



Annual Report 2011-12

SEL Manufacturing Company Ltd.

BOARD OF DIRECTORS

Sh. Ram Saran Saluja	Chairman
Sh. Neeraj Saluja	Managing Director
Sh. Dhiraj Saluja	Jt. Managing Director
Sh. Vinod K. Goyal	Executive Director & CEO
Sh. Navneet Gupta	Executive Director & CFO
Sh. Ashwani Kumar	
Sh. Amit Narang	
Sh. Kanwalnain Singh Kang	
Sh. Ranjan Madaan	
Sh. Prem Kumar	

AUDITORS

Dass Khanna & Co.
Chartered Accountants,
B-XX-2815, Gurdev Nagar,
Pakhawal Road, Ludhiana 141 001

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Ltd.)
A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall
New Delhi 110 028
Phone No: 011- 41410592, 93, 94
Fax no: 011- 41410591
E-mail delhi@linkintime.co.in

COMPANY SECRETARY

Sh. Rahul Kapoor

Contents

Page No.

	(from)
Notice	01
Directors' Report	13
Corporate Governance Report (including Management Discussion and Analysis)	18
Certificate on Corporate Governance	27
Auditors Report on Financial Statements	28
Balance Sheet	31
Profit & Loss Statement	32
Cash flow Statement	33
Notes on Financial Statements etc.	34
Auditors Report on consolidated financial Statements	54
Consolidated Balance Sheet	55
Consolidated Profit & Loss Statement	56
Consolidated Cash flow Statement	57
Notes on Consolidated Financial Statements etc.	58
Financial Information of Subsidiary Company(ies)/Firm(s)	76

Chairman's Message

Dear Shareholders,

It is a delight to address you on completion of another eventful and successful year. The world economy has witnessed slowdown this year. The concerns in Euro zone and Middle East remain unresolved and the US economy is still not out of the woods. The Indian economy in tandem is also experiencing a slowdown due to global and domestic turbulence and policy formulations aimed at curbing inflationary pressures, having a depressing impact on productivity and growth. Matters have been further aggravated due to elevated crude prices and weakening rupee. The textile sector too is faced with formidable challenges.

Despite the global volatile environment, the Consolidated sales (i.e. Revenue from Operations) of your Company stood at Rs. 2221.54 crores for the F.Y. ended 31.03.2012, as compared to Rs. 1702.69 crores during the previous year, a growth of 30.47 % YoY. However higher input and interest costs, resulting from continuing high inflation had an adverse impact on profits. The Profit after Tax (Consolidated) stood at Rs. 82.81 crores for the F.Y. ended 31.03.2012, as compared to Rs. 112.48 crores during the previous year.

However, I am glad to report that your Company has been able to sustain operational stability, thanks to our strong market position, geographic spread of scale and low-cost but high quality products. Our ability to deliver in difficult times is attributable to our strategic positioning as an integrated business house. We are consolidating our position by focusing on higher value added products, developing newer products and expanding market boundaries. Your Company has always focused on building strengths for the future and continued to invest in building capabilities. We will continue to invest our resources in taking these initiatives forward.

Your company remains committed to strategic planning and meticulous execution of expansion projects and to provide quality service to our customers, achieve business objectives with social responsibility and also result in sustained increase in shareholders value.

We believe in the idea of sustainable development through conservation of natural resources, economic and social development and environmental protection. We have always anticipated changes and adapted ourselves to the environment without compromising on our core values. Your company has always believed and practiced high standards of professionalism, maintaining the standards of corporate governance, integrity and transparency and would continue to do so. It is these values which have shaped the character of your organization and helped in building wealth for all stakeholders.

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

With best wishes,
Ram Saran Saluja
Chairman



NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of the Company will be held on Friday, the 28th day of September, 2012 at 9.30 A.M. at the Registered office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141014 to transact the following business(es):

AS ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet for the financial year ended 31st March, 2012 and the Profit & Loss Account for the financial year ended on that date together with the report of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Ram Saran Saluja, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashwani Kumar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditors M/s Dass Khanna & Company, Chartered Accountants, Ludhiana, the Statutory Auditors of the Company whose term is ending at the conclusion of the forthcoming Annual General Meeting are eligible for re-appointment.

AS SPECIAL BUSINESS:-

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

"RESOLVED THAT Mr. Amit Narang, who was appointed as an Additional Director under the provisions of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company and who holds Office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Kanwalnain Singh Kang, who was appointed as an Additional Director under the provisions of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company and who holds Office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

RESOLVED THAT in accordance with the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the existing Authorised Share Capital of the Company be and is hereby increased from Rs. 600,00,00,000/- (Rs. Six Hundred Crores) only divided into 60,00,00,000 (Sixty Crore) Equity Shares of Rs.10/- (Rs. Ten) each to Rs. 1000,00,00,000/- (Rs. One Thousand Crores) only divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs.10/- (Rs. Ten) each by creation of further 40,00,00,000 (Forty Crore) Equity shares of Rs.10 (Rs. Ten) each aggregating Rs. 400,00,00,000/- (Rs. Four Hundred Crore) ranking pari passu with the existing equity shares of the company in all respects.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

'V' The Authorised Share Capital of the Company is Rs. 1000,00,00,000/- (Rs. One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs.10/- (Rs. Ten) each.



RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or arise in regard to or in connection with any such matter as it may in its absolute discretion, deem fit to give effect to this resolution.

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

RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company, issue of Foreign Currency convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993 and the listing agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any necessary guidelines, regulations, approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance, Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act (FEMA), Foreign Investment Promotion Board (FIPB) and/or any other authorities, including banks, financial institutions etc., (hereinafter referred to as "the appropriate authorities"), and subject to such conditions/modifications as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s) or sanction(s) (hereinafter referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the company (hereinafter referred to as the "Board") which term shall be deemed to include any duly authorized committee thereof constituted or which the Board may hereinafter constitute, to exercise its powers including the power conferred by this resolution, the Board be and is hereby authorized to create, offer, issue and allot, in the course of, domestic and/or international offering(s) in one or more foreign markets, equity shares/securities,

other financial instruments, including Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) convertible into equity shares, Foreign Currency Convertible Bonds (FCCBs), with or without green shoe option, or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants etc. convertible into equity shares, whether optionally or otherwise or any combination thereof (hereinafter referred to as 'Securities') to such investors including domestic//foreign investors, institutions, financial institutions and/or corporate bodies, mutual funds, banks, insurance companies, foreign institutional investors, trusts, Mutual Funds, Venture Capital Funds, Non-Resident Indians and/or individuals or otherwise, to Qualified Institutional Buyers ("QIBs") under Qualified Institutions Placement ("QIP") under Chapter VIII of the SEBI ICDR Regulations or a combination of the foregoing, whether or not such persons/entities/investors are members of the company, as the Board may, in its sole discretion deem appropriate, by way of circulation of an offering circular or prospectus or by way of public issue, rights offering, private placement/ Institutional placement, memorandum or any offering memorandum and/or any other permitted nature of offering, with or without an over-allotment option, or a combination thereof, upto an aggregate amount not exceeding Rs. 1500.00 Crores (Rs. One Thousand Five Hundred Crores) only or any equivalent thereof in foreign currency, (inclusive of such premium as may be determined by the Board and as permitted by the prescribed authorities etc.) to be subscribed in Indian and/or foreign currency(ies). Such issue(s) and allotment(s) shall be made at such time or times in one or more tranche or tranches, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevalent market conditions and other applicable laws/factors in this regard.

RESOLVED FURTHER THAT in case of allotment of Securities by way of Qualified Institutions Placement (QIP) as per the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements)



SEL Manufacturing Company Ltd.

Regulations, 2009, as amended from time to time, the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which the Board of the Company or the Committee of Directors decides to open the proposed issue or such date, if any, as may be notified by SEBI or the RBI or any appropriate authority from time to time.

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms in accordance with international practices including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debts service payments whatsoever and all such terms/matters as are provided in offering of this nature, including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities and the Board is also entitled to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of any or all such Securities or securities representing the same in one or more Stock Exchanges including International Stock Exchanges, wherever permissible.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by applicable laws.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the

international practices and regulations and under the forms and practices prevalent in the securities markets.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to herein above or as may be necessary in accordance with the terms of the offering, all such shares shall rank pari-passu with the existing shares of the Company in all respects, excepting such right as to dividend as may be provided under the terms of the issue and in the Offer Document.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described herein above, the Board or any committee thereof be and is hereby authorized on behalf of the company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into underwriting, marketing, listing and depository arrangement and institution/trustees/agents and similar agreements.

RESOLVED FURTHER THAT for the aforesaid purpose, the Board be and is hereby authorized to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to the offer, issue or allotment of Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage/charges under Section 293(1)(a) of the Companies Act, 1956 in respect of the aforesaid Securities either on pari passu basis or otherwise as the Board may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner as the Board may deem fit and as is permissible by applicable law.



RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Director or any director(s) or Officer(s) of the Company to give effect to this resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to resolve and settle all questions and difficulties that may arise in the proposed issue/offer. Allotment and conversion of any of the aforesaid Securities, utilization of the issue proceeds and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

9. 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 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the rules framed there under, and as approved by the Remuneration Committee of the Board and subject to such other modification(s), amendment(s), alteration(s) as may be required by any letters etc., the consent of the Company be and is hereby accorded for the re-appointment of Sh. Dhiraj Saluja, as the Joint Managing Director of the Company for a further period of three years w.e.f. 28.05.2013 on a consolidated amount of Salary of Rs. 6,00,000/- per month .

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

RESOLVED FURTHER THAT The Board of Directors of the Company be and are hereby authorized to further increase the above said remuneration within the limits prescribed under the Companies Act, 1956 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 Jt. Managing Director subject to compliance of Schedule XIII of the Companies Act, 1956 and other applicable provisions, and the rules framed there under as amended from time to time.

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

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

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the rules framed there under, and as approved by the Remuneration Committee of the Board and subject to such other modification(s), amendment(s), alteration(s) as may be required by any letters etc., and in partial modification of the earlier Resolution(s) passed in this regard, the consent of the Company be and is hereby accorded for the increase in payment of consolidated amount of Salary to Sh. Navneet Gupta as the Executive Director of the Company to Rs. 3,00,000 per month w.e.f. 01.07.2012.

RESOLVED FURTHER THAT all other terms and conditions of his appointment shall remain unchanged.

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.

11. 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 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the rules framed there under, and as approved by the Remuneration Committee of the Board and subject to such other modification(s), amendment(s), alteration(s) as may be required by any letters etc., and in partial modification of the earlier Resolution passed in this regard, the consent of the Company be and is hereby accorded for the increase in payment of consolidated amount of Salary to Sh Vinod Kumar Goyal as the Executive Director & CEO of the Company to Rs. 6,50,000 per month w.e.f. 01.07.2012.

RESOLVED FURTHER THAT all other terms and conditions of his appointment shall remain unchanged.

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.

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

RESOLVED THAT in supersession of earlier resolution passed at the EGM held dated 27.02.2008 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, as they may think fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid up capital of the

Company and its free reserves (that is to say reserves, not set apart for any specific purpose), by a sum not exceeding Rs. 15000.00 Crores (Rs. Fifteen Thousand Crores Only) and that the Board of Directors of the Company be and is hereby authorized to arrange, accept, alter or fix the terms and conditions of all such monies to be borrowed from time to time, as to interest, repayment, creation of security(ies) or otherwise, as they may think fit.

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

RESOLVED THAT in modification of earlier resolution passed at the EGM held dated 27.02.2008 and pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgage and/or charge on all movable or immovable properties of the Company wheresoever situated, present and future, the whole or substantially the whole of the undertaking(s) of the company for securing any borrowing(s) or financial assistance not exceeding Rs. 15000 crores (Rs. Fifteen Thousand Crores only) by way of loans/limits (whether in foreign currency and/or in Indian Currency).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to create mortgage(s)/charge(s) as aforesaid.

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

**PLACE : LUDHIANA
DATED : 30.08.2012**

**(RAHUL KAPOOR)
COMPANY SECRETARY**



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED.

PROXIES IN ORDER TO BE MADE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY DULY EXECUTED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF ANNUAL GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.

2. Members are requested to send their queries on the accounts, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the company to have relevant information ready at the meeting.
3. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in Respect of Item(s) of Special Business is annexed hereto and forms part of the Notice.
5. The Register of Members and Share Transfer books shall remain closed from September 22, 2012 to September 28, 2012 (both days inclusive).
6. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Director who is proposed to be appointed/re-appointed is given in the annexure to the Notice.
7. The Explanatory Statement for Item(s) No. 9, 10 and 11 together with the accompanying notice may also be regarded as an abstract of the terms of re-appointment of Mr. Dhiraj Saluja, as Jt. Managing Director of the Company and Memorandum of Interest of Directors u/s 302 of the Companies Act, 1956 and as an abstract of the terms of increase in remuneration of Mr. Navneet Gupta, Executive Director and Mr. Vinod Kumar Goyal,

Executive Director & CEO of the Company and Memorandum of Interest of Directors u/s 302 of the Companies Act, 1956.

8. Pursuant to Section 205C of the Companies Act, 1956, 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").

Members who have not encashed their dividend for the financial year ended March 31, 2008, are requested to make their claims to the Registrar/Company. It may be noted that once the unclaimed/unpaid dividend is transferred to the credit of the said Fund, no claim shall lie in respect thereof.

Important Communication to Members

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS:

FOR ITEM NO.5:

Mr. Amit Narang was appointed as an Additional Director of the Company w.e.f. 09.06.2012 in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of



Association of the Company. He holds office up to the date of this Annual General Meeting. Notice alongwith requisite fee under the provisions of Section 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the name of Mr. Amit Narang, as a candidate for the office of Director of the Company liable to retire by rotation. Mr. Amit Narang holds Nil Equity Shares of the Company (i.e. SEL Manufacturing Company Ltd.) in his own name. Considering the business experience of Mr. Narang, the Board proposes the Resolution for your consideration and approval.

MEMORANDUM OF INTEREST

None of the Directors of the Company except Sh. Amit Narang, the appointee, is interested in this resolution.

FOR ITEM NO.6:

Mr. Kanwalnain Singh Kang was appointed as an Additional Director of the Company w.e.f. 13.08.2012 in terms of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. He holds office up to the date of this Annual General Meeting. Notice alongwith requisite fee under the provisions of Section 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the name of Mr. Kanwalnain Singh Kang as a candidate for the office of Director of the Company liable to retire by rotation. Mr. Kanwalnain Singh Kang holds Nil Equity Shares of the Company (i.e. SEL Manufacturing Company Ltd.) in his own name. Considering the experience of Mr. Kang, the Board proposes the Resolution for your consideration and approval.

MEMORANDUM OF INTEREST

None of the Directors of the Company except Sh. Kanwalnain Singh Kang, the appointee, is interested in this resolution.

FOR ITEM NO.7:

The present Authorised Share Capital of the Company is Rs. 600,00,00,000/- (Rs. Six Hundred Crores) only divided into 60,00,00,000 (Sixty Crore) Equity Shares of Rs.10/- (Rs. Ten) each. In order to meet out the financial requirements of the expansion plans of the company and to strengthen its financial position and in order to further increase the capital of

the company from time to time, as may be required, it is proposed that the Authorised Share Capital of the company be increased to Rs. 1000,00,00,000/- (Rs. One Thousand Crores) only divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs.10/- (Rs. Ten) each by creation of further 40,00,00,000 (Forty Crore) Equity shares of Rs.10 (Rs. Ten) each aggregating Rs. 400,00,00,000/- (Rs. Four Hundred Crore) ranking pari passu with the existing equity shares of the company in all respects.

The increase in the Capital, as such, requires the approval of the Shareholders in the General Meeting u/s 94 of the Companies Act, 1956. Consequently, the Clause V of the Memorandum of Association is also proposed to be amended. Hence the proposed resolutions.

MEMORANDUM OF INTEREST

None of the Directors is, in any way, interested or concerned in the proposed resolutions.

FOR ITEM NO.8:

The Special Resolution contained in the Notice at Item No. 8 relates to a proposal by the Company to raise capital through issue of shares/Securities including Global Depository Receipts ("GDR"), American Depository Receipts ("ADR"), Foreign Currency Convertible Bonds ("FCCBs") or any such financial instrument convertible into equity shares (hereinafter referred to as "Securities") including by means of a issue of Securities to Qualified Institutional Buyers ("QIBs") under Qualified Institutions Placement ("QIP") under the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations").

The Company proposes to enhance and strengthen its equity capital base by way of infusion of further equity capital by issue of equity shares or such other security which would be later on converted into equity shares or give right to the holders of the securities to subscribe to the equity capital at a later date.

The Special Resolution also seeks to empower the Board to undertake a qualified institutional placement with qualified institutional buyers as defined under the SEBI ICDR Regulations apart from other options of private/public



placements. The Board, may in its discretion adopt this mechanism, as prescribed under chapter VIII of the SEBI ICDR Regulations. The pricing of the Securities to be issued to qualified institutional buyers pursuant to chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The pricing of the Securities in other mode of placements would be as per applicable statutory provisions.

With constant support from the members, the company aspires to consistently better the previous performance and accelerate the growth rate by taking on challenges on a larger plank. Such objectives could be met, through expansions, overseas acquisitions/investment whether directly or through subsidiaries/joint ventures etc. To strengthen its business plans as well as to augment long term working capital/general corporate requirements, the company is proposing to raise funds by issue of securities in India and/or International market, facilitating implementation of the plans with speed and economy.

As such, in order to finance the Company's expansion plans, and to expand its market reach globally, to meet out the Capital expenditure and working capital requirements, the Company proposes to raise funds for the Company, in one or more tranches by issue of any one or more kind(s) of securities or combination thereof as detailed in the resolution at item no. 8 of the notice. The funds as raised would also improve the net worth of the Company and give greater financial strength for implementing its expansion plans.

It is accordingly proposed to obtain an enabling resolution from the Members of the Company so as to issue securities in domestic/international market(s) as contemplated in the resolution set out above at such time and on such terms, in one or more tranche or tranches, as may be decided by the Board and found to be expedient and in the interests of the Company. The proposed issue will be subject to the approval of the appropriate authorities and within the frame works of the guidelines issued by the SEBI etc. in this regard.

The pricing of the issue will be a free market pricing and may be at a premium or discount to market price in accordance with prevalent practice. Since the pricing of the offering cannot be decided except at a later stage, it is not possible to

state the price or the exact number of securities or shares to be issued. For reasons aforesaid, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalise their terms. Securities issued pursuant to the offer may be listed on Domestic/International Stock exchanges as would be applicable and may be represented by Depository Receipts or other securities.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the merchant bankers, lead managers, advisors, underwriters and other experts and in accordance with the terms of approval of the Government of India, Reserve Bank of India, and other appropriate authorities as may be required.

The proposed issue of Securities upto an aggregate amount not exceeding Rs. 1500.00 Crores (Rs. One Thousand Five Hundred Crores) only or any equivalent thereof in foreign currency, shall be made in one or more tranches. The issue price of the securities to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions and as per the applicable rules/guidelines, provisions of applicable law(s) and as per the rules/guidelines etc. issued by Securities and Exchange Board of India (SEBI) in this regard. The Securities will be listed on such International/ Indian Stock Exchanges as the Board may be advised and as may be applicable.

The said Securities may, if necessary, be secured by way of mortgage/hypothecation on the Company's assets in favor of the security holders/trustees for the holders of the said Securities.

Section 81 of the Companies Act, 1956 provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise. The listing agreements executed by the Company with the stock exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing Equity



shareholders of the company unless the shareholders decide otherwise.

Since, the Special Resolution proposed in the business of the Notice may result in the issue of shares of the Company otherwise than to the shareholders of the Company, as such the consent of the members is being sought under Section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any, and in terms of the provisions of the Listing Agreement(s) executed by the Company with the Stock Exchange(s) where the company's shares are listed. This Special Resolution gives adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with lead managers, underwriters, legal advisors and experts and/or such other authority or authorities as need to be consulted including in relation to the pricing of the issue and powers to issue and market any securities pursuant to the offer including the power to issue such securities in tranche or tranches.

MEMORANDUM OF INTEREST

None of the Directors is, in any way, interested or concerned in the proposed resolutions except to the extent of shares held by them in the Company.

FOR ITEM NO.9:

The Board of Directors of your Company have re-appointed Mr. Dhiraj Saluja as the Jt. Managing Director of the Company for a further period of three years w.e.f. 28.05.2013 subject to the confirmation of his re-appointment and remuneration by the members of the Company. The remuneration proposed to be paid to Jt. Managing Director has been approved by the Remuneration Committee of the Board and the resolution is put for your approval in this meeting. Mr. Dhiraj Saluja, Jt. Managing Director of the Company being responsible for the overall management of the Company along with Mr. Neeraj Saluja, is also incharge of overseeing marketing of yarn, garments, terry towels etc. and looks after the complete function of marketing and delivery of our Company's products to the end customer.

As per the provisions of the Companies Act, 1956 under Schedule XIII and Rules framed there under, confirmation of the members of the Company is required for the appointment/reappointment as such of a managerial person.

Hence the proposed resolution is recommended for your consideration and approval.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Ram Saran Saluja, Mr. Neeraj Saluja being relatives and Mr. Dhiraj Saluja being the appointee is, in any way, interested or concerned in the proposed resolution.

FOR ITEM NO.10:

The re-appointment of Mr. Navneet Gupta as Executive Director of the Company was confirmed by the members of the Company in the 11th Annual General Meeting of the Members held on 05th day of July, 2011 for a period of three years w.e.f. 08.05.2011.

The Board of Directors of your Company have on the basis of recommendation of Remuneration Committee have passed the Resolution for increase in the consolidated amount of Salary to Sh. Navneet Gupta, Executive Director of the Company to Rs. 3,00,000 per month w.e.f. 01.07.2012. The job responsibilities of Sh. Navneet Gupta have considerably increased considering the need and application of funds for the ongoing expansion plan(s) of the Company and also for setting up of new ventures. Mr. Navneet Gupta, Executive Director of the Company is responsible for the overall finance and accounts related activities of the Company.

All other terms and conditions of his appointment will remain the same.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Navneet Gupta being the appointee is, in any way, interested or concerned in the proposed resolution.

FOR ITEM NO.11:

The appointment of Mr. Vinod Kumar Goyal as the Executive Director and CEO of the company was confirmed by the members of the Company in the 10th Annual General Meeting of the Members held on 7th day of August, 2010 for a period of three years w.e.f. 13.07.2010.

The Board of Directors of your Company have on the basis of



recommendation of Remuneration Committee have passed the Resolution for increase in the consolidated amount of Salary to Sh. Vinod Kumar Goyal, Executive Director & CEO of the Company to Rs. 6,50,000 per month w.e.f. 01.07.2012. The job responsibilities of Executive Director & CEO of the Company have considerably increased in view of increase in the volume of business and establishment of a new unit of the Company in the State of Madhya Pradesh. Mr. Goyal is responsible for the overall management of the Company along with the Managing Director.

All other terms and conditions of his appointment will remain the same.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Vinod Kumar Goyal, being the appointee is, in any way, interested or concerned in the proposed resolution.

FOR ITEM NO.12:

In order to enable the Board of Directors to borrow funds for its expansion/diversification plans, the total amount of which may exceed the earlier limit of Rs. 5000.00 crores (Rs. Five Thousand Crores only) as fixed in Extra Ordinary General Meeting held on 27.02.2008, the approval of the shareholders is required under the provisions of Section 293(1)(d) of the Companies Act, 1956. Keeping in view the general economic scenario and as said earlier the future expansion plans of the company, it is proposed to authorize the Board of Directors under the provisions of Section 293(1)(d) of the Companies Act, 1956 to borrow funds not exceeding Rs. 15000.00 crores (Rs. Fifteen Thousand Crores Only) from time to time from Banks, Financial Institutions, Foreign Banks etc. or other

persons on private placement basis or any other basis. As such the resolution is put forth for your consideration and approval.

MEMORANDUM OF INTEREST

None of the Directors is, in any way, interested or concerned in the proposed resolution.

FOR ITEM NO.13:

The Board of Directors have to borrow funds for the day to day business and for the expansion/diversification plans of the Company. For such purpose it has to mortgage/create charge etc. upon property(ies) etc. or the undertaking(s) of the Company, for securing such borrowing(s) or financial assistance. It is proposed to increase the earlier limit in this regard of Rs. 5000.00 crores (Rs. Five Thousand Crores only) as fixed in Extra Ordinary General Meeting held on 27.02.2008 to Rs. 15000.00 crores (Rs. Fifteen Thousand Crores only) under the provisions of Section 293(1)(a) of the Companies Act, 1956. Hence the proposed resolution is recommended for your consideration and approval.

MEMORANDUM OF INTEREST

None of the Directors is, in any way, interested or concerned in the proposed resolution.

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

**PLACE : LUDHIANA
DATED : 30.08.2012**

**(RAHUL KAPOOR)
COMPANY SECRETARY**



ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 28TH SEPTEMBER, 2012

Name of Director	Mr. Ram Saran Saluja	Mr. Ashwani Kumar	Mr. Amit Narang	Mr. Kanwalnain Singh Kang	Mr. Dhiraj Saluja
Resume including Expertise in specific functional area	Mr. Ram Saran Saluja aged 69 years is our Chairman (Non-Executive). He has over 45 years of experience in the textile industry. As Chairman he provides strategic direction to our Company.	Mr. Ashwani Kumar aged 57 years is an independent director on our Board. Mr. Kumar is a member of the Institute of Chartered Accountants of India He is on the Board of several public and private limited companies. Mr. Kumar possesses rich and varied experience in tax planning, management consultancy, business restructuring and corporate laws.	Mr. Amit Narang aged 26 years is a young entrepreneur. He is an Independent Director on the Board of Directors of the Company	Mr. Kanwalnain Singh Kang aged 47 years has done MBA in Marketing and PhD in Marketing Management. He is an Independent Director on the Board of Directors of the Company. He is an Educationalist and strategist. His work focuses on the formulation and implementation of corporate strategies, knowledge and innovation management.	Mr. Dhiraj Saluja aged 40 years is the Jt. Managing Director of our Company. He holds a degree in Mechanical Engineering from Moscow University, Russia. He has over 16 years experience in the textile industry. Besides, being responsible for the overall management of the Company along with Mr. Neeraj Saluja, he is also in charge of overseeing marketing of yarn, garments, terry towel and looks after the complete function of marketing and delivery of our Company's products to the end customer.
List of other Companies in which Directorship held	<ol style="list-style-type: none"> 1. SEL Textiles Ltd. 2. Omega Hotels Ltd. 3. SEL Developers Pvt. Ltd. 4. SEL Aviation Pvt. Ltd. 5. Shiv Narayan Investments Pvt. Ltd. 6. Silverline Corporation Ltd. 7. SEL Ecochem Pvt. Ltd. 8. Shri Lakshmi Narayan Financial Services Ltd. 9. Sidhivinayak Financial Services Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Vardhman Industries Ltd. 2. Globe Trotters Pvt. Ltd. 3. D & M Components Ltd. 4. Prime Industries Ltd. 5. Master Trust Ltd. 6. SEL Textiles Ltd. 7. Ludhiana Stock Exchange Ltd. 	<ol style="list-style-type: none"> 1. Daffodil Real Estate & Developers Pvt. Ltd. 	<ol style="list-style-type: none"> 1. CRS Hospitality Pvt. Ltd. 	<ol style="list-style-type: none"> 1. SEL Aviation Pvt. Ltd. 2. SEL Developers Pvt. Ltd. 3. SEL Textiles Ltd. 4. Shiv Narayan Investments Pvt. Ltd. 5. Silverline Corporation Ltd. 6. Omega Hotels Ltd. 7. SEL Ecochem Pvt. Ltd. 8. Shri Lakshmi Narayan Financial Services Ltd.



Chairman/Member of the Committee of Board of Directors of other Companies	SEL Textiles Ltd. i) Investor Grievance Committee-Member	Vardhman Industries Ltd. i) Audit Comtt.-Member ii) Investor Grievance Commtt.-Member Master Trust Ltd. i) Audit Comtt.-Chairman Prime Industries Ltd. i) Audit Comtt.-Chairman SEL Textiles Ltd. i) Audit Comtt.-Member	None	None	None
Inter-Se relationship with other Directors of the Company	Father of Mr. Neeraj Saluja and Mr. Dhiraj Saluja, other Directors of the Company.	Not related	Not related	Not related	Son of Mr. Ram Saran Saluja and brother of Mr. Neeraj Saluja, other Directors of the Company.
Shareholding in the Company	4621505	75	Nil	Nil	4621506



DIRECTORS' REPORT

To

The Members

SEL Manufacturing Company Ltd.

Your Directors have pleasure in presenting their 12th Annual Report on the affairs of the company together with Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	Current Year (2011-12)	Previous year (2010-11)
Revenue from Operations	203834.24	158321.55
Other Income	9627.90	2454.39
	<u>213462.14</u>	<u>160775.94</u>
Less:		
Expenditure	195164.01	140276.90
Provision for Depreciation	7507.34	5574.88
Profit before taxation:	<u>10790.79</u>	<u>14924.16</u>
Less:		
Taxes : Current Tax	2089.00	2979.00
Deferred Tax	3390.31	2899.86
MAT Credit Entit.	(1873.81)	(996.09)
Wealth Tax	2.00	2.25
Profit after Tax	<u>7183.29</u>	<u>10039.14</u>
Balance brought forward	<u>30903.52</u>	<u>23285.76</u>
	<u>38086.81</u>	<u>33324.90</u>
Less: Previous year Tax Adjustments	1317.91	(78.62)
Less: Transferred to General Reserve	4998.00	2500.00
Balance Carried over to Balance Sheet	<u>31770.90</u>	<u>30903.52</u>

BUSINESS

The Company is vertically integrated multi-product textile company, manufacturing and exporting various kinds of Knitted Garments, Terry Towels, Knitted & Processed Fabric and various kind of Yarn with production facilities located at Ludhiana and NawanSheher in Punjab, Baddi in Himachal Pradesh and Sehore in Madhya Pradesh.

We are expanding our existing capacities in spinning/knitting. The Company is setting up a new project in the state of Madhya Pradesh consisting of spinning unit with a capacity of 571,200 spindles, out of which 1,95,840 spindles have already been installed. The said spinning facility is the largest under one roof in India. Further, the Company also proposes to set up a Open end spinning with capacity of 2040 Rotors and Knitted Fabric/cloth capacity of 72000 TPA.

OPERATIONS

During the year under review, your company has achieved Revenue from Operations of Rs. 203834.24 lacs as compared to Rs. 158321.55 lacs in the previous year. The profit before tax stood at Rs. 10790.79 lacs as compared to

Rs. 14924.16 lacs during the previous year. After providing for taxes and other adjustments, the Profit after tax stood at Rs. 7183.29 lacs as compared to Rs. 10039.14 lacs during the previous year.

SUBSIDIARY COMPANY/FIRM(S)

As at 31.03.2012, the Company has four Subsidiary Company(ies) namely SEL Textiles Ltd., Silverline Corporation Ltd., Omega Hotels Ltd., and SEL Aviation Pvt. Ltd. and two subsidiary firm(s) namely M/s SE Exports and M/s Kudu Industries. The Company has its branch office at Dubai, United Arab Emirates.

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

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

Your company continue to hold 99% stake in the partnership



SEL Manufacturing Company Ltd.

firm namely M/s SE Exports. However, the Company has taken over the firm Kudu Industries.

SEL Textiles Ltd. is the wholly owned Subsidiary of the Company. SEL Textiles Ltd. is engaged in the business of textiles and the Company has two spinning unit(s) one at Neemrana (Rajasthan) and one at Hansi, Hissar (Haryana), and a terry towel unit at Nawa sheher, Punjab.

SEL Textiles Ltd. is also setting up a project with spinning capacity of 188160 spindles, denim fabric manufacturing capacity of 40 million meters per annum and around 8 million pieces of denim garments per annum at Vill Punjava-Lambi, Tehsil Malout, Dist Sri Muktsar Sahib (Punjab).

Omega Hotels Ltd., subsidiary of the company is presently implementing a hotel project at Agra in the State of Uttar Pradesh.

SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of aviation services and holds a Non-Scheduled Operator's permit under the Director General of Civil Aviation Rules and Regulations.

SEL Textiles Ltd., the wholly owned subsidiary of the company holds the majority stake in M/s Silverline Corporation Ltd.. Silverline Corporation Ltd. is in the business of textiles and has acquired a spinning unit at Vadodara (Gujarat).

The Company also acquired majority stake in SEL Ecochem Pvt. Ltd. in July, 2012 thereby making it the Subsidiary of the Company. SEL Ecochem Pvt. Ltd. proposes to commence business of chemicals, acids, etc.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries, prepared and presented in accordance with Accounting Standard (AS) 21, are attached to and form part of the Annual Report.

CORPORATE GOVERNANCE

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

DIVIDEND

In order to conserve resources for future growth and the expansion projects of the company the directors have not recommended any dividend for the Financial year 2011-12.

PREFERENTIAL ISSUE OF WARRANTS

During the year 2011-12, the Company had allotted 1,20,00,000 convertible warrants on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of Rs. 10/- each at a premium of Rs. 5.25/-

per share for every warrant held, within 18 months from the date of allotment (i.e. from 21.12.2011), in terms of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. All of the aforesaid warrants were converted into Equity Shares during the year 2011-12 itself.

Further the Company on 09.06.2012, has allotted 7,29,00,000 convertible warrants on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of Rs. 10/- each at a premium of Rs. 2.00/- per share for every warrant held, within 18 months from the date of allotment (i.e. from 09.06.2012), in terms of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. None of the aforesaid warrants has been converted into Equity shares till date.

FURTHER ISSUE OF SECURITIES

The Company on 01.06.2012 has issued 2,200,000 Global Depositary Receipts (GDRs) representing 220,000,000 Equity shares of the Company (Each GDR representing 100 Equity shares of the Company) at a price of US\$ 19.6429 per GDR. These GDRs are listed on the Luxembourg Stock Exchange.

FURTHER ISSUE OF SECURITIES TO RAISE FUNDS

To augment long term resources of the Company and also for meeting the fund requirements of the existing business, current and future expansions etc., the Company proposes to pass requisite resolution in this regard to raise funds for the Company, subject to necessary approvals and applicable laws & regulations, by way of issue of equity shares/securities, in the course of domestic and/or international offering(s), in one or more foreign markets, at such time or times in one or more tranche or tranches, such Securities include Global Depositary Receipts (GDRs) and/or American Depositary Receipts (ADRs) convertible into equity shares, Foreign Currency Convertible Bonds (FCCBs) or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants etc. convertible into equity shares, whether optionally or otherwise or any combination thereof (hereinafter referred to as 'Securities').

The desired resolution for the aforesaid purpose is included in the Agenda for the ensuing Annual General Meeting for the consideration and approval of the members of the Company.

FIXED DEPOSITS

During the year, your Company has not accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956 and the Rules made there under.

DIRECTORS

Mr. Ram Saran Saluja and Mr. Ashwani Kumar, Directors' of the Company retire by rotation at this Annual General



Meeting and being eligible offer themselves for re-appointment.

Mr. Amit Narang was appointed as an Additional Director of the Company w.e.f. 09.06.2012 and Mr. Kanwalnain Singh Kang was appointed as an Additional Director of the Company w.e.f. 13.08.2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company. The Company has received notice(s) along with requisite fee under the provisions of Section 257/258 of the Companies Act, 1956 proposing the name of Sh. Amit Narang and Mr. Kanwalnain Singh Kang for the office of Director of the Company.

The required resolution(s) in this regard for their appointment/reappointment as such are included in the Agenda for the ensuing Annual General Meeting for the consideration and approval of the members of the Company.

Further, Mr. Sanjiv Garg resigned from the Board of Directors of the Company w.e.f. 06.06.2012 and Mr. Amar Narang (alias Amarjit) ceased to be Director of the Company w.e.f. 13.02.2012 due to his sad demise.

Further the re-appointment of Mr. Dhiraj Saluja as Jt. Managing Director of the Company for a further period of three years is also to be confirmed.

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 2012-13.

AUDITORS

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

AUDITORS' REPORT

With reference to the Auditors remarks regarding Non-confirmation of debit/credit balances, the same were not confirmed by the respective parties despite the letters in this regard been sent to them.

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

AUDIT COMMITTEE

The Board has constituted its Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 and provisions of the Listing Agreement(s) of the Stock Exchange(s).

The Audit Committee of the Company presently comprises of the following members namely Mr. Ashwani Kumar, Mr. Ranjan Madaan, Mr. Amit Narang and Mr. Navneet Gupta. Sh.

Ashwani Kumar is the chairman of the said committee.

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

Information as per section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure-I forming part of this report.

PARTICULARS OF EMPLOYEES

Details of remuneration paid to employees, as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 are set out in a separate statement attached hereto and marked as Annexure-II 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, 1956.

THE DIRECTORS CONFIRM THAT

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on 31st March, 2012;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

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

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

PLACE : LUDHIANA

(**RAM SARAN SALUJA**)

DATED : 30.08.2012

CHAIRMAN



ANNEXURE-I TO THE DIRECTORS' REPORT

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

ADDITIONAL INFORMATION GIVEN IN TERMS OF NOTIFICATION 1029 OF 31.12.1988 ISSUED BY DEPARTMENT OF COMPANY AFFAIRS.

A. 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.

FORM A

(Form of disclosure of particulars with respect to conservation of Energy)

1. Power & fuel consumption	2011-12	2010-11
(a) Electricity purchased		
Units (Lacs)	618.17	474.11
Total Amount (Rs.in Lacs)	3161.83	2088.47
Rate per Unit (Rs.)	5.11	4.41
(b) Electricity generated from Generator		
Units (Lacs)	24.77	22.39
Unit per Litre of Diesel Oil	3.54	3.64
Cost/Unit (Rs.)	11.70	10.05
(c) Captive Power Plant (CPP Turbine)		
Units (Lacs)	547.60	630.85
Husk per Unit (Kg)	1.23	2.18
Cost/Unit (Rs.)	5.60	5.97
2. Diesel Oil		
Quantity (Ltrs.)	699776	614405
Cost (Rs. in Lacs)	282.99	224.95
Avg. Rate/Ltr (Rs.)	40.44	36.61
3. (A) Rice Husk used in Boiler/Turbine		
Qty. consumed in MT	67496.00	137689.59
Amt. in Rs. (Lacs)	3048.12	3360.37
Rate per MT	4516.00	2440.54
(B) Petro Coke (MT)	22425.00	-
Amt. in Rs. (Lacs)	1477.14	-
Rate Per MT	6587.00	-
Consumption per unit of Production		

Product	Unit 1Kg(PSEB & DG)		Cost 1 Kg(PSEB & DG)		Rate/units(PSEB& DG)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Knitted Cloth	0.27	0.30	1.62	1.54	6.02	5.14
Cotton yarn 100% KH & CB and all blended yarn/mly (mallange)	3.14	3.63	17.19	19.56	5.47	5.40
Terry Towel	3.11	3.41	16.91	18.48	5.44	5.41
Readymade Garment (Unit Piece)	0.16	0.15	0.99	0.85	6.30	5.54
Cotton Double Yarn	0.92	1.00	5.30	4.84	5.74	4.86

B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

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

- Quality Improvement

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

Benefits Derived

- Better Quality; reduced wastages



SEL Manufacturing Company Ltd.

- 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	62.00
b) Recurring	00.80
Total	62.80

Total R&D Exp. is 0.03% of total Revenue from Operations.

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.

	2011-12	2010-11
(i) Foreign Exchange earned (FOB) value of exports as per Balance Sheet	46456.35	31850.85
(ii) Foreign Exchange used		
(a) CIF value of Imports	41289.24	22191.59
(b) Other Expenditure	751.49	347.52

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

PLACE : LUDHIANA
DATED : 30.08.2012

(RAM SARAN SALUJA)
CHAIRMAN

ANNEXURE-II TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2012:

Name	Age (Yrs.)	Designation	Gross Remn. (Rs.)	Qualification	Experience (Yrs.)	Dt. of joining	Previous Employment	No. of Shares held as on 31.03.2012
Mr. Neeraj Saluja	45	Managing Director	Rs. 83,00,000	Diploma in business Administration	20 Yrs in Textile Industry	30.03.2006	SEL Mfg. Co. Ltd.	4621510 (4.15%)
Mr. Dhiraj Saluja	40	Jt. Managing Director	Rs. 60,00,000	Degree in Mechanical Engineering	16 Yrs in Textile Industry	28.05.2007	SEL Mfg. Co. Ltd.	4621506 (4.15%)
Mr. Vinod Kumar Goyal	53	Executive Director & CEO	Rs. 66,75,000	MBA	31 Yrs in Textile Industry	13.07.2010	Vardhman Texgarme-nts Ltd.	Nil

*Remuneration received includes basic salary, allowances, taxable value of perquisites etc..

*The nature of employment i.e. the tenure of Appointment for Managing Director/Executive Director is for a period of 3 years.

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

Nature of Duties

Mr. Neeraj Saluja, Managing Director is responsible for the overall management of the Company and provides strategic direction in selection of technology and machineries, in setting up new manufacturing facilities, improvement of production processes and exploring and diversifying into new ventures etc.

Mr. Dhiraj Saluja, Jt. Managing Director of the Company besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, is also incharge of overseeing marketing of yarn, garments, terry towels etc. and looks after the complete function of marketing and

delivery of our Company's products to the end customer.

Mr. Vinod Kumar Goyal, Executive Director & CEO besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja and Mr. Dhiraj Saluja, is also incharge of complete Manufacturing Department(s) of the company.

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

PLACE : LUDHIANA
DATED : 30.08.2012

(RAM SARAN SALUJA)
CHAIRMAN



CORPORATE GOVERNANCE REPORT

Corporate Governance aims to align as nearly as possible the interests of individuals, corporate and society and enhancing the stakeholders' value. The company's philosophy on corporate governance aims at attaining the highest level of transparency, accountability towards its stakeholders, including shareholders, employees, the Government and lenders and to maximize returns to shareholders through creation of wealth on sustainable basis. We strongly believe that strong governance is integral to creating value on a sustainable basis. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. Transparency, integrity, professionalism and accountability are the cornerstones of our value system.

1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Our activities are of importance to the social and economic environment of the communities in which we operate. Helping to bring positive benefits to such communities not only improves their state of well-being but also facilitates the smooth running of our operations.

(a) Industry Structure and Development

In India the lower global demand, domestic policy uncertainties and the cumulative impact of monetary tightening contributed to growth slowing down. The growth slowdown has been driven by a sharp fall in investment, some moderation in private consumption and fall in net external demand. These, along with a sense of policy ambiguity and legislative uncertainty, have led to significant dampening of business confidence in the country. In the emerging markets economic activity dampened due to many factors. However many advanced economies have made good progress in designing and implementing strong medium term fiscal consolidation programmes. At the same time, emerging and developing economies continue to have the benefit of latent demand in their economies and need to continue with reforms to maintain growth.

The Company:

The Company is vertically integrated multi-product textile company, manufacturing and exporting various kinds of Knitted Garments, Terry Towels, Knitted & Processed Fabric and various kind of Yarn with production facilities located at Ludhiana and NawanSheher in Punjab, Baddi in Himachal Pradesh and Sehore in Madhya Pradesh.

The Company is setting up a new project in the state of Madhya Pradesh consisting of spinning unit with a capacity of 571,200 spindles, out of which 1,95,840 spindles have already been installed. The said spinning facility is the largest under one roof in India. Further, the Company also proposes to set up a Open end spinning with capacity of 2040 Rotors and Knitted Fabric/cloth capacity of 72000 TPA.

After the completion of the expansion projects under implementation, the manufacturing capacities of the Company (standalone basis) would be as under:

Category	Unit	Present Capacities	Under Implem-entation	Post Expansion Capacities
Ring spinning	spindles	345,696	3,75,360	7,21,056
Open-end spinning	rotors	7,200	2,040	9,240
Yarn Processing	TPA	4,500	-	4,500
Knitted fabric/cloth	TPA	7,050	72,000	79,050
Fabric processing	TPA	3,150	-	3,150
Terry Towel	TPA	16,200	-	16,200
Readymade garments	Mn.pieces p.a.	8.50	-	8.50
Captive power plant	Megawatt	22	-	22

Your company continue to hold 99% stake in the partnership firm namely M/s SE Exports. However the Company has taken over the firm Kudu Industries.

SEL Textiles Ltd. is the wholly owned Subsidiary of the Company. SEL Textiles Ltd. is engaged in the business of textiles and the Company has two spinning unit(s) one at Neemrana (Rajasthan) and one at Hansi, Hissar (Haryana), and a terry towel unit at Nawa Sheher Punjab.

SEL Textiles Ltd. is also setting up a project with spinning capacity of 188160 spindles, denim fabric manufacturing capacity of 40 million meters per annum and around 8 million pieces of denim garments per annum at Vill Punjava-Lambi, Tehsil Malout, Dist Sri Muksar Sahib (Punjab).

Omega Hotels Ltd., subsidiary of the company is presently implementing a hotel project at Agra in the Sate of Uttar Pradesh.



SEL Manufacturing Company Ltd.

SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of aviation services and holds a Non-Scheduled Operator's permit under the Director General of Civil Aviation Rules and Regulations.

SEL Textiles Ltd., the wholly owned subsidiary of the company holds the majority stake in M/s Silverline Corporation Ltd.. Silverline Corporation Ltd. is in the business of textiles and has acquired a spinning unit at Vadodara (Gujarat).

The Company also acquired majority stake in SEL Ecochem Pvt. Ltd. in July, 2012 thereby making it the Subsidiary of the Company. SEL Ecochem Pvt. Ltd. proposes to commence the business of chemicals, acids, etc.

(b) Company's Performance

During the year under review, your company has achieved Revenue from Operations of Rs. 203834.24 lacs as compared to Rs. 158321.55 lacs in the previous year. The profit before tax stood at Rs. 10790.79 lacs as compared to Rs. 14924.16 lacs during the previous year. After providing for taxes and other adjustments, the Profit after tax stood at Rs. 7183.29 lacs as compared to Rs. 10039.14 lacs during the previous year.

Segment wise Performance

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

Segment	2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)	Growth (%)
Hosiery Garments	45059.97	26370.64	70.87
Knitted Fabric/Cloth	72016.01	61263.21	17.55
Yarn	57331.53	44965.20	27.50
Terry Towel	25721.81	12467.42	106.31

During FY 2011-12, Yarn Sales grew by 27.50%. The Sales of knitted cloth grew by 17.55%, Terry towel by 106.31% & that of Hosiery Garments by 70.87% respectively. The Company is functioning in only one Reportable Segment i.e. Textiles, hence Segment Reporting required under AS-17 is not applicable.

(c) Dividend

In order to conserve resources for the ongoing and future expansion plans of the Company no dividend has been declared for the financial year 2011-12. Your directors believe in sustained increase in shareholder value, eventually resulting in a higher return threshold.

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

India is one of the largest producers of textiles/apparels in the world. Indian textiles and apparel sector has an overwhelming presence in the economic life of the country. It plays a pivotal role in contribution of industrial output, export earnings and employment generation. The sharp increase in cotton prices and other input costs make it difficult for Indian exporters to compete in the international market. The turbulent global conditions, falling value of rupee, rising inflation coupled with a weak industrial sector have emerged as challenges for India economy. However Production cost will decide competitiveness of the industry in global market and shape future structure of the industry.

Our principal operating strategies:

We are committed to focus on cost cutting strategies, development of new markets and maintain the quality of our products to satisfy and exceed the expectations of the market and look forward to a better market sentiment for textiles. Partner with communities for sustainable development. Create and sustain a positive perception of SEL in its areas of operation.

Threats, risks and concerns

While there is a proper structure for risk management, which is regularly implemented across the organization, there are certain regular risks and concerns that surface in the business. Our primary raw material is cotton, which we source from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs, which we may not successfully be able to pass on to customers, which in turn would have an material adverse effect on our business.

There can be no assurance that the price levels of cotton will remain favorable. Any increase in cotton prices would have a material adverse effect on our business. However, the Company has over the years developed considerable expertise in responding to the changes in prices & demand. Due to company's integration & order based pricing, the company is generally able to pass on the increase in raw material prices to its customers.

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

Advancement in technology may require us to make

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

(e) Internal Control System and their adequacy

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

The company has also an Audit committee constituted pursuant to the provisions of Listing Agreement and Section 292A of the Companies Act, 1956 that reviews internal control system of the Company from time to time besides looking into other areas in its scope.

(f) Human Resources:

Textile Industry is highly labour intensive in nature. Our human resource policies are targeted at creating a motivated work force. Our efforts in building a conducive work atmosphere have helped us in having lower attrition rates. The Company has established various training centres for up-gradation of worker skills. Our work force consists of more than 8000 employees. We believe our sophisticated equipment and skilled employee resources, together with our strong management and design capabilities, enable us to successfully implement various expansion projects.

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:

Your Company is committed to the attainment of highest level of transparency, integrity, accountability and equity in all dealings with shareholders, employees, lenders, government and other business constituents in all dealings in pursuit of its overall organizational goals.

In pursuance of the above, the Board of Directors has constituted committees to implement its policies and guidelines and has set up adequate review systems for exercising effective management control and ensuring compliance of laws. There is adequate representation of independent directors on the Board. We believe in timely and transparent disclosure of information.

Our focus on sustainable growth, productivity improvement, commitment to quality, self-discipline, value of time, safety in operations and total customer satisfaction is unrelenting.

The Company will continue its efforts towards raising the standards in Corporate Governance and will also review its systems and procedures constantly in place with the changing economic environment from time to time as it feels that the Corporate Governance should be need based and is not seen only as an issue of compliance dictated by Statutory requirements.

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

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

also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit.”

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

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2011-12.

Neeraj Saluja

Mg. Director

2(B) Whistle Blower Mechanism:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report

violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person/Audit Committee and have never been denied access in reporting as such.

3. BOARD OF DIRECTORS:

(a) Board Meetings

During the financial year 2011-12, 16 Board Meetings were held on 10.05.2011, 19.05.2011, 18.06.2011, 13.08.2011, 23.08.2011, 02.09.2011, 13.10.2011, 15.10.2011, 14.11.2011, 21.12.2011, 30.12.2011, 31.01.2012, 14.02.2012, 01.03.2012, 22.03.2012 and 28.03.2012 respectively.

(b) Composition

The Board presently comprises of Ten Directors of which Five are Independent Non-Executive Directors.

The details of the Board composition, attendance of Directors at Board Meetings held during 2011-12 and their other memberships are given below:

S. No	Name	Designaton	Category	No. of Board Meetings Attended	Atte-dance at Last AGM	Total Number of Directorships in other Public Ltd. Companies		No. of Committee Positions in Public Ltd. Companies*	
						Chairman	Member	Chairman	Member
1	Ram Saran Saluja	Chairman	Promoter	13	Yes	1	3	--	2
2	Neeraj Saluja	Managing Director	Promoter	14	Yes	1	4	1	1
3	Dhiraj Saluja	Jt. Managing Director	Promoter	01	No	--	4	--	--
4	Ashwani Kumar	Director	Independent	02	Yes	--	6	3	3
5	Sanjiv Garg**	Director	Independent	06	No	--	1	--	3
6	Amar Narang**	Director	Independent	11	Yes	--	--	--	--
7	Navneet Gupta	Executive Director & CFO	Executive	16	Yes	--	3	--	3
8	Ranjan Madaan	Director	Independent	10	Yes	--	--	1	1
9	Vinod Kumar Goyal	Executive Director & CEO	Executive	11	Yes	--	--	--	--
10	Prem Kumar	Director	Independent	01	No	--	3	--	--
11	Amit Narang**	Director	Independent	N.A.	N.A.	--	--	--	2
12	Kanwalnain Singh Kang**	Director	Independent	N.A.	N.A.	--	--	--	--

Notes:

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

*In accordance with Clause 49,

Memberships/Chairmanships of only the Audit committees and Shareholders'/Investors Grievance Committees of all Public Limited Companies have been considered.

** Mr. Amit Narang was appointed as an Additional Director of the Company w.e.f. 09.06.2012 and Mr. Kanwalnain Singh Kang was appointed as an Additional Director of the Company w.e.f. 13.08.2012. Further, Mr. Sanjiv Garg resigned from the Board of Directors of the Company w.e.f. 06.06.2012 and Mr. Amar Narang (alias Amarjit) ceased to be Director of the Company w.e.f. 13.02.2012 due to his sad demise.

The holding(s) of Non-Executive directors in the Company as on 31.03.2012 is given as under:

Name of the Director	No. of shares held (face value of Rs.10/- each)
Mr. Ram Saran Saluja	4621505
Mr. Ashwani Kumar	75
Mr. Sanjiv Garg	-
Mr. Ranjan Madaan	-
Mr. Prem Kumar	--

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

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

(d) Audit Committee

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

The terms of reference of the Audit Committee are as contained in Clause 49 of the Listing Agreement and as in Section 292A of the Companies Act, 1956.

During the F.Y. 2011-12, the Audit Committee met on 09.05.2011, 13.08.2011, 14.11.2011 and 14.02.2012 respectively.

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

Name of Member	No of meetings attended
Sh. Ashwani Kumar	3
Sh. Sanjiv Garg*	3
Sh. Amar Narang*	3
Sh. Navneet Gupta	4
Sh. Ranjan Madaan*	-

*: Sh. Amar Narang ceased to be member of Audit Committee w.e.f. 13.02.2012 and Sh. Sanjiv Garg ceased to be member of Audit Committee w.e.f. 06.06.2012.

Sh. Ranjan Madaan joined the audit committee w.e.f. 14.02.2012 and Sh. Amit Narang joined the Audit committee w.e.f. 09.06.2012

(e) Remuneration Committee

The Company has constituted Remuneration Committee in line with Schedule XIII of the Companies Act, 1956 and clause 49 of the Listing Agreements.

The remuneration committee comprises of three members namely Mr. Ranjan Madaan, Mr. Ashwani Kumar and Mr. Amit Narang. Sh. Ranjan Madaan is the chairman of the said committee.

All these members are non-executive Independent Directors of the Company. During the year the Remuneration Committee met on 18.05.2011 and 13.10.2011 respectively.

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

Name of Member	No of meetings attended
Sh. Amar Narang*	2
Sh. Sanjiv Garg*	2
Sh. Ashwani Kumar	2
Sh. Ranjan Madaan*	-

*: Sh. Amar Narang ceased to be member of Remuneration Committee w.e.f. 13.02.2012 and Sh. Sanjiv Garg ceased to be member of Remuneration Committee w.e.f. 06.06.2012.

Sh. Ranjan Madaan joined the Remuneration committee as Chairman w.e.f. 14.02.2012 and Sh. Amit Narang joined the Remuneration committee w.e.f. 09.06.2012

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

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

4. DIRECTORS' REMUNERATION:

The Company pays remuneration to the Managing Director, Whole time Director/Executive Director as approved by the members of the Company in the General Body Meeting and as recommended by the Remuneration Committee of the board. The details of remuneration paid to them during the Financial year 2011-12 are given below :

NAME	DESIGNATION	GROSS SALARY (Rs. in Lacs)
Sh. Neeraj Saluja	Managing Director	83.00
Sh. Dhiraj Saluja	Jt. Managing Director	60.00
Sh. Navneet Gupta	Executive Director & CFO	27.87
Sh. Vinod Kumar Goyal	Executive Director & CEO	66.75

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

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

Non-executive Directors have not been paid any other remuneration except Sitting fees for attending meeting(s) during the Financial Year 2011-12. The criteria for payment of remuneration is time spent by the Non-Executive directors at the Board/Committee meetings and advice given by these directors to the Management.

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

5. INVESTORS' GRIEVANCE COMMITTEE:

The Investors' Grievance Committee of the Company comprises of the following members namely Mr. Ranjan Madaan, Mr. Ram Saran Saluja and Mr. Amit Narang. Sh. Ranjan Madaan is the chairman of the said committee.

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

*: Sh. Amar Narang ceased to be member of Investors' Grievance Committee w.e.f. 13.02.2012 and Sh. Sanjiv Garg ceased to be member of Investors' Grievance Committee w.e.f. 06.06.2012.

Sh. Ranjan Madaan joined the Investors' Grievance committee as Chairman w.e.f. 14.02.2012 and Sh. Amit Narang joined the Investors' Grievance committee w.e.f. 09.06.2012

During the F.Y. 2011-12, Nine Investor complaints were received which were resolved satisfactorily. Further, there was no pendency in respect of share 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
11th Agm	Tuesday, 05.07.2011 9.00 A.M.	274, G.T. Road, Dhandari Khurd, Ludhiana (punjab) 141010	Three
10th Agm	Saturday, 07.08.2010 9.00 A.M.	274, G.T. Road, Dhandari Khurd, Ludhiana (punjab) 141010	Three
9th Agm	Wednesday, 26.08.2009 9.00A.M.	274, G.T. Road, Dhandari Khurd, Ludhiana (punjab) 141010	Two

One Extra-ordinary General Meeting of the company was held during the F.Y. 2011-12 on 29.11.2011 respectively..

The Company did not pass any resolution through postal ballot during the financial year 2011-12 and further the Company do not propose to pass any resolution through postal ballot in the ensuing Annual General Meeting.

7. DISCLOSURES:

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

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

Convertible Warrants and GDR Issue:

During the year 2011-12, the Company had allotted 1,20,00,000 convertible warrants on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of Rs. 10/- each at a premium of Rs. 5.25/- per share for every warrant held, within 18 months from the date of allotment (i.e. from 21.12.2011), in terms of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. All of the aforesaid warrants were converted into Equity Shares during the year 2011-12 itself.

Further the Company on 09.06.2012, has allotted 7,29,00,000 convertible warrants on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of Rs. 10/- each at a premium of Rs. 2.00/- per share for every warrant held, within 18 months from the date of allotment (i.e. from 09.06.2012), in terms of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. None of the aforesaid warrants has been converted into Equity shares till date.

The Company on 01.06.2012 has issued 2,200,000 Global Depository Receipts (GDRs) representing 220,000,000 Equity shares of the Company (Each GDR representing 100 Equity shares of the Company) at a price of US\$ 19.6429 per GDR. These GDRs are listed on the Luxembourg Stock Exchange.

Compliance with clause 49

Mandatory Requirements

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

Non Mandatory Requirements

Remuneration Committee: The Board has constituted a Remuneration Committee, details of which have been given earlier.

Whistle Blower Policy: Though there is no formal Whistle Blower Policy, the Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person/Audit Committee and have never been denied access in reporting as such.

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/Business Standard, The Economic Times and Desh Sewak. The Financial Results of the Company are also made available at the Company's website www.selindia.in.

9. GENERAL INFORMATION FOR SHAREHOLDERS:

- i) **12th Annual General Meeting** :
- Date and Time : Friday, the 28th day of September, 2012
09.30 A.M.
- Venue : Regd. Office of the
Company:
274, Dhandari Khurd, G.T.
Road, Ludhiana (Pb.)
141 014
- ii) **Financial year 2012-13**
- First Quarterly Results : Mid. August, 2012
- Second Quarterly Results : By end of October,
2012/Mid. Nov. 2012
- Third Quarterly Results : By end of January,
2013/Mid. Feb. 2013
- Fourth Quarterly Results : By end of April, 2013/Mid.
May, 2013
- Annual Results 2012-13 : In the month of
May/June, 2013
- iii) **Date of Book Closure** : September 22, 2012 to
September 28, 2012
(both days inclusive)
- (iv) **Dividend Payment Date** : No dividend has been
declared for the F.Y.
2011-12
- (v) **Listing** : The Equity Shares of
the Company are Listed
with: Bombay Stock
Exchange Limited,
National Stock Exchange
of India Limited
NSE: SELMCL
BSE: 532886
ISIN Number for
NSDL/CDSL:
INE105I01012
- (vi) **Stock code**

(vii) Stock Market Data :

The highest and the lowest share prices are indicated below:

Month	BSE SENSEX		At Bombay Stock Exchange Limited (BSE) (in Rs.)		At National Stock Exchange of India Limited (NSE) (in Rs.)	
	High	Low	Month's high quoted price	Month's low quoted price	Month's high quoted price	Month's low quoted price
April, 2011	19,811.14	18,976.19	22.80	18.00	22.80	17.70
May, 2011	19,253.87	17,786.13	19.75	17.40	22.10	17.20
June, 2011	18,873.39	17,314.38	19.10	15.80	19.10	16.00
July, 2011	19,131.70	18,131.86	18.90	16.20	18.90	16.20
August 2011	18,440.07	15,765.53	16.60	10.70	16.65	10.60
September 2011	17,211.80	15,801.01	15.57	11.50	16.10	11.10
October 2011	17,908.13	15,745.43	13.89	11.40	12.95	11.35
November 2011	17,702.26	15,478.69	14.34	10.05	14.60	10.35
December 2011	17,003.71	15,135.86	11.50	08.65	11.50	08.40
January 2012	17,258.97	15,358.02	13.25	09.65	13.20	09.85
February 2012	18,523.78	17,061.55	14.84	11.60	14.85	11.65
March 2012	18,040.69	16,920.61	13.00	10.55	12.60	10.50

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

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

The International Securities Identification Number (ISIN) IS ISIN-INE105101012

The Company has appointed M/s Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Limited) having its office at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi 110028 as Registrar for depository services and share transfer work.

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

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

(ix) Distribution of shareholding as on 31.03.2012

Share Holding	Share Holders		Share Holding	
	Number	% to total	Number	% to total
Up to 250	37468	54.727	3829940	3.440
251 to 500	12263	17.912	4981773	4.474
501 to 1000	8673	12.668	7131107	6.404
1001 to 2000	4906	7.166	7577250	6.805
2001 to 3000	1694	2.475	4354861	3.911
3001 to 4000	865	1.263	3124229	2.806
4001 to 5000	695	1.015	3279986	2.946
5001 to 10000	1046	1.528	7648552	6.869
10001 and above	853	1.246	69419302	62.345
TOTAL	68463	100.00	111347000	100.00
Physical Mode	5	00.01	2937	00.003
Electronic Mode	68458	99.99	111344063	99.997

(x) Share Holding Pattern as on 31.03.2012

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	27729044	24.90
Financial Institutions/Banks	708565	00.64
Foreign Institutional Investors	100000	00.09
Bodies Corporate	23957836	21.52
Public (Individuals)	54561087	49.00
Others	4290468	03.85
TOTAL	111347000	100.00

(xi) Details of Unclaimed shares* as on 31.03.2012 issued pursuant to Initial Public Offer (IPO):

S. No.	Particulars	Cases	No. of Shares
1.	Aggregate Number of Shareholders and the outstanding shares in the Suspense account at the beginning of the year i.e. 01.04.2011.	01	361
2.	Number of shareholders who approached for transfer of shares from suspense/escrow account during the year.	00	00
3.	Number of Shareholders to whom shares were transferred from suspense/escrow account during the year.	00	00
4.	Aggregate number of Shareholders and outstanding shares in the Suspense Account at the end of the year i.e. 31.03.2012.	01	361

(xii) Registrars and Transfer Agents

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

Link Intime India Pvt. Ltd.

(Formerly Intime Spectrum Registry Limited)

A-40, 2nd Floor, Naraina Industrial Area,

Phase-II, Near Batra Banquet Hall,

New Delhi 110 028

Phone No: 011- 41410592, 93, 94

Fax no: 011- 4141 0591

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 redressal division :
ipo@selindia.in

website: www.selindia.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)

A-40, 2nd Floor, Naraina Industrial Area,

Phase-II, Near Batra Banquet Hall,

New Delhi 110 028

Phone No: 011- 41410592, 93, 94

Fax no: 011- 4141 0591

E-mail delhi@linkintime.co.in

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

(a) Vill: Lal Kalan, Teh: Samrala

Ludhiana-Chandigarh Road, Near Neelon Canal Bridge,
Ludhiana

(b) Vill Bajra Road, Ludhiana 141 007

(c) Plot No. 106, Industrial Area, Baddi (SFS) , Dist: Solan,
H.P.

(d) C 256-257, Phase VIII, Focal Point, Ludhiana

(e) Vill. Shekhan Majara, Machiwara Rahon Road, Teh. &
Distt. Nawanshehar (Pb.)

(f) Vill. Mehatwara, Teh. Ashta, Dist. Sehore, Madhya
Pradesh

- (g) G.T. Road, Opp. Mcdonalds, Doraha, Ludhiana.
- (h) A-15, Phase-VII, Focal Point, Ludhiana,
- (i) Plot No. 90, Industrial Area, Baddi (SFS), District Solan, Himachal Pradesh
- (j) 23KM Stone, Delhi-Hisar Highway, Hansi (Hisar)
- (k) 15B, RIICO Indl. Area, Neemrana, Distt. Alwar
- (l) Vill. Udhawal, Teh. Nawanshehar, Dist. Saheed Bhagat Singh Nagar (Punjab)
- (m) Vill. Punjava-Lambi, Teh. Malout, Dist. Sri Muktsar Sahib (Punjab)
- (n) NH-8, Vill. Lakodara, karjan, Vadodara
- (o) Plot No.2, Taj Nagari Phase-1, Opp. Shanti Mangalick Hospital, Fatehabad Road, Agra (U.P.)

(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 Section 205C of the Companies Act, 1956, 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").

Members who have not encashed their dividend for the financial year ended March 31, 2008, are requested to make their claims to the Registrar/Company. It may be noted that once the unclaimed/unpaid dividend is transferred to the credit of the said Fund, no claim shall lie in respect thereof.

(xvi) CEO/CFO Certification

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the CEO i.e. the Managing Director and CFO have certified to the Board about compliance by the company with the requirements of the said sub clause for the financial year ended 31st March, 2012.

CERTIFICATE

(on compliance of conditions of Corporate Governance)

To

The Members of

SEL Manufacturing Company Ltd.,

We have examined the compliance of conditions of Corporate Governance by SEL Manufacturing Company Ltd., for the year ended on 31st March, 2012, as per Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

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

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

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

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

Place : Ludhiana

Date : 30.08.2012

(Rakesh Soni)

PARTNER

M. No: 083142



AUDITOR'S REPORT

The Members

SEL Manufacturing Company Limited

1. We have audited the attached balance sheet of **SEL Manufacturing Company Limited** for the year ended as at 31st March, 2012, the profit and loss statement and the Cash Flow Statement for the year ended on that date, annexed thereto, in which are incorporated the returns from the company's overseas branch at Sharjah, United Arab Emirates audited by other auditors'. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order on the basis of information & explanations received by us and report received by the company from the auditors of the company's overseas branch at United Arab Emirates on which we have relied.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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 and proper returns adequate for the purpose of our audit have been received from the company's overseas branch at United Arab Emirates audited by other auditors;
 - (iii) The reports on the accounts of the company's overseas branch at United Arab Emirates audited by other auditors have been forwarded to us and have been dealt with by us in preparing this report.
 - (iv) The balance sheet, profit and loss statement and cash flow statement dealt with by this report are in agreement with the books of account and audited branch returns.
 - (v) In our opinion, the balance sheet, profit and loss statement and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (vi) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to Non confirmation of debit/credit balances as stated in note no. 31 of the Balance Sheet and read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2012,
 - b) In the case of the profit and loss statement, of the profit for the year ended on that date, and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**PLACE: LUDHIANA
DATED: 29.05.2012**

**(RAKESH SONI)
PARTNER
M.No. 83142**



ANNEXURE TO THE AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SEL MANUFACTURING COMPANY LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH 2012)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for certain items of fixed assets, the quantitative details of which, we are informed, are in the process of being compiled.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year and the going concern status of the Company is not affected.
- ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) (a) The company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of paragraph 4(iii) (a) to (iii) (d) of the above said order are not applicable to the company.
- (b) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in register maintained under section 301 of Companies Act, 1956. Hence, the clauses (iii)-(e) to (iii)-(g) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted deposits from the public within the meaning of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made



ANNEXURE TO THE AUDITOR'S REPORT

by the Central Government for the maintenance of Cost records under section 209-(1) (d) of the Companies Act, 1956 and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained.

- ix) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including income tax, wealth, tax, provident fund, employees state insurance, custom duty, sales tax, excise duty, service tax, cess and other material statutory dues applicable to it though there has been slight delays in few cases of income tax deducted at source, employee state insurance and provident fund which are not material.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- x) The company has no accumulated losses as at the end of the financial year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment. The investments made in equity shares is held in its own name except six shares of a 100% owned subsidiary company SEL Textiles Ltd. held in the name of other persons in which company is beneficial holder.
- xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by its 100% owned subsidiary from banks are not prejudicial to the interest of the company.
- xvi) In our opinion and according to the information and explanations given to us, the term loans raised during the year were applied prima facie for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised on short term basis have prima facie not been used for long term investments.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of equity warrants to parties covered in the register maintained under section 301 of the Act. In our opinion, the price at which equity warrants have been issued is not prejudicial to the interest of the company.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- xx) The company has not raised money by public issues during the year. However during the year, the funds (lying unutilized out of Global Depository Receipts raised in 2009-10 and 2010-11) have been utilized for the respective purposes for which they were raised as referred to note-40 of the balance sheet.
- xxi) Based on the audit procedures performed and the information and explanations given by the management to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**PLACE: LUDHIANA
DATED: 29.05.2012**

**(RAKESH SONI)
PARTNER
M.No. 83142**



SEL Manufacturing Company Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULAR	NOTE NO.	As At	As At
		31.03.2012	31.03.2011
		In Rupees	In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	1,113,470,000	993,470,000
(b) Reserves & Surplus	4	9,620,289,772	8,980,302,967
(c) Money Received Against Share Warrants		-	-
2. Share Application Money Pending Allotment			
		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	5	15,140,801,177	10,176,264,557
(b) Deferred Tax Liabilities (Net)	6	953,499,302	614,467,616
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	7	7,261,591	1,200,503
4. Current Liabilities			
(a) Short Term Borrowings	8	8,017,716,923	4,710,636,305
(b) Trade Payables	9	1,848,386,575	1,474,998,582
(c) Other Current Liabilities	10	2,296,811,269	1,970,296,558
(d) Short Term Provisions	11	210,242,563	298,328,143
TOTAL		39,208,479,172	29,219,965,231
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		13,522,920,650	8,754,032,231
(ii) Intangible Assets		33,781,405	-
(iii) Capital Work in Progress		5,508,355,411	2,110,918,343
(iv) Intangible Assets Under Development		-	-
(b) Non Current Investments	13	1,857,187,584	2,142,300,098
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances	14	2,837,966,522	3,886,264,735
(e) Other Non-Current Assets	15	306,683,028	171,642,282
2. Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	6,165,243,671	5,498,735,783
(c) Trade Receivables	17	6,319,185,303	4,389,165,381
(d) Cash & Cash Equivalents	18	732,057,822	1,083,388,013
(e) Short Term Loans & Advances	19	792,636,816	545,545,951
(f) Other Current Assets	20	1,132,460,960	637,972,415
TOTAL		39,208,479,172	29,219,965,231

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

This is the Balance Sheet referred to in our report of even date

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

(Rakesh Soni)
Partner
M.No. 83142
Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE NO	CURRENT YEAR	PREVIOUS YEAR
		In Rupees	In Rupees
I. Revenue From Operations	21	20,383,424,066	15,832,155,179
II. Other Income	22	962,790,198	245,439,406
III. Total Revenue (I+II)		21,346,214,264	16,077,594,585
IV. Expenses			
Cost of Material Consumed	23	13,884,860,450	4,337,111,168
Purchases of Stock-in-Trade		3,819,824,992	9,252,378,694
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	(2,217,610,086)	(1,837,784,506)
Employee Benefits Expenses	25	603,280,694	379,393,736
Finance Costs	26	1,705,852,006	769,214,424
Depreciation and Amortization Expenses	28	751,117,651	557,871,586
Other Expenses	27	1,719,809,048	1,126,993,127
Total Expenses		20,267,134,755	14,585,178,229
V. Profit Before Exceptional And Extraordinary Items And Tax (III-IV)		1,079,079,509	1,492,416,356
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax (V-VI)		1,079,079,509	1,492,416,356
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		1,079,079,509	1,492,416,356
X. Tax Expense:			
(1) Current Tax		208,900,000	297,900,000
(2) Wealth Tax		200,000	225,000
(3) Deferred Tax		339,031,686	289,985,850
(4) MAT Credit Entitlement		(187,381,400)	(99,608,500)
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		718,329,223	1,003,914,006
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations After Tax (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		718,329,223	1,003,914,006
XVI. Earning per Equity Share of face value of Rs. 10 each			
(1) Basic		8.47	12.73
(2) Diluted		8.47	12.73

The accompanying notes are an integral part of the financial statements

This is the Profit & Loss A/c. referred to in our report of even date

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

(Rakesh Soni)
Partner
M.No. 83142
Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particular	Details (Rs.)	Current Year (Rs.)	Details (Rs.)	Previous Year (Rs.)
(A) Cash Flow from Operating Activities				
Net Profit before Taxes & Extraordinary Items		1,079,079,509		1,492,416,355
Adjustments for Non Cash Items:				
Preliminary Expenses Written Off	383,463		383,466	
Depreciation	750,734,188		557,488,120	
Interest Charged	1,643,860,104		732,052,713	
Interest on Car Loan	4,654,022		3,016,870	
Interest Received	(11,372,722)		(19,078,465)	
Dividend Received	(34,500)		(81,000)	
Share of Profit from Firms	(37,568,090)		(38,190,978)	
(Profit) / Loss on Sale of Fixed Assets	1,440,671	2,352,097,136	9,826,225	1,245,416,950
Adjustments for Changes in Working Capital:				
(Increase)/ Decrease in Trade Receivables	(1,930,019,922)		(1,210,193,572)	
Increase/ (Decrease) in Current Liabilities	192,629,830		1,647,803,653	
(Increase)/ Decrease in Short Term Loans & Advances	(909,531,691)		(599,569,493)	
(Increase)/ Decrease in Inventories	(666,507,888)	(3,313,429,671)	(3,379,743,521)	(3,541,702,932)
Cash Generation from Operations		117,746,975		(803,869,628)
Taxes Paid		153,509,962		190,654,880
Net Cash from Operating Activities		(35,762,987)		(994,524,509)
(B) Cash Flows from Investing Activities				
Purchase of Fixed Assets & Capital Work in Process	(7,889,886,003)		(8,156,216,794)	
Sale of Fixed Assets	18,430,534		14,612,352	
Purchase of Non Current Investments	285,112,515		(553,230,837)	
Interest Received	11,372,722		19,078,465	
Share of Profit from Firms	37,568,090		38,190,978	
Dividend Received	34,500		81,000	
Net Cash Flows from Investing Activities		(7,537,367,642)		(8,637,484,835)
(C) Cash Flows from Financing Activities				
Proceeds from Issue of Capital & Securities Premium	173,448,944		3,966,428,654	
Proceeds/(Repayment) of Long term Borrowings including repayment due and interest accrued & due on term loans	5,389,785,001		4,827,755,079	
Proceeds/(Repayment) of Short term Borrowings	3,307,080,618		2,091,714,276	
Interest Paid	(1,643,860,104)		(732,052,713)	
Interest on Car Loan	(4,654,022)		(3,016,870)	
Net Cash Flows from Financing Activities		7,221,800,438		10,150,828,426
Net Increase/(Decrease) in Cash & Cash Equivalent		(351,330,191)		518,819,082
Cash & Cash Equivalents - Opening Balance		1,083,388,013		564,568,931
Cash & Cash Equivalents - Closing Balance		732,057,822		1,083,388,013

Subject to our Separate Report of Even Date

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

(Rakesh Soni)
Partner
M.No. 83142

Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



SEL Manufacturing Company Ltd.

SHARE CAPITAL

NOTE NO. - 3

PARTICULAR	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Authorised		
400,000,000 Equity Shares	4,000,000,000	2,500,000,000
(Previous Year 250,000,000 Equity Shares)		
(b) Issued,Subscribed & Paid Up		
111,347,000 Equity Shares Fully Paid Up.	1,113,470,000	993,470,000
(Previous Year 99,347,000 Equity Shares Fully Paid Up)	1,113,470,000	993,470,000

(c) Par Value per Share is Rs. 10/-

(d) Reconciliation of the number of equity shares outstanding

	As at 31st March, 2012		As at 31st March, 2011	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year	99,347,000	993,470,000	30,357,000	303,570,000
Add: Addition during the year	12,000,000	120,000,000	68,990,000	689,900,000
Shares outstanding at the end of the year	111,347,000	1,113,470,000	99,347,000	993,470,000

RESERVES & SURPLUS

NOTE NO. - 4

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Capital Reserves		
Opening Balance	71,347,926	71,347,926
Add: Addition during the year	-	-
	71,347,926	71,347,926
Less: Deduction during the year	-	-
	71,347,926	71,347,926
(b) Securities Premium Reserve		
Opening Balance	4,998,403,334	1,706,124,680
Add: Addition during the year	63,000,000	3,303,400,000
	5,061,403,334	5,009,524,680
Less: Deduction during the year	9,551,056	11,121,346
	5,051,852,278	4,998,403,334
(c) General Reserve		
Opening Balance	820,200,000	570,200,000
Add: Addition during the year	499,800,000	250,000,000
	1,320,000,000	820,200,000
Less: Deduction during the year	-	-
	1,320,000,000	820,200,000
(d) Surplus		
Opening Balance	3,090,351,707	2,328,576,082
Add: Addition during the year	718,329,223	1,003,914,005
	3,808,680,930	3,332,490,087
Less: Transferred to General Reserve	499,800,000	250,000,000
Less: Tax Adjustments relating to Previous Year	131,791,362	(7,861,620)
	3,177,089,568	3,090,351,707
TOTAL	9,620,289,772	8,980,302,967



SEL Manufacturing Company Ltd.

LONG TERM BORROWINGS

NOTE NO. - 5

PARTICULAR	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Secured Loans		
i) Term Loans		
- From Banks	15,113,770,702	10,146,814,152
(b) Unsecured Loans		
i) Vehicle Loans		
- From Banks	27,030,474	29,450,405
TOTAL	15,140,801,177	10,176,264,557

The detail of Secured Loans from banks

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Installment	Repayment Type	No. of Instalment Outstanding
State Bank of Bikaner & Jaipur	13.50	24	6,250,000	Quarterly	1
State Bank of Bikaner & Jaipur	13.50	32	7,500,000	Quarterly	13
State Bank of Bikaner & Jaipur	13.50	29	9,375,000	Quarterly	19
		2	14,062,500		
State Bank of Bikaner & Jaipur	14.00	27	7,200,000	Quarterly	19
		1	5,600,000		
State Bank of Bikaner & Jaipur	14.00	28	5,000,000	Quarterly	17
State Bank of Bikaner & Jaipur	14.00	29	16,700,000	Quarterly	24
		1	15,700,000		
State Bank of Bikaner & Jaipur	14.00	2	6,200,000	Quarterly	32
		4	14,000,000		
		24	16,700,000		
		2	15,400,000		
State Bank of Patiala	13.50	24	4,200,000	Quarterly	1
State Bank of Patiala	13.50	32	2,500,000	Quarterly	13
State Bank of Patiala	13.50	31	10,300,000	Quarterly	18
		1	10,700,000		
State Bank of Patiala	13.50	27	21,400,000	Quarterly	19
		1	22,200,000		
State Bank of Patiala	14.25	29	33,400,000	Quarterly	24
		1	31,400,000		
State Bank of Patiala	14.25	31	15,600,000	Quarterly	28
		1	16,400,000		
State Bank of Patiala	14.25	2	9,375,000	Quarterly	34
		2	17,175,000		
		26	24,975,000		
		2	15,675,000		
		1	7,800,000		
		1	8,400,000		
State Bank of India	13.50	32	2,500,000	Quarterly	13
State Bank of India	15.00	29	2,700,000	Quarterly	16
		1	1,700,000		
State Bank of India	15.00	92	2,200,000	Monthly	74
State Bank of India	14.00	2	4,114,000	Quarterly	32
		2	7,568,000		
		22	11,242,000		
		4	11,264,000		
		2	7,128,000		
State Bank of Indore	14.00	30	5,000,000	Quarterly	16



SEL Manufacturing Company Ltd.

State Bank of India	14.00	27	9,000,000	Quarterly	19
		1	7,000,000		
State Bank of India	14.00	28	17,000,000	Quarterly	23
		1	24,000,000		
Exim Bank	13.50	32	2,100,000	Quarterly	23
		1	2,800,000		
UCO Bank	14.00	32	11,406,250	Quarterly	20
UCO Bank	13.75	29	23,300,000	Quarterly	30
		1	24,300,000		
State Bank of Hyderabad	14.50	28	7,142,857	Quarterly	19
State Bank of Hyderabad	15.25	29	16,700,000	Quarterly	24
		1	15,700,000		
State Bank of Hyderabad	14.75	2	6,250,000	Quarterly	34
		2	11,450,000		
		26	16,650,000		
		2	10,450,000		
		1	5,200,000		
		1	5,600,000		
State Bank of Travancore	14.50	27	6,100,000	Quarterly	19
		1	5,300,000		
State Bank of Travancore	14.75	29	16,700,000	Quarterly	24
		1	15,700,000		
State Bank of Travancore	13.75	2	10,417,000	Quarterly	35
		4	20,834,000		
		27	31,251,000		
		1	20,802,000		
		1	33,325,000		
State Bank of Mysore	14.50	27	2,900,000	Quarterly	19
		1	1,700,000		
Punjab National Bank	15.25	27	8,333,333	Quarterly	19
		1	25,000,000		
Punjab National Bank	15.25	30	16,666,667	Quarterly	24
Punjab National Bank	13.75	30	40,000,000	Quarterly	30
Punjab & Sind Bank	13.75	27	4,643,000	Quarterly	19
		1	4,639,000		
Punjab & Sind Bank	13.25	30	15,000,000	Quarterly	24
Punjab & Sind Bank	14.25	2	6,000,000	Quarterly	34
		2	11,333,000		
		26	16,666,000		
		2	10,666,000		
		2	5,343,000		
Vijaya Bank	13.50	28	6,785,700	Quarterly	20
Allahabad Bank	14.25	24	2,779,200	Quarterly	8
Allahabad Bank	14.25	32	7,812,500	Quarterly	28
Allahabad Bank	13.75	34	36,764,706	Quarterly	34
Allahabad Bank	13.75	30	55,000,000	Quarterly	30
Indian Bank	14.75	30	10,000,000	Quarterly	24
Union Bank of India	14.65	30	11,666,700	Quarterly	24
United Bank of India	14.35	30	9,700,000	Quarterly	27
		1	9,000,000		
United Bank of India	13.75	29	36,666,666	Quarterly	30
		1	36,666,686		
Karur Vysya Bank	13.75	2	3,333,333	Quarterly	34
		2	6,666,666		
		26	10,000,000		
		2	3,333,334		
		2	6,666,667		



SEL Manufacturing Company Ltd.

Indian Bank	14.25	2	1,337,500	Quarterly	32
		4	3,006,700		
		24	3,563,100		
		2	3,391,900		
Bank of Maharashtra	13.95	2	1,244,000	Quarterly	34
		4	2,822,000		
		24	3,333,000		
		4	1,550,000		
Bank of Maharashtra	13.75	29	23,300,000	Quarterly	30
		1	24,300,000		
Dena Bank	13.75	29	36,666,666	Quarterly	30
		1	36,666,686		
Corporation Bank	13.75	30	30,000,000	Quarterly	30

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

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

The detial of Unsecured Loans from banks

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Installment	Repayment Type	No. of Instalment Outstanding
HDFC Bank	12.50	36	79,461	Monthly	24
HDFC Bank	10.00	36	54,590	Monthly	16
HDFC Bank	10.00	36	17,900	Monthly	21
HDFC Bank	10.00	36	24,466	Monthly	18
HDFC Bank	10.00	36	49,950	Monthly	16
HDFC Bank	12.79	36	26,590	Monthly	28
HDFC Bank	10.00	36	29,325	Monthly	6
HDFC Bank	10.00	36	21,700	Monthly	1
HDFC Bank	12.00	36	57,215	Monthly	26
HDFC Bank	11.49	36	36,090	Monthly	26
HDFC Bank	12.07	36	44,881	Monthly	24
HDFC Bank	12.79	36	26,590	Monthly	29
HDFC Bank	12.79	36	23,266	Monthly	29
ICICI Bank	11.43	36	33,950	Monthly	19
ICICI Bank	10.00	36	36,800	Monthly	15
ICICI Bank	10.00	60	476,500	Monthly	48
ICICI Bank	10.26	36	16,220	Monthly	12
ICICI Bank	10.75	36	222,794	Monthly	15
ICICI Bank	11.02	36	22,710	Monthly	19
ICICI Bank	10.26	36	16,220	Monthly	12
ICICI Bank	13.73	36	15,990	Monthly	1
ICICI Bank	12.55	36	16,900	Monthly	30
State Bank of Bikaner & Jaipur	11.50	36	26,590	Monthly	33
State Bank of Bikaner & Jaipur	11.50	36	23,266	Monthly	33
State Bank of Bikaner & Jaipur	11.50	36	28,076	Monthly	35
State Bank of Bikaner & Jaipur	11.50	36	28,026	Monthly	35



SEL Manufacturing Company Ltd.

PARTICULARS	NOTE NO. - 6	
	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
DEFERRED TAX LIABILITY (Net)		
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	956,884,501	615,212,436
Gross Deferred Tax Liability	956,884,501	615,212,436
Deferred Tax Asset		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis	3,385,199	744,820
Gross Deferred Tax Asset	3,385,199	744,820
Net Deferred Tax Liability	953,499,302	614,467,616

PARTICULARS	NOTE NO. - 7	
	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
LONG TERM PROVISION		
(a) Provision for Employee Benefits	7,261,591	1,200,503
TOTAL	7,261,591	1,200,503

PARTICULARS	NOTE NO. - 8	
	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
SHORT TERM BORROWINGS		
(a) Secured Loans		
i) Loans Repayable on Demand		
From Banks	8,017,716,923	4,710,636,305
TOTAL	8,017,716,923	4,710,636,305

*Short term borrowings from banks are secured by the Hypothecation of Stock-in trade, Book Debts and Receivables of the Company and further secured by the second pari-passu charge on the entire fixed assets of the Company and personal guarantee of the promoter directors. The said borrowings are further secured, on pari-passu basis with term loan lenders, by equitable mortgage of the following properties.

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

PARTICULARS	NOTE NO. - 9	
	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
TRADE PAYABLES		
Sundry Creditors*	1,848,386,575	1,474,998,582
TOTAL	1,848,386,575	1,474,998,582

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31st March, 2012 are Nil.



SEL Manufacturing Company Ltd.

OTHER CURRENT LIABILITIES	NOTE NO. - 10	
	As At	As At
	31.03.2012	31.03.2011
PARTICULARS	In Rupees	In Rupees
(a) Current Maturities of Long Term Debts	1,677,105,624	1,379,850,173
(b) Interest Accrued but not due on borrowings	230,813	299,684
(c) Interest Accrued and due on borrowings	197,912,678	69,919,748
(d) Unpaid Dividends	28,348	28,348
(e) Other Payables		
i) Statutory Dues & Taxes	8,804,650	7,071,288
ii) Employees Benefits	57,266,863	42,997,352
iii) Advances from Customers	40,983,117	26,848,734
iv) Payable to Vendors-Non Trade	182,585,313	114,965,413
v) Others-Expenses Payable	131,893,863	328,315,818
TOTAL	2,296,811,269	1,970,296,558

SHORT TERM PROVISIONS	NOTE NO. - 11	
	As At	As At
	31.03.2012	31.03.2011
PARTICULARS	In Rupees	In Rupees
(a) Provision for Employee Benefits	1,142,563	203,143
(b) Others		
-Income Tax	208,900,000	297,900,000
-Wealth Tax	200,000	225,000
TOTAL	210,242,563	298,328,143



NOTE NO.- 12

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	BALANCE AS ON 01.04.2011	ADDITIONS DURING THE YEAR	SALES/ADJUSTMENT THE YEAR	BALANCE AS ON 31.03.2012	BALANCE AS ON 01.04.2011	PROVIDED DURING THE YEAR	SALES/ADJUSTMENT THE YEAR	BALANCE AS ON 31.03.2012	AS ON 31.03.2011	AS ON 31.03.2012	AS ON 31.03.2011	AS ON 31.03.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Tangible Assets												
i) Land	755,297,702	45,803,596	-	801,101,298	-	-	-	-	-	-	801,101,298	755,297,702
ii) Leasehold Land	54,030,600	19,258,058	-	73,288,658	1,777,924	785,292	-	2,563,216	-	70,725,442	52,252,676	
iii) Building	2,675,829,238	1,302,792,790	-	3,978,622,028	158,953,227	85,343,857	-	244,297,084	-	3,734,324,943	2,516,876,011	
iv) Road	5,850,448	-	-	5,850,448	487,481	95,362	-	582,843	-	5,267,605	5,362,967	
v) Plant & Machinery	6,199,569,234	4,062,715,512	32,835,041	10,229,449,705	1,003,978,030	640,930,054	16,263,666	1,628,644,418	8,600,805,286	5,195,591,204		
vi) Furniture & Fixtures	121,200,733	79,329,808	-	200,530,541	17,558,435	6,628,278	-	24,186,713	-	176,343,828	103,642,298	
vii) Vehicles	132,930,342	18,192,055	3,814,100	147,308,297	24,511,622	13,469,693	514,270	37,467,045	109,841,252	108,418,720		
viii) Office Equipments	18,957,985	8,963,674	-	27,921,659	2,367,332	1,043,330	-	3,410,662	24,510,997	16,590,653		
	9,963,666,282	5,537,055,492	36,649,141	15,464,072,633	1,209,634,051	748,295,868	16,777,936	1,941,151,983	13,522,920,650	8,754,032,231		
(b) Intangible Assets												
i) Computer Software	-	36,219,725	-	36,219,725	-	2,438,320	-	2,438,320	33,781,405	-		
(c) Capital Work in Progress	2,110,918,343	8,689,642,552	5,292,205,484	5,508,355,411	-	-	-	-	5,508,355,411	2,110,918,343		
Total	12,074,584,625	14,262,917,769	5,328,854,625	21,008,647,769	1,209,634,051	750,734,188	16,777,936	1,943,590,303	19,065,057,466	10,864,950,574		
Previous Year	6,135,934,175	9,865,655,202	3,927,004,753	12,074,584,625	662,593,222	557,633,369	10,592,540	1,209,634,051	10,864,950,574	-		



SEL Manufacturing Company Ltd.

NON CURRENT INVESTMENTS

NOTE NO. - 13

PARTICULARS	As At 31.03.2012	As At 31.03.2011
	In Rupees	In Rupees
Other Investments (At Cost)		
(a) Investment in Equity Instruments		
1. Quoted		
i) 3124 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited	3,000,000	3,000,000
ii) 229 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited	67,555	67,555
2. Unquoted Subsidiaries		
i) 36430000 Equity Shares of Rs. 10 each fully paid up of SEL Textiles Ltd. (Previous Year 28557900 Equity Shares of Rs. 10/- each fully paid up)	1,308,281,100	448,767,000
ii) 2392700 Equity Shares of Rs. 10 each fully paid up of Omega Hotels Ltd. (Previous Year Nil)	288,316,700	-
iii) 2089600 Equity Shares of Rs. 10 each fully paid up of SEL Aviation Pvt. Ltd. (Previous Year Nil)	125,376,000	-
iv) 48050 Equity Shares of Re. 10 Each fully paid up of Silverline Textile Park Ltd.	480,500	480,500
Associates		
i) 24000 Equity Shares of Re. 10 Each fully paid up of Rhythm Textile & Apparels Park Limited	240,000	240,000
Others		
i) 299300 Equity Shares of Re. 1 each fully paid up of The Delhi Stock Exchange Association Limited	20,951,000	20,951,000
(b) Investment in Mutual Funds (Unquoted)		
i) 15000 Units of Rs.10 each of SBI Infrastructure Fund	1,500,000	1,500,000
ii) 5000 Units of Rs.10 each of SBI PSU Fund	500,000	500,000
iii) 55187.638 Units of Rs.10 each of Union KBC Equity Fund (Previous Year Nil)	500,000	-
iv) 100000 Units of Rs.10 each of SBI Gold Fund (Previous Year Nil)	1,000,000	-
(c) Investments in Partnership Firms		
i) 99% Share in Kudu Industries		
Capital (After adjusting Drawings)	46,305,347	
Add: Share of Profits	633,085	
	46,938,432	302,664,458
Name of Partners	Share of Profit	Amount of Captial as on 31st March, 2012
Mr. Neeraj Saluja	1%	12,662
SEL Manufacturing Co. Ltd.	99%	46,938,432
		Amount of Captial as on 31st March, 2011
Mr. Neeraj Saluja		20,875
SEL Manufacturing Co. Ltd.		302,664,458
ii) 99% Share in SE Exports		
Capital (After adjusting Drawings)	23,101,292	
Add: Share of Profits	36,935,005	
	60,036,297	127,570,585
Name of Partners	Share of Profit	Amount of Captial as on 31st March, 2012
Mr. Dhiraj Saluja	0.50%	744,105
Mrs. Reema Saluja	0.50%	811,626
SEL Manufacturing Co. Ltd.	99.00%	60,036,297
		Amount of Captial as on 31st March, 2011
Mr. Dhiraj Saluja		1,883,510
Mrs. Reema Saluja		745,072
SEL Manufacturing Co. Ltd.		127,570,586
(d) Other Non-Current Investments		
i) Share Application Money in Rhythm Textile & Apparels Park Limited	-	168,200,000
ii) Share Application Money in SEL Developers Private Limited	-	278,020,000
iii) Share Application Money in SEL Textiles Limited	-	790,339,000
TOTAL	1,857,187,584	2,142,300,098
Market Value of Quoted Investments	2,338,035	3,280,720
Aggregate Value of Quoted Investments	3,067,555	3,067,555
Aggregate Value of UnQuoted Investments	1,854,120,029	2,139,232,544

LONG TERM LOANS AND ADVANCES		NOTE NO. - 14	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(Unsecured, considered good)			
(a) Capital Advances	2,779,915,404	3,860,741,686	
(b) Security Deposits	58,051,118	25,523,049	
TOTAL	2,837,966,522	3,886,264,735	
OTHER NON CURRENT ASSETS		NOTE NO. - 15	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(Unsecured, considered good)			
a) Preliminary Expenses	-	383,463	
b) Others - MAT Credit Entitlement	306,683,028	171,258,819	
TOTAL	306,683,028	171,642,282	
INVENTORIES		NOTE NO. - 16	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(Taken as, valued & certified by the Management)			
(a) Raw Materials	1,373,692,115	1,878,575,591	
(b) Work in Progress	976,639,800	524,979,146	
(c) Finished Goods			
-In Godown	2,660,937,165	1,454,866,732	
-In transit	203,188,246	80,132,901	
(d) Stock in Trade (in respect goods acquired for trading)	546,481,702	1,318,982,396	
(e) Stores & Spares	404,304,643	241,199,016	
TOTAL	6,165,243,671	5,498,735,783	
TRADE RECEIVABLES		NOTE NO. - 17	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(Unsecured, considered good)			
a) Outstanding for a period exceeding six months from the date they are due for payment	1,567,112,661	901,159,729	
b) Other Receivables	4,752,072,642	3,488,005,652	
TOTAL	6,319,185,303	4,389,165,381	
CASH & CASH EQUIVALENTS		NOTE NO. - 18	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(a) Cash in Hand	21,072,078	10,163,039	
(b) Balances With Scheduled Banks			
i) In Current Accounts	689,090,977	587,201,930	
ii) In Fixed Deposits Accounts	21,894,767	486,023,044	
TOTAL	732,057,822	1,083,388,013	
SHORT TERM LOANS AND ADVANCES		NOTE NO. - 19	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(Unsecured, considered good)			
(a) Others			
i) Advances to Suppliers	370,666,523	132,551,285	
ii) Statutory Dues & Taxes	144,249,250	168,047,893	
iii) Prepaid Taxes	185,898,536	201,078,501	
iv) Others	91,822,507	43,868,272	
TOTAL	792,636,816	545,545,951	



SEL Manufacturing Company Ltd.

OTHER CURRENT ASSETS

PARTICULARS	NOTE NO. - 20	
	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(Unsecured, considered good)		
(a) Others		
i) Duty Drawback Receivable	267,899,775	112,019,649
ii) Interest Subsidy Receivable	862,497,611	515,757,254
iii) Interest Receivable	2,063,574	10,195,512
TOTAL	1,132,460,960	637,972,415

REVENUE FROM OPERATIONS

PARTICULARS	NOTE NO. - 21	
	Current Year	Previous Year
	In Rupees	In Rupees
Sale of Products		
Finished Goods	16,487,440,618	7,098,294,813
Traded Goods	3,619,065,471	8,502,283,649
Other Operating Income		
Sale Scrap	278,187,856	232,212,569
	20,384,693,945	15,832,791,031
Less: Excise Duty	1,269,879	635,852
TOTAL	20,383,424,066	15,832,155,179

Details of Sales (Finished Goods)

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
Yarn	5,180,488,422	4,134,779,348
Hosiery Garments	1,547,548,293	1,260,206,326
Terry Towel	2,572,181,335	1,246,742,406
Knitted Cloth	7,187,222,568	456,566,733
	16,487,440,618	7,098,294,813
Less: Excise Duty	1,269,879	635,852
TOTAL	16,486,170,739	7,097,658,961

Details of Sales (Traded Goods)

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
Yarn	552,664,458	361,740,350
Hosiery Garments	2,958,448,697	1,376,857,259
Raw Cotton	93,574,026	101,374,529
Knitted Cloth	14,378,290	5,669,754,204
Steel Coils	-	992,557,307
TOTAL	3,619,065,471	8,502,283,649

OTHER INCOME

PARTICULARS	NOTE NO. - 22	
	Current Year	Previous Year
	In Rupees	In Rupees
Export Incentives	383,626,192	187,839,129
Interest (Gross)	11,372,722	19,078,465
(TDS Rs. 898,536 /- , Previous Year Rs. 1,039,118/-)		
Share of profit from Partnership Firms	37,568,090	38,190,978
Job Work Income	203,099	-
Foreign Exchange Fluctuation	529,669,596	-
Dividend Income	34,500	81,000
Rental Income	316,000	249,833
TOTAL	962,790,198	245,439,405

COST OF MATERIAL CONSUMED		NOTE NO. - 23	
PARTICULARS		Current Year In Rupees	Previous Year In Rupees
Raw Material Consumed			
Opening Stock		1,878,575,591	473,822,354
Add: Purchases (net)		11,984,047,527	5,606,290,240
Add: Stock in Trade		1,209,324,349	-
		15,071,947,467	6,080,112,594
Less: Closing Stock		1,373,692,115	1,878,575,591
Cost of raw material consumed during the year	(A)	13,698,255,351	4,201,537,003
Packing Material Consumed			
Opening Stock		37,614,624	33,564,130
Add: Purchases (net)		188,937,601	139,624,659
		226,552,225	173,188,789
Less: Closing Stock		39,947,126	37,614,624
Cost of packing material consumed during the year	(B)	186,605,099	135,574,165
TOTAL	(A+B)	13,884,860,450	4,337,111,168

Details of Raw Material Consumed			
PARTICULARS		Current Year In Rupees	Previous Year In Rupees
Raw Cotton		5,288,477,309	3,356,483,214
Polyster Fibre		655,508,470	271,837,935
Yarn		1,986,945,851	217,881,904
Knitted Cloth		5,767,323,722	355,333,950
TOTAL		13,698,255,351	4,201,537,003

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		NOTE NO. - 24	
PARTICULARS		Current Year In Rupees	Previous Year In Rupees
Opening Stocks			
Work in Process		524,979,146	167,257,926
Finished Goods		1,534,999,633	791,748,593
Stock in Trade		1,318,982,396	582,170,150
	(A)	3,378,961,175	1,541,176,669
Less: Stock in Trade converted to raw materials	(B)	1,209,324,349	-
Closing Stocks			
Work in Process		976,639,800	524,979,146
Finished Goods		2,864,125,411	1,534,999,633
Stock in Trade		546,481,702	1,318,982,396
	(C)	4,387,246,912	3,378,961,175
Decrease/(Increase) in Inventories	(A-B-C)	(2,217,610,086)	(1,837,784,506)

EMPLOYEE BENEFITS EXPENSE		NOTE NO. - 25	
PARTICULARS		Current Year In Rupees	Previous Year In Rupees
Wages,Salaries & Other Allowances		535,079,874	337,392,855
Contribution to PF, ESI & Other Funds		37,190,516	24,955,761
Staff & Labour Welfare		31,010,304	17,045,120
TOTAL		603,280,694	379,393,736



SEL Manufacturing Company Ltd.

FINANCIAL COSTS

NOTE NO. - 26

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
a) Bank Charges	35,607,243	28,011,770
b) Interest on		
i) Working Capital Limits	920,163,193	353,591,555
ii) Term Loans	723,696,910	378,461,158
iii) Car Loans	4,654,022	3,016,870
iv) Others	21,730,637	6,133,071
TOTAL	1,705,852,006	769,214,424

OTHER EXPENSES

NOTE NO. - 27

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
Powel & Fuel	831,843,198	523,556,772
Consumable & Other Materials	363,454,020	210,212,780
Job Work Expenses	38,648,083	22,719,569
Repair & Maintenance	71,449,177	61,397,816
Printing & Stationery	5,173,168	4,023,357
Insurance	11,001,486	9,434,965
Fees & Taxes	12,489,693	3,827,626
Donation	313,150	603,200
Legal & Professional Charges	5,893,898	10,034,503
Postage & Courier Charges	11,277,303	9,299,923
Telephone & Fax Expenses	8,396,820	4,592,029
<u>Auditors' Remuneration</u>		
-Audit Fee	2,077,500	1,714,000
-Tax Audit Fee	623,250	503,000
-Reimbursement of Expenses	148,720	14,924
-Service Tax	-	274,040
Director's Remuneration	23,762,000	15,994,667
General Repair & Maintenance	2,177,846	3,794,980
Office Expenses	7,765,889	6,427,384
Festival Expenses	9,048,045	898,783
Rent	3,078,770	2,244,315
Travelling & Conveyance	20,792,249	18,791,226
Water Charges	1,720,875	1,106,816
Service Tax Paid	4,360,982	2,753,490
Advertisement	3,741,685	2,590,160
Loss on Sale of Fixed Assets	1,440,671	9,826,225
Foreign Exchange Fluctuation	-	6,640,377
Security Expenses	983,949	135,671
Building Repair & Maintenance	1,555,177	1,516,475
Vehicles Expenses	10,128,670	6,541,526
Business Promotion	10,112,936	8,661,374
Commission	74,236,778	45,723,251
Clearing & Forwarding Charges	44,442,870	28,847,898
Rebate & Discount	19,402,390	15,994,014
Freight Outward	118,267,800	86,295,991
TOTAL	1,719,809,048	1,126,993,127

DEPRECIATION & AMORTIZATION EXPENSES

NOTE NO. - 28

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
Depreciation of Tangible Assets	748,295,868	557,488,120
Depreciation of Intangible Assets	2,438,320	-
Amortization of Preliminary Expenses	383,463	383,466
TOTAL	751,117,651	557,871,586



NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.2 Presentation and disclosure of Financial Statements

For the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its Financial Statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.3 Use of Estimates

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

2.4 Revenue Recognition

i) Sales

Revenue from sale of goods is recognized:

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

ii) Export Incentives

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

iii) Dividend

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

iv) Interest

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

2.5 Investments

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

2.6 Inventories

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

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



2.7 Foreign Currency Transactions

(a) Foreign Branch (Integral)

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

(b) Other foreign currency transactions:

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

2.8 Fixed Assets

(i) Fixed Assets

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

(ii) Capital work in progress

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

(iii) Expenditure incurred during construction period

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

2.9 (i) Cenvat Credit

Cenvat Credit of excise duty paid on capital assets is recognized in accordance with the Cenvat Credit Rules, 2004.

(ii) Excise Duty

Excise duty is accounted on production of finished goods.

2.10 Depreciation/Amortization

- (i) Depreciation has been provided under Straight Line Method at the rates specified in Schedule XIV of Companies Act, 1956.
- (ii) The leasehold land is amortized over the lease period.

2.11 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets, up to the date when such assets are ready for intended use. Other borrowing costs are charged as expenditure in the year in which they are incurred.

2.12 Employee Benefits

(i) Defined Contribution Plan:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the profit and loss account.

(ii) Defined Benefit Plans (Gratuity):

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

(iii) Leave with wages

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



2.13 Accounting for Taxes on Income

Current Taxes

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

Deferred Taxes

Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

Minimum Alternative Tax

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

2.14 Impairment of Assets

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

2.15 Provisions and Contingent Liabilities

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

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

(b) Contingent liability is disclosed in the case of:

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

2.16 Earnings per share

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

2.17 Basis of Incorporation of integral foreign operations

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

2.18 Operating Leases

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

29. Contingent Liabilities

There are contingent liabilities in respect of the following items: No outflow is expected in view of the past history relating to these items:- (Rs. In Crores)

Particulars	March 31, 2012	March 31, 2011
(i) Export Bills Discounted	20.38	18.81
(ii) Estimated amount of capital contracts remaining to be executed net of advances	238.11	38.33
(iii) Income Tax demand for AY 2005-06 to AY 2009-10 (Previous Year AY 2004-05 to AY 2008-09) net of deposit of Rs. Nil crores (Previous year Rs. 1.91 crores) against the said demand, contested in appeals.	0	1.16
(iv) Guarantees given by the Company on behalf of SEL Textiles Ltd. (Subsidiary Company)	1487.55	316.15
(v) Performance Guarantee	1381.92	1534.75



SEL Manufacturing Company Ltd.

30. Related Party Disclosures

Names of Related Parties and Relationships:

Sr. No.	Name of Related Party	Relationship
1	S. E. Exports	Subsidiary Partnership Firm
2	Kudu Industries	Subsidiary Partnership Firm
3	SEL Textiles Ltd.	Subsidiary Company
4	SEL Aviation Pvt. Ltd.	Subsidiary Company
5	Omega Hotels Ltd.	Subsidiary Company
6	*Silverline Corporation Ltd.	Fellow Subsidiary Company
7	*Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
8	Mrs. Sneh Lata Saluja Mrs. Ritu Saluja *Mrs. Reema Saluja	Relatives of KMP
9	Rythm Textiles & Apparels Park Ltd.	Associates
10	*Shiv Narayan Investments Pvt. Ltd. Saluja International *Saluja Fabrics SEL Developers Pvt. Ltd.	Enterprises over which key management personal and relatives of such personal is able to exercise significant influence

* No transactions have taken place during the year.

Related Parties Transactions:

(Rs. in Crores)

Particulars	Subsidiaries		Associates		Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase & Processing of Goods & Consumables										
Stores	113.84	96.20	-	-	-	-	18.48	20.44	113.84	116.64
Sale & Processing of Goods	260.43	89.95	-	-	-	-	0.12	10.44	260.55	100.39
Purchase of Fixed Assets	0.09	0.12	-	-	-	-	-	-	0.09	0.12
Sale of Fixed Assets	1.49	1.01	-	-	-	-	-	0.02	1.49	1.03
Investment made/(withdrawal)	(38.13)	(66.04)	-	-	-	-	-	-	(38.13)	(66.04)
Share Application Money Given-Received Back	-	-	-	8.96	-	-	-	46.48	-	55.44
Share Application Money Given	-	79.03	-	10.66	-	-	-	27.80	-	117.49
Share Application Money Received Back	-	-	10.66	-	-	-	27.80	-	38.46	-
Equity Contribution Received in Cash	-	-	-	-	18.30	27.59	-	-	18.30	27.59
Share of Profit	3.76	3.81	-	-	-	-	-	-	3.76	3.81
Rent Paid	0.01	0.01	-	-	0.07	0.02	-	-	0.07	0.03
Rent Received	0.03	0.02	0.01	0.01	-	-	-	-	0.04	0.03
Managerial Remuneration	-	-	-	-	2.38	1.60	-	-	2.38	1.60
Remuneration Paid	-	-	-	-	0.05	0.05	-	-	0.05	0.05
Corporate Guarantee Given	1487.55	316.15	-	-	-	-	-	-	1487.55	316.15
Closing Balance of Related Parties Debits	158.47	166.94	0.02	16.89	-	-	-	29.61	158.49	213.44



SEL Manufacturing Company Ltd.

31. Earnings Per Share

The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Accounting Standard (AS)-20 on "Earning per Share" issued by Companies (Accounting Standards) Rules, 2006.

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

Particulars		Unit	Current Year	Previous Year
Profit after tax before Extra ordinary Items	(A)	Rs. In Lacs	7187.37	10039.14
Weighted average number of equity shares	(B)	No.	84789167	78852425
Weighted average number of Potential equity shares	(C)	No.	0	0
Total	(D)	No.	84789167	78852425
Basic EPS	(A/B)	Rs.	8.47	12.73
Diluted EPS	(A/D)	Rs.	8.47	12.73

32. Debit or Credit balances on whatsoever account are subject to confirmation from parties; as such their effect on profit and loss account cannot be reflected.

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

34. Expenses on issue of QIBs and increase in authorized capital are being adjusted against Securities Premium Account as permitted by the Section 78 of the Companies Act.

35. There are no outstanding forward exchange contracts.

36. Segment Reporting

Segment Information as required by Accounting Standard (AS)-17 on Segment Reporting, issued by Companies (Accounting Standards) Rules 2006, has been compiled on the basis of the consolidated financial statements and is disclosed in the notes to accounts forming part of the consolidated financial statements in accordance with the above standard. Therefore segment information in respect of separate financial statements of the company is not being disclosed in the stand alone financial statements.

37. The Company has purchased, through auction by Official Liquidator, the assets of a closed unit namely, Mangla Cotex Limited for Rs. 6.70 Crores. However, so far the Company has paid Rs. 1.675 Crores as advance for property, which has been shown under Capital Work in Process & Advances, and the possession of the same would be taken only after the confirmation of auction by the High Court.

38. In accordance with the Accounting Standard (AS)-28 on Impairment of Assets, the Company has access as on the balance sheet date, whether there are any indications (listed in paragraph 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment has been provided in the books of account.

39. Lease Rent

i. Factory Building is taken on lease of 20 years & Office Premises is taken on lease of 11 months with the option of renewal. The particulars of these leases are as follows:

Particulars	2011-12	2010-11
Future Minimum lease payments obligation on non-cancellable operating leases	0.39	0.37
Not later than one year	0.20	0.17
Later than one year and not later than five years	0.05	0.05
Later than five years	0.14	0.15
Lease payment recognized in Profit and Loss Account	0.18	0.17



SEL Manufacturing Company Ltd.

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

Particulars	(Rs. In crores)	
	2011-12	2010-11
Future Minimum lease payments under non-cancellable operating leases	0.30	0.16
Not later than one year	0.04	0.02
Later than one year and not later than five years	0.11	0.06
Later than five years	0.15	0.08
Lease Income recognized in Profit and Loss Account	0.03	0.02

40. a) In 2009-10 the Company has issued 5,600,000 Global Depository Receipts (GDRs) at the rate of USD 1.52 per GDR (USD 8,512,000), out of which USD 8,392,000 amounting to Rs. 39.48 crores (after netting of USD 120,000 for GDRs issue expenses) were unutilized and lying with Overseas Bank, in the form of fixed deposit. The said amount has been utilized for the purpose for which these were raised during the year.
- b) During the year 2010-11 the Company has issued two series of Global Depository Receipts (GDRs). The first series being of 3,000,000 Global Depository Receipts (GDRs) at the rate of USD 15.50 per GDR amounting to Rs. 207.20 crores (USD 46,500,000). The second series being of 3,500,000 Global Depository Receipts (GDRs) at the rate of USD 10.00 per GDR amounting to Rs. 162.96 crores (USD 35,000,000). The funds have been used for working capital/capital expenditures. The funds USD 2,500,000 amounting to Rs. 11.64 crores, and lying with Overseas Bank have been utilized for the purpose for which these were raised during the year.
41. During the year the Company had allotted 12,000,000 equity warrants on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of Rs. 10/- each at a premium of Rs. 5.25/- per share for every warrant held, within 18 months from the date of allotment (i.e. from Dec. 21, 2011), in terms of SEBI (DIP) Guidelines read with SEBI (Issue of Capital & Disclosure Requirements) Regulation, 2009. All of the aforesaid holders of 12,000,000 equity warrants have exercised this option by depositing the amount during the year itself.
42. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard (AS15) are as under:

a. Gratuity

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

Particulars	(In Rs.)	
	Current Year	Previous Year
1. Assumption		
-Discount Rate	8.00%	8.00%
-Expected rate of future salary escalation	7.00%	7.00%
2. Changes in present value of Obligation as on 31/03/2012		
Present value of obligations as at beginning of year	5,920,681	3,299,769
Interest cost	532,861	263,982
Current Service Cost	11,494,488	305,865
Benefits Paid	(114,988)	-
Actuarial (gain)/ loss on obligations	(3,553,561)	2,051,065
Present value of obligations as at end of year	14,279,481	5,920,681
3. Changes in the fair value of plan assets as on 31/03/2012		
Fair value of plan assets at beginning of year	4,517,035	4,138,374
Expected return on plan assets	473,280	378,661
Contributions	1,000,000	-
Benefits Paid	(114,988)	-
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the end of year	5,875,327	4,517,035



4. Fair value of plan assets

Fair value of plan assets at beginning of year	4,517,035	4,138,374
Actual return on plan assets	473,280	378,661
Contributions	1,000,000	-
Benefits Paid	(114,988)	-
Fair value of plan assets at the end of year	5,875,327	4,517,035
Funded status	(8,404,154)	(1,403,646)
Excess of Actual over estimated return on plan assets (Actual rate of return=Estimated rate of return as ARD falls on 31st March)	-	-

5. Actuarial Gain/Loss recognized

Actuarial (gain)/ loss on obligations	3,553,561	(2,051,065)
Actuarial (gain)/ loss for the year plan assets	-	-
Total (gain)/ loss for the year	(3,553,561)	2,051,065
Actuarial (gain)/ loss recognized in the year	(3,553,561)	2,051,065

6. Amount recognized in the balance sheet and statements of profit and loss

Present value of obligations as at the end of year	14,279,481	5,920,681
Fair value of plan assets as at the end of the year	5,875,327	4,517,035
Funded status	(8,404,154)	(1,403,646)
Net asset/(liability) recognized in balance sheet	8,404,154	1,403,646

7. Expenses recognized in statement of profit and loss

Current Service cost	11,494,488	305,865
Interest Cost	532,861	263,982
Expected return on plan assets	(473,280)	(378,661)
Net Actuarial (gain)/ loss recognized in the year	(3,553,561)	2,051,065
Total expenses recognized in statement of profit and loss	8,000,508	2,242,251

Details of Liability

Current Liability	1,142,563	203,143
Non Current Liability	7,261,591	1,200,503

b. Provident Fund

During the year the company has recognized an expense of Rs. 34,706,164/- (Previous Year Rs. 22,092,868/-) towards provident fund scheme.

c. Leave Encashment

During the year the company has recognized an expense of Rs. 5,216,533/- (Previous Year Rs. 4,783,052/-).

43. A sum of Rs. Nil crores (Previous Year Rs. 0.47 crores) is included in profit & loss account under different expenditures heads representing prior period items.



SEL Manufacturing Company Ltd.

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

	(Rs. In Crores)			
	2011-12		2010-11	
Opening Balance	39.49		19.63	
Add: Expenses incurred during the year				
Bank Interest & Charges	67.08			29.53
Loss on Foreign Exchange Fluctuation	(21.19)			17.41
Other Administration Expenses	3.07	48.96	4.22	51.16
Sub Total	88.45		70.79	
Less: Expenses capitalized during the year	30.46		31.30	
Closing Balance	57.99		39.49	

45. Value of Imports on CIF Basis

		(In Rs.)	
Sr. No.	Particulars	31 st March, 2012	31 st March, 2011
i	Raw Materials	19,962,210	13,936,887
ii	Stores & Spares	10,206,390	23,778,457
iii	Capital Goods	4,098,755,574	218,143,471

46. Expenditure in Foreign Currency

		(In Rs.)	
Sr. No.	Particulars	31 st March, 2012	31 st March, 2011
i	In India	75,148,688	3,47,52,554
ii	Overseas Expenditures (Revenue)	2,570,011,088	1,310,867,641
iii	Overseas Expenditures (Capital)	30,223,388	5,293,684

47. Earning in Foreign Currency

		(In Rs.)	
Sr. No.	Particulars	31 st March, 2012	31 st March, 2011
i	F.O.B Value	4,645,634,713	3,185,085,118
ii	Overseas Income	2,958,448,697	1,425,372,650

48. Imported and Indigenous Raw Materials and Stores & Spares Consumed

		(In Rs.)			
Sr. No.	Particulars	31 st March, 2012	% of total Consumption as on 31 st March, 2012	31 st March, 2011	% of total Consumption as on 31 st March, 2011
i	Raw Materials				
	-Indigenous	12,572,623,770	99.84%	4,192,505,089	99.64%
	-Imported	19,962,210	0.16%	15,137,215	0.36%
ii	Other Raw Materials				
	-Indigenous	186,536,928	99.97%	1,355,74,165	100%
	-Imported	68,171	0.03%	-	-
iii	Stores & Spares				
	-Indigenous	2,358,27,377	95.88%	106,424,359	81.74%
	-Imported	10,138,219	4.12%	23,788,457	18.26%

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

(Rakesh Soni)
Partner
M.No. 83142
Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



Auditors' Report on Consolidated Financial Statements

To the Board of Directors

SEL Manufacturing Company Limited

- 1) We have audited the attached **Consolidated** Balance Sheet of **SEL Manufacturing Company Limited (the Company) and its subsidiaries (collectively referred to as "the group")** as at **31st March 2012**, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - a) The Financial statements of the SEL Manufacturing Company Limited incorporate the accounts of SEL Textiles Ltd. (subsidiary company) and SE Exports (partnership firm) for the year ended 31st March, 2012 which have been audited by us and the returns from the company's overseas branch at Sharjah, U.A.E. audited by other auditors whose financial statements reflect total assets of Rs 42.02 crores, total revenues of Rs. 295.84 crores and net cash inflows amounting to Rs. 25.38 crores and our opinion, in so far as it relates to the amounts included in respect of the branch, is based solely on the report of the other auditors.
 - b) We have not audited the financial statements of M/s Kudu Industries, a subsidiary partnership firm, M/s Omega Hotels Ltd. and M/s SEL Aviations Pvt. Ltd., subsidiary companies, whose financial statements reflect total assets of Rs 28.23 crores as at March 31, 2012, total revenues of Rs. 100.23 crores and net cash outflows amounting to Rs. 0.69 crores for the year ended on that date (these figures include intra group balances and transactions which were eliminated on the consolidation) as considered in the Consolidated Financial Statements. These financial statements and other

financial information have been audited by the other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

- 3) We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with requirements of Accounting Standard-21, Consolidated Financial Statements, and Accounting Standard-23, Accounting for Investments in Associates in Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
- 4) We report that
The Consolidated balance sheet, profit and loss statement and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- 5) Based on our audit and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements subject to *Non confirmation of debit/credit balances, give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the company as at 31st March 2012,
 - b) In the case of the Consolidated Profit and Loss Statement, of the profit for the Group of the year ended on that date, and
 - c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

**PLACE: LUDHIANA
DATED: 29.05.2012**

**(RAKESH SONI)
PARTNER
M.No. 83142**



SEL Manufacturing Company Ltd.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE NO.	As At	As At
		31.03.2012	31.03.2011
		In Rupees	In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	1,113,470,000	993,470,000
(b) Reserves & Surplus	4	9,829,673,761	9,145,061,756
(c) Money Received Against Share Warrants		-	-
2. Share Application Money Pending Allotment			
		-	-
3. Minority Interest			
		18,813,026	3,157,884
4. Non Current Liabilities			
(a) Long Term Borrowings	5	20,258,527,743	11,209,651,062
(b) Deferred Tax Liabilities (Net)	6	997,721,591	642,511,985
(c) Other Long Term Liabilities	-	-	-
(d) Long Term Provisions	7	7,321,354	1,200,503
5. Current Liabilities			
(a) Short Term Borrowings	8	9,842,372,583	5,297,836,251
(b) Trade Payables	9	2,186,594,589	1,853,518,836
(c) Other Current Liabilities	10	2,470,530,463	1,852,436,755
(d) Short Term Provisions	11	272,010,400	331,336,686
TOTAL		46,997,035,512	31,330,181,718
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible Asset	12	14,972,904,159	9,699,891,606
(ii) Intangible Assets		228,259,799	
(iii) Capital Work in Progress		7,706,770,021	2,912,940,416
(iv) Intangible Assets Under Development		-	-
(b) Non Current Investments	13	724,069,455	545,409,055
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances	14	4,985,854,901	3,920,236,706
(e) Other Non-Current Assets	15	306,859,974	180,961,882
2. Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	7,677,838,234	6,680,058,523
(c) Trade Receivables	17	7,242,220,785	4,555,995,409
(d) Cash & Cash Equivalents	18	882,240,727	1,078,200,782
(e) Short Term Loans & Advances	19	1,137,556,499	1,118,514,925
(f) Other Current Assets	20	1,132,460,959	637,972,415
TOTAL		46,997,035,512	31,330,181,718

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

This is the Balance Sheet referred to in our report of even date

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

(Rakesh Soni)
Partner
M.No. 83142

Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



SEL Manufacturing Company Ltd.

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULAR	NOTE NO.	Current Year In Rupees	Previous Year In Rupees
I. Revenue From Operations			
II. Other Income	21	22,215,404,261	17,026,868,875
	22	1,092,910,154	237,280,050
III. Total Revenue (I+II)		23,308,314,415	17,264,148,925
IV. Expenses			
Cost of Material Consumed			
Purchases of Stock-in-Trade	23	15,202,223,831	4,935,055,126
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		4,253,129,846	9,152,134,475
Employee Benefits Expenses	24	(3,005,547,451)	(1,985,689,725)
Finance Costs	25	712,878,494	483,718,549
Depreciation and Amortization Expenses	26	1,845,820,004	882,483,678
Other Expenses	28	818,510,965	610,124,441
	27	2,218,042,953	1,527,172,314
Total Expenses		22,045,058,641	15,604,998,858
V. Profit Before Exceptional And Extraordinary Items And Tax (III-IV)		1,263,255,774	1,659,150,067
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax (V-VI)		1,263,255,774	1,659,150,067
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		1,263,255,774	1,659,150,067
X. Tax Expense:			
(1) Current Tax		270,388,188	330,810,000
(2) Wealth Tax		315,000	225,000
(3) Deferred Tax		355,209,606	306,095,059
(4) MAT Credit Entitlement		(187,381,400)	(103,508,500)
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		824,724,380	1,125,528,508
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations After Tax (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		824,724,380	1,125,528,508
XVI. Minority Interest		(3,357,421)	704,961
XVII. Profit/(Loss) For The Period (XV-XVI)		828,081,801	1,124,823,547
XVIII. Earning per Equity Share of face value of Rs. 10 each			
(1) Basic		9.73	14.27
(2) Diluted		9.73	14.27

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

This is the Profit & Loss A/c. referred to in our report of even date

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

(Rakesh Soni)
Partner
M.No. 83142
Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



SEL Manufacturing Company Ltd.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Details (Rs.)	Current Year (Rs.)	Details (Rs.)	Previous Year (Rs.)
A Cash Flow from Operating Activities				
Net Profit before Taxes & Extraordinary Items after Dep.		1,266,613,195		1,658,445,106
Adjustments for Non Cash Items:				
Preliminary Expenses Written Off	423,478		383,466	
Depreciation	818,087,487		609,740,975	
Interest Charged	1,768,899,494		837,477,530	
Interest on Car Loan	6,221,362		3,829,697	
Interest Received	(12,571,322)		(19,526,137)	
Dividend Received	(34,500)		(81,000)	
(Profit) / Loss on Sale of Fixed Assets	(1,676,803)		9,826,225	
		2,579,349,195		1,441,650,755
Adjustments for Changes in Working Capital:				
(Increase)/Decrease in Trade Receivables	(2,686,225,376)		(796,220,837)	
Increase/(Decrease) in Current Liabilities	451,586,626		1,683,960,204	
(Increase)/Decrease in Short Term Loans & Advances and Other Current Assets	(688,559,868)		(846,623,167)	
(Increase)/Decrease in Inventories	(997,779,711)	(3,920,978,329)	(3,891,836,760)	(3,850,720,561)
Cash Generation from Operations		(75,015,939)		(750,624,701)
Taxes Paid		204,352,506		221,079,853
Net Cash from Operating Activities		(279,368,445)		(971,704,554)
B Cash Flows from Investing Activities				
Purchase of Fixed Assets & Capital Work in Process	(11,970,593,752)		(9,225,108,844)	
Goodwill On purchase of shares	(259,127,262)		-	
Sale of Fixed Assets	25,468,940		20,619,299	
Purchase of Non Current Investments	(178,660,400)		(413,490,000)	
Interest Received	12,571,322		19,526,137	
Dividend Received	34,500		81,000	
Net Cash Flows from Investing Activities		(12,370,306,652)		(9,598,372,409)
C Cash Flows from Financing Activities				
Proceeds from Issue of Capital, Securities Premium & Increase in Minority Interest	189,045,485		3,966,118,469	
Proceeds/(Repayment) of Long term Borrowings including repayment due and interest accrued & due on term loans	9,495,254,081		5,836,773,205	
Proceeds/(Repayment) of Short term Borrowings	4,544,536,332		2,091,714,276	
Public Issue Expenses	-		(9,319,600)	
Interest Paid	(1,768,899,494)		(837,477,530)	
Interest on Car Loan	(6,221,362)		(3,829,697)	
Net Cash Flows from Financing Activities		12,453,715,043		11,043,979,123
Net Increase/(Decrease) in Cash & Cash Equivalent		(195,960,054)		473,902,159
Cash & Cash Equivalents - Opening Balance		1,078,200,781		604,298,622
Cash & Cash Equivalents - Closing Balance		882,240,727		1,078,200,781

Subject to our Separate Report of Even Date

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

(Rakesh Soni)
Partner
M.No. 83142

Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary



SEL Manufacturing Company Ltd.

SHARE CAPITAL

NOTE NO. - 3

PARTICULAR	As At	
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Authorised		
400,000,000 Equity Shares	4,000,000,000	2,500,000,000
(Previous Year 250,000,000 Equity Shares)		
(b) Issued,Subscribed & Paid Up		
111,347,000 Equity Shares Fully Paid Up.	1,113,470,000	993,470,000
(Previous Year 99,347,000 Equity Shares Fully Paid Up)	1,113,470,000	993,470,000

(c) Par Value per Share is Rs. 10/-

(d) Reconciliation of the number of equity shares outstanding

	As at 31st March, 2012		As at 31st March, 2011	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year	99,347,000	993,470,000	30,357,000	303,570,000
Add: Addition during the year	12,000,000	120,000,000	68,990,000	689,900,000
Shares outstanding at the end of the year	111,347,000	1,113,470,000	99,347,000	993,470,000

RESERVES & SURPLUS

NOTE NO. - 4

PARTICULARS	As At	
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Capital Reserves		
Opening Balance	71,347,926	71,347,926
Add: Addition during the year	-	-
	71,347,926	71,347,926
Less: Deduction during the year	71,347,926	-
	-	71,347,926
(b) Securities Premium Reserve		
Opening Balance	4,995,829,830	4,995,829,830
Add: Addition during the year	63,000,000	-
	5,058,829,830	4,995,829,830
Less: Deduction during the year	14,091,152	-
	5,044,738,678	4,995,829,830
(c) General Reserve		
Opening Balance	820,200,000	570,200,000
Add: Addition during the year	499,800,000	250,000,000
	1,320,000,000	820,200,000
Less: Deduction during the year	-	-
	1,320,000,000	820,200,000
(d) Surplus		
Opening Balance	3,257,684,000	2,376,413,806
Add: Addition during the year	828,081,801	1,124,823,547
	4,085,765,801	3,501,237,353
Less: Transferred to General Reserve	499,800,000	250,000,000
Less: Tax Adjustments relating to Previous Year	121,030,718	(6,446,647)
	3,464,935,083	3,257,684,000
TOTAL	9,829,673,761	9,145,061,756



SEL Manufacturing Company Ltd.

LONG TERM BORROWINGS

NOTE NO. - 5

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Secured Loans		
i) Term Loans		
- From Banks	20,224,813,025	11,165,958,371
(b) Unsecured Loans		
i) Vehicle Loans		
- From Banks	33,714,718	43,692,691
TOTAL	20,258,527,743	11,209,651,062

The detail of Secured Loans from banks

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Installment	Repayment Type	No. of Instalment Outstanding
State Bank of Bikaner & Jaipur	13.50	24	6,250,000	Quarterly	1
State Bank of Bikaner & Jaipur	13.50	32	7,500,000	Quarterly	13
State Bank of Bikaner & Jaipur	13.50	29	9,375,000	Quarterly	19
		2	14,062,500		
State Bank of Bikaner & Jaipur	14.00	27	7,200,000	Quarterly	19
		1	5,600,000		
State Bank of Bikaner & Jaipur	14.00	28	5,000,000	Quarterly	17
State Bank of Bikaner & Jaipur	14.00	29	16,700,000	Quarterly	24
		1	15,700,000		
State Bank of Bikaner & Jaipur	14.00	2	6,200,000	Quarterly	32
		4	14,000,000		
		24	16,700,000		
		2	15,400,000		
State Bank of Patiala	13.50	24	4,200,000	Quarterly	1
State Bank of Patiala	13.50	32	2,500,000	Quarterly	13
State Bank of Patiala	13.50	31	10,300,000	Quarterly	18
		1	10,700,000		
State Bank of Patiala	13.50	27	21,400,000	Quarterly	19
		1	22,200,000		
State Bank of Patiala	14.25	29	33,400,000	Quarterly	24
		1	31,400,000		
State Bank of Patiala	14.25	31	15,600,000	Quarterly	28
		1	16,400,000		
State Bank of Patiala	14.25	2	9,375,000	Quarterly	34
		2	17,175,000		
		26	24,975,000		
		2	15,675,000		
		1	7,800,000		
		1	8,400,000		
State Bank of Patiala	14.25	90	551,000	Monthly	36
State Bank of India	13.50	32	2,500,000	Quarterly	13
State Bank of India	15.00	29	2,700,000	Quarterly	16
		1	1,700,000		
State Bank of India	15.00	92	2,200,000	Monthly	74
State Bank of India	14.00	2	4,114,000	Quarterly	32
		2	7,568,000		
		22	11,242,000		
		4	11,264,000		
		2	7,128,000		
State Bank of Indore	14.00	30	5,000,000	Quarterly	16
State Bank of India	14.00	27	9,000,000	Quarterly	19



SEL Manufacturing Company Ltd.

		1	7,000,000		
State Bank of India	14.00	28	17,000,000	Quarterly	23
		1	24,000,000		
Exim Bank	13.50	32	2,100,000	Quarterly	23
		1	2,800,000		
UCO Bank	14.00	32	11,406,250	Quarterly	20
UCO Bank	13.75	29	23,300,000	Quarterly	30
		1	24,300,000		
State Bank of Hyderabad	14.50	28	7,142,857	Quarterly	19
State Bank of Hyderabad	15.25	29	16,700,000	Quarterly	24
		1	15,700,000		
State Bank of Hyderabad	14.75	2	6,250,000	Quarterly	34
		2	11,450,000		
		26	16,650,000		
		2	10,450,000		
		1	5,200,000		
		1	5,600,000		
State Bank of Travancore	14.50	27	6,100,000	Quarterly	19
		1	5,300,000		
State Bank of Travancore	14.75	29	16,700,000	Quarterly	24
		1	15,700,000		
State Bank of Travancore	13.75	2	10,417,000	Quarterly	35
		4	20,834,000		
		27	31,251,000		
		1	20,802,000		
		1	33,325,000		
State Bank of Mysore	14.50	27	2,900,000	Quarterly	19
		1	1,700,000		
Punjab National Bank	15.25	27	8,333,333	Quarterly	19
		1	25,000,000		
Punjab National Bank	15.25	30	16,666,667	Quarterly	24
Punjab National Bank	13.75	30	40,000,000	Quarterly	30
Punjab National Bank	14.50	32	16,875,000	Quarterly	32
Punjab & Sind Bank	13.75	27	4,643,000	Quarterly	19
		1	4,639,000		
Punjab & Sind Bank	13.25	30	15,000,000	Quarterly	24
Punjab & Sind Bank	14.25	2	6,000,000	Quarterly	34
		2	11,333,000		
		26	16,666,000		
		2	10,666,000		
		2	5,343,000		
Punjab & Sind Bank	15.00	1	7,400,000	Quarterly	32
		1	13,800,000		
		27	20,200,000		
		1	18,200,000		
		1	10,800,000		
		1	44,00,000		
Vijaya Bank	13.50	28	6,785,700	Quarterly	20
Allahabad Bank	14.25	24	2,779,200	Quarterly	8
Allahabad Bank	14.25	32	7,812,500	Quarterly	28
Allahabad Bank	13.75	34	36,764,706	Quarterly	34
Allahabad Bank	13.75	30	55,000,000	Quarterly	30
Allahabad Bank	13.75	30	5,000,000	Quarterly	30
Allahabad Bank	14.00	27	17,100,000	Quarterly	28
		1	18,300,000		
Allahabad Bank	15.00	35	4,597,222	Quarterly	29
		1	4,605,000		
Allahabad Bank	15.25	35	5,850,000	Quarterly	32
		1	5,250,000		
Indian Bank	14.75	30	10,000,000	Quarterly	24



SEL Manufacturing Company Ltd.

Union Bank of India	14.65	30	11,666,700	Quarterly	24
Union Bank of India	15.75	30	4,894,700	Quarterly	31
		1	3,159,000		
Union Bank of India	15.75	26	11,480,000	Quarterly	27
		1	11,520,000		
United Bank of India	14.35	30	9,700,000	Quarterly	27
		1	9,000,000		
United Bank of India	13.75	29	36,666,666	Quarterly	30
		1	36,666,686		
United Bank of India	15.75	26	9,620,000	Quarterly	27
		1	9,880,000		
Karur Vysya Bank	13.75	2	3,333,333	Quarterly	34
		2	6,666,666		
		26	10,000,000		
		2	3,333,334		
		2	6,666,667		
Indian Bank	14.25	2	1,337,500	Quarterly	32
		4	3,006,700		
		24	3,563,100		
		2	3,391,900		
Indian Overseas Bank	14.25	30	13,870,900	Quarterly	31
		1	13,873,000		
Bank of Maharashtra	13.95	2	1,244,000	Quarterly	34
		4	2,822,000		
		24	3,333,000		
		4	1,550,000		
Bank of Maharashtra	13.75	29	23,300,000	Quarterly	30
		1	24,300,000		
Bank of Maharashtra	13.60	29	16,667,000	Quarterly	30
		1	16,657,000		
Bank of Maharashtra	13.60	30	12,000,000	Quarterly	30
Dena Bank	13.75	29	36,666,666	Quarterly	30
		1	36,666,686		
Central Bank of India	15.25	27	29,285,700	Quarterly	28
		1	29,286,100		
Central Bank of India	15.25	27	25,000,000	Quarterly	27
Central Bank of India	15.00	35	6,833,000	Quarterly	30
		1	6,845,000		
Central Bank of India	15.25	35	5,850,000	Quarterly	33
		1	5,250,000		
Corporation Bank	13.75	30	30,000,000	Quarterly	30

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

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

The detail of Unsecured Loans from banks

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Installment	Repayment Type	No. of Instalment Outstanding
HDFC Bank	12.50	36	79,461	Monthly	24
HDFC Bank	10.00	36	54,590	Monthly	16
HDFC Bank	10.00	36	17,900	Monthly	21
HDFC Bank	10.00	36	24,466	Monthly	18
HDFC Bank	10.00	36	49,950	Monthly	16
HDFC Bank	12.79	36	26,590	Monthly	28
HDFC Bank	10.00	36	29,325	Monthly	6
HDFC Bank	10.00	36	21,700	Monthly	1
HDFC Bank	12.00	36	57,215	Monthly	26
HDFC Bank	11.49	36	36,090	Monthly	26
HDFC Bank	12.07	36	44,881	Monthly	24
HDFC Bank	12.79	36	26,590	Monthly	29
HDFC Bank	12.79	36	23,266	Monthly	29
HDFC Bank	9.20	36	189,900	Monthly	10
HDFC Bank	10.75	36	37,181	Monthly	10
HDFC Bank	11.00	36	24,331	Monthly	10
HDFC Bank	9.00	36	202,900	Monthly	10
HDFC Bank	12.00	36	8,220	Monthly	3
HDFC Bank	12.70	36	8,112	Monthly	10
ICICI Bank	11.43	36	33,950	Monthly	19
ICICI Bank	10.00	36	36,800	Monthly	15
ICICI Bank	10.00	60	476,500	Monthly	48
ICICI Bank	10.26	36	16,220	Monthly	12
ICICI Bank	10.75	36	222,794	Monthly	15
ICICI Bank	11.02	36	22,710	Monthly	19
ICICI Bank	10.26	36	16,220	Monthly	12
ICICI Bank	13.73	36	15,990	Monthly	1
ICICI Bank	12.55	36	16,900	Monthly	30
ICICI Bank	10.25	36	14,454	Monthly	10
ICICI Bank	10.25	36	14,454	Monthly	10
ICICI Bank	10.25	36	14,454	Monthly	10
ICICI Bank	10.75	36	8,083	Monthly	10
ICICI Bank	10.75	36	23,900	Monthly	8
ICICI Bank	10.75	36	23,990	Monthly	8
State Bank of Bikaner & Jaipur	11.50	36	2,56,692	Monthly	11
State Bank of Bikaner & Jaipur	11.50	36	16,093	Monthly	10
State Bank of Bikaner & Jaipur	11.50	36	26,590	Monthly	33
State Bank of Bikaner & Jaipur	11.50	36	23,266	Monthly	33
State Bank of Bikaner & Jaipur	11.50	36	28,076	Monthly	35
State Bank of Bikaner & Jaipur	11.50	36	28,026	Monthly	35



SEL Manufacturing Company Ltd.

DEFERRED TAX LIABILITY (Net)		NOTE NO. - 6	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
Deferred Tax Liability			
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	1,001,472,754	643,622,769	
Gross Deferred Tax Liability	1,001,472,754	643,622,769	
Deferred Tax Asset			
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis	3,751,163	1,110,784	
Gross Deferred Tax Asset	3,751,163	1,110,784	
Net Deferred Tax Liability	997,721,591	642,511,985	

LONG TERM PROVISION		NOTE NO. - 7	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
(a) Provision for Employee Benefits	7,321,354	1,200,503	
TOTAL	7,321,354	1,200,503	

SHORT TERM BORROWINGS		NOTE NO. - 8	
PARTICULARS	As At	As At	
	31.03.2012	31.03.2011	
	In Rupees	In Rupees	
i) Loans Repayable on Demand			
From Banks	9,842,372,583	5,297,836,251	
TOTAL	9,842,372,583	5,297,836,251	

*Short term borrowings from banks are secured by the Hypothecation of Stock-in trade, Book Debts and Receivables of the Company and further secured by the second parri-passu charge on the entire fixed assets of the Company and personal guarantee of the promoter directors. The said borrowings are further secured, on pari-passu basis with term loan lenders, by equitable mortgage of the following properties.

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



SEL Manufacturing Company Ltd.

TRADE PAYABLES

NOTE NO. - 9

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
Sundry Creditors*	2,186,594,589	1,853,518,836
TOTAL	2,186,594,589	1,853,518,836

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31st March, 2012 are Nil.

OTHER CURRENT LIABILITIES

NOTE NO. - 10

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Current Maturities of Long Term Debts	1,784,940,725	1,472,446,645
(b) Interest Accrued but not due on borrowings	281,804	338,119
(c) Interest Accrued and due on borrowings	214,956,002	81,085,238
(d) Unpaid Dividends	28,348	28,348
(e) Other Payables		
i) Statutory Dues & Taxes	18,358,855	9,691,252
ii) Employees Benefits	59,723,931	46,952,867
iii) Advances from Customers	41,466,949	31,534,125
iv) Others-Expenses Payable	350,773,850	210,360,161
TOTAL	2,470,530,463	1,852,436,755

SHORT TERM PROVISIONS

NOTE NO. - 11

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Provision for Employee Benefits	1,307,212	301,686
(b) Others		
-Income Tax	270,388,188	330,810,000
-Wealth Tax	315,000	225,000
TOTAL	272,010,400	331,336,686



NOTE NO.- 12

CONSOLIDATED FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	BALANCE AS ON 01.04.2011	ADDITIONS DURING THE YEAR	SALES/ADJUSTMENT THE YEAR	BALANCE AS ON 01.04.2011	PROVIDED DURING THE YEAR	SALES/ADJUSTMENT THE YEAR	BALANCE AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Tangible Assets									
i) Land	964,480,083	329,250,306	-	-	-	-	-	1,293,730,389	964,480,083
ii) Leasehold Land	54,030,600	19,258,058	-	1,777,924	785,292	-	2,563,216	70,725,442	52,252,676
iii) Building	3,044,333,022	1,338,749,721	-	176,143,421	97,807,745	-	273,951,166	4,109,131,578	2,868,189,603
iv) Road	5,850,448	-	-	487,480	95,362	-	582,843	5,267,605	5,362,967
v) Plant & Machinery	6,612,432,508	4,302,334,935	34,312,525	1,063,079,101	691,673,202	16,772,375	1,737,979,928	9,142,474,990	5,549,353,407
vi) Furniture & Fixtures	131,298,968	79,647,858	-	18,337,511	7,195,395	-	25,532,906	185,413,922	112,961,459
vii) Vehicles	159,072,112	28,431,582	5,537,675	27,086,953	16,445,384	1,638,281	41,894,056	140,071,963	131,985,159
viii) Office Equipments	20,043,364	9,681,788	-	2,479,513	1,157,368	-	3,636,881	26,088,271	17,563,851
	10,991,541,105	6,107,354,247	39,850,200	1,289,391,903	815,159,750	18,410,656	2,086,140,998	14,972,904,159	9,702,149,205
(b) Intangible Assets									
i) Goodwill	-	259197512	71347926	-	-	-	-	187,849,586	-
ii) Computer Software	-	43,326,995	-	-	2,916,783	-	2,916,783	40,410,212	-
(c) Capital Work in Progress	2,912,976,416	10,085,999,089	5,292,205,484	-	-	-	-	7,706,770,021	2,110,918,343
Total	13,904,517,521	16,495,877,844	5,403,403,610	1,289,391,903	818,076,532	18,410,656	2,089,057,781	22,907,933,978	11,813,067,548
Previous Year	8,784,094,672	10,322,461,886	5,202,039,042	691,012,046	609,886,224	11,512,376	1,289,385,897	9,699,891,606	-



SEL Manufacturing Company Ltd.

NON CURRENT INVESTMENTS

NOTE NO. - 13

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
Other Investments (At Cost)		
(a) Investment in Equity Instruments		
1. Quoted		
i) 3124 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited	3,000,000	3,000,000
ii) 229 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited	67,555	67,555
2. Unquoted		
Associates		
i) 24000 Equity Shares of Re. 10 Each fully paid up of Rhythm Textile & Apparels Park Limited (Previous Year 24000 Equity Shares of Rs. 10/- each fully paid up)	240,000	240,000
Subsidiaries		
i) 48050 Equity Shares of Re. 10 Each fully paid up of Silverline Textile Park Ltd.	480,500	480,500
Others		
i) 299300 Equity Shares of Re. 1 each fully paid up of The Delhi Stock Exchange Association Limited	20,951,000	20,951,000
(b) Investments in Preference Shares		
Associates		
i) 3692930 9% Redeemable Preference Shares of Re. 10 each fully paid up of Rhythm Textile & Apparels Park Limited (Previous Year Nil)	406,222,300	-
(c) Investment in Mutual Funds (Unquoted)		
i) 15000 Units of Rs.10 each of SBI Infrastructure Fund	1,500,000	1,500,000
ii) 5000 Units of Rs.10 each of SBI PSU Fund	500,000	500,000
iii) 55187.638 Units of Rs.10 each of Union KBC Equity Fund (Previous Year Nil)	500,000	-
iv) 100000 Units of Rs.10 each of SBI Gold Fund (Previous Year Nil)	1,000,000	-
v) 1648.95 Units of Rs. 10/- each of SBI MF Magnum Texgain Scheme	100,000	100,000
(d) Other Non-Current Investments		
i) Share Application Money in Rhythm Textile & Apparels Park Limited	-	240,550,000
ii) Share Application Money in SEL Developers Private Limited	-	278,020,000
iii) Share Application Money in Shiv Narayan Investment Private Limited	286,390,000	-
iv) Investment in Gold	3,118,100	-
TOTAL	724,069,455	545,409,055
Market Value of Quoted Investments	2,338,035	3,280,720
Aggregate Value of Quoted Investments	100,000	100,000
Aggregate Value of UnQuoted Investments	720,901,900	542,241,500

LONG TERM LOANS AND ADVANCES

NOTE NO. - 14

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(Unsecured, considered good)		
(a) Capital Advances	4,904,709,297	3,878,696,642
(b) Security Deposits	81,145,604	41,540,064
TOTAL	4,985,854,901	3,920,236,706



OTHER NON CURRENT ASSETS

NOTE NO. - 15

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
a) Preliminary Expenses	176,946	383,463
b) Public Issue Expenses	-	9,319,600
c) Others-MAT Credit Entitlement	306,683,028	171,258,819
TOTAL	306,859,974	180,961,882

INVENTORIES

NOTE NO. - 16

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(Taken as, valued & certified by the Management)		
(a) Raw Materials	1,841,620,767	2,810,759,126
(b) Work in Progress	1,278,174,909	588,786,195
(c) Finished Goods		
-In Godown	2,896,932,734	1,628,015,854
-Intransit	242,675,369	80,132,901
(d) Stock in Trade (in respect goods acquired for trading)	994,357,437	1,318,982,396
(e) Stores & Spares	424,077,018	253,382,050
TOTAL	7,677,838,234	6,680,058,523

TRADE RECEIVABLES

NOTE NO. - 17

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(Unsecured, considered good)		
a) Outstanding for a period exceeding six months from the date they are due for payment	1,622,768,304	1,301,544,926
b) Other Receivables	5,619,452,481	3,254,450,483
TOTAL	7,242,220,785	4,555,995,409

CASH & CASH EQUIVALENTS

NOTE NO. - 18

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(a) Cash in Hand	41,367,377	20,541,718
(b) Balances With Scheduled Banks		
i) In Current Accounts	816,567,343	571,498,509
ii) In Fixed Deposits Accounts	24,306,007	486,160,555
TOTAL	882,240,727	1,078,200,782



SHORT TERM LOANS AND ADVANCES

NOTE NO. - 19

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(Unsecured, considered good)		
(a) Others		
i) Advances to Suppliers	270,589,655	132,551,285
ii) Statutory Dues & Taxes	269,188,646	168,047,893
iii) Prepaid Taxes	198,098,016	216,110,527
iv) Others	399,680,182	601,805,220
TOTAL	1,137,556,499	1,118,514,925

OTHER CURRENT ASSETS

NOTE NO. - 20

PARTICULARS	As At	As At
	31.03.2012	31.03.2011
	In Rupees	In Rupees
(Unsecured, considered good)		
(a) Others		
i) Duty Drawback Receivable	267,899,775	112,019,649
ii) Interest Subsidy Receivable	862,497,611	515,757,254
iii) Interest Receivable	2,063,574	10,195,512
TOTAL	1,132,460,959	637,972,415

REVENUE FROM OPERATIONS

NOTE NO. - 21

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
Sale of Products		
Finished Goods	18,420,518,374	8,211,148,848
Traded Goods	3,270,720,712	8,465,889,638
Other Operating Income		
Sale Scrap	525,435,054	350,466,241
	22,216,674,140	17,027,504,727
Less: Excise Duty	1,269,879	635,852
TOTAL	22,215,404,261	17,026,868,875

Details of Sales (Finished Goods)

PARTICULARS	Current Year	Previous Year
	In Rupees	In Rupees
Yarn	6,391,127,382	4,598,531,900
Hosiery Garments	1,547,548,293	1,345,862,359
Terry Towel	2,572,181,335	1,246,742,406
Knitted Cloth	7,909,661,364	1,020,012,183
	18,420,518,374	8,211,148,848
Less: Excise Duty	1,269,879	635,852
TOTAL	18,419,248,495	8,210,512,996



SEL Manufacturing Company Ltd.

Details of Sales (Traded Goods)

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Yarn	107,952,315	361,740,350
Hosiery Garments	2,958,448,697	1,376,857,259
Raw Cotton	93,574,026	101,374,529
Knitted Cloth	63,582,121	5,633,360,193
Steel Coils	-	992,557,307
Towel	47,163,553	-
TOTAL	3,270,720,712	8,465,889,638

OTHER INCOME

PARTICULARS	Current Year In Rupees	Previous Year In Rupees	NOTE NO. - 22
Export Incentives	453,257,708	193,019,226	
Interest (Gross)	12,571,322	19,526,137	
(TDS Rs. 949,215 /- , Previous Year Rs. 1,071,144/-)			
Job Work Income	349,227	7,995	
Foreign Exchange Fluctuation	624,008,951	24,353,041	
Profit on Sale of Fixed Assets	1,676,803	-	
Insurance Claim	446,461	208,651	
Dividend Income	34,500	81,000	
Rental Income	96,000	84,000	
Other Income	469,183	-	
TOTAL	1,092,910,154	237,280,050	

COST OF MATERIAL CONSUMED

PARTICULARS	Current Year In Rupees	Previous Year In Rupees	NOTE NO. - 23
Raw Material Consumed			
Opening Stock	2,810,759,126	960,391,670	
Add: Purchases (net)	12,789,506,965	6,610,848,661	
Add: Stock in Trade	1,209,324,349	-	
	16,809,590,440	7,571,240,331	
Less: Closing Stock	1,841,620,767	2,810,759,126	
Cost of raw material consumed during the year	14,967,969,672	4,760,481,205	(A)
Packing Material Consumed			
Opening Stock	44,882,419	42,584,624	
Add: Purchases (net)	233,640,381	176,871,716	
	278,522,800	219,456,340	
Less: Closing Stock	44,268,641	44,882,419	
Cost of packing material consumed during the year	234,254,159	174,573,921	(B)
TOTAL	15,202,223,831	4,935,055,126	(A+B)

Details of Raw Material Consumed

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Raw Cotton	6,158,950,516	3,687,831,031
Polyster Fibre	655,508,470	271,837,935
Yarn	2,487,641,838	431,448,221
Knitted Cloth	5,665,868,849	369,364,018
TOTAL	14,967,969,672	4,760,481,205



CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		NOTE NO. - 24	
PARTICULARS	Current Year In Rupees	Previous Year In Rupees	
Opening Stocks			
Work in Process	588,786,195	185,794,284	
Finished Goods	1,708,148,755	622,263,188	
Stock in Trade	1,318,982,396	822,170,150	
	(A) 3,615,917,346	1,630,227,622	
Less: Stock in Trade converted to raw materials	(B) 1,209,324,349	-	
Closing Stocks			
Work in Process	1,278,174,909	588,786,195	
Finished Goods	3,139,608,103	1,708,148,755	
Stock in Trade	994,357,437	1,318,982,396	
	(C) 5,412,140,448	3,615,917,347	
Decrease/(Increase) in Inventories	(A-B-C) (3,005,547,451)	(1,985,689,725)	

EMPLOYEE BENEFITS EXPENSE		NOTE NO. - 25	
PARTICULARS	Current Year In Rupees	Previous Year In Rupees	
Wages,Salaries & Other Allowances	629,677,063	429,886,837	
Contribution to PF, ESI & Other Funds	48,017,547	33,325,597	
Staff & Labour Welfare	35,183,884	20,506,115	
TOTAL	712,878,494	483,718,549	

FINANCIAL COSTS		NOTE NO. - 26	
PARTICULARS	Current Year In Rupees	Previous Year In Rupees	
a) Bank Charges	48,964,324	35,041,339	
b) Interest on			
i) Working Capital Limits	1,015,782,138	410,228,197	
ii) Term Loans	753,117,355	427,249,333	
iii) Car Loans	6,221,362	3,829,697	
iv) Others	21,734,824	6,135,112	
TOTAL	1,845,820,004	882,483,678	

OTHER EXPENSES		NOTE NO. - 27	
PARTICULARS	Current Year In Rupees	Previous Year In Rupees	
Job Work Expenses	39,802,872	20,597,596	
Powel & Fuel	1,085,959,031	767,292,488	
Consumable & Other Materials	455,378,780	277,271,617	
Repair & Maintenance	86,844,693	70,488,770	
Printing & Stationery	5,706,660	4,023,357	
Insurance	12,962,860	10,882,385	
Fees & Taxes	14,700,024	5,243,813	
Donation	313,150	603,200	
Legal & Professional Charges	6,365,575	10,797,666	
Postage & Courier Charges	11,612,174	9,493,815	
Telephone & Fax Expenses	9,155,625	5,154,227	



Auditors' Remuneration

-Audit Fee	2,773,855	2,030,690
-Tax Audit Fee	784,350	556,725
-Reimbursement of Expenses	162,505	14,924
-Service Tax	-	261,410
Director's Remuneration	26,642,000	15,474,667
General Repair & Maintenance	4,373,385	4,470,220
Office Expenses	8,613,990	7,323,222
Festival Expenses	9,338,775	930,382
Rent	3,537,746	2,244,315
Travelling & Conveyance	21,299,610	19,110,393
Water Charges	2,170,932	1,744,892
Service Tax Paid	5,384,767	3,413,662
Advertisement	3,741,685	2,590,160
Loss on Sale of Fixed Assets	-	9,826,225
Security Expenses	1,413,342	271,342
Building Repair & Maintenance	1,896,332	1,631,735
Vehicles Expenses	10,990,032	7,159,353
Business Promotion	10,127,141	8,661,374
Sundry Balance Written off	5,255,924	3,326,288
Commission	107,577,660	73,653,970
Clearing & Forwarding Charges	56,076,301	56,353,710
Sales Tax	-	3,664
Rebate & Discount	33,742,261	20,246,097
Freight Outward	173,338,915	104,023,960
TOTAL	2,218,042,953	1,527,172,314

DEPRECIATION & AMORTIZATION EXPENSES

NOTE NO. - 28

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Depreciation of Tangible Assets	815,159,750	609,740,975
Depreciation of Intangible Assets	2,916,783	-
Amortization of Preliminary Expenses	423,478	383,466
TOTAL	818,500,010	610,124,441



SCHEDULE FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. Principles of Consolidation

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

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

Minority Interest's in the net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the company's shareholders.

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

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

2. Significant Policies

2.1 Employee Benefits

(i) Defined Contribution Plan:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the profit and loss account.

(ii) Defined Benefit Plans (Gratuity):

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

(iii) Leave with wages

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

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

2.3 Other significant accounting policies

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

29. Contingent Liabilities

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

Particulars	(Rs. In Crores)	
	March 31, 2012	March 31, 2011
(i) Export Bills Discounted	28.89	20.52
(ii) Estimated amount of capital contracts remaining to be executed net of advances	421.28	150.41
(iii) Income Tax demand for AY 2005-06 to AY 2009-10 (Previous Year AY 2004-05 to AY 2008-09) net of deposit of Rs. 0.15 crores (Previous year Rs. 4.12 crores) against the said demand, contested in appeals.	1.31	9.08
(iv) Performance Guarantee	1711.63	1540.85



SEL Manufacturing Company Ltd.

30. Related Party Disclosures

Names of Related Parties and Relationships:

Sr. No.	Name of Related Party	Relationship
1	S. E. Exports	Subsidiary Partnership Firm
2	Kudu Industries	Subsidiary Partnership Firm
3	SEL Textiles Ltd.	Subsidiary Company
4	SEL Aviation Pvt. Ltd.	Subsidiary Company
5	Omega Hotels Ltd.	Subsidiary Company
6	Silverline Corporation Ltd.	Fellow Subsidiary Company
7	Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
8	Mrs. Sneha Lata Saluja Mrs. Ritu Saluja Mrs. Reema Saluja	Relatives of KMP
9	Rythm Textiles & Apparels Park Ltd.	Associates
10	Shiv Narayan Investments Pvt. Ltd. Saluja International *Saluja Fabrics SEL Developers Pvt. Ltd. Omega Hotels Ltd.	Enterprises over which key management personal and relatives of such personal is able to exercise significant influence

* No transactions have taken place during the year.

Related Parties Transactions:

Particulars	(Rs. in Crores)							
	Associates		Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence			Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase & Processing of Goods	-	-	-	-	18.48	32.66	18.48	32.66
Sale & Processing of Goods	-	-	-	-	0.12	10.44	0.12	10.44
Share Application Money Given-Received Back	-	8.96	-	-	-	46.48	-	55.44
Sale of Fixed Assets	-	-	-	-	-	0.02	-	0.02
Share Application Money Given	-	10.66	-	-	-	30.64	-	41.30
Share Application Money Received Back	10.66	-	-	-	30.64	-	41.30	-
Equity Contribution Received in Cash	-	-	18.30	27.59	-	-	18.30	27.59
Rent Paid	-	-	0.06	0.01	-	-	0.06	0.01
Rent Received	0.01	0.01	-	-	-	-	0.01	0.03
Managerial Remuneration	-	-	2.66	1.89	-	-	2.66	1.89
Loan Given	-	-	-	-	-	11.35	-	11.35
Capital Account Transaction with Partners	-	-	0.15	0.09	-	-	0.15	0.09
Closing Balance of Related Parties Debit/(Credit)	33.39	16.89	-	-	26.70	43.80	60.09	228.24



31. Earnings Per Share

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

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

Particulars		Unit	Current Year	Previous Year
Profit after tax before Extra ordinary Items	(A)	Rs. in Lacs	8247.24	11255.29
Weighted average number of equity shares	(B)	No.	84789167	78852425
Weighted average number of Potential equity shares	(C)	No.	-	-
Total	(D)	No.	84789167	78852425
Basic EPS	(A/B)	Rs.	9.73	14.27
Diluted EPS	(A/D)	Rs.	9.73	14.27

32. Segment Reporting

a. Primary Segment: Business Segment

The company has disclosed business segment has primary segment. The Company operation mainly relates to textiles consisting of Yarn, Fabrics & Garments and the major business activities revolve around this segment. The segment other than textile has been classified as other segment.

(Rs. In crores)

Particulars	Textiles		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
External Segment	2221.67	1593.95	-	108.80	2221.67	1702.75
Other Income	107.98	21.81	-	-	107.98	21.81
Inter Segment Sales						
Total Revenue	2,329.65	1,615.76		108.80	2329.65	1,724.56
Results						
Segment Results	308.64	241.85	-	9.54	308.64	251.39
Unallocated Corporate Expenses					3.89	3.31
Operating Profit					304.75	248.08
Interest Expense					179.68	84.13
Interest Income					1.25	1.97
Income Taxes					43.85	53.36
Net Profit					82.47	112.55
OTHER INFORMATION						
Segment Assets	4583.43	3016.75	-	-	4583.43	3016.75
Unallocated Corporate Assets					116.27	116.27
Total Assets					4699.70	3133.02



SEL Manufacturing Company Ltd.

Segment Liabilities	247.18	215.34	-	-	247.18	215.34
Unallocated Corporate Liabilities					2352.68	1903.46
Total Liabilities					2599.86	2118.80
Capital Expenditures	640.98	441.27	-	-		
Depreciation	81.80	60.97	-	-		
Non Cash Expenses other than depreciation	0.00	0.00	-	-		

- b. Secondary Segment: Geographical segment
The financial information about geographical segment is presented below:

	(Rs. In crores)	
	2011-12	2010-11
1. Segment Revenue-External Turnover		
-Within India	1427.27	1152.57
-Outside India	902.30	550.18
Total Revenue	2329.57	1702.75
2. Segment Assets		
-Within India	4098.82	2671.74
-Outside India	600.88	461.28
Total Assets	4699.70	3133.02
3. Capital Expenditures		
-Within India	601.54	475.22
-Outside India	39.44	36.59
Total Assets	640.98	511.81

33. Current Assets, Loans & Advances includes Rs. Nil Crores (Previous Year Rs. 1.81 crores) due from firms as debtors in which directors of the company are interested as partners.
34. a) The Consolidated Financial Statements present the consolidated accounts of SEL Manufacturing Co. Ltd. With its following subsidiaries.

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest as at	
		31.03.2012	31.03.2011
SEL Textiles Ltd.	India	100.00%	99.75%
S.E. Exports	India	99.00%	99.00%
Kudu Industries	India	99.00%	99.00%
SEL Aviations Pvt. Ltd.	India	51.09%	-
Omega Hotels Ltd.	India	99.88%	-

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

Name of Associates	Country of Incorporation	Proportion of Ownership Interest as at	
		31.03.2012	31.03.2011
Rhythm Textiles & Apparels Park Ltd.	India	33.27%	40.85%
Silverline Corporation Ltd.	India	1.18%	49.00%

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

(Rakesh Soni)
Partner
M.No. 83142

Place: Ludhiana
Date: 29.05.2012

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary

Financial Information of Subsidiaries Company/Firms as on 31st March, 2012

Sr. No.	Particulars	Kudu Industries	SE Exports	SEL Textiles Ltd.	Silverline Corporation Ltd.	SEL Aviation Pvt. Ltd.	Omega Hotels Ltd.
1	Capital	4.70	6.16	36.43	4.14	4.09	2.40
2	Reserves	-	-	120.86	36.36	9.62	0.99
3	Total assets	9.94	6.28	904.69	41.29	13.87	4.43
4	Total liabilities	9.94	6.28	904.69	41.29	13.87	4.43
5	Details of investment (except in case of investment in the subsidiaries)	-	0.01	108.05	-	1.93	-
6	Turnover	100.19	7.31	464.68	-	0.05	-
7	Profit before taxation	0.09	3.73	20.06	(0.01)	(0.74)	-
8	Provision for taxation	0.03	-	6.54	-	-	-
9	Profit after taxation	0.06	3.73	13.52	(0.01)	(0.74)	-
10	Proposed dividend	-	-	-	-	-	-

(Rs. In Crores)

SEL MANUFACTURING COMPANY LIMITED
Registered Office: 274, Dhandari Khurd, G.T. Road, LUDHIANA 141 014 (Pb.)

PROXY FORM

12th Annual General Meeting September 28, 2012

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

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We _____ of _____ in the district of _____
 being a member(s) of the Company hereby appoint _____ of _____ in the
 district of _____ or failing him/her _____ of in the district of _____
 as my/our proxy to vote for me/us on my/our behalf at the 12th Annual General Meeting of
 the company to be held on Friday, 28th September, 2012 at 9.30 a.m. at the Registered
 Office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana 141 01 4
 (Pb.) and at any adjournment(s) thereof.

Signed this _____ day of _____ 2012.

Affix
Revenue
Stamp
here

Signature of member

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

SEL MANUFACTURING COMPANY LIMITED
Registered Office: 274, Dhandari Khurd, G.T. Road, LUDHIANA 141 014 (Pb.)

ATTENDANCE SLIP

12th Annual General Meeting September 28, 2012

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

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Number of Shares held

--	--	--	--	--	--

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 12th Annual General Meeting of the company held at the Registered Office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana 141 014 (Pb.) on Friday, 28th September, 2012 at 9.30 a.m.

Name of the member/proxy
(in Block Letters)

Signature of member/proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting. Members are requested to bring their copy of the Notice to the meeting.