial Liabilities and Non Current/Short Term Borrowir	(4,35,253.66)	-
TOTAL	(5,35,236.65)	2,44,749.42

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NOTES TO THE STANDALONE 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 of yarns, fabrics, ready-made garments and towels.

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.

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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, 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

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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:

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- 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.

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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.

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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 Global health pandemic on Covid -19: The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as financial asset and non-financial assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

2.24 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.

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:

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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.

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37. Pursuant to the Resolution Plan submitted by the Consortium of ARR ESS Industries Private Limited and Leading Commercial Edge FZE (Collectively referred to as the "Resolution Applicant") and its approval by the Hon'ble National Company Law Tribunal, Chandigarh bench, vide their orders dated 10th February, 2021 for the corporate insolvency of the Company, which is implemented from 13th March, 2021 (i.e. closing date as defined under the resolution plan) otherwise as stated in below notes, the following consequential impacts have been given in accordance with approved resolution plan/Indian Accounting Standards:

i) The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from 13th March, 2021. As on date Board of Directors consist of Mr. Rajeev Bhalla, Mr. Naveen Arora, Mr. Dinesh Kumar Mehtani, Mr. Shashank Rai, Mr. Sushil Aggarwal, Ms. Nidhi Aggarwal and Mr. Rajiv Kumar Maheshwary. Further on 8th April, 2021 Mr. Rajeev Bhalla is appointed as Managing Director and Mr. Naveen Arora as Whole Time Director.

ii) The erstwhile promoter group has been classified as public shareholders.

iii) With effect from 13th March, 2021, the existing issued, subscribed and paid up equity share capital of the Company has been reduced from Rs. 33,134.70 lakhs divided into 331,347,000 equity shares of Rs. 10 each to Rs. 33.13 lakhs divided into 3,31,347 equity share of Rs. 10 each thereby reducing the value of issued, subscribed and paid up equity share capital of the Company by Rs. 33,101.57 lakhs. Further, with effect from 13th March, 2021, the existing issued, subscribed, paid up 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10 each stand fully cancelled and extinguished. As prescribed in the Resolution Plan, the reduction in the share capital of the Company amounting to Rs. 33,101.57 lakhs is adjusted against the debit balance as appearing in its profit and loss account (i.e. retained earnings). As per the scheme of reduction and consolidation, 32,803,353 equity shares (new) were allotted in favour of financial creditors and resolution applicant.

iv) In respect of de-recognition of operational & financial creditors and corporate guarantee, difference amounting to Rs. 435,253.66 lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognized in statement of profit or loss account in accordance with "Ind AS-109" on "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items".

v) Out of upfront amount received from Resolution Applicant amounting to Rs. 5,000 lakhs as on 13th March 2021, amount of Rs. 4,754 lakhs has been used to settle existing secured financial creditors, workmen & employees dues, operational creditors (other than a related party), CIRP costs and pending utilization Rs. 246 lakhs is kept in separate current accounts. Any amounts unpaid in these accounts are deemed to be utilized and the Company has no right, title and claim on the same.

vi) For transfer of Subsidiary Company M/s SEL Textiles Limited: As a part of the Resolution Plan, the Parent Company has transferred its identified subsidiary to the trust alongwith its entire equity/ownership interest held in the subsidiary, at a fair value on "as is where is whatever there is" and without recourse basis".

vii) As a part of the Resolution Plan, the Company has assigned Identified Trade Receivables amounting to Rs. 88,686.14 lakhs (net of foreign exchange fluctuation) to the Financial Creditors. Approval of RBI, if any, required for the assigned Identified Export Trade Receivables would be taken.

viii) As a part of the Resolution Plan, the non-interest bearing secured/unsecured loan of Rs. 4,911.23 lakhs shall be repaid out of the sale proceeds of Identified Assets. The Resolution Applicant shall distribute the said loan to the Financial Creditors on a Pass Through Structure Basis within six months from the Effective Date. In case, there is any shortfall in envisaged proceeds from asset of sale, funds to bridge the corresponding shortfall shall be infused by the Resolution Applicant.
The following are the details of the Identified Assets consists Land & Building situated at:
   a) Plot No. C-256/257, Focal Point, Phase-VIII, Ludhiana.
   b) Plot No. A-15, Focal Point, Phase-VII, Ludhiana.
   c) Plot No. 706, Industrial Area-A, R.K. Road, Ludhiana.
   d) Plot No. 106, Industrial Area, Baddi, Solan, Himachal Pradesh.

Thus, the Company has to sell the Identified Assets within the period of six months from the Effective Date, the same has been classified as "Assets classified as held for sale".

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38. 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	SE Exports^	Subsidiary Partnership Firm
3	SEL Textiles Limited^	Subsidiary Company
4	SEL Aviation Private Limited	Subsidiary Company
5	Silverline Corporation Limited^	Fellow Subsidiary Company
6	Mr. Rajeev Bhalla^^ Mr. Dinesh Kumar Mehtani^^ Mr. Shashank Rai ^^ Mr. R. S. Saluja^ Mr. Neeraj Saluja^ Mr. Dhiraj Saluja^ Mr. Navneet Gupta^ Mr. V.K. Goyal^	Key Management Personnel
7	Mrs. Kavita Bhalla^^ Mrs. Vaneeta Mehtani^^ Mrs. Mansi Rai^^ Mrs. Sneh Lata Saluja^ Mrs. Ritu Saluja^ Mrs. Reema Saluja^	Relatives of Key Management Personnel
8	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^^ Nikentan Merchants Private Limited^^ Eternys Infra Private Limited^^ Shiv Narayan Investments Private Limited^ Saluja International^ Rythm Textiles & Apparels Park Limited^ SEL Renewable Power Limited^	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence

^upto 12th March, 2021
^^with effect from 13th March, 2021

Related Parties Transactions:

Particulars	Subsidiaries		Key Management and Relatives of KMP & Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Services Receivable	-	13.59	-	-
Services Paid	-	181.61	-	3.36
Share of Loss/(Profit)	-	(47.49)	-	-
Rent Paid	-	-	-	10.70
Rent Received^	5.11	7.00	-	-
Managerial Remuneration	-	-	36.00	117.00
Issue of Equity Shares (holding company)	-	-	2,485.10	-
Issue of Non Convertible Debentures(holding company)	-	-	2,514.90	-
Corporate Guarantee Given	-	201,324.00	-	-
Closing Balance of Related Parties Debits/(Credits)^^	-	6,318.70	1,396.61	(4,758.34)

^upto 12th March, 2021
^^Pursuant to the approved Resolution Plan, previous year balances stand extinguished

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

Particulars		31st March, 2021	31st March, 2020
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	316,640,640	331,347,000
Profit/(Loss) for the year (continuing operations)	Lakhs	510,393.75	(254,101.36)
Weighted average earnings per shares (basic and diluted)	Rs.	161.19	(76.69)
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	510,393.75	(254,101.36)
Weighted average earnings per shares (basic and diluted)	Rs.	161.19	(76.69)

40. Contingent Liabilities and Capital Commitments

a. Contingent Liabilities: (Rs. in lakhs)

Particulars	31st March, 2021	31st March, 2020
(i) Export Bills Discounted*	-	1,054.60
(ii) Income Tax*	49.00	-
(iii) Export Incentives obligations refundable in respect of allowance for foreign trade receivables*	-	3,854.74
(iv) Security Deposits*	-	1,286.27

*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, 2021	31st March, 2020
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	2,485.83	2,485.83

Further, the company has made impairment provision against capital advances amounting Rs. 1,625.38 lakhs outstanding since long and the orders placed with capital goods suppliers are more than two year and escalation costs, if any, in these purchase orders shall be in addition to figures reported above.

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

a. The Company has made reversal of an allowance for trade receivables under Expected credit losses (ECL) Method aggregating to Rs. 100,828.99 lakhs, net of amount collected and provision made, in compliance of Ind AS 109 which is charged to Statement of Profit & Loss as an exceptional item.

b. 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. 66.13 lakhs, net of amount adjusted and provision made, which is charged to Statement of Profit & Loss as an exceptional item. Though the company strongly believes that these advances are fully recoverable/adjustable.

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c. The Company has de-recognition other current and non-current liabilities including corporate guarantee amounting to Rs. 435,253.66 lakhs as described in note no. 37(iv). This adjustment, having a one-time, non-routine material impact on the financial statements hence, the same has been disclosed as "Exceptional Items" in the Financial Statements.

d. During the year, the Company has incurred an expenses amounting to Rs. 779.87 lakhs for Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') which is charged to Statement of Profit & Loss as an exceptional item.

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

43. Others:

i) 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 INR 1286.27 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 on the Company and erstwhile its directors. The consequential proceedings are in progress.

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 consequential proceedings are in progress.

iv) During the year 2019-20, the Company has received summon dated 4th March, 2020 on 12th March, 2020 from the Directorate General of GST Intelligence under section 14 of the Central Excise Act, 1944 to give evidence truthfully on such matters concerning the enquiry as may be asked and produce the documents and records for examination. The consequential proceedings are in progress.

v) 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 an exhaustive list of documents was being asked to be furnished to them as per Annex A of the said order ranging from details of GDR issued, foreign subscribers, foreign and Indian mediator involved with overseas banks, movement of subscribed funds and its end utilization, adherence of applicable laws for pricing of GDR. The consequential proceedings are in progress.

vi) During the year, 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 and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto (refer note no. 40a).

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44. 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, 2021	31st March, 2020	31st March, 2021	31st March, 2020
India	17,181.26	24,541.62	134,263.66	145,176.60
Outside India	1,857.19	4,562.67	-	-
Total	19,038.45	29,104.29	134,263.66	145,176.60

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

Information about major customers: Four customer contributed 10% or more to the Company's revenue during the financial year 2020-21.

45. During the year, lease payment amounting to Rs. 90.54 lakhs (Previous Year Rs. 40.11 lakhs) recognized in Statement of Profit and Loss. Also lease income amounting to Rs. 16.43 lakhs (Previous Year Rs. 19.23 lakhs) recognized in Statement of Profit and Loss.

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

a. **Defined Benefit Plan**

Gratuity: The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31st March, 2021 and 31st March, 2020: (Rs. in Lakhs)

Particulars	31st March, 2021	31st March, 2020
I. Change in benefit obligations		
Present value of obligations as at the beginning	652.44	597.43
Current Service cost	108.73	128.83
Interest expense	45.67	41.82
Remeasurements-Actuarial (gains)/ losses	(247.08)	(45.39)
Benefits paid	(15.07)	(70.25)
Present value of obligations as at the end	**544.69**	**652.44**
II. Change in fair value of plan assets		
Fair value of plan assets at the beginning	28.53	6.03
Return on plan assets	2.00	0.42
Remeasurements-Actuarial (gains)/ losses	(0.08)	1.45
Contributions	-	90.88
Benefits paid	-	(70.25)
Fair value of plan assets at the end	**30.45**	**28.53**
Funded status	(514.24)	(623.91)

III. Expenses recognized in Statement of Profit and Loss

Amount for the year ended 31st March, 2021 and 31st March, 2020 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	31st March, 2021	31st March, 2020
Service cost	108.73	128.83
Interest cost	45.67	41.82
Return on plan assets	(2.00)	(0.42)
Net gratuity cost	**152.40**	**170.23**

IV. **Expenses recognized in the Other Comprehensive Income**

Amount for the year ended 31st March, 2021 and 31st March, 2020 recognized in statement of other comprehensive income:.

Particulars	31st March, 2021	31st March, 2020
Actuarial (gains) / losses	(246.99)	(46.85)

V. **Actuarial Assumptions**

The weighted-average assumptions used to determine benefit obligations as at 31st March, 2021 and 31st March, 2020 are set out below:

Particulars	31st March, 2021	31st March, 2020
Discount rate (per annum)	7.00%	7.75%
Salary Growth Rate (per annum)	5.00%	5.00%
Mortality	IALM (2012-14)	IALM (2012-14)
Expected rate of return on Plan Assets	5.00%	5.00%

The major categories of plan assets as a percentage of total

Particulars	31st March, 2021	31st March, 2020
Insurer managed funds	100%	100%

VI.Sensitivity Analysis (in lakhs)

Particulars	31st March, 2021		31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	596.58	500.29	714.02	599.66
(% change compared to base due to sensitivity)	10%	8%	9%	8%
Salary growth Rate (-/+1%)	499.11	597.10	598.25	714.65
(% change compared to base due to sensitivity)	8%	10%	8%	10%
Mortality Rate (-/+10%)	538.68	549.53	645.31	658.22
(% change compared to base due to sensitivity)	1%	1%	1%	1%

b. **Provident Fund:** During the year, the company has recognized an expense of Rs. 279.40 lakhs (Previous Year Rs. 383.78 lakhs) towards provident fund scheme.

c. **Leave Encashment:** During the year, the company has recognized an expense of Rs. 34.25 lakhs (Previous Year Rs. 45.83 lakhs).

47. Deferred 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, 2021	31st March, 2020
Deferred tax liabilities		
Property, plant and equipment	44,111.11	46,542.44
Right of use assets	33.92	-
Deferred tax assets*		
Provision for gratuity	(514.24)	(623.90)
Provision for leave encashment	(100.96)	(139.68)
Provision for bad debts	(36,549.58)	(1,37,312.44)
Provision for bonus	(541.24)	(516.80)
Lease liabilities	(106.43)	-
Unabsorbed depreciation and carry forward losses	(2,40,942.51)	(2,16,431.00)
Deferred tax (assets)/ liabilities	**(234,609.94)**	**(3,08,481.38)**

*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.

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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, 2021	31st March, 2020
Profit before tax & After Exceptional items	510,393.85	(2,54,101.36)
Applicable Tax Rate	25.17%	34.94%
Computed Tax Expense	-	-
Tax Effect of:		
Expenses disallowed		
Depreciation	10,723.19	10,782.78
Exceptional Items	(536,016.52)	244,026.36
Others	49.43	-
Sub Total	(14,440.14)	707.78
Depreciation as per Income Tax	10,094.64	11,528.20
Others	118.19	47.49
Profit before/(loss) tax	**(24,652.97)**	**(10,867.91)**
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 expire as follows:

(Rs. in Lakhs)

Financial Year	31st March, 2021	31st March, 2020
2013-14	-	11,577.26
2015-16	49,577.79	49,577.79
2016-17	62,861.30	62,861.30
2019-20	25.78	-
2020-21	14,440.14	-
Unabsorbed depreciation	114,037.50	92,414.65
Total	**240,942.51**	**2,16,431.00**

48. Financial Instruments by Category

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

Particulars	Cost		FVTPL		FVTOCI		Amortized Cost	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
FINANCIAL ASSETS								
Non-Current Assets								
Investments in								
- Equity Instruments*	1,455.52	253,925.77	-	-	109.50	69.51	-	-
- Others	-	8.68	-	-	53.99	43.07	-	-
Other Financial Assets	-	-	-	-	-	-	2.57	0.50
Current Assets								
Trade Receivables#	-	-	-	-	-	-	8,775.44	110,461.10
Other Financial Assets	-	-	-		-	-	0.96	17.76
Cash & Cash	-	-	-		-	-	707.68	181.76

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Equivalents								
Bank Balances other than above	-	-	-	-	-	-	536.42	34.64
TOTAL FINANCIAL ASSETS	1,455.52	253,934.45	-	-	163.49	112.58	10,023.07	110,695.76
FINANCIAL LIABILITIES								
Non-Current Liabilities								
Borrowings	-	-	-	-	-	-	95,771.17	118,092.11
Current Liabilities								
Borrowings	-	-	-	-	-	-	4,911.23	342,718.54
Trade Payables	-	-	-	-	-	-	1,284.95	6,766.73
Other Financial Liabilities	-	-	-	-	-	-	4,668.59	172,824.90
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	-	106,635.94	640,402.28

*including impairment in value of investments amounting Rs. 1,443.76 lakhs (Previous Year Rs. 253,913.76 lakhs)
including allowance for doubtful debts amounting Rs. 2,521.18 lakhs (Previous Year Rs. 103,350.17 lakhs)

49. Revenue from operations for the year ended 31st March, 2021 and 31st March, 2020 is as follows:(In Lakhs)

Particulars	**31st March, 2021**	**31st March, 2020**
Revenue from sale of products	2,134.01	8,677.93
Revenue from job work	16,904.44	20,426.36
Total Revenue from Operations	**19,038.45**	**29,104.29**

Disaggregate Revenue Information: The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2021 and 31st March, 2020 by type of goods and services.

(Rs. In lakhs)

Particulars	**31st March, 2021**	**31st March, 2020**
Terry Towels	2,004.80	5,598.62
Yarn	-	1,373.21
Garments	7.26	16.79
Knitted Cloth	-	12.22
Others	121.95	1,677.09
Job Work	16,904.44	20,426.36
Total	**19,038.45**	**29 104.29**

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

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

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

(Rs. In Lakhs)

Particulars	Fair Value Measurement using					
	Level 1		Level 2		Level 3	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Non-Current Investments						
- Fair Value through OCI	109.50	69.51	53.99	43.07	-	-
Financial Liabilities						
Borrowings	-	-	100,808.19	621,708.24	-	-

51. Capital Work in Progress includes, Project and Pre-operative Expenses pending allocation to property, plant & equipment:

(Rs. In Lakhs)

Particulars	31st March, 2021	31st March, 2020
Opening Balance	-	671.00
Add: Expenses incurred during the year	-	-
Less: Impaired during the year	-	671.00
Closing Balance	-	-

52. The balances of Trade Receivables and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. During the year, letters have been sent to various parties with a request to confirm their balances as on 31st March, 2021 out of which few parties have confirmed their balances to the company.

53. **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, 2021 and 31st March, 2020.

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, 2020, 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

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

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

No Changes were made in the objectives, policies or processes during the years ended 31st March, 2021 and 31st March, 2020.

54. The outbreak of COVID-19 pandemic across the country where the Company has its operations resulted in the Governments taking significant measures to contain the spread of the virus including imposing mandatory lockdowns and restricting economics activities. Consequently, the Company's manufacturing and distribution operation has to be scaled down for a considerable period during the year. Though, the operations resumed during the year with limited availability of work force and disrupted supply chain, the restrictions imposed adversely impacted the Company's sales volume, mix and realization. In assessing the recoverability of Company's assets such as trade receivable, inventories etc. the Company has considered internal and external information upto the date of these financial statements. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount, as at 31st March 2021, of the assets. However, the management will continue to closely monitor the evolving situation and assess its impact on the business of the Company.

55. 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, 2021	31st March, 2020
(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	-	-

56. The Directors of the Reconstituted Board were not in office for the period (i.e. between 1st April, 2020 and 12th March, 2021) to which these financial statements primarily pertains. During the CIRP Process (i.e. between 11th April, 2018 and 12th March, 2021), Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company. The Reconstituted Board is submitting these financial statements in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI LODR Regulations") and the Directors, as on date, are not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the acquisition. The Reconstituted Board of Directors has been in office only since 13th March, 2021. Consequently, the Reconstituted Board has only a limited overview of the effectiveness of the internal financial and other controls of the Company.

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57. Previous year amounts have been reclassified wherever necessary to make them comparable and conform to Ind AS presentation.

58. Note No. 1 to 57 forms integral part of balance sheet and statement of profit /loss.

For Manik Malhotra & Associates
Chartered Accountants
FRN: 015848N

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

For and on the behalf of Board of

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

Place: Ludhiana
Date: 29.06.2021

(V.K. Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS

29-A BhaiRandhir Singh Nagar
Ludhiana – 141001
Mobile No. 98550-37608, 98140-22781
E-Mail:mmasso123@gmail.com

INDEPENDENT AUDITORS' REPORT

To
The Members of SEL Manufacturing Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the accompanying Consolidated Financial Statements of SEL Manufacturing Company Limited ("the Company") and its subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated financial statement").

In our opinion and to the best of our information and according to the explanations given to us ;the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 their consolidated state of affairs at 31st March, 2021, of consolidated total comprehensive Profit (net profit and other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion
We conducted our audit of the consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

Key Audit Matters	Auditor's Response
(i) **Accounting treatment for the effects of the Resolution Plan** Refer Note 37 to the consolidated Financial Statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution process concluded during the year ended 31st March 2021 under Insolvency and Bankruptcy Code, 2016. Owing to the size of the over-due credit facilities due to financial creditors and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a	We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognized in the standalone Financial Statements: • Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis.

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complex exercise. In respect of de-recognition of operational and financial creditors, difference between the carrying amount of financial liabilities extinguished and consideration paid, is recognized in consolidated statement of profit and loss account in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items". Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users understanding of the Financial Statements as a whole and materiality thereof.	• Verified the payment of funds on test check basis as per the Resolution Plan. • Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the standalone financial statements in respect of the implementation of the resolution plan.
(ii) **Contingent liabilities** Refer Note 40(a) to the consolidated financial statements; Prior to the approval of the Resolution Plan, there were certain litigations against the company. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished except as mentioned in Note 40(a)(ii).	We have reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact. • Evaluated whether the accounting principles applied by the management fairly present the amounts in financial statements in accordance with the principles of Ind AS. • Discussion with the management on the development in litigations during the year ended 31st March, 2021. • Obtaining representation letter from the management on the assessment of those matters.

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

The Company's Board of Directors (read with Note No. 56 of the consolidated financial statements) is responsible for the preparation and presentation of its report herein after called the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the consolidated Financial Statements and our Auditor's Report thereon. The Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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, 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 Standalone Financial Statements

The Company's Board of Directors(read with Note No. 56 of the consolidated financial statements) is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015 as amended and other accounting principles generally accepted in India. The respective management of the company included in the Group are responsible for

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective management of the company included in the group is also responsible for overseeing the financial reporting process.

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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CA
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LUDHIANA

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

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

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

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

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

Other Matters

We draw attention to the following matter:

1.We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (net) of Rs. 7.90 lacs as at 31st March, 2021 and total revenue of Rs. 0.01 lacs, for the year ended on 31st March, 2021, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

2. As per approved Resolution Plan, The Parent Company has transferred its identified subsidiary to the trust along with its entire equity/ownership interest held in the subsidiary. The consolidated figures relating to said subsidiary have been included in the corresponding previous year figures.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

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

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

b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditor.

MALHOTRA MANIK & ASSOCIATES
CA
CHARTERED ACCOUNTANTS
LUDHIANA

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in Equity and the consolidated statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors of the company as on 31st March, 2021, taken on record by the Board of Directors of the company and its subsidiary and the report of the statutory auditor of the Subsidiary Company, none of the directors of the Group Companies is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in "Annexure A" which is based on the auditor's reports of the company and its subsidiary Company.

g. 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.

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

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note no. 40(a) to the consolidated financial statements;
ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

Manik Malhotra

(CA. MANIK MALHOTRA)
PARTNER
M.No.: 094604
UDIN: 21094604AAAABR8538

PLACE: LUDHIANA
DATED: 29.06.2021

Annexure - A to the Independent Auditors' Report

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

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

The Report hereunder on internal financial control is based on the audit of internal financial control of the Holding company as neither any report on internal financial control has been received from subsidiary nor the same is applicable to it.

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2021 .we have audited the Internal financial controls over financial reporting of SEL Manufacturing Company Limited (the Holding Company) as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company (read with Note No. 56 of the consolidated financial statements) and its subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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;

MALHOTRA MANIK & ASSOCIATES
CA
CHARTERED ACCOUNTANTS
LUDHIANA

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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.

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

MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
LUDHIANA

Manik Malhotra

(CA. MANIK MALHOTRA)
PARTNER
M.No.: 094604
UDIN: 21094604AAAABR8538

PLACE: LUDHIANA
DATED:29.06.201

SEL MANUFACTURING COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(Rs. In Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	1,28,144.41	2,01,004.62
(b) Capital Work in Progress	4	4,246.00	43,235.73
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets	4	-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets			
(i) Investments	5	175.25	4,181.76
(ii) Trade Receivable		-	-
(iii) Loans	6	1,870.68	1,779.71
(iv) Others	7	2.57	8.75
(i) Deferred Tax Assets (Net)		-	-
(j) Other Non-Current Assets	8	-	2,371.11
		1,34,438.91	2,52,581.67
(2) Current Assets			
(a) Inventories	9	2,261.37	4,191.57
(b) Financial Assets			
(i) Current Investments		-	-
(ii) Trade Receivables	10	6,254.27	7,414.28
(iii) Cash & Cash Equivalents	11	709.96	264.83
(iv) Bank Balances other than (iii) above	12	536.42	34.79
(v) Loans		-	-
(vi) Others	13	0.96	25.39
(c) Current Tax Assets (Net)	14	1,832.43	2,532.91
(d) Other Current Assets	15	2,052.84	9,791.25
		13,648.25	24,255.02
(3) Assets Classified as held for Sale	16	1,149.39	-
TOTAL ASSETS		1,49,236.55	2,76,836.69
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	3,313.47	33,134.70
(b) Other Equity	18	38,319.59	(3,69,154.74)
Equity attributable to owners of the Company		41,633.06	(3,36,020.04)
Non-Controlling Interest		(10.99)	17.47
Total Equity		41,622.07	(3,36,002.57)
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	95,771.17	1,61,470.46
(ii) Trade Payables		-	-
(iii) Other Financial Liabilites	20	106.43	6.85
(b) Provisions	21	100.96	178.38
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
		95,978.56	1,61,655.70
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	-	1,75,535.73
(ii) Trade Payables	23		
(1) total outstanding dues of micro enterprises and small enterprises;		-	-
(2) total outstanding dues of creditors other than micro enterprises and small enterprises		1,284.95	11,958.99
(iii) Other Financial Liabilities	24	4,670.63	2,60,492.18
(b) Other Current Liabilities	25	254.86	2,464.79
(c) Provisions	26	514.24	731.87
(d) Current Tax Liabilities(Net)		-	-
		6,724.69	4,51,183.56
(3) Liabilities directly associated with assets classified as held for sale	27	4,911.23	-
TOTAL EQUITY & LIABILITIES		1,49,236.55	2,76,836.69

See accompanying notes to the financial statements

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

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

Place: Ludhiana
Date: 29.06.2021

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Offi

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

PARTICULARS	NOTE NO.	CURRENT YEAR	PREVIOUS YEAR
I. Revenue From Operations	28	19,038.45	35,261.58
II. Other Income	29	232.67	9,902.99
III. Total Income (I+II)		19,271.12	45,164.57
IV. Expenses			
Cost of Materials Consumed	30	2,173.67	6,809.23
Purchases of Stock-in-Trade		-	732.80
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	365.44	2,608.94
Employee Benefits Expense	32	5,025.87	9,027.33
Finance Cost	33	176.86	263.06
Depreciation and Amortization Expense	34	10,723.19	14,505.62
Other Expense	35	25,649.76	23,705.90
Total Expenses (IV)		44,114.79	57,652.90
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		(24,843.67)	(12,488.33)
VI. Exceptional Items	36	(2,75,553.27)	46,247.85
VII. Profit/(Loss) Before Tax (V-VI)		2,50,709.60	(58,736.18)
VIII. Tax Expense			
a) Current Tax		-	-
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		2,50,709.60	(58,736.18)
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)		2,50,709.60	(58,736.18)
Profit/(Loss) attributable to			
(1) Owners of the Company		2,50,727.05	(58,735.34)
(2) Non-Controlling Interests		(17.45)	(0.84)
Profit/(Loss) for the period		2,50,709.60	(58,736.18)
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		318.16	96.79
B (i) Items that will be reclassified to Profit or Loss		8,443.28	(1,148.65)
Total Other Comprehensive Income(net of taxes)		8,761.44	(1,051.86)
XV. Total Comprehensive Income for the Period (XIII+XIV)		2,59,471.04	(59,788.04)
Total Comprehensive Income attributable to			
(1) Owners of the Company		2,59,488.49	(59,787.20)
(2) Non-Controlling Interests		(17.45)	(0.84)
Total Comprehensive Income		2,59,471.04	(59,788.04)
XVI. Earning per Equity Share (for Continuing Operations)	39		
1) Basic		79.18	(17.73)
2) Diluted		79.18	(17.73)
XVII. Earning per Equity Share (for Discontinuing Operations)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinuing & Continuing Operations)	39		
1) Basic		79.18	(17.73)
2) Diluted		79.18	(17.73)
See accompanying notes to the financial statements			

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

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

Place: Ludhiana
Date: 29.06.2021

MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Offi

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

Consolidated Statement of Cash Flow for the Year Ended 31st March, 2021

(Rs. In Lakhs)

	Particulars	Details	Current Year	Details	Previous Year
A	Cash Flow from Operating Activities				
	Net Profit before Taxes & Extraordinary Items		2,50,727.05		(58,735.34)
	Adjustments for Non Cash Items:				
	-Depreciation & Amortization	10,723.19		14,505.62	
	-Provision/(Reversal of Provision) for Doubtful Debts	(93,615.85)		4,034.58	
	-Extinguishment of Trade Payable, Other Current and Non Current Liabilitie	(1,82,783.42)		-	
	-Impairment in Value of Capital Work in Progress	-		12,544.57	
	-Allowances for Loans & Advances	66.13		28,065.16	
	-Interest Cost	145.86		123.34	
	-Interest Income	(62.06)		(436.18)	
	-Dividend Income	(0.41)		-	
	-(Profit)/Loss on Sale of Fixed Assets	(12.93)		(15.54)	
			(2,65,539.48)		58,821.55
	Adjustments for Changes In Working Capital:				
	-Increase/ (Decrease) in Trade Payables	(3,138.02)		(51.05)	
	-Increase/ (Decrease) in Other Current Liabilities	(2,209.93)		2,280.15	
	-Increase/ (Decrease) in Other Financial Liabilities	(2,05,703.96)		61,052.82	
	-Increase/ (Decrease) in Current Provisions	(217.63)		23.28	
	-(Increase)/ Decrease in Trade Receivables	94,775.86		(5,549.25)	
	-(Increase)/ Decrease in Other Current Assets	7,170.66		(27,191.64)	
	-(Increase)/ Decrease in Current Assets Tax (Net)	700.47		(652.24)	
	-(Increase)/ Decrease in Current Loans	(1,124.96)		26,916.57	
	-(Increase)/ Decrease in Inventories	1,930.20	(1,07,817.31)	3,080.81	59,909.46
	Cash Generation from Operations		(1,22,629.74)		59,994.68
	-Taxes Paid		-		-
	Net Cash from Operating Activities		(1,22,629.74)		59,994.68
B	Cash Flows from Investing Activities				
	-Purchase of Plant, Property & Equipments	(135.77)		(40.37)	
	-(Increase)/Decrease in Capital Work in Process	1,01,126.74		160.49	
	-Proceeds from Sale of Fixed Assets	22.00		66.00	
	-Interest Income	62.06		436.18	
	-Dividend Income	0.41		-	
	-Increase/(Decrease) of Non Current Investments	(4,057.42)		77.63	
	-(Increase)/ Decrease in Others Financial Assets Non Current	6.18		10.09	
	-(Increase)/ Decrease in Non Financial Assets Loans	(90.98)		-	
	-(Increase)/ Decrease in Other Non Current Assets	2,371.11		(96.84)	
	-Increase/(Decrease)in Non Current Provisions	(77.42)		4.91	
	Net Cash Flows from Investing Activities		99,226.91		618.09
C	Cash Flows from Financing Activities				
	-Proceeds from Issue of Equity Share Capital	3,280.34		-	
	-Increase/(Decrease) in Non Controlling Interest	(2.09)		(0.84)	
	-Repayment of Non Current Borrowings pursuant to resolution plan	(1,75,535.73)		-	
	-Proceeds/(Repayment) of Non Current Borrowings	70,573.46		(59,174.24)	
	-Proceeds of Non Convertible Debentures pursuant to resolution plan	31,980.90		-	
	-Repayment of Current Financial Borrowings pursuant to completion of CIRP	88,686.15		-	
	-Proceeds of Current Financial Borrowings pursuant to resolution plan	4,911.23		-	
	-Increase/(Decrease)in Other Financial Liabilities Non Current	99.58		6.85	
	-Proceeds/(Repayment) of Short term Borrowings	-		(1,596.68)	
	-Interest Cost	(145.86)		(123.34)	
	Net Cash Flows from Financing Activities		23,847.96		(60,887.25)
	Net Increase/(Decrease) in Cash & Cash Equivalent		445.13		(274.48)
	Cash & Cash Equivalents - Opening Balance		264.83		539.31
	Cash & Cash Equivalents - Closing Balance		709.96		264.83

Note: For the purpose of above cash flow, money received by special purpose vehicle and paid by the company pursuant to resolution plan has been considered.

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

Subject to our Separate Report of Even Date
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

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

Place: Ludhiana
Date: 29.06.2021

For and on the behalf of Board of Directors

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital (In Lakhs)

As At 01.04.2019	Changes in equity share capital during the year	As At 31.03.2020	Changes in equity share capital during the year*	As At 31.03.2021
33,134.70	-	33,134.70	29,821.23	3,313.47

B. Other Equity

Particulars	Share application money pending	Equity component of compound financial	Reserves and Surplus: Capital Reserve	Securities Premium	General Reserve	Foreign Exchange Fluctuation Reserve	Retained Earnings	Non Controlling Interests	Debt Instruments through Other Comprehensiv	Equity Instruments through Other Comprehensive	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial	Other items of Other Comprehensive Income	Total
As at 01.04.2019	-	-	2,615.78	51,866.83	-	-	(3,67,206.14)	18.31	-	-	-	-	3,355.99	(3,09,349.24)
General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(58,735.34)	(0.84)	-	-	-	-	(1,051.86)	(59,788.04)
Reduction in value of Equity Share Capital & Preference Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2020	-	-	2,615.78	51,866.83	-	-	(4,25,941.48)	17.47	-	-	-	-	2,304.13	(3,69,137.27)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31.03.2020	-	-	2,615.78	51,866.83	-	-	(4,25,941.48)	17.47	-	-	-	-	2,304.13	(3,69,137.27)
Total Comprehensive Income for the year	-	-	-	-	-	-	2,50,727.05	(17.45)	-	-	-	-	8,761.44	2,59,471.04
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reduction in value of Equity Share Capital & Preference Share Capital	-	-	-	-	-	-	40,072.57	-	-	-	-	-	-	40,072.57
Less: Deduction during the year (Subsidairy cease to exist)**	-	-	26.36	71.14	-	-	1,08,925.39	(11.01)	-	-	-	-	(1,109.61)	1,07,902.27
As at 31.03.2021	-	-	2,642.14	51,937.97	-	-	(26,216.48)	(10.99)	-	-	-	-	9,955.96	38,308.60

*refer note no. 17

**refer note no. 37(vi)

As per our report of even date attached

For Malhotra Manik & 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)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

(V.K.Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

Place: Ludhiana
Date: 29.06.2021

I. Property, Plant and Equipment

NOTE NO.- 4

Particulars	Freehold Land	Leasehold Land	Building & Roads	Plant & Machinery	Fixtures & Fittings	Vehicles	Office Equipments	Right of Use Asset	Total	Other Intangible Assets	Capital Work in Progress
Gross Value as at 1st April, 2019	15,876.83	732.89	1,13,379.87	2,60,928.81	3,984.62	1,220.68	505.61	-	3,96,629.31	526.83	55,940.78
Addition during the year	-	-	-	6.35	12.85	-	4.60	16.57	40.37	-	-
Deduction during the year	16.55	-	61.75	-	3.95	-	-	-	82.25	-	12,705.06
Gross Value as at 31st March, 2020	15,860.28	732.89	1,13,318.12	2,60,935.16	3,993.52	1,220.68	510.21	16.57	3,96,587.43	526.83	43,235.73
Addition during the year	-	-	-	0.11	-	-	-	135.66	135.77	-	-
Deduction during the year*	7,366.85	310.48	29,583.61	65,627.75	205.48	400.52	37.78	16.57	1,03,549.05	71.07	38,989.73
Gross Value as at 31st March, 2021	8,493.43	422.40	83,734.51	1,95,307.51	3,788.04	820.16	472.43	135.66	2,93,174.15	455.76	4,246.00
Depreciation & Impairment											
Depreciation as at 1st April, 2019	-	82.59	24,612.34	1,52,429.37	2,556.41	969.34	458.93	-	1,81,108.97	526.83	-
Depreciation for the year	-	8.52	3,305.85	10,827.83	281.79	68.20	10.12	3.31	14,505.62	-	-
Disposal during the year	-	-	27.84	-	3.95	-	-	-	31.79	-	-
Depreciation as at 31st March, 2020	-	91.11	27,890.34	1,63,257.21	2,834.24	1,037.54	469.06	3.31	1,95,582.81	526.83	-
Depreciation for the year	-	8.35	2,503.49	7,869.56	258.28	41.39	8.22	33.92	10,723.19	-	-
Disposal during the year	-	43.74	6,674.40	33,998.69	163.75	357.93	34.45	3.31	41,276.27	71.07	-
Depreciation as at 31st March, 2021	-	55.71	23,719.43	1,37,128.07	2,928.78	720.99	442.83	33.92	1,65,029.74	455.76	-
Net Book Value											
As at 31st March, 2021	8,493.43	366.69	60,015.08	58,179.44	859.26	99.17	29.60	101.75	1,28,144.41	-	4,246.00
As at 31st March, 2020	15,860.28	641.78	85,427.78	97,677.95	1,159.28	183.14	41.16	13.25	2,01,004.62	-	43,235.73

*deduction in property, plant and equipment (refer note no. 37(vi)&(viii))

MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
LUDHIANA

INVESTMENTS (NON CURRENT) NOTE NO. - 5

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(1) Investment in Equity Instruments		
(i) Quoted (At Fair Value)		
a) 6,248 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited	109.50	69.51
b) 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)
(ii) Unquoted (At Fair Value)		
a) Nil Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited (Previous Year 299,300 Equity Shares of Re. 1/- each fully paid up)	-	209.51
Less: Impairment in Value of Investment	-	(209.51)
b) 127,057,200 Equity Shares of Rs. 10/- each fully paid up of SEL Textiles Limited*	2,52,470.24	-
Less: Impairment in Value of Investment	(2,52,470.24)	-
(iii) Unquoted (At Cost)		
a) 14,000 Equity Shares of Rs. 10/- each fully paid up of Rythm Textile & Apparels Park Limited	1.40	1.40
b) 1,108,000 Equity Shares of Rs. 10/- each fully paid up of OPGS Power Gujrat Pvt. Ltd.	5.56	5.56
c) 48,050 Equity Shares of Rs. 10 Each fully paid up of Silverline Corporation Ltd.**	4.81	-
(2) Investments in Preference Shares (At Cost)		
a) Nil 9% Redeemable Preference Shares of Rs. 10 each fully paid up of Rhythm Textile & Apparels Park Limited	-	4,062.22
(Previous Year 3,692,930 9% Redeemable Preference Shares of Rs. 10 each fully paid up)		
(3) Investment in Mutual Funds (Unquoted-At Fair Value)		
a) 150,000 Units of Rs.10/- each of SBI Infrastructure Fund	23.00	16.66
b) 50,000 Units of Rs.10/- each of SBI PSU Fund	3.84	3.81
c) 55,187.638 Units of Rs. 10/- each of Union Multi Cap Fund	9.44	8.55
d) 100,000 Units of Rs.10/- each of SBI Gold Fund	17.71	14.05
TOTAL	175.25	4,181.76

* For transfer of subsidiary (refer note no. 37(vi))

** cease to exist as fellow subsidairy w.e.f. 13th March 2021.

Market Value of Quoted Investments	109.50	69.51
Aggregate Amount of Quoted Investments	30.68	30.68
Aggregate Amount of UnQuoted Investments	65.75	4,112.25
Aggregate Impairment in Value of Investments	2,52,470.91	210.19

LOANS NOTE NO. - 6

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
a) Security Deposits	1,870.68	1,779.71
TOTAL	1,870.68	1,779.71

OTHERS FINANCIAL ASSETS (NON CURRENT) NOTE NO. - 7

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Fixed Deposits with Banks (Deposits with original maturity of more than 12 months)	2.57	8.75
TOTAL	2.57	8.75

OTHER NON CURRENT ASSETS NOTE NO. - 8

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
a) Capital Advances	1,625.33	12,109.08
	1,625.33	12,109.08
Allowance/Impairment for Doubtful Loans & Advances#	1,625.33	9,737.97
TOTAL	-	2,371.11

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Balance at the beginning of the year	9,737.97	9,779.72
Less: Amount collected and hence reversal of provision	0.05	41.75
Less: Subsidairy cease to exist*	8,112.59	-
Add: Provision made during the year	-	-
Balance at the end of the year	1,625.33	9,737.97

*refer note no. 37(vi)

INVENTORIES NOTE NO. - 9

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(Valued at Cost or Net Realisable Value, whichever is lower)		
(a) Raw Materials	392.82	697.06
(b) Work in Progress	574.22	753.53
(c) Finished Goods		
-In Godown	869.14	2,093.07
-In Transit	69.86	7.59
(d) Stock in Trade	-	221.52
(d) Stores & Spares	355.34	418.81
TOTAL	2,261.37	4,191.57

MANIK & ASSOCIATES MALHOTRA CHARTERED ACCOUNTANTS LUDHIANA

TRADE RECEIVABLES (CURRENT) NOTE NO. - 10

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
a) Trade Receivables considered good-Secured	-	-
b) Trade Receivables considered good-Unsecured^	6,254.27	7,414.28
c) Trade Receivables which have significant increase in Credit Risk; and	-	-
d) Trade Receivables-credit impaired*	2,521.18	1,28,688.61
	8,775.44	1,36,102.90
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)#	2,521.18	1,28,688.61
TOTAL	6,254.27	7,414.28

*refer note no. 37(vii)

^Trade Receivables considered good-unsecured include Rs. 1,396.61 lakhs (Previous Year Nil) due from related parties.(refer note no. 38)

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Balance at the beginning of the year	1,28,688.61	1,23,680.23
Less: Amount assigned/realised including foreign exchange fluctuation and hence reversal of provision	1,00,828.99	7,306.83
Less: Subsidairy cease to exist*	25,338.44	-
Add: Provision made during the year	-	12,098.86
Balance at the end of the year	2,521.18	1,28,688.61

*refer note no. 37(vi)

CASH & CASH EQUIVALENTS NOTE NO. - 11

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Cash in Hand	8.84	39.52
(b) Balances With Scheduled Banks		
i) In Current Accounts^	701.12	223.30
ii) In Fixed Deposits Accounts	-	2.01
(Deposits with original maturity of less than 3 months)		
TOTAL	709.96	264.83

^Bank balances in current accounts include amounts payable to operational creditors & workmen and employee aggregating to Rs. 246 lakhs is kept in separate current accounts pursuant to completion of CIRP. According to the resolution plan, Bank balances also include a Debt Service Reserve Account (DSRA) which has to be maintained for a one year on or after the effective date and in which the aggregate balance standing to the credit of account will not be less than next three months interest payable to the financial creditors. As at the date of financial statements, the aggregate balance of Rs. 234 lakhs standing to the credit of a Debt Service Reserve Account and an amount of Rs. 500 lakhs to maintain inline of Debt Service Reserve Account, lying in the form of fixed deposits. The Company has no right, title, and claim on the same.

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS NOTE NO. - 12

PARTICULARS		AS AT 31.03.2021	AS AT 31.03.2020
Other Bank Balances			
i) In Fixed Deposits Accounts*		536.42	34.79
(Deposits with original maturity of more than three months but less than twelve months)			
TOTAL		536.42	34.79

*banks held as security against interest on borrowings, refer note no. 11

OTHERS FINANCIAL ASSETS (CURRENT) NOTE NO. - 13

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(Unsecured, considered good)		
i) Interest Receivable	0.96	25.39
TOTAL	0.96	25.39

CURRENT TAX ASSETS (NET) NOTE NO. - 14

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Prepaid Taxes	1,832.43	2,532.91
TOTAL	1,832.43	2,532.91

OTHER CURRENT ASSETS NOTE NO. - 15

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(Unsecured, considered good)		
i) Advances to Suppliers	5,400.94	5,441.86
ii) Balance with Govt. Authorities	27,807.71	35,456.45
iii) Prepaid Expenses	213.87	427.94
iv) Others	1,033.40	1,452.49
	34,455.91	42,778.75
Less: Allowance for Doubtful Receivables (Expected Credit Loss Allowance)#	32,403.07	32,987.49
TOTAL	2,052.84	9,791.25

#Movement in the Expected Credit Loss Allowance

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Balance at the beginning of the year	32,987.49	4,880.58
Less: Amount collected and hence reversal of provision	-	34.45
Less: Subsidairy cease to exist*	650.60	-
Add: Provision made during the year	66.18	28,141.36
Balance at the end of the year	32,403.07	32,987.49

*refer note no. 37(vi)

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

ASSETS CLASSIFIED AS HELD FOR SALE — NOTE NO. - 16

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Property, Plant & Equipment*	1,149.39	-
TOTAL	1,149.39	-

*refer note 37(viii)

EQUITY SHARE CAPITAL — NOTE NO. - 17

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(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	33,134.70
(Previous Year 331,347,000 Equity Shares Fully Paid Up)	3,313.47	33,134.70
(c) Par Value per Share		
33,134,700 Equity Shares Rs. 10/-		

(d) Reconciliation of the number of shares outstanding

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year				
Equity Shares	33,13,47,000	33,134.70	33,13,47,000	33,134.70
Total	33,13,47,000	33,134.70	33,13,47,000	33,134.70
Add: Addition during the year				
Equity Shares	3,28,03,353	3,280.34	-	-
Total	3,28,03,353	3,280.34	-	-
Less: Reduction during the year				
Equity Shares	33,10,15,653	33,101.57	-	-
Total	33,10,15,653	33,101.57	-	-
Shares outstanding at the end of the year				
Equity Shares	3,31,34,700	3,313.47	33,13,47,000	33,134.70
Total	3,31,34,700	3,313.47	33,13,47,000	33,134.70

(e) Detials of shares held by shareholders holding more than 5% shares in the Company

State Bank of India	2,489,176 Shares	7.51%
Indian Bank	1,816,483 Shares	5.48%
ARR ESS Leading Edge Pvt. Ltd.(Holding Company)	24,851,025 Shares	75.00%

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

As per the resolution plan approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 10th February, 2021 under the Insolvency and Bankrupty 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.

EQUITY SHARES: The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share except holder of GDR will not have voting right with respect to the Deposited Shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.
The Company issued 220,000,000 equity shares of the face value of Rs. 10 per share consequent to Global Depository Receipt (GDRs) issue of the company during the year 2012-13. Holders of Global Depository Receipt (GDRs) are entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares. As on 31.03.2021, 49,600 shares (Previous Year 49,600,000 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

OTHER EQUITY NOTE NO. - 18

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Captial Reserve		
Opening Balance	2,615.78	2,615.78
Add: Addition during the year	-	-
	2,615.78	2,615.78
Less: Deduction during the year (Subsidairy cease to exist)*	(26.36)	-
	2,642.14	2,615.78
(b) Securities Premium		
Opening Balance	51,866.83	51,866.83
Add: Subsidairy cease to exist*	71.14	-
	51,937.97	51,866.83
Less: Deduction during the year	-	-
	51,937.97	51,866.83
(c) Other Comprehensive Income		
Opening Balance	2,304.13	3,355.99
Add: Addition during the year	318.16	96.79
	2,622.29	3,452.78
Less: Deduction during the year	(8,443.28)	1,148.65
Less: Deduction during the year (Subsidairy cease to exist)*	1,109.61	-
	9,955.96	2,304.13
(d) Retained Earnings		
Opening Balance	(4,25,941.48)	(3,67,206.14)
Add: Addition during the year	2,50,727.05	(58,735.34)
Add: Reduction in value of Equity Share Capital & Preference Share Capital*	40,072.57	-
	(1,35,141.87)	(4,25,941.48)
Less: Deduction during the year (Subsidairy cease to exist)*	(1,08,925.39)	-
	(26,216.48)	(4,25,941.48)
(e) Non Controlling Interests		
Opening Balance	17.47	18.31
Add: Addition during the year	(17.45)	(0.84)
	0.02	17.47
Less: Deduction during the year (Subsidairy cease to exist)*	11.01	-
	(10.99)	17.47
TOTAL	38,319.59	(3,69,154.74)

*refer note no. 37(vi)

BORROWINGS (NON CURRENT) NOTE NO. - 19

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(At Amortised Cost)		
(a) Secured Loans		
i) Term Loans		
Banks	-	1,49,437.26
Banks (RTL-I)*	62,752.18	-
From Other Parties*	1,750.38	-
(b) Unsecured Loans		
i) Banks (RTL)^	3,330.45	-
ii) Others	-	35.00
iii) Related Parties	-	7,429.53
(c) Unlisted Non-Marketable 0.01% Secured Non-Convertible Redeemable Debentures**		
2,87,80,793 (Previous Year Nil) Debentures of Rs. 100/- each fully paid up	25,142.96	-
(d) Unlisted Non-Marketable 0.01% Unsecured Non-Convertiable Redeemable Debentures**		
685,207 (Previous Year Nil) Debentures of Rs. 100/- each fully paid up	598.60	-
(e) Unlisted Non-marketable Unsecured Non Interest Non-Convertible Redeemable Debentures**		
2,514,898 (Previous Year Nil) Debentures of Rs. 100/- each fully paid up	2,196.61	-
Liability Component of Compound Financial Instrument		
(f) Preference Share Capital$	-	4,568.68
Nil 1% Redeemable, Non Cumulative, Non Convertible Preference Shares Fully Paid Up		
(Previous Year 69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares Fully Paid Up)		
TOTAL	95,771.17	1,61,470.46

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

Financial Year	Amount (in lakhs)	Repayment Terms
2022-23	2,163	4 equal quarterly installments
2023-24	3,605	4 equal quarterly installments
2024-25	9,372	4 equal quarterly installments
2025-26	18,743	4 equal quarterly installments
2026-27	20,906	4 equal quarterly installments
2027-28	15,785	4 equal quarterly installments

Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Chandigarh Bench of the National Company Law Tribunal ("NCLT") dated 11th April, 2018. On 10th February, 2021 the NCLT approved the terms of the Resolution Plan submitted by the consortium led by Arr Ess Industries Private Limited and Leading Edge Commercial FZE. The accounting for the borrowings was carried out the terms of such Resolution Plan. As all the borrowings were settled on 13th March, 2021.

^According to the approval and implementation of the 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. 1,596 lakhs attributable to the lenders as unsecured term loan.

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As per resolution plan, Term Loan (secured/unsecured) shall be paid along with monthly interest ("Applicable Interest") to be calculated as under:
a) Interest at the rate of 4% per annum for initial 1 year from the Effective Date on the Term Loan on a reducing outstanding balance basis;
b) Interest at the rate of 6% per annum in the 2nd year from the Effective Date on the Term Loan on a reducing outstanding balance basis;
c) Interest at the rate of the then applicable State Bank of India's 1 year MCLR per annum payable from the 3rd year from Effective Date on the Term Loan on a reducing outstanding balance basis.
Considering the State Bank of India's 1 year MCLR per annum applicable for March, 2021, the non current borrowings have been amortised for a period of two years, on the average of first two years rate of interest as per resolution plan.
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

**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.

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

Financial Year	Amount (in lakhs)	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 lakhs)	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 pursant 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, ShortTerm Loan and Non-Convertible Redeemable Debentures.

$As per resolution plan, the existing issued, subscribed and paid up 69,710,000 1% Redeemable, Non Cumulative, Non Convertible Preference Shares shall stand fully cancelled and extinguished.

OTHER FINANCIAL LIABILITES (NON CURRENT) — NOTE NO. - 20

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Lease Liabilities	106.43	6.85
TOTAL	106.43	6.85

PROVISIONS (NON CURRENT) — NOTE NO. - 21

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Provision for Employee Benefits	100.96	178.38
TOTAL	100.96	178.38

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SHORT TERM BORROWINGS NOTE NO. - 22

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Secured Loans		
Loans Repayable on Demand		
From Banks		
Working Capital Loans*	-	1,75,535.73
TOTAL	-	1,75,535.73

*Pursuant to the continuing defaults of the Company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Chandigarh Bench of the National Company Law Tribunal ("NCLT") dated 11th April, 2018. On 10th February, 2021 the NCLT approved the the terms of the Resolution Plan submiited by the consortium led by Arr Ess Industries Private Limited and Leading Edge Commercial FZE. The accounting for the borrowings including corporate guarantee was carried out the terms of such Resolution Plan. As all the borrowings were settled on 13th March, 2021.

TRADE PAYABLES NOTE NO. - 23

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
Trade Payables		
-total outstanding dues of micro enterprises and small enterprises;*	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,284.95	11,958.99
TOTAL	1,284.95	11,958.99

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management, the relevant particulars as at 31st March, 2021 are Nil.

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(i) Principal amount and the Interest due remaining unpaid to any supplier as		
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006:	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

OTHER FINANCIAL LIABILITIES (CURRENT) NOTE NO. - 24

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Current Maturities of Long Term Debts	-	2,27,502.47
ii) Current Maturities of Long Term Debts (Others)	-	100.00
iii) Interest Accrued and due on Borrowings	125.79	20,084.06
iv) Interest Accrued and not due on Borrowings	0.16	-
v) Employees Benefits	1,151.48	1,304.71
vi) Payable to Vendors-Non Trade	325.63	3,432.66
vii) Expenses Payable	3,031.11	4,773.60
viii) Others Payable	36.46	3,294.69
TOTAL	4,670.63	2,60,492.18

OTHER CURRENT LIABILITIES NOTE NO. - 25

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Statutory Dues & Taxes	239.18	111.45
ii) Advances from Customers	15.68	2,353.34
TOTAL	254.86	2,464.79

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PROVISIONS (CURRENT) NOTE NO. - 26

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
(a) Provision for Employee Benefits	514.24	731.87
TOTAL	514.24	731.87

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE NOTE NO. - 27

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
i) Short Term Loan#		
(a) Secured		
-Banks	4,666.86	-
-From Other Parties	130.17	-
(b) Unsecured		
-Banks	114.20	-
TOTAL	4,911.23	-

#Short term loan is to be repayable within six months from the effective date i.e the date of approval of resolution plan out of the sale proceeds of Identified Assets. In case, repayable is not completed within six months, the Resolution Applicant has to infuse additional resources to liquidate the short term loan (refer note 37(viii)). 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 short term loan amounting to Rs. 114.20 lakhs attributable to the lenders as unsecured short term loan.

REVENUE FROM OPERATIONS NOTE NO. - 28

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sale of Products		
Finished Goods	2,012.06	13,283.64
Raw Material	-	62.83
Sale of Services	16,904.44	20,244.74
Others	121.95	1,670.36
TOTAL	19,038.45	35,261.58

OTHER INCOME NOTE NO. - 29

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Export Incentives	124.45	333.83
Interest	62.06	436.18
Other Income	16.39	156.32
Dividend Income	0.41	-
Foreign Exchange Fluctuation	-	8,937.31
Profit on Sale of Property, Plant & Equipments	12.93	15.54
Rental Income	16.43	23.82
TOTAL	232.67	9,902.99

COST OF MATERIAL CONSUMED NOTE NO. - 30

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Raw Material Consumed			
Opening Stock		436.81	781.91
Add: Purchases (net)		765.32	4,230.43
		1,202.13	5,012.34
Less: Closing Stock		298.00	436.81
Cost of raw material consumed during the year	(A)	904.13	4,575.53
Packing Material Consumed			
Opening Stock		260.25	261.66
Add: Purchases (net)		1,255.15	2,232.29
		1,515.40	2,493.95
Less: Closing Stock		94.82	260.25
Cost of packing material consumed during the year	(B)	1,420.58	2,233.71
Less : Opening Stock (Subsidairy cease to exist)*			
Raw Material		151.04	-
	(C)	151.04	-
TOTAL	(A+B-C)	2,173.67	6,809.23

*refer note no. 37(vi)

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE NOTE NO. - 31

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
Opening Stocks			
Work In Process		753.53	1,819.16
Finished Goods		1,297.82	3,814.24
Stock In Trade		221.52	51.25
	(A)	2,272.86	5,684.64
Closing Stocks			
Work In Process		574.22	753.53
Finished Goods		939.00	2,100.66
Stock in Trade		-	221.52
	(B)	1,513.21	3,075.71
Less : Opening Stock (Subsidairy cease to exist)*			
Work In Progress		172.69	-
Stock In Trade		221.52	-
	(C)	394.21	-
Decrease/(Increase) in Inventories	(A-B-C)	365.44	2,608.94

*refer note no. 37(vi)

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EMPLOYEE BENEFITS EXPENSE — NOTE NO. - 32

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Wages,Salaries & Other Allowances	4,657.27	8,348.65
Contribution to PF, ESI & Other Funds	331.32	590.81
Staff & Labour Welfare	37.28	87.86
TOTAL	5,025.87	9,027.33

FINANCIAL COSTS — NOTE NO. - 33

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
a) Bank Charges	30.99	139.73
b) Interest on		
i) Term Loans	125.79	-
ii) Debentures	0.16	-
iii) Others	19.92	123.34
TOTAL	176.86	263.06

DEPRECIATION & AMORTISATION EXPENSES — NOTE NO. - 34

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation of Tangible Assets	10,680.93	14,493.79
Amortisation of Leasehold Land	8.35	8.52
Depreciation of Right to Use Assets	33.92	3.31
TOTAL	10,723.19	14,505.62

OTHER EXPENSES — NOTE NO. - 35

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Powel & Fuel	11,007.76	17,734.35
Consumables & Repair Maintenance	1,219.34	3,684.73
Job Work Expenses	35.14	101.30
Printing & Stationery	5.86	14.45
Insurance	350.55	248.63
Fees & Taxes	96.78	164.52
Donation	-	0.34
Legal & Professional Charges	20.94	119.63
Postage & Courier Charges	17.00	47.48
Telephone & Fax Expenses	9.76	24.90
Statutory Auditors' Remuneration		
-Audit Fee	2.95	3.73
-Reimbursement of Expenses	-	0.17
Tax Auditors' Remuneration		
-Tax Audit Fee	0.90	1.15
Cost Auditors' Remuneration		
-Audit Fee	0.77	1.12
General Repair & Maintenance	52.73	77.14
Office Expenses	38.23	44.59
Festival Expenses	8.10	1.25
Rent	90.54	40.11
Travelling & Conveyance	16.60	156.37
Water Charges	43.02	57.82
Advertisement	1.22	1.54
Foreign Exchange Fluctuation	12,185.35	-
Building Repair & Maintanenace	1.17	3.27
Vehicles Expenses	54.18	68.52
Business Promotion	-	40.30
Commission	9.75	60.99
Rebate & Discount	98.88	581.30
Clearing Forwarding & Freight Outward	282.22	426.20
TOTAL	25,649.76	23,705.90

EXCEPTIONAL ITEMS — NOTE NO. - 36

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Impairment in Value of Capital Work in Progress	-	12,544.57
Allowance/Reversal of Allowance for Doubtful Receivables	(93,615.85)	4,034.58
Allowance/Impairment for Doubtful Loans & Advances	66.13	28,065.16
Corporate Insolvency Resolution Process Expenses	779.87	723.06
Extinguishment of Trade Payables, Other Current Financial Liabilities and Non Current/Short Term Borrowings	(1,82,783.42)	-
Inventories Written Down to Net Realisable Value	-	802.84
Impairment in Value of Investments	-	77.63
TOTAL	(2,75,553.27)	46,247.85

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information:** SEL Manufacturing Company Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. 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 and its subsidiaries (hereinafter referred to as the "Group") are engaged in the manufacturing, processing & trading of yarns, fabrics, readymade garments, towels and aviation sector.

Significant Accounting Policies

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

   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.

2.1 Principles of Consolidation: The consolidated financial statements relate to SEL Manufacturing Company Limited ('the company') and its subsidiary company.

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

The acquisition method of accounting is used to account for business combinations by the Group.

The financial statements of the Parent and its subsidiary using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Parent i.e. year ended March 31, 2021.

Non Controlling Interest's in net profit of consolidated financial statements, for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the group.

Non Controlling Interest's in the net assets of the consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Group's shareholders.

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

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

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2.3 Revenue from contracts with customers: 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 Group 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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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

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 the group is an Indian rupee.

Other foreign currency transactions:

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

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(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 Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

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

Leased Assets: 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, 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:

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

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

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

(iii) Long Term Employee Benefits: The liability for leave with wages is 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 utilised. 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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 Group has a present obligation as a result of a past event;

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

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

2.15 Leases

The Group as a lessee: The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group as a lessor: Leases for which the Group 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.

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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 Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

-**Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

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

All other financial asset is measured at fair value through profit or loss.

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

-Financial assets measured at amortized cost;
-Financial assets measured at fair value through other comprehensive income (FVTOCI);
Expected credit losses are measured through a loss allowance at an amount equal to:

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

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

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

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

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

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

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

Other Investments

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

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

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income 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 Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

(a) the Group has transferred substantially all the risks and rewards of the asset, or

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

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

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

(ii) Financial liabilities:

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

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

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

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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.

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

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

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

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

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

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

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

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

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

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:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

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

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 Group's chief operating officer (COO) 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 **Global health pandemic on Covid -19:** The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Group's assets such as financial asset and non-financial assets, the Group has considered internal and external information. The Group has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Group expects to recover the carrying amount of all the assets.

2.24 **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.

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3. Significant accounting judgements, estimates and assumptions

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

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

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

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

Critical Judgements: The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

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

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37. Pursuant to the Resolution Plan submitted by the Consortium of ARR ESS Industries Private Limited and Leading Commercial Edge FZE (Collectively referred to as the "Resolution Applicant") and its approval by the Hon'ble National Company Law Tribunal, Chandigarh bench, vide their orders dated 10th February, 2021 for the corporate insolvency of the Parent Company, which is implemented from 13th March, 2021 (i.e. closing date as defined under the resolution plan) otherwise as stated in below notes, the following consequential impacts have been given in accordance with approved resolution plan/ Indian Accounting Standards:

i) The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from 13th March, 2021. As on date Board of Directors consist of Mr. Rajeev Bhalla, Mr. Naveen Arora, Mr. Dinesh Kumar Mehtani, Mr. Shashank Rai, Mr. Sushil Aggarwal, Ms. Nidhi Aggarwal and Mr. Rajiv Kumar Maheshwary. Further on 8th April, 2021 Mr. Rajeev Bhalla is appointed as Managing Director and Mr. Naveen Arora as Whole Time Director.

ii) The erstwhile promoter group has been classified as public shareholders.

iii) With effect from 13th March, 2021, the existing issued, subscribed and paid up equity share capital of the Parent Company has been reduced from Rs. 33,134.70 lakhs divided into 331,347,000 equity shares of Rs. 10 each to Rs. 33.13 lakhs divided into 3,31,347 equity share of Rs. 10 each thereby reducing the value of issued, subscribed and paid up equity share capital of the Parent Company by Rs. 33,101.57 lakhs. Further, with effect from 13th March, 2021, the existing issued, subscribed, paid up 69,710,000, 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Rs. 10 each stand fully cancelled and extinguished. As prescribed in the Resolution Plan, the reduction in the share capital of the Parent Company amounting to Rs. 33,101.57 lakhs is adjusted against the debit balance as appearing in its profit and loss account (i.e. retained earnings). As per the scheme of reduction and consolidation, 32,803,353 equity shares (new) were allotted in favour of financial creditors and resolution applicant.

iv) In respect of de-recognition of operational and financial creditors, difference amounting to Rs. 182,783.42 lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognized in statement of profit or loss account in accordance with "Ind AS - 109" on "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Parent Company and disclosed as an "Exceptional items".

v) Out of upfront amount received from Resolution Applicant amounting to Rs. 5,000 lakhs as on 13th March 2021, amount of Rs. 4,754 lakhs has been used to settle existing secured financial creditors, workmen & employees dues, operational creditors (other than a related party), CIRP costs and pending utilization Rs. 246 lakhs is kept in separate current accounts. Any amounts unpaid in these accounts are deemed to be utilized and the Company has no right, title and claim on the same.

vi) For transfer of Subsidiary Company M/s SEL Textiles Limited: As a part of the Resolution Plan, the Parent Company has transferred its identified subsidiary to the trust alongwith its entire equity/ownership interest held in the subsidiary, at a fair value on "as is where is whatever there is" and without recourse basis".

vii) As a part of the Resolution Plan, the Company has assigned Identified Trade Receivables amounting to Rs. 88,686.14 lakhs (net of foreign exchange fluctuation) to the Financial Creditors. Approval of RBI, if any, required for the assigned Identified Export Trade Receivables would be taken.

viii) As a part of the Resolution Plan, the non-interest bearing secured/unsecured loan of Rs. 4,911.23 lakhs shall be repaid out of the sale proceeds of Identified Assets. The Resolution Applicant shall distribute the said loan to the Financial Creditors on a Pass Through Structure Basis within six months from the Effective Date. In case, there is any shortfall in envisaged proceeds from asset of sale, funds to bridge the corresponding shortfall shall be infused by the Resolution Applicant.

The following are the details of the Identified Assets consists Land & Building situated at:

a) Plot No. C-256/257, Focal Point, Phase-VIII, Ludhiana.
b) Plot No. A-15, Focal Point, Phase-VII, Ludhiana.
c) Plot No. 706, Industrial Area-A, R.K. Road, Ludhiana.
d) Plot No. 106, Industrial Area, Baddi, Solan, Himachal Pradesh.

Thus, the Parent Company has to sell the Identified Assets within the period of six months from the Effective Date, the same has been classified as "Assets classified as held for sale".

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38. 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	SE Exports^	Subsidiary Partnership Firm
3	SEL Textiles Limited^	Subsidiary Company
4	SEL Aviation Private Limited	Subsidiary Company
5	Silverline Corporation Limited^	Fellow Subsidiary Company
6	Mr. Rajeev Bhalla^^ Mr. Dinesh Kumar Mehtani^^ Mr. Shashank Rai ^^ Mr. R. S. Saluja^ Mr. Neeraj Saluja^ Mr. Dhiraj Saluja^ Mr. Navneet Gupta^ Mr. V.K. Goyal^	Key Management Personnel
7	Mrs. Kavita Bhalla^^ Mrs. Vaneeta Mehtani^^ Mrs. Mansi Rai^^ Mrs. Sneh Lata Saluja^ Mrs. Ritu Saluja^ Mrs. Reema Saluja^	Relatives of Key Management Personnel
8	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^^ Nikentan Merchants Private Limited^^ Eternys Infra Private Limited^^ Shiv Narayan Investments Private Limited^ Saluja International^ Rythm Textiles & Apparels Park Limited^ SEL Renewable Power Limited^	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence

^upto 12th March, 2021
^^with effect from 13th March, 2021

Related Parties Transactions: (Rs. In Lakhs)

Particulars	Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Rent Paid	-	-	-	15.07
Services Received	-	-	-	9.89
Managerial Remuneration	36.00	145.80	-	-
Issue of Equity Shares (holding company)	-	-	2,485.10	-
Issue of Non Convertible Debentures (holding company)	-	-	2,514.90	-
Closing Balance of Related Parties Debit/(Credit)^^	-	(7,385.45)	1,396.61	257.30

^^Pursuant to the approved Resolution Plan, previous year balances stand extinguished

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

Particulars		31st March, 2021	31st March, 2020
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	316,640,640	331,347,000
Profit/(Loss) for the year (continuing operations)	Lakhs	250,709.60	(58,736.18)
Weighted average earnings per shares (basic and diluted)	Rs.	79.18	(17.73)
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	250,709.60	(58,736.18)
Weighted average earnings per shares (basic and diluted)	Rs.	79.18	(17.13)

40. Contingent Liabilities and Capital Commitments

a.Contingent Liabilities: There are contingent liabilities in respect of the following items: (No outflow is expected in view of the past history relating to these items)

Particulars	31st March, 2021	31st March, 2020
(i) Export Bills Discounted*	-	1,054.60
(ii) Income Tax*	49.00	-
(iii) Export Incentives obligations refundable in respect of allowance for foreign trade receivables*	-	4,920.93
(iv) Security Deposits*	-	1,286.27

*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, 2021	31st March, 2020
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for(net of advances)	2,485.83	9,359.55

Further the Group has made impairment for capital advances amounting Rs. 1,625.38 lakhs outstanding since long and the orders placed with capital goods suppliers are more than two year and escalation costs, if any, in these purchase orders shall be in addition to figures reported above.

41. Exceptional Items (net) for the year includes:

i. During the year the parent company has made reversal of an allowance for trade receivables under Expected credit losses (ECL) method aggregating to Rs. 93,615.85 lakhs, net of amount collected and provision made, in compliance of Ind AS 109 which is charged to Statement of Profit & Loss as an exceptional item.

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ii. The parent company has given capital, trade advances to the suppliers and other current assets that are outstanding for a long time. In view of reduction in activities, the materials and services could not be called from such suppliers. In compliance of Ind AS 36 impairment for capital & trade advances and other current assets amounting to Rs. 66.13 lakhs, net of amount adjusted and provision made, which is charged to Statement of Profit & Loss as an exceptional item. Though the company strongly believes that these advances are fully recoverable/adjustable.

iii. The parent company has de-recognition other current and non-current liabilities amounting to Rs. 182,783.42 lakhs as described in note no. 37(iv). This adjustment, having a one-time, non-routine material impact on the financial statements hence, the same has been disclosed as "Exceptional Items" in the Financial Statements.

iv. During the year, the Company has incurred an expenses amounting to Rs. 779.87 lakhs for Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') which is charged to Statement of Profit & Loss as an exceptional item.

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

43. Others

i) 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 INR 1286.27 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 on the Company and erstwhile its directors. The consequential proceedings are in progress.

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 consequential proceedings are in progress.

iv) During the year 2019-20, the Company has received summon dated 4th March, 2020 on 12th March, 2020 from the Directorate General of GST Intelligence under section 14 of the Central Excise Act, 1944 to give evidence truthfully on such matters concerning the enquiry as may be asked and produce the documents and records for examination. The consequential proceedings are in progress.

v) 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 an exhaustive list of documents was being asked to be furnished to them as per Annex A of the said order ranging from details of GDR issued, foreign subscribers, foreign and Indian mediator involved with overseas banks, movement of subscribed funds and its end utilization, adherence of applicable laws for pricing of GDR. The consequential proceedings are in progress.

vi) During the year, 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

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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 and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto (refer note no. 40a).

44. During the year, lease payment amounting to Rs. 90.54 lakhs (Previous Year Rs. 40.11 lakhs) recognized in Statement of Profit and Loss. Also lease income amounting to Rs. 16.43 lakhs (Previous Year Rs. 19.23 lakhs) recognized in Statement of Profit and Loss.

45. 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 Group reported that the Group is engaged in the business of manufacturing & processing of textile products i.e. a single business and all business activities revolve around this segment.

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

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

Particulars	Revenue from external customers		Non-current assets*	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
India	17,181.26	30,880.52	134,263.66	248,399.91
Outside India	1,857.19	4,562.67	-	-
Total	19,038.45	35,443.19	134,263.66	248,399.91

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

Information about major customers: Four customer contributed 10% or more to the Company's revenue during the financial year 2020-21.

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

a. Defined Benefit Plan

Gratuity: The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31st March, 2021 and 31st March, 2020: (Rs. in Lakhs)

Particulars	31st March, 2021	31st March, 2020
I. Change in benefit obligations		
Present value of obligations as at the beginning*	652.44	775.36
Current Service cost	108.73	167.93
Interest expense	45.67	54.28
Remeasurements-Actuarial (gains)/ losses	(247.08)	(99.67)
Benefits paid	(15.07)	(71.20)
Present value of obligations as at the end	**544.69**	**826.69**
*refer note no. 37(vi)		
II. Change in fair value of plan assets		
Fair value of plan assets at the beginning*	28.53	66.77
Return on plan assets	2.00	4.67
Remeasurements-Actuarial (gains)/ losses	(0.08)	1.71
Contributions	-	92.86
Benefits paid	-	(71.20)
Fair value of plan assets at the end	**30.45**	**94.81**
Funded status	(514.24)	(731.87)
*refer note no. 37(vi)		

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III. Expenses recognized in Statement of Profit and Loss

Amount for the year ended 31st March, 2021 and 31st March, 2020 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	31st March, 2021	31st March, 2020
Service cost	108.73	167.93
Interest cost	45.67	54.70
Return on plan assets	(2.00)	(0.42)
Net gratuity cost	**152.40**	**222.21**

IV. Expenses recognized in the Other Comprehensive Income

Amount for the year ended 31st March, 2021 and 31st March, 2020 recognized in statement of other comprehensive income:

Particulars	31st March, 2021	31st March, 2020
Actuarial (gains) / losses	(246.99)	(101.38)

V. Actuarial Assumptions

The weighted-average assumptions used to determine benefit obligations as at 31st March, 2021 and 31st March, 2020 are set out below:

Particulars	31st March, 2021	31st March, 2020
Discount rate (per annum)	7.00%	7.00%
Salary Growth Rate (per annum)	5.00%	5.00%
Mortality	IALM (2012-14)	IALM (2012-14)
Expected rate of return on Plan Assets	5.00%	5.00%

VI.Sensitivity Analysis

(in lakhs)

Particulars	31st March, 2021		31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	596.58	500.29	904.85	759.68
(% change compared to base due to sensitivity)	10%	8%	9%	8%
Salary growth Rate (-/+1%)	499.11	597.10	757.90	905.65
(% change compared to base due to sensitivity)	8%	10%	8%	9%
Mortality Rate (-/+10%)	538.68	549.53	821.00	833.90
(% change compared to base due to sensitivity)	1%	1%	1%	1%

b. **Provident Fund:** During the year, the company has recognized an expense of Rs. 279.40 lakhs (Previous Year Rs. 511.45 lakhs) towards provident fund scheme.

c. **Leave Encashment:** During the year, the company has recognized an expense of Rs. 34.25 lakhs (Previous Year Rs. 59.43 lakhs).

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

(Rs. In Lakhs)

Particulars	31st March, 2021	31st March, 2020
Opening Balance	8,407.28	9,078.28
Less: Subsidiary cease to exist*	8,407.28	-
Less: Impaired during the year	-	671.00
Closing Balance	-	8,407.28

*refer note no. 37(vi)

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48. Deferred 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, 2021	31st March, 2020
Deferred tax liabilities		
Property, plant and equipment	44,111.11	70,598.87
Right of use assets	33.92	32.64
Deferred tax assets*		
Provision for gratuity	(514.24)	(731.86)
Provision for leave encashment	(100.96)	(178.38)
Provision for bad debts	(36,549.58)	(178,175.79)
Provision for bonus	(541.24)	(708.69)
Lease liabilities	(106.43)	(33.13)
Unabsorbed depreciation and carry forward losses	(241,495.66)	(298,467.79)
Deferred tax (assets)/ liabilities	**(235,163.10)**	**(407,664.13))**

*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, 2021	31st March, 2020
Profit before tax & After Exceptional items	250,709.60	(58,736.18)
Applicable Tax Rate	25.17%	34.94%
Computed Tax Expense	-	-
Tax Effect of:		
Expenses disallowed		
Depreciation	10,723.19	-
Exceptional Items	(276,333.13)	45,524.79
Others	459.43	(42.98)
Sub Total	(14,440.90)	(13,254.37)
Depreciation as per Income Tax	10,094.64	-
Others	118.19	
Profit before/(loss) tax	(24,653.73)	(13,254.37)
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)	-	-

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(Rs. in Lakhs)

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

Financial Year	31st March, 2021	31st March, 2020
2013-14	-	11,753.01
2014-15	84.67	84.67
2015-16	49,638.63	49,638.63
2016-17	62,933.32	70,930.27
2017-18	54.89	18,487.08
2018-19	-	8,965.52
2019-20	25.84	2,339.88
2020-21	14,440.14	-
Unabsorbed depreciation	114,318.17	136,268.72
	241,495.66	**298,467.79**

49. 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, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
FINANCIAL ASSETS								
Non Current Assets								
Investments in								
- Equity Instruments	11.76	6.96	-	-	109.50	69.51	-	-
- Others	-	-	-	-	53.99	43.07	-	-
Other Financial Assets	-	-	-	-	-	-	2.57	8.75
Current Assets								
Trade Receivables#	-	-	-	-	-	-	8,775.44	136,102.90
Other Financial Assets	-	-	-	-	-	-	0.96	25.39
Cash & Cash Equivalents	-	-	-	-	-	-	709.96	264.83
Bank Balances other than above	-	-	-	-	-	-	536.42	34.79
TOTAL FINANCIAL ASSETS	11.76	6.96	-	-	163.49	112.58	10,025.35	136,436.66
FINANCIAL LIABILITIES								
Non Current Liabilities								
Borrowings	-	-	-	-	-	-	95,771.17	161,470.46
Current Liabilities								
Borrowings	-	-	-	-	-	-	4,911.23	175,535.73
Trade Payables	-	-	-	-	-	-	1,284.95	11,958.99
Other Financial Liabilities	-	-	-	-	-	-	4,670.63	260,492.18
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	-	106,637.98	609,457.36

\# including allowance for doubtful receivables amounting Rs. 2,521.18 lakhs (Previous Year Rs. 128,688.61 lakhs).

50. Revenue from operations for the year ended 31st March, 2021 and 31st March, 2020 is as follows: (In Lakhs)

Particulars	31st March, 2021	31st March, 2020
Revenue from sale of products	2,134.01	15,016.84
Revenue from job work	16,904.44	20,244.74
Total Revenue from Operations	**19,038.45**	**35,261.58**

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Disaggregate Revenue Information: The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2021 and 31st March, 2020 by type of goods and services.

(In lakhs)

Particulars	31st March, 2021	31st March, 2020
Terry Towels	2,004.80	5,598.62
Yarn	-	2,114.16
Garments	7.26	16.79
Knitted Cloth	-	12.22
Others	121.95	2,406.66
Job Work	16,904.44	25,113.13
Total	**19,038.45**	**35,261.58**

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

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

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

(In Lakhs)

Particulars	Fair Value Measurement using					
	Level 1		Level 2		Level 3	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Non Current Investments						
- Fair Value through OCI	109.50	69.51	53.99	43.07	-	-
Financial Liabilities						
Borrowings	-	-	100,808.19	580,024.04	-	-

52. **Financial Risk Management:** The Group's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Group operations. The Group has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The management of the Group has set out the Group's overall business strategies and its risk management policy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the Policy's guidelines are complied with. There has been no change to the Group's exposure to the financial risks or the manner in which it manages and measures the risk. The Group is exposed to the following risks related to financial instruments. The Group has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The Group does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

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

(a) **Market Risk:** Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31st March 2021 and 31st March 2020. The following assumptions have been made in calculating the sensitivity analyses:

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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, 2020, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions.

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

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

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

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

No Changes were made in the objectives, policies or processes during the years ended 31st March 2021 and 31st March 2020.

53. The balances of Trade Receivables, Loan and Advances, Deposits and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments if any. During the course of preparation of consolidated financial statements, the Parent Company and its subsidiary had sent letter to various parties with a request to confirm their balances as on 31^{st} March, 2021 out of which few parties have confirmed their balances direct to the Parent Company and to the auditors of its subsidiary.

54. The outbreak of COVID-19 pandemic across the country where the Group has its operations resulted in the Governments taking significant measures to contain the spread of the virus including imposing mandatory lockdowns and restricting economics activities. Consequently, the Group's manufacturing and distribution operation has to be scaled down for a considerable period during the year. Though, the operations resumed during the year with limited availability of work force and disrupted supply chain, the restrictions imposed adversely impacted the Group's sales volume, mix and realization. In assessing the recoverability of Group's assets such as trade receivable, inventories etc. the Group has considered internal and external information upto the date of these financial statements. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount, as at 31st March 2021, of the assets. However, the management will continue to closely monitor the evolving situation and assess its impact on the business of the Group.

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55. 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, 2021	31st March, 2020
(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	-	-

56. The Directors of the Reconstituted Board were not in office for the period (i.e. between 1st April, 2020 and 12th March, 2021) to which these financial statements primarily pertains. During the CIRP Process (i.e. between 11th April, 2018 and 12th March, 2021), Resolution Professional (RP) was entrusted with and responsible for the management of the affairs of the Company. The Reconstituted Board is submitting these financial statements in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI LODR Regulations") and the Directors, as on date, are not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the acquisition. The Reconstituted Board of Directors has been in office only since 13th March, 2021. Consequently, the Reconstituted Board has only a limited overview of the effectiveness of the internal financial and other controls of the Company.

57. List of Subsidiaries which are included in the Consolidation and the Company' effective holdings therein are as under:

Name of Subsidiary	Country of Incorporation	Effective Ownership in Subsidiaries as at	
		31st March,2021	31st March,2020
SEL Textiles Limited^	India	-	100.00%
SE Exports	India	-	99.00%
SEL Aviation Private Limited	India	97.54%	97.54%
Silverline Corporation Limited.*	India	-	97.63%

*Subsidiary of SEL Textiles Limited
^refer note no. 37(vi)

58. Additional Information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiary:

Name of the subsidiary	Net Assets i.e, Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent Company								
SEL Manufacturing Co. Ltd.	99.96	41,616.21	201.27	5,04,600.61	31.32	2,744.50	195.53	507,345.11
Subsidiaries								
SEL Aviation Pvt. Limited	0.01	5.86	(0.28)	(710.77)	-	-	(0.27)	(710.77)
Minority interest in all subsidiaries	0.03	10.99	(0.01)	(17.45)	-	-	(0.01)	(17.45)
Eliminations	-	-	(100.28)	(253,162.79)	68.68	6,016.94	(95.25)	(247,145.85)
Total	100.00	41,633.06	100.00	250,709.60	100.00	8,761.44	100.00	259,471.04

MALHOTRA MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

59. The consolidated figures have been included the figures for the corresponding previous year for the subsidiary which has been transferred (refer note no. 37(vi)).

60. Note No. 1 to 59 forms integral part of balance sheet and statement of profit /loss.

For Manik Malhotra & Associates
Chartered Accountants
FRN: 015848N

MANIK & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

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

For and on the behalf of Board of

(Rajeev Bhalla)
Mg. Director
DIN: 00551773

(Naveen Arora)
Whole Time Director
DIN: 09114375

Place: Ludhiana
Date: 29.06.2021

(V.K. Goyal)
Chief Executive Officer

(Navneet Gupta)
Chief Financial Officer

(Rahul Kapoor)
Company Secretary

SEL MANUFACTURING COMPANY LIMITED

FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A: SUBSIDIARIES

(Financial year ending 31st March, 2021)

(Rs. In Crores)

Sr. No.	Particulars	SEL Aviation Pvt. Ltd.
1	**Date of acquisition**	**26.03.2012**
2	Share Capital	4.09
3	Reserves & surplus (Other Equity)	(4.03)
4	Total assets	0.08
5	Total liabilities	0.08
6	Investments	-
7	Turnover	0.00
8	Profit/(Loss) before taxation	(7.10)
9	Provision for taxation	--
10	Profit/(Loss) after taxation	(7.10)
11	Proposed dividend	-
12	% of shareholding	97.54%
13	Reporting currency and Exchange rate as on the last date of F.Y. for foreign subsidiaries.	

Names of subsidiaries which are yet to commence operations	**Names of subsidiaries which which have been liquidated or sold during the year**
--	SEL Textiles Ltd.
--	Silverline Corporation Ltd.
--	SE Exports

PART B: ASSOCIATES AND JOINT VENTURES:

The Company does not have Associates and Joint Ventures.

Names of associates or joint ventures which are yet to commence operations:	Names of Associates or joint ventures which have been liquidated or sold during the year.
NIL	Nil

Rajeev Bhalla
Managing Director
DIN: 00551773

Naveen Arora
Whole time Director
DIN: 09114375

V.K. Goyal
Chief Executive Officer (CEO)

Navneet Gupta
Chief Financial Officer (CFO)

Rahul Kapoor
Company Secretary

SEL MANUFACTURING COMPANY LIMITED
274, Dhandari Khurd, G.T. Road,
Ludhiana 141014
Punjab, (India)