



ANNUAL REPORT 2013-14

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, 1st Floor,
Gurdev Nagar, Pakhowal Road,
Ludhiana - 141 001 (Pb.)

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

CIN : L51909PB2000PLC023679

COMPANY SECRETARY

Sh. Rahul Kapoor

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Chairman's Message

Dear Shareholders,

My heartiest greetings to you all on behalf of SEL. The Financial Year 2013-14 saw mild trends of macroeconomic recovery in several major economies, including the US and Europe even though structural weaknesses continue to be a major threat in the medium term.

At SEL, we love what we do, to deliver affordable, quality products of the highest social priority. It is this that has created a SEL culture to outperform in all that we do. To be able to stretch and strive for what you believe in and have the faith to walk down a path that no one has been before, that is what makes great innovations happen, that is also what makes a truly world class organization. At SEL, we are charged with the ability to pre-empt and address what society needs, anticipate challenges and turn them into opportunities, to give shape to, and enrich life everyday. We have augmented our plant capacities and capabilities and successfully created one of India's largest vertically integrated textiles production systems. We give particular attention to those aspects of corporate governance which will improve management quality, make it possible to deal with crises more easily, and entitle us to confidence and respect in international markets. In line with this, we create value through a management approach which adheres to the essential corporate governance principles of trustworthiness, truthfulness, transparency, accountability, fairness, and responsibility.

SEL has the ability to take a long-term view in an industry where this is vital, and in a world where demand will continue to rise. In 2013-14, we maintained our strategy amid economic uncertainty. The year was marked by incidences of financial turbulence in emerging economies. Many emerging economies also suffered sharp depreciation of currencies. The challenges being faced by our Country are common to all emerging economies, high inflation continues to be a matter of concern leading to a tight monetary policy. Meanwhile, we faced a difficult operating environment due to high interest costs and ever increasing input costs, which affected the performance of the Company. There is need to improve our financial returns and operational effectiveness to which we are committed to. Driven by the relentless efforts of all our employees, the Company continues to lay emphasis on implementation that translates business plans to actions and deliverables on the ground. We are fortunate to have been able to attract the talent we see today in the Company, across all disciplines and at all levels and I thank all SEL employees for their dedication in making SEL, the company it is today.

Finally, I would like to thank all our shareholders and also our customers, suppliers, vendors, project contractors and lenders for their unstinted support to the Company during the year. I would also like to thank all the employees of the Company for their tireless commitment to enhancing the performance and well-being of the Company.

With best wishes,
Ram Saran Saluja
Chairman



NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September, 2014 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, 2014 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, (DIN: 01145051) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditors M/s Dass Khanna & Company, Chartered Accountants, Ludhiana, (Firm Registration No. 000402N), the Statutory Auditors of the Company whose term is ending at the conclusion of the forthcoming Annual General Meeting are eligible for re-appointment.

AS SPECIAL BUSINESS:-

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the Listing Agreement, Mr. Ashwani Kumar (DIN : 00030307), Director of the Company who was appointed as liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the Listing Agreement, Mr. Amit Narang (DIN : 05271363), Director of the Company who was appointed as liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the Listing Agreement, Mr. Ranjan Madaan (DIN : 02330886), Director of the Company who was appointed as liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the Listing Agreement, Mr. Prem Kumar (DIN : 00051349), Director of the Company who was appointed as liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, and pursuant to the applicable provisions of the Listing Agreement, Mr. Kanwalnain Singh Kang (DIN : 05232989), Director of the Company who was appointed as liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014.”

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

RESOLVED THAT in supersession of earlier ordinary resolution passed at the AGM held dated 28.09.2012 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being



in force) 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/to be obtained from the Company's Bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid up share 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..

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

RESOLVED THAT in modification of earlier ordinary resolution passed at the AGM held dated 28.09.2012 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, (hereinafter called "the Board") which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s), to create mortgage and/or charge on all movable or immovable properties of the Company wheresoever situated, both 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) over and above the aggregate of the paid up share capital and free reserves of the company, by way of loans/limits etc. (whether in foreign currency and/or in Indian Currency).

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the Company or as may be agreed to between the concerned parties.

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.

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

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (Section 309(5B) of the erstwhile Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, and subject to approval of the Central Government, consent of the members of Company be and is hereby accorded for waiver of excess remuneration paid to Mr. Neeraj Saluja, Managing Director of the Company over and above the limits prescribed under Section 198, 309 read with Schedule XIII of the Companies Act, 1956 during the period from 1st April, 2013 to 31st March, 2014, due to the loss suffered by the Company during the financial year ended 31st March, 2014.

"RESOLVED FURTHER THAT the Company do accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Neeraj Saluja. as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and are hereby severally authorized to do all acts deeds and things, furnish any clarifications, information and to settle any question, difficulty or doubt that may arise in this regard.

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

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (Section 309(5B) of the erstwhile Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, and subject to approval of the Central Government, consent of the members of Company be and is hereby accorded for waiver of excess remuneration paid to Mr. Dhiraj Saluja, Jt. Managing Director of the Company over and above the limits prescribed under Section 198, 309 read with Schedule XIII of the Companies Act, 1956 during the period from 1st April, 2013 to 31st March, 2014, due to the loss suffered by the Company during the financial year ended 31st March, 2014.

"RESOLVED FURTHER THAT the Company do accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Dhiraj Saluja. as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and are hereby severally



authorized to do all acts deeds and things, furnish any clarifications, information and to settle any question, difficulty or doubt that may arise in this regard.

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (Section 309(5B) of the erstwhile Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, and subject to approval of the Central Government, consent of the members of Company be and is hereby accorded for waiver of excess remuneration paid to Mr. Vinod Kumar Goyal, Executive Director & CEO of the Company over and above the limits prescribed under Section 198, 309 read with Schedule XIII of the Companies Act, 1956 during the period from 1st April, 2013 to 31st March, 2014, due to the loss suffered by the Company during the financial year ended 31st March, 2014.

“RESOLVED FURTHER THAT the Company do accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Vinod Kumar Goyal, as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and are hereby severally authorized to do all acts deeds and things, furnish any clarifications, information and to settle any question, difficulty or doubt that may arise in this regard.

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (Section 309(5B) of the erstwhile Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, and subject to approval of the Central Government, consent of the members of Company be and is hereby accorded for waiver of excess remuneration paid to Mr. Navneet Gupta, Executive Director & CFO of the Company over and above the limits prescribed under Section 198, 309 read with Schedule XIII of the Companies Act, 1956 during the period from 1st April, 2013 to 31st March, 2014, due to the loss suffered by the Company during the financial year ended 31st March, 2014.

“RESOLVED FURTHER THAT the Company do accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Navneet Gupta, as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and are hereby severally authorized to do all acts deeds and things, furnish any clarifications, information and to settle any question, difficulty or doubt that may arise in this regard.

15. 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 61 and other applicable provisions, if any, of the Companies Act, 2013 (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. 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 to Rs. 1250,00,00,000/- (Rs. One Thousand Two Hundred & Fifty Crores) only divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs.10/- (Rs. Ten) each and 25,00,00,000 (Twenty five Crore) Preference shares of Rs.10/- (Rs. Ten) each by creation of further 25,00,00,000 (Twenty Five Crore) Preference Shares of Rs.10 (Rs. Ten) each aggregating Rs. 250,00,00,000/- (Rs. Two hundred Fifty Crore).

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

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

RESOLVED THAT pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013, the existing Clause V of the Memorandum of Association of the Company relating to the Authorised Share Capital 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. 1250,00,00,000/- (Rs. One Thousand Two Hundred & Fifty Crores) only divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs.10/- (Rs. Ten) each and 25,00,00,000 (Twenty five Crore) Preference shares of Rs.10/- (Rs. Ten) each with the power to issue the new shares upon such terms and conditions and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act, 2013 and to vary, modify, amalgamate, abrogate any such rights,



privileges, conditions in such manner as may provided by the Companies Act, 2013.

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.

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

RESOLVED THAT pursuant to the provisions of Sections 42, 55 and 62 and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and all other applicable enabling provisions, if any, (including any statutory modification(s), or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, and subject to such approvals and sanctions as may be required, approval of the Company be and is hereby accorded to the Board of Directors to offer, issue and allot, in one or more tranches, upto 10,00,00,000 (Ten Crore) Redeemable Non-Cumulative, Non Convertible 1% Preference Shares of face value of Rs.10/- (Rupees Ten Only) each ("Preference Shares") at par to the Promoters of the Company, whether or not they are members of the Company and without offering the same to any existing member, with such rights and terms and conditions contained hereinbelow and in the Explanatory Statement annexed to the Notice:

- a. The Preference Shareholder(s) shall carry a fixed non-cumulative preference dividend of 1% (One percent) on the capital paid-up there on and shall have priority with respect of payment of dividend or repayment of capital vis-à-vis equity shares.
- b. The participation of Preference Shareholders in the surplus fund shall be pari passu with the existing Equity shareholders as may be permissible under the applicable provisions.
- c. The said Preference Shares shall in winding up be entitled to rank, as regards repayment of capital, whether declared or not, up to the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets.
- d. The Preference Shares are not convertible into Equity Shares.
- e. The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force).
- f. The Preference Shares shall be redeemable not later than the date and in the manner/mode as may

be determined by the Board of Directors at the time of allotment or such other date as may be determined by the Board but not later than a period exceeding ten (10) years.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, 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 the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) of the Company to give effect to the aforesaid resolution.

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

PLACE : LUDHIANA

(RAHUL KAPOOR)

DATED : 29.08.2014

COMPANY SECRETARY

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other member.

THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY EXECUTED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF ANNUAL GENERAL MEETING. Proxies submitted on behalf of limited Companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. Members are requested to send their queries on the accounts, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the company to have relevant information ready at the meeting.
3. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.



4. The relative Statement pursuant to Section 102 of the Companies Act, 2013 in Respect of Item(s) of Special Business is annexed hereto and forms part of the Notice.
5. The Register of Members and Share Transfer books shall remain closed from September 25, 2014 to September 30, 2014 (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. 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") set up by the Central Government.
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.
8. Voting through electronic means:
In compliance of the provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Fourteenth Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited. For conducting this e-voting activity in a fair and transparent manner, the Board of directors have appointed Mr. Dinesh Kumar Mehtani, Practising Chartered Accountant as Scrutinizer. The instructions for members for voting electronically are as under:-

(1) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. ● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account in dd/mm/yyyy format. If the shares are in physical form, enter the folio number.
Dividend Bank Details#	Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account. If the shares are in physical form, enter the dividend bank details as given to the company/registrar or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details of DOB or Dividend Bank Details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank Details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for SEL Manufacturing



Company Limited, on which you choose to vote.

- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non-individual Shareholders & Custodians:
 - a) Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates and custodians respectively.
 - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e mailed to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.
 - d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(2) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

- (3) The voting period begins on Thursday, September 25,

2014 at 10.00 a.m. and ends on Friday, September 26, 2014 at 6.00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (4) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (5) Please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. August 29, 2014. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- (6) Mr. Dinesh Kumar Mehtani, Practising Chartered Accountant, (Membership no. 091676) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot cast by the Members at the Annual General Meeting) in a fair and transparent manner

Important Communication to Members

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

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

FOR ITEM NO.4

Mr. Ashwani Kumar, held the position as Non-Executive Independent Director of the Company. As per the provisions of Section 149 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Ashwani Kumar has given a declaration to the Board that



he meets the criteria of independence as provided under Section 149(6) of the Act. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. A brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ashwani Kumar as Independent Director is now being placed before the members in General Meeting for their approval.

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

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

FOR ITEM NO.5:

Mr. Amit Narang, held the position as Non-Executive Independent Director of the Company. As per the provisions of Section 149 of the Companies Act 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Amit Narang has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. A brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Amit Narang as Independent Director is now being placed before the members in General Meeting for their approval.

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

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

FOR ITEM NO.6:

Mr. Ranjan Madaan, held the position as Non-Executive Independent Director of the Company. As per the provisions of Section 149 of the Companies Act 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Ranjan Madaan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. A brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ranjan Madaan as Independent Director is now being placed before the members in General Meeting for their approval.

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

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

FOR ITEM NO.7:

Mr. Prem Kumar, held the position as Non-Executive Independent Director of the Company. As per the provisions of Section 149 of the Companies Act 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Prem Kumar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. A brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Prem Kumar as Independent Director is now being placed before the members in General Meeting for their approval.

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

Mr. Prem Kumar is interested and concerned in this Resolution. Other than Mr. Prem Kumar no other Director,



Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in this resolution. This Statement may also be regarded as disclosure under the applicable clauses of the Listing Agreement with the Stock Exchange.

FOR ITEM NO.8:

Mr. Kanwalnain Singh Kang held the position as Non-Executive Independent Director of the Company. As per the provisions of Section 149 of the Companies Act 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Kanwalnain Singh Kang has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. A brief Profile of proposed Independent Director, is also included in Annexure to the Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kanwalnain Singh Kang as Independent Director is now being placed before the members in General Meeting for their approval.

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

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

FOR ITEM NO.9 & 10:

The Members had, in the Annual General Meeting held on 28.09.2012 passed Ordinary Resolution(s) and accorded their approval to the Board of Directors for borrowings under Section 293(1)(d) of the Companies Act, 1956 upto Rs. 15000.00 Crores (Rs. Fifteen Thousand Crores Only) as also for creation of charges on the Company's assets as required under section 293(1)(a) of the Companies Act, 1956 for such amount upto Rs. 15000 crores (Rs. Fifteen Thousand Crores only). On implementation of the Companies Act, 2013 Section 180 (corresponding to Section 293 of the old Act) was made effective, which provides for approval by the shareholders by way of Special Resolution as against Ordinary Resolution provided under the Companies Act, 1956. As such, it becomes necessary to obtain fresh approval of the members by means of Special Resolution as envisaged under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, to enable the Board of Directors of the Company to a): borrow money, apart from temporary loans

obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up share capital and free reserves of the Company and b): to create charge/mortgage/hypothecation of the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies.

Therefore, the existing borrowing powers and the power to create charge on the properties of the Company are kept upto Rs. 15000 crores (Rs. Fifteen Thousand Crores only) as provided under the relevant resolution(s) of the Notice. The Board of Directors should be empowered to borrow/raise funds, as and when need arises. Hence, the members' approval is being sought pursuant to Section 180 (1)(c) and Section 180(1)(a) of the Companies Act, 2013 by way of Special Resolution(s).

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

FOR ITEM NO.11 to 14:

The Appointment of Mr. Neeraj Saluja, as Managing Director of the Company and Mr. Dhiraj Saluja, as Jt. Managing Director of the Company and Mr. Vinod Kumar Goyal, as Executive Director & CEO of the Company and of Mr. Navneet Gupta, as Executive Director & CFO of the Company have been duly approved by the members of the Company for a period of three years each respectively. Further the remuneration of Mr. Neeraj Saluja upto Rs.14,00,000 per month was approved by the members vide their resolution dated 24.09.2013, and of Mr. Dhiraj Saluja upto Rs.6,00,000 per month, Mr. Navneet Gupta upto Rs.3,00,000 per month and of Mr. Vinod Kumar Goyal upto Rs.6,50,000 per month respectively were all duly approved by the members vide their resolution passed in the General meeting held dated 28.09.2012, .

The company had been earning sufficient Profits in the previous years respectively. However, the Company has incurred losses in the Financial Year ended 31st March, 2014.

The company has grown successfully under the sincere efforts, dedication, commitment and vision of these people which helped the company to achieve new goals and run in the present competitive environment. However, as the Company has incurred losses during the financial year 2013-14 , the remuneration paid to the aforesaid persons as per the provisions of Schedule XIII of the Companies Act, 1956 for the financial year 2013-14 exceeded the limit as allowed under Section II Part II of Schedule XIII of the Companies Act, 1956.

The Company therefore has to approach the Central government for Waiver of Recovery of Excess Remuneration already paid to him subject to Shareholders approval in the ensuing Annual General Meeting, pursuant to Section 309(5B) of the Companies Act, 1956/ Section 197 of the Companies Act, 2013.

Mr. Neeraj Saluja, Mr. Dhiraj Saluja, Mr. Vinod Kumar Goyal, Mr. Navneet Gupta, and Mr. Ram Saran Saluja are interested/concerned in this resolution. None of the other



SEL Manufacturing Company Ltd.

Directors, Key Managerial Personnel of the Company or their respective relatives are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

FOR ITEM NO.15 & 16:

The present Authorised Share Capital of the Company is 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. In order to accommodate Preference Shares in the Capital of the Company, to be issued, from time to time, it is proposed that the Authorised Share Capital of the company be increased to Rs. 1250,00,00,000/- (Rs. One Thousand Two Hundred & Fifty Crores) only divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs.10/- (Rs. Ten) each and 25,00,00,000 (Twenty five Crore) Preference shares of Rs.10/- (Rs. Ten) each by creation of further 25,00,00,000 (Twenty Five Crore) Preference Shares of Rs.10 (Rs. Ten) each aggregating Rs. 250,00,00,000/- (Rs. Two hundred Fifty Crore).

Consequent to increase of Authorised Share Capital, necessary amendments to the Capital clause in the Memorandum of Association will have to be suitably made and accordingly amendments are set out under the proposed Resolutions in the Notice of the Annual General Meeting for approval of the Shareholders of the Company.

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

FOR ITEM NO.17:

The proposed Special Resolution is for approval of the issue and allotment of upto 10,00,00,000 (Ten Crore) Redeemable Non-Cumulative, Non Convertible 1% Preference Shares of face value of Rs.10/- (Rupees Ten Only) each to raise resources for general corporate purposes including improvement in the financial conditions, restructure the operations and strengthening the long-term resource base of the Company.

The material facts in connection with the aforesaid issue of Preference Shares are as follows:

1. The company proposed to create, offer, issue and allot upto 10,00,00,000 (Ten Crore) Redeemable Non-Cumulative, Non Convertible 1% Preference Shares of face value of Rs.10/- (Rupees Ten Only) each to the promoters of the company i.e for an aggregate amount not exceeding Rs.100.00 Crores.
2. The Preference shares are Redeemable Non-cumulative and Non convertible.
3. The objective of the issue is to raise resources for general corporate purposes including improvement in the financial condition, restructure the operations and strengthening the long-term resource base of the Company.
4. The Preference shares are proposed to be issued and offered on a private placement basis in accordance with

the provisions of Section 42 of the Act read with the rules made thereunder.

5. The proposed Preference shares are to be issued & allotted at par based on the current market scenario of the company. The rate of dividend is 1%.
6. The tenure of redemption shall be for a period as the Board may decide, however the tenure shall not exceed 10 (ten) years and would be based on cash flow forecasts of the Company which in turn would be linked to ongoing performance and the growth opportunities. The manner and mode of redemption-at par, shall be out of profit and/or out of fresh issue of capital or otherwise as may be permitted by the extant applicable laws and decided by the Board.
7. No dilution in the equity share capital is applicable as the Preference shares proposed to be issued are non-convertible and non-cumulative.
8. The allotment shall be made within a period of twelve months, in one or more tranches, from the date of passing of this Resolution.
9. As the Preference Shares are Non Convertible and Non cumulative, therefore, no change in control is envisaged.
10. The company does not intend to list such Preference shares on the stock exchange.
11. The current shareholding pattern of the company is given below:

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	52275198	15.78
Foreign Institutional Investors	100000	00.03
Bodies Corporate	40902729	12.34
Public (Individuals)	131794111	39.78
Others	11334576	03.42
Shares held by custodians and against which Depository receipts have been issued	94940386	28.65
TOTAL	331347000	100.00

The Preference Shares shall rank in priority to Equity shares for repayment of Capital and payment of dividend.

The approval to issue and allotment of the subject Preference shares from the members is being sought pursuant to the applicable provisions of the Act and Rules made there under. The Board of Directors of the Company recommends the Resolution for the approval of the members, in the interest of the Company.

Except the Promoter directors namely Shri Ram Saran Saluja, Sh. Neeraj Saluja and Sh. Dhiraj Saluja and their relatives, none of the other directors, Key Managerial Personnel of the Company or their respective relatives are in any way, financially or otherwise, concerned or interested in the above Resolution(s).

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

**PLACE : LUDHIANA
DATED :29.08.2014**

**(RAHUL KAPOOR)
COMPANY SECRETARY**



ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 30TH SEPTEMBER, 2014

Name of Director with DIN	Mr. Ram Saran Saluja (DIN: 01145051)	Mr. Ashwani Kumar (DIN : 00030307)	Mr. Amit Narang (DIN : 05271363)
Resume including Expertise in specific functional area	Mr. Ram Saran Saluja aged 71 years is our Chairman (Non-Executive). He has over 47 years of experience in the textile industry. As Chairman he provides strategic direction to our Company.	Mr. Ashwani Kumar aged 59 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 28 years is a young entrepreneur. He is an Independent Director on the Board of Directors of the Company.
List of other Companies in which Directorship held	1. SEL Textiles Ltd. 2. Omega Hotels Ltd. 3. SEL Aviation Pvt. Ltd. 4. Shiv Narayan Investments Pvt. Ltd. 5 Silverline Corporation Ltd. 6.SEL Renewable Power Ltd. 7.Sidhivinayak Financial Services Pvt. Ltd.	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.	1.Daffodil Real Estate & Developers Pvt. Ltd. 2. Shuddhi Developers Pvt. 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) Stakeholders Relationship Commtt.-Member Master Trust Ltd. i) Audit Comtt.-Chairman Prime Industries Ltd. i) Audit Comtt.-Chairman SEL Textiles Ltd. i) Audit Comtt.-Member Ludhiana Stock Exchange Ltd. i) Audit Comtt. - Member ii) Investors Grievance Commtt.-Member	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
Shareholding in the Company	4621505	75	NIL



ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 30TH SEPTEMBER, 2014

Name of Director with DIN	Mr. Kanwalnain Singh Kang (DIN: 05232989)	Mr. Ranjan Madaan (DIN : 02330886)	Mr. Prem Kumar (DIN : 00051349)
Resume including Expertise in specific functional area	Mr. Kanwalnain Singh Kang aged 49 years holds 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. Ranjan Madaan aged 39 years is an Entrepreneur and holds a bachelors degree in Commerce. He has over 15 Yrs experience in industry	Mr. Prem Kumar aged 61 Yrs. is an Independent Director on the Board of the Company. Mr. Prem Kumar is well known and highly regarded as a speaker and thought leader in the area of strategic management, marketing and international business. His work focuses on the formulation and implementation of corporate strategies, knowledge and innovation management
List of other Companies in which Directorship held	1. CRS Hospitality Pvt. Ltd.	None	1. Roop Automotives Ltd. 2. Roop Polymers Ltd.
Chairman/Member of the Committee of Board of Directors of other Companies	None	None	Member Audit Committee: 1. Roop Polymers Ltd
Inter-Se relationship with other Directors of the Company	Not Related	Not related	Not related
Shareholding in the Company	Nil	Nil	Nil



DIRECTORS' REPORT

To

The Members

SEL Manufacturing Company Ltd.

Your Directors have pleasure in presenting their 14th Annual Report on the affairs of the company together with Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

(Rupees in Lacs)

	Current Year		Previous year	
	(2013-14)		(2012-13)	
Revenue from Operations		295603.95		315421.69
Other Income		9012.18		17198.82
		<u>304616.13</u>		<u>332620.51</u>
Less :				
Expenditure	305265.05		302252.64	
Provision for Depreciation	21243.11	326508.16	13559.26	315811.90
Profit/(Loss) before exceptional items and Tax:		<u>(21892.03)</u>		<u>16808.61</u>
Exceptional items		18094.31		—
Profit/(Loss) before Tax		<u>(39986.34)</u>		<u>16808.61</u>
Less :				
Taxes : Current Tax		--	3287.00	
Deferred Tax	(15127.80)		5496.19	
MAT Credit Entit.		--	(2957.60)	
Earlier Yrs	684.36	(14443.44)	339.52	6165.11
Profit/(Loss) after Tax		<u>(25542.90)</u>		<u>10643.50</u>
Balance brought forward		<u>32414.40</u>		<u>31770.90</u>
		6871.50		42414.40
Less: Transferred to General Reserve		--		10000.00
Balance Carried over to Balance Sheet		<u>6871.50</u>		<u>32414.40</u>

BUSINESS:

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

OPERATIONS:

During the year under review, your company has achieved Revenue from Operations of Rs. 295603.95 lacs as compared to Rs. 315421.69 lacs in the previous year. After deducting Expenses and Exceptional Items there was Loss of Rs. 39986.33 lacs as compared to profit before tax Rs. 16808.61 lacs during the previous year. After providing for taxes and other adjustments, the current year loss stood at Rs. 25542.90 lacs as compared to Profit after tax of Rs. 10643.50 lacs during the previous year.

SUBSIDIARY COMPANY/FIRM(S):

As at 31.03.2014, the Company has the following Subsidiary Company(ies) namely SEL Aviation Pvt. Ltd., SEL Textiles Corporation, SEL Textiles Ltd., Silverline Corporation Ltd., SEL Textiles Overseas Ltd., and also a subsidiary firm namely M/s SE Exports. The Company has its branch office at United Arab Emirates.

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

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

Your company continue to hold 99% stake in the partnership firm namely M/s SE Exports.



SEL Manufacturing Company Ltd.

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 alongwith a project under installation at Vill Punjava-Lambi, Tehsil Malout, Dist Sri Muktsar Sahib (Punjab). Further SEL Textiles Ltd., has two subsidiary companies i.e. M/s Silverline Corporation Ltd., in India and M/s SEL Textiles Overseas Ltd. in Hong Kong. SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of Aviation services. SEL Textiles Corporation is the wholly owned subsidiary of the Company in the state of California, USA.

CONSOLIDATED FINANCIAL STATEMENTS:

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

CORPORATE GOVERNANCE:

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

DIVIDEND:

Due to the losses incurred in F.Y. 2013-14 and in order to conserve resources for future growth/needs, the directors have not recommended any dividend for the Financial year 2013-14.

CORPORATE DEBT RESTRUCTURING

During the year under review the Company had made a reference to Corporate Debt Restructuring (CDR) Cell for restructuring its debts in view of difficult financial situation. The CDR Empowered Group, at its meeting held on 28th June, 2014, has approved the CDR Package.

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:

Pursuant to Section 149 of the Companies Act, 2013, the Board recommends the appointment of Mr. Ashwani Kumar, Mr. Amit Narang, Mr. Ranjan Madaan, Mr. Prem Kumar and Mr. Kanwalnain Singh Kang as Independent Directors of the Company, not liable to retire by rotation for a period of five years, subject to the approval of the Members of the Company. Further Mr. Ram Saran Saluja, Director of the Company retires by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

LISTING WITH EXCHANGES AND LISTING FEES:

The Equity Shares of the Company are presently listed with Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Ltd. (NSE). Further the Company has paid listing fees to both the exchanges (i.e. BSE and NSE) upto financial year 2014-15. The GDRs of the company are listed on Luxembourg Stock Exchange.

AUDITORS:

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

AUDITORS' REPORT:

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

- a) During the Year under Audit, the Income Tax Authorities carried out search & seizure action u/s 132(1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities. The Consequential Assessment proceedings are in progress. Pending these proceedings, no provision has been made in the books for additional liability (amount presently not ascertainable) for tax, interest and penalty, if any.
- b) The Company has initiated the process of identifying non-moving, slow moving, obsolete and damaged inventory in finished goods during the year, which was concluded at the close of the year. The Company has recognized an aggregate amount of Rs.180.94 crores as reduction in value of inventories due to write down thereof to net realizable value, which is charged to Profit & Loss Statement as an exceptional item.

Further the report of Auditors and notes on accounts are self



explanatory and do not call for any further comments as there are no adverse remarks by the Auditors.

COST AUDITORS:

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956 and the rules made thereunder, the Company has been carrying out an audit of its cost records. The Company had appointed M/s R.R. & Co., Cost Accountants, Ludhiana to conduct the Cost Audit. The cost audit report for the financial year ended March 31, 2013 was filed with the Ministry of Corporate Affairs on 26.12.2013.

AUDIT COMMITTEE:

The Board has constituted its Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 (Section 177 of the Companies Act, 2013) and provisions of the Listing Agreement(s) of the Stock Exchange(s).

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

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

Information 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, 2014 and of the profit/loss of the Company for the year ended on 31st March, 2014;
- 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.

CORPORATE SOCIAL RESPONSIBILITY

The Company has adopted Corporate Social Responsibility initiatives and focuses on key areas as education, healthcare etc. in accordance with the provisions of the relative Act and rules made thereunder.

ACKNOWLEDGEMENTS:

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

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

PLACE : LUDHIANA
DATED : 29.08.2014

(RAM SARAN SALUJA)
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	2013-14	2012-13
(a) Electricity purchased		
Units (Lacs)	2002.29	1477.11
Total Amount (Rs. in Lacs)	9461.43	8768.47
Rate per Unit (Rs.)	4.75	5.94
(b) Electricity generated from Generator		
Units (Lacs)	184.01	30.53
Unit per Litre of Diesel Oil	3.64	3.58
Cost/Unit (Rs.)	13.44	11.65
(c) Captive Power Plant (CPP Turbine)		
Units (Lacs)	1265.58	1147.67
Husk per Unit (Kg)	1.05	1.27
Cost/Unit (Rs.)	5.38	5.98
2. Diesel Oil		
Quantity (Ltrs)	98191	853568
Cost (Rs. in Lacs)	47.56	348.32
Avg. Rate/Ltr (Rs.)	48.44	40.81
3. (A) Rice Husk used in Boiler/Turbine		
Qty. consumed in MT	132653.96	145878.10
Amt. in Rs. (Lacs)	6379.76	6876.63
Rate per MT	4809.32	4713.96
(B) Petro Coke (MT)	15987.10	9637.53
Amt. in Rs. (Lacs)	1119.96	625.64
Rate Per MT	7005.41	6491.73

Consumption per unit of Production

Product	Unit 1Kg(PSEB & DG)		Cost 1 Kg(PSEB & DG)		Rate/units(PSEB& DG)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Knitted Cloth	0.29	0.30	2.09	2.03	7.31	6.67
Cotton yarn (100% KH & CB and all blended yarn/mly (mallange))	3.58	3.23	19.96	19.42	5.57	6.02
Terry Towel	2.45	2.97	13.55	16.75	5.54	5.64
Readymade Garment (Unit Piece)	0.14	0.11	1.07	0.84	7.56	7.42
Cotton Double Yarn	0.66	0.82	4.17	5.05	6.33	6.15
Fabric Dyeing	0.54	0.73	3.07	4.10	5.54	5.64
Yarn Dyeing	1.16	-	6.42	-	5.54	--

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	--
b) Recurring	14.97
Total	14.97

Total R&D Exp. is 0.005% 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.

	2013-14	2012-13
(i) Foreign Exchange earned		
a) FOB value of exports as per Balance Sheet	101516.66	99242.34
b) Overseas Income	38326.41	80483.76
(ii) Foreign Exchange used		
(a) CIF value of Imports	1816.39	17225.13
(b) Other Expenditure	1788.25	1000.82
(c) Overseas Expenditures	11988.61	129824.05

For and on Behalf of the Board

For **SEL MANUFACTURING COMPANY LTD.**

PLACE : LUDHIANA
DATED : 29.08.2014

(**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, 2014:

Name	Age (Yrs.)	Designation	Gross Remn. (Rs.)	Qualification	Experience (Yrs.)	Dt. of joining	Previous Employment	No. of Shares held as on 31.03.2014
Mr. Neeraj Saluja	47	Managing Director	Rs.1,44,00,000	Diploma in business Administration	22 Yrs in Textile Industry	30.03.2006	SEL Mfg. Co. Ltd.	9871510 (2.98%)
Mr. Dhiraj Saluja	42	Jt. Managing Director	Rs. 70,12,902	Degree in Mechanical Engineering	18 Yrs in Textile Industry	28.05.2007	SEL Mfg. Co. Ltd.	8371506 (2.53%)
Mr. Vinod Kumar Goyal	55	Executive Director & CEO	Rs. 78,00,000	MBA	33 Yrs in Textile Industry	13.07.2010	Vardhman Texgarments Ltd./ Vardhman Textiles Ltd.	Nil

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

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

*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, also looks after complete operations of the Company.

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

PLACE : LUDHIANA
DATED : 29.08.2014

(**RAM SARAN SALUJA**)
CHAIRMAN



CORPORATE GOVERNANCE REPORT

We believe in Corporate Governance for promoting transparency, accountability and fairness in the management of the entity for the benefit of stakeholders at large. We are always committed to create long term value for all our stakeholders-shareholders, employees, customers, partners, associates etc.. Our commitment is driven by our strong value system, which promotes the highest standards of integrity, professionalism and execution. Responsible corporate conduct is integral to the way we do our business. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. We believe in taking ethical business decisions and conducting the business with a firm commitment to values. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target

1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

(a) Industry Structure and Development

The year witnessed divergent growth globally, led by strengthening of the US economy, uneven and subdued growth in the Euro area and Japan coupled with a slowdown in Developing & Emerging markets. Indian Textiles Industry is one of the leading sectors of the Indian Economy and contributes significantly to the country’s Industrial output. Textile Industry is one of the largest employers in India but the major challenge it is facing today is rising production costs, due to increase in power, wages and interests costs. At its core, India is facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth is estimated to have bottomed, but recovery is predicated upon clarity of policy matters and decision making by the Government. The Indian textile industry is on a comeback trail due to an improved US economy, a recovering demand from the European Union and favourable raw material prices. China, a major textiles producer for about two decades is now focusing on other sectors, which should open up opportunities for other textiles producing countries such as India and Bangladesh. The Indian textile industry is competitively placed vis-à-vis competitors. Growing domestic demand coupled with growing penetration of organized retail and increasing local sourcing by global brands and retailers in India offer attractive avenues to the textile industry to grow further.

The Company:

The Company is vertically integrated multi-product textile

company, manufacturing various kinds of Knitted Garments, Terry Towels, Knitted & Processed Fabric and various kind of Yarn with production facilities located at Ludhiana and NawanSheher in Punjab, Baddi in Himachal Pradesh and Sehore in Madhya Pradesh.

Your Company continue to hold 99% stake in the partnership firm namely M/s SE Exports. Further, 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 and the new project at Vill Punjava-Lambi, Tehsil Malout, Dist Sri Muktsar Sahib (Punjab). Further SEL Textiles Ltd., has two subsidiary companies i.e. M/s Silverline Corporation Ltd., in India and M/s SEL Textiles Overseas Ltd. in Hong Kong.

SEL Aviation Pvt. Ltd., subsidiary of the company is in the business of aviation services. Further SEL Textiles Corporation is the wholly owned subsidiary of the Company in the state of California, USA.

(b) Company’s Performance

During the year under review, your company has achieved Revenue from Operations of Rs. 295603.95 lacs as compared to Rs. 315421.69 lacs in the previous year. After deducting Expenses and Exceptional Items there was Loss of Rs. 39986.33 lacs as compared to profit before tax Rs. 16808.61 lacs during the previous year. After providing for taxes and other adjustments, the current year loss stood at Rs. 25542.90 lacs as compared to Profit after tax of Rs. 10643.50 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	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	Growth (%)
Hosiery Garments	56225.27	102283.41	(45.03)
Knitted Fabric/Cloth	64683.97	57246.69	12.99
Yarn	129667.53	119894.69	08.15
Terry Towel	42326.99	31974.26	32.38

During FY 2013-14, Yarn Sales grew by 8.15%, Terry towel by 32.38% & that of Knitted Cloth by 12.99% respectively. However, the Sales of Hosiery Garments decreased by 45.03% due to lesser demand in global markets. The Company is functioning in only one Reportable Segment i.e. Textiles, hence Segment Reporting required under AS-17 is not applicable.

(c) Dividend

In order to conserve resources for the future and on account of current losses, no dividend has been declared for the financial year 2013-14. Your directors believe in sustained



increase in shareholder value, eventually resulting in a higher return threshold.

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

Indian textiles industry is a well-established with showing strong features and a bright future. Global textile and garments industry drive relies on profitability and safety conditions. India, Pakistan, Vietnam, Indonesia, Cambodia and Sri Lanka are the major basic garments manufacturers along with Bangladesh and China. And all of them are looking to capitalize the transferred orders from China as they are moving towards value added products. The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country, which is still predominantly based on the agro-alimentary sector. Textiles Industry is not limited to manufacture and export of garments. The success of Indian textiles lies in effective vertical integrations policies which have helped operators in taming the processes which while lying beyond simple manufacturing exercise do have a serious impact on it, for example, raw material treatment. Thus, cotton, jute, silk or wool and even synthetic material are also produced by this industry to complement and strengthen the garments manufacturing industry. Textile Industry is one of the largest employers in India but the major challenge it is facing today is rising production costs, due to increase in power, wages and interests costs.

Our principal operating strategies:

Our teams deliver insights to our leaders that drive decision-making, execution and investments. This requires an analytical savvy, a problem-solving sophistication and a drive to make the highest possible impact. 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

Threats, risks and concerns

Increase in cotton prices which is our primary raw material, would intensify inventory price risks, cash flows and liquidity. 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. Textile industry is highly competitive not only for domestic market but for global trade as well. In such a scenario wide fluctuations in the value of Rupee vis a vis other currencies especially U S Dollar has significant effect on dealings. Further Increasing costs i.e. the increasing costs of raw material, labour and interest costs would also have an impact on India's exports in future.

(e) Internal Control System and their adequacy

Commensurate to the size and nature of its business your Company has developed a well defined internal control system. The Company takes abundant care to design, review

and monitor the working of internal control system for optimal utilization and protection of resources. All significant issues are brought to the attention of the Audit Committee of the Board. The Company periodically reviews the adequacy and effectiveness of control systems like business process, financial reporting and compliance with applicable laws to enhance their effectiveness, usefulness and timeliness. Most of the Company's critical functions such as operations, supply chain, finance & accounts and human resources are linked through implementation of Enterprise Resource Planning, (ERP)/Systems, Applications, and Products in Data Processing (SAP).

(f) Human Resources:

Performance management is the key word for the Company. The Company has developed an environment of harmonious and cordial relations with its employees. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Our work force consists of more than 11,000 employees. We take Training and development of employees as one of our organizational activity aimed at bettering the performance of individuals and groups in organizational settings.

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:

We believe that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. The company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. We have engrained into our culture and into each associate the values of honesty and fairness. For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing



business the right way. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

2A. 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 2013-14.

Neeraj Saluja

Mg. Director

2B. 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 2013-14, 13 Board Meetings were held on 27.04.2013, 28.05.2013, 10.07.2013, 14.08.2013, 24.08.2013, 23.09.2013, 03.10.2013, 28.10.2013, 14.11.2013, 30.12.2013, 14.02.2014, 29.03.2014, and 31.03.2014 respectively.

(b) Composition

The Board 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 2013-14 and their other memberships are given below:

S. No.	Name	Designation	Category	No. of Board Meetings Attended	Attendance at Last AGM	Total Number of Directorships in Other Public Ltd. Companies*		No. of Committee Position in Public Ltd. Companies**	
						Chairman	Member	Chairman	Member
1	Ram Saran Saluja	Chairman	Promoter	13	No	1	3	-	2
2	Neeraj Saluja	Managing Director	Promoter	11	Yes	1	4	1	1
3	Dhiraj Saluja	Jt. Managing Director	Promoter	01	No	-	4	-	-
4	Ashwani Kumar	Director	Independent	01	Yes	-	6	3	5
5	Navneet Gupta	Executive Director & CFO	Executive	13	Yes	-	3	1	2
6	Ranjan Madaan	Director	Independent	11	Yes	-	-	1	1
7	Vinod Kumar Goyal	Executive Director & CEO	Executive	04	Yes	-	-	-	-
8	Prem Kumar	Director	Independent	02	No	-	2	-	1
9	Amit Narang	Director	Independent	10	Yes	-	-	-	2
10	Kanwalnain Singh Kang	Director	Independent	01	No	-	-	-	-

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

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

**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.



The holding(s) of Non-Executive directors in the Company as on 31.03.2014 is given as under:

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

(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/Section 177 of the Companies Act, 2013.

During the F.Y. 2013-14, the Audit Committee met on 28.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014 respectively.

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

Name of Member	No. of Meetings attended
Sh. Ashwani Kumar	1
Sh. Ranjan Madaan	4
Sh. Amit Narang	3
Sh. Navneet Gupta	4

(e) Remuneration Committee

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

Remuneration Committee was renamed as Nomination and Remuneration Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and pursuant to the provisions of the Listing Agreement of the Stock Exchanges.

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

All these members are non-executive Independent Directors of the Company. During the year the Remuneration Committee met on 22.08.2013.

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

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

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

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

4. DIRECTORS' REMUNERATION:

The Company pays remuneration to the Managing Director, Whole time Director/Executive Director as approved by the members of the Company in the General Body Meeting and as recommended by the Remuneration Committee /Nomination and Remuneration Committee of the board. The details of remuneration paid to them during the Financial year 2013-14 are given below:

Name	Designation	Gross Salary (Rs. in Lacs)
Sh. Neeraj Saluja	Managing Director	144.00
Sh. Dhiraj Saluja	Jt. Managing Director	70.13
Sh. Navneet Gupta	Executive Director & CFO	36.00
Sh. Vinod Kumar Goyal	Executive Director & CEO	78.00

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

Necessary resolution(s) for waiver of excess remuneration paid to Managerial Personnel during the financial year 2013-14 are incorporated in the Notice for the ensuing Annual General Meeting for the approval of the members of the Company.

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 2013-14. 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.

Investors' Grievance Committee was renamed as Stakeholders Relationship Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and pursuant to the provisions of the Listing Agreement of the Stock Exchanges.

During the F.Y. 2013-14, Twenty Nine Investor complaints were received which were resolved satisfactorily. Further, there was no pendency in respect of shares received for transfers/dematization.

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
13th AGM	Tuesday, 24.09.2013 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	ONE
12th AGM	Friday, 28.09.2012 9.30 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	ONE
11th AGM	Tuesday, 05.07.2011 9.00 A.M.	274, DHANDARI KHURD, G.T. ROAD, LUDHIANA (PUNJAB)	THREE

No Extra-ordinary General Meeting of the company was held during the F.Y. 2013-14.

The Company did not pass any resolution through postal ballot during the financial year 2013-14 and further the Company do not propose to pass any resolution through postal ballot in the ensuing Annual General Meeting.

7. DISCLOSURES:

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

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

Convertible Warrants and GDR Issue:

The Company on 01.06.2012 had issued 220,000,000 Equity shares of the Company of the face value of Rs.10/- each consequent to the Global Depository Receipts (GDR) issue of the Company. As on 31.03.2014, 9,73,86,256 shares of the face value of Rs.10/- each per share were outstanding, representing the shares underlying GDRs which were issued during 2012-13.

Compliance with clause 49

Mandatory Requirements

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

Non Mandatory Requirements

Remuneration Committee: The Board has constituted a

Remuneration Committee, details of which have been given earlier.

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, 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) 14th Annual General Meeting:

Date and Time : Tuesday, the 30th day of September, 2014 at 09.30 A.M.

Venue : Regd. Office of the Company: 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141 014

ii) Financial year 2014-15

First Quarterly Results : Mid. August, 2014
Second Quarterly Results : By end of October, 2014/Mid. Nov. 2014

Third Quarterly Results : By end of January, 2015/Mid. Feb. 2015

Fourth Quarterly Results : By end of April, 2015/Mid. May, 2015

Annual Results 2014-15 : In the month of April/May, 2015

iii) Date of Book Closure : September 25, 2014 to September 30, 2014 (both days inclusive)

iv) Dividend Payment Date : No dividend has been declared for the F.Y. 2013-14

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

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

The GDRs of the company are listed on Luxembourg Stock Exchange

vi) Stock code : NSE: SELMCL
BSE: 532886
ISIN Number for NSDL/CDSL: INE105I01012



vii) Stock Market Data :

The highest and the lowest share prices are indicated below:

Month	BSE SENSEX		At Bombay Stock Exchange Limited (BSE) (in Rs.)		At National Stock Exchange of India Limited (NSE) (in Rs.)	
	High	Low	Month's high quoted price	Month's low quoted price	Month's high quoted price	Month's low quoted price
April, 2013	19622.68	18144.22	4.02	3.05	4.00	3.00
May, 2013	20443.62	19451.26	4.03	3.33	4.05	3.35
June, 2013	19860.19	18467.16	3.94	3.07	3.90	3.05
July, 2013	20351.06	19126.82	3.65	3.00	3.65	3.05
August 2013	19569.20	17448.71	3.64	2.80	3.45	2.80
September 2013	20739.69	18166.17	4.39	3.20	4.40	3.20
October 2013	21205.44	19264.72	3.90	3.47	3.90	3.45
November 2013	21321.53	20137.67	4.43	3.19	4.45	3.15
December 2013	21483.74	20568.70	3.60	3.01	3.60	3.00
January 2014	21409.66	20343.78	3.74	2.70	3.70	2.65
February 2014	21140.51	19963.12	3.13	2.61	3.20	2.60
March 2014	22467.21	20920.98	3.15	2.28	3.15	2.60

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-INE105I01012

The Company has appointed M/s Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Limited) having its office at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, PVR Naraina, New Delhi 110028 as Registrar for depository services and share transfer work.

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

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

ix) Distribution of shareholding as on 31.03.2014

Share Holding	Share Holders		Share Holding	
	Number	% to total	Number	% to total
Up to 250	32493	48.057	3324163	1.003
251 to 500	11197	16.560	4587431	1.384
501 to 1000	8958	13.249	7524096	2.271
1001 to 2000	5878	8.693	9250009	2.792
2001 to 3000	2476	3.662	6456770	1.949
3001 to 4000	1255	1.856	4562208	1.377
4001 to 5000	1174	1.736	5593731	1.688
5001 to 10000	2055	3.039	15365516	4.637
10001 and above	2127	3.146	274683076	82.899
TOTAL	67613	100.00	331347000	100.00
Physical Mode	10	00.01	256172	00.077
Electronic Mode	67603	99.99	331090828	99.923

(x) Share Holding Pattern as on 31.03.2014

Category	Number of Shares	% to Total Shares
Promoter and Promoter Group	52275198	15.78
Foreign Institutional Investors	100000	00.03
Bodies Corporate	38872348	11.73
Public (Individuals)	131628742	39.73
Others	11084456	03.34
Shares held by custodians and against which Depository receipts have been issued	97386256	29.39
TOTAL	331347000	100.00



(xi) Details of Unclaimed shares* as on 31.03.2014 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. 01.04.2013	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. 31.03.2014.	01	361

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

xii) Registrars and Transfer Agents

Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Limited)
44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, PVR Naraina, New Delhi 110 028
Phone No: 011-41410592
Fax no: 011-4141 0591
E-mail delhi@linkintime.co.in

xiii) Investors Correspondence:

- Investor correspondence: All queries of investors regarding the Company's shares in physical/demat form, payment of dividend on shares, etc. may be sent to the following address:
Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Limited)
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase-I, PVR Naraina, New Delhi 110 028
Phone No: 011-41410592, Fax no: 011-4141 0591,
E-mail delhi@linkintime.co.in
- For securities held in Demat form
To the Depository Participant
- Any query on Annual Report
Secretarial Department
SEL Manufacturing Company Ltd.,
274, Dhandari Khurd, G.T. Road, Ludhiana (Pb.) 141014
e-mail ID of the grievance redressal division : ipo@selindia.in
website: www.selindia.in

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

- Vill: Lal Kalan, Teh: Samrala Ludhiana-Chandigarh Road, Near Neelon Canal Bridge, Ludhiana
- Vill Bajra Road, Ludhiana 141 007
- Plot No. 106, Industrial Area, Baddi (SFS) , Dist: Solan, H.P.
- C 256-257, Phase VIII, Focal Point, Ludhiana
- Vill. Shekhan Majara, Machiwara Rahon Road, Teh. & Distt. Nawanshehar (Pb.)
- Vill. Mehatwara, Teh. Ashta, Dist. Sehore, Madhya Pradesh
- G.T. Road, Opp. Mcdonalds, Doraha, Ludhiana.
- A-15, Phase-VII, Focal Point, Ludhiana,
- Plot No. 90, Industrial Area, Baddi (SFS), District Solan, Himachal Pradesh
- 23KM Stone, Delhi-Hisar Highway, Hansi (Hisar)
- 15B, RIICO Indl. Area, Neemrana, Distt. Alwar
- Vill. Udhawal, Teh. Nawanshehar, Dist. Saheed Bhagat Singh Nagar (Punjab)
- Vill. Panjawa-Lambi, Teh. Malout, Dist. Sri Muktsar Sahib (Punjab)
- NH-8, Vill. Lakodara, karjan, Vadodara

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.

(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, 2014.



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, 2014, as per Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

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

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

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

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

**PLACE: LUDHIANA
DATED: 29.08.2014**

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



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **SEL Manufacturing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns from the company's overseas branch at Sharjah, United Arab Emirates audited by other auditors'.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

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

- Note No. 29 (vii) of the financial statements relating search & seizure action u/s. 132(1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been considered necessary by the Company in this regard.
- Note No. 31 of the financial statements relating to identification of non-moving, slow moving, obsolete and damaged inventory in finished goods during the year & write down thereof for Rs. 180.94 crores to net realizable value as at year end.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order and report received by the company from the auditors of the company's overseas branch at United Arab Emirates on which we have relied.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the company's overseas branch at United Arab Emirates audited by other auditors;
 - the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and 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;
 - in our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and sub-section (2) of Section 164 of the Companies Act, 2013;
 - since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**PLACE: LUDHIANA
DATED: 29.05.2014**

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



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (1) of report on Other Legal & Regulatory Requirements of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for certain items of fixed assets, the quantitative details of which, we are informed, are in the process of being compiled.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of opinion that the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) In respect of the loans secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013:
- (a) The Company has not granted any loan to the parties covered under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013.
- (b) During the year, the Company has taken interest free unsecured loan from one director covered under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013. The balance outstanding as at 31st March, 2014 is Rs. 67.96 crores. Maximum balance outstanding is Rs. 67.96 crores. The said loan is repayable in 2018-19.
- (c) In our opinion and according to the explanation given to us, any other terms and conditions of the loan taken are not prima-facie prejudicial to the interest of the Company.
- (d) There is no overdue in respect of the said loan.
- 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 and section 189 of the Companies Act, 2013, 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 section 189 of the Companies Act, 2013, 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 in-house internal audit system commensurate with the size & nature of its business. However, it needs further improvement in terms of scope and coverage.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 209-(1) (d) of the Companies Act, 1956 and section 128 read with section 2 (13) of the Companies Act, 2013, in respect of manufacturing activities of the Company.



ANNEXURE TO THE AUDITOR'S REPORT

We have broadly reviewed the accounts and records of the Company in this connection and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

- 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, 2014 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the details of disputed income tax dues that have not been deposited by the Company as at March 31, 2014 are as follows:

Name of the statute	Nature of dues	Amount (In Rs.)	Accounting year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax deducted at source	736,390	2007-08	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	1,274,292	2008-09	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	410	2011-12	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	222,560	2012-13	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Tax deducted at source	57,230	2013-14	DCIT, Centralized Processing Cell (TDS)
Income Tax Act, 1961	Income Tax	2,980,390	2007-08	Commissioner of Income Tax (Appeals)

- x) The company has no accumulated losses as at the end of the financial year. The company has incurred cash losses during the financial year covered by our audit. However there was no cash loss in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to banks as given below:

Default of principle & interest on Long Term Borrowings

Bank Name	Nature of Amount	Amount	Overdue Since
State Bank of Bikaner & Jaipur	Principal	3,200,000	31.03.2014
State Bank of Bikaner & Jaipur	Principal	76,550,000	31.12.2013
	Interest	47,959,657	
State Bank of Bikaner & Jaipur	Principal	14,000,000	31.01.2014
State Bank of Bikaner & Jaipur	Interest	2,386,686	28.02.2014
State Bank of Patiala	Principal	2,500,000	31.03.2014
State Bank of Patiala	Principal	115,578,376	31.12.2013
State Bank of Patiala	Principal	43,330,799	31.01.2014
	Interest	45,828,738	
State Bank of Patiala	Interest	13,679,108	28.02.2014
State Bank of India	Principal	54,400,000	31.12.2013
State Bank of India	Principal	10,800,000	30.11.2013
State Bank of India	Principal	26,101,738	31.10.2013
	Interest	69,478,256	
Exim Bank	Principal	3,864,904	31.10.2013
	Interest	2,086,937	
UCO Bank	Principal	69,412,500	31.10.2013
	Interest	55,726,039	
State Bank of Hyderabad	Principal	50,100,000	30.09.2013
State Bank of Hyderabad	Principal	47,546,219	31.10.2013
	Interest	65,206,446	
State Bank of Travancore	Principal	50,100,000	30.09.2013
State Bank of Travancore	Principal	68,450,000	31.10.2013
	Interest	99,120,283	
State Bank of Mysore	Principal	5,800,000	31.10.2013
	Interest	3,121,136	
Punjab National Bank	Principal	2,392,003	31.01.2014
	Interest	49,211,047	
Punjab National Bank	Principal	88,468,887	31.12.2013
Punjab & Sind Bank	Principal	9,286,000	31.10.2013
Punjab & Sind Bank	Principal	89,665,000	30.09.2013
	Interest	69,988,316	
Vijaya Bank	Principal	1,734,329	31.01.2014
	Interest	2,747,093	
Allahabad Bank	Principal	23,437,500	30.09.2013
Allahabad Bank	Principal	180,129,412	31.10.2013
	Interest	227,302,834	
Andhra Bank	Interest	3,238,067	31.10.2013
Indian Bank	Interest	39,017,375	31.10.2013
Indian Bank	Principal	20,000,000	31.12.2013
Indian Bank	Principal	3,006,700	31.01.2014



ANNEXURE TO THE AUDITOR'S REPORT

Union Bank of India	Interest	4,085,601	28.02.2014
Union Bank of India	Principal	11,666,700	31.03.2014
United Bank of India	Principal	29,100,000	30.09.2013
	Interest	79,574,569	
United Bank of India	Principal	73,333,332	31.10.2013
	Interest	18,738,188	
Karur Vysya Bank	Interest	8,811,088	31.01.2014
Bank of Maharashtra	Principal	52,276,000	31.10.2013
	Interest	7,813,777	
Bank of Maharashtra	Interest	53,134,065	30.09.2013
Indian Overseas Bank	Interest	241,912	31.01.2014
Dena Bank	Principal	73,333,332	31.10.2013
	Interest	66,621,265	
Corporation Bank	Principal	30,000,000	31.03.2014
Corporation Bank	Interest	37,700,656	31.01.2014

Default of interest on Short Term Borrowing

Bank Name	Overdue Interest Amount	Overdue Since
Allahabad Bank	188,167,468	31.10.2013
Andhra Bank	46,190,642	31.10.2013
Indian Bank	32,284,841	31.10.2013
Indian Overseas Bank	62,758,247	30.11.2013
Punjab National Bank	24,204,779	31.01.2014
State Bank of Bikaner & Jaipur	70,742,104	31.12.2013
State Bank of Bikaner & Jaipur	1,918,710	31.03.2014
State Bank of Hyderabad	28,990,518	31.10.2013
State Bank of India	69,432,816	31.10.2013
State Bank of Patiala	146,682,482	31.12.2013
State Bank of Travancore	169,876,933	30.09.2013
UCO Bank	81,263,824	30.11.2013

- 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 the company has used the funds amounting Rs 425.99 crores raised on short term basis for long term investments.*
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of equity warrants to parties covered in the register maintained under section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.
- 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) According to the information and explanations given to us, during the period covered by our audit report, the company has not raised funds by public issues.
- (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
Firm Registration No. 000402N**

**PLACE: LUDHIANA
DATED: 29.05.2014**

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



SEL Manufacturing Company Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2014	31.03.2013
		In Rupees	In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	33134,70,000	33134,70,000
(b) Reserves & Surplus	4	84909,95,233	108265,85,383
(c) Money Received Against Share Warrants		-	2187,00,000
2. Share Application Money Pending Allotment			
		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	5	145644,24,769	157454,85,418
(b) Deferred Tax Liabilities (Net)	6	-	15031,18,201
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	7	398,24,996	223,80,288
4. Current Liabilities			
(a) Short Term Borrowings	8	157938,70,131	126561,50,468
(b) Trade Payables	9	20326,52,375	28003,94,370
(c) Other Current Liabilities	10	68523,95,086	37214,65,379
(d) Short Term Provisions	11	77,24,441	3416,64,836
TOTAL		510953,57,029	511494,14,344
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		231991,15,446	251809,96,314
(ii) Intangible Assets		313,95,066	372,66,283
(iii) Capital Work in Progress		16400,45,746	2425,48,321
(iv) Intangible Assets Under Development		-	-
(b) Non Current Investments	13	55799,57,621	55644,64,993
(c) Deferred Tax Assets (Net)	6	96,61,394	-
(d) Long Term Loans & Advances	14	13762,99,377	2238,59,985
(e) Other Non-Current Assets	15	5533,59,969	5948,36,129
2. Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	70997,69,327	107530,63,319
(c) Trade Receivables	17	81680,99,115	55222,76,967
(d) Cash & Cash Equivalents	18	1332,97,501	2467,04,509
(e) Short Term Loans & Advances	19	5901,42,008	8518,16,593
(f) Other Current Assets	20	27142,14,459	19315,80,931
TOTAL		510953,57,029	511494,14,344

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

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, 2014

PARTICULARS	NOTE NO.	Current Year In Rupees	Previous Year In Rupees
I. Revenue From Operations	21	295603,95,263	315421,69,176
II. Other Income	22	9012,18,027	17198,82,463
III. Total Revenue (I+II)		<u>304616,13,290</u>	<u>332620,51,639</u>
IV. Expenses			
Cost of Material Consumed	23	221223,92,529	146490,27,312
Purchases of Stock-in-Trade		21347,76,076	104986,98,540
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	(18709,09,269)	(18962,39,327)
Employee Benefits Expenses	25	12278,93,052	13054,19,103
Finance Costs	26	31222,43,276	26793,19,495
Depreciation and Amortization Expenses	28	21243,10,725	13559,26,493
Other Expenses	27	37901,09,559	29890,38,475
Total Expenses		<u>326508,15,948</u>	<u>315811,90,091</u>
V. Profit Before Exceptional And Extraordinary Items And Tax (III-IV)		(21892,02,658)	16808,61,548
VI. Exceptional Items	31	18094,31,166	-
VII. Profit Before Extraordinary Items And Tax (V-VI)		<u>(39986,33,823)</u>	<u>16808,61,548</u>
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		<u>(39986,33,823)</u>	<u>16808,61,548</u>
X. Tax Expense:			
1) Current Tax		-	3287,00,000
2) Deferred Tax		(15127,79,595)	5496,18,899
3) MAT Credit Entitlement		-	(2957,60,100)
4) Earlier Years		684,35,922	339,51,779
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		<u>(25542,90,151)</u>	<u>10643,50,970</u>
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)		<u>(25542,90,151)</u>	<u>10643,50,970</u>
XVI. Earning per Equity Share of face value of Rs. 10 each			
(1) Basic		(7.71)	3.61
(2) Diluted		(7.71)	3.56

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

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, 2014

PARTICULARS	Details In Rupees	Current Year In Rupees	Details In Rupees	Previous Year In Rupees
A Cash Flow from Operating Activities				
Net Profit before Taxes & Extraordinary Items		(39986,33,823)		16808,61,549
Adjustments for Non Cash Items:				
- Depreciation	21243,10,725		13559,26,493	
- Interest Paid	30521,43,378		26138,75,278	
- Interest Received	(554,83,137)		(149,20,338)	
- Dividend Received	-		(54,375)	
- Share of Loss from Firm	4,44,062		(42,93,720)	
- (Profit)/Loss on Sale of Fixed Assets	96,816	51215,11,844	(182,30,891)	39323,02,447
Adjustments for Changes in Working Capital:				
- Increase/ (Decrease) in Trade Payables	(7677,41,995)		9520,07,795	
- Increase/ (Decrease) in Other Current Liabilities	31309,29,707		14246,54,110	
- Increase/ (Decrease) in Short Term Provision	(3339,40,395)		1314,22,273	
- (Increase)/ Decrease in Trade Receivables	(26458,22,148)		7969,08,336	
- (Increase)/ Decrease in Short Term Loans & Advances	2616,74,585		(591,79,777)	
- (Increase)/ Decrease in Other Current Assets	(7826,33,528)		(7991,19,971)	
- (Increase)/ Decrease in Inventories	36532,93,992	25157,60,218	(45878,19,647)	(21411,26,881)
Cash Generation from Operations		36386,38,238		34720,37,115
- Taxes Paid		684,35,922		668,91,679
Net Cash from Operating Activities		35702,02,317		34051,45,436
B Cash Flows from Investing Activities				
- Purchase of Fixed Assets & Capital Work in Process	(15643,56,309)		(77711,78,036)	
- Sale of Fixed Assets	302,03,429		377,28,981	
- Interest Received	554,83,137		149,20,338	
- Share of Loss from Firm	(4,44,062)		42,93,720	
- Dividend Received	-		54,375	
- (Increase)/Decrease of Non Current Investments	(154,92,628)		(37072,77,409)	
- (Increase)/ Decrease in Other Non Current Assets	414,76,160		(2881,53,101)	
- (Increase)/ Decrease in Long Term Loans & Advances	(11524,39,392)		26141,06,537	
- Increase/(Decrease)in Long Term Provisions	174,44,708		151,18,697	
Net Cash Flows from Investing Activities		(25881,24,958)		(90803,85,898)
C Cash Flows from Financing Activities				
- Proceeds from Issue of Capital & Securities Premium	-		23419,44,640	
- Share Warrant Application Money	-		2187,00,000	
- Proceeds/(Repayment) of Long term Borrowings	(11810,60,649)		6046,84,242	
- Proceeds/(Repayment) of Short term Borrowings	31377,19,663		46384,33,545	
- Interest Paid	(30521,43,378)		(26138,75,278)	
Net Cash Flows from Financing Activities		(10954,84,364)		51898,87,149
Net Increase/(Decrease) in Cash & Cash Equivalent		(1134,07,007)		(4853,53,314)
Cash & Cash Equivalents - Opening Balance		2467,04,508		7320,57,822
Cash & Cash Equivalents - Closing Balance		1332,97,501		2467,04,508

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

Rahul Kapoor
Company Secretary

SHARE CAPITAL
Note No. - 3

PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(a) Authorised		
1,000,000,000 Equity Shares	<u>10,000,000,000</u>	<u>10,000,000,000</u>
(b) Issued,Subscribed & Paid Up		
331,347,000 Equity Shares Fully Paid Up.	<u>3,313,470,000</u>	<u>3,313,470,000</u>
	<u>3,313,470,000</u>	<u>3,313,470,000</u>

(c) Par Value per Share is Rs. 10/-
(d) Reconciliation of the number of equity shares outstanding

	As at 31st March, 2014		As at 31st March, 2013	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year	3313,47,000	33134,70,000	1113,47,000	11134,70,000
Add: Addition during the year	-	-	2200,00,000	22000,00,000
	<u>3313,47,000</u>	<u>33134,70,000</u>	3313,47,000	33134,70,000
Less: Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	<u>3313,47,000</u>	<u>33134,70,000</u>	3313,47,000	33134,70,000

(e) Terms/rights attached to equity shares.

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share except holder of GDR will not have voting right with respect to the Deposited Shares.

The Company issued 220,000,000 equity shares of the face value of Rs. 10 per share consequent to Global Depository Receipt (GDRs) issue of the company during the year 2012-13. Holders of Global Depository Receipt (GDRs) were be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares. As on 31.03.2014, 97,386,256 shares (Previous Year 135,195,687 shares) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

RESERVES & SURPLUS
NOTE NO. - 4

PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
a) Capital Reserves		
Opening Balance	713,47,926	713,47,926
Add: Addition during the year	<u>2187,00,000</u>	-
	2900,47,926	713,47,926
Less: Deduction during the year	-	-
	<u>2900,47,926</u>	713,47,926
b) Securities Premium Reserve		
Opening Balance	51937,96,919	50518,52,278
Add: Addition during the year	-	<u>2164,40,093</u>
	51937,96,919	52682,92,371
Less: Deduction during the year	-	<u>744,95,452</u>
	<u>51937,96,919</u>	51937,96,919
c) General Reserve		
Opening Balance	23200,00,000	13200,00,000
Add: Addition during the year	-	<u>10000,00,000</u>
	<u>23200,00,000</u>	23200,00,000



SEL Manufacturing Company Ltd.

Less: Deduction during the year	-	-
	23200,00,000	23200,00,000
d) Surplus		
Opening Balance	32414,40,539	31770,89,568
Add: Addition during the year	(25542,90,151)	10643,50,970
	6871,50,388	42414,40,538
Less: Transferred to General Reserve	-	10000,00,000
	6871,50,388	32414,40,538
TOTAL	84909,95,233	108265,85,383

LONG TERM BORROWING

NOTE NO. - 5

PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
a) Secured Loans		
i) Term Loans		
- From Banks	138739,60,294	157226,37,993
b) Unsecured Loans		
i) Vehicle Loans		
- From Banks	108,64,475	228,47,425
ii) Loans from Related Parties	6796,00,000	-
(Interest free loans repayable in 2018-19)		
TOTAL	145644,24,769	157454,85,418

Terms and Conditions of Loans taken from Banks and Status of continuing default as at year end:

Bank Name	Rate of interest (%)	Sanctioned Amount	Balance as on 31.03.2014	Total No. of Instalments at the time of sanction	Equated Installment	No. of Installment outstanding as on 31.03.2014	Overdue Principal Amount	Overdue Since
State Bank of Bikaner & Jaipur	13.50	240,000,000	41,085,990	32	7,500,000	6	3,200,000	31.03.2014
State Bank of Bikaner & Jaipur	13.50	300,000,000	131,376,630	29	9,375,000	13	18,750,000	31.12.2013
				2	14,062,500			
State Bank of Bikaner & Jaipur	14.00	200,000,000	84,993,934	27	7,200,000	12	14,400,000	31.12.2013
				1	5,600,000			
State Bank of Bikaner & Jaipur	14.00	140,000,000	55,413,954	28	5,000,000	11	10,000,000	31.12.2013
State Bank of Bikaner & Jaipur	14.00	500,000,000	299,800,000	29	16,700,000	18	33,400,000	31.12.2013
				1	15,700,000			
State Bank of Bikaner & Jaipur	14.00	500,000,000	446,000,000	2	6,200,000	27	14,000,000	31.01.2014
				4	14,000,000			
				24	16,700,000			
				2	15,400,000			
State Bank of Patiala	13.50	80,000,000	15,434,728	32	2,500,000	6	2,500,000	31.03.2014
State Bank of Patiala	13.50	330,000,000	123,638,220	31	10,300,000	12	17,578,376	31.12.2013
				1	10,700,000			
State Bank of Patiala	13.50	600,000,000	254,480,206	27	21,400,000	12	18,355,799	31.01.2014
				1	22,200,000			
State Bank of Patiala	14.25	1,000,000,000	620,517,014	29	33,400,000	18	66,800,000	31.12.2013
				1	31,400,000			
State Bank of Patiala	14.25	500,000,000	344,085,756	31	15,600,000	22	31,200,000	31.12.2013
				1	16,400,000			
State Bank of Patiala	14.25	750,000,000	672,154,533	2	9,375,000	29	24,975,000	31.01.2014
				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	80,000,000	17,500,001	32	2,500,000	7	5,000,000	31.12.2013
State Bank of India	15.00	80,000,000	26,000,000	29	2,700,000	10	5,400,000	31.12.2013
				1	1,700,000			
State Bank of India	15.00	200,000,000	120,800,000	92	2,200,000	55	10,800,000	30.11.2013
State Bank of India	14.00	330,000,000	313,594,850	2	4,114,000	28	14,672,000	31.10.2013
				2	7,568,000			
				22	11,242,000			
				4	11,264,000			
				2	7,128,000			
State Bank of Indore	14.00	150,000,000	50,000,000	30	5,000,000	10	10,000,000	31.12.2013
State Bank of India	14.00	250,000,000	108,429,738	27	9,000,000	12	11,429,738	31.10.2013
				1	7,000,000			



SEL Manufacturing Company Ltd.

State Bank of India	14.00	500,000,000	299,790,840	28	17,000,000	17	34,000,000	31.12.2013
				1	24,000,000			
Exim Bank	13.50	70,000,000	35,451,841	32	2,100,000	16	3,864,904	31.10.2013
				1	2,400,000			
Uco Bank	14.00	365,000,000	171,334,966	32	11,406,250	14	22,812,500	31.10.2013
Uco Bank	13.75	700,000,000	673,998,573	29	23,300,000	27	46,600,000	31.10.2013
				1	24,300,000			
State bank of Hyderabad	14.50	200,000,000	92,857,141	28	7,142,857	13	14,285,714	31.10.2013
State bank of Hyderabad	15.25	500,000,000	305,866,630	29	16,700,000	19	50,100,000	30.09.2013
				1	15,700,000			
State bank of Hyderabad	14.75	500,000,000	464,013,666	2	6,250,000	30	33,260,505	31.10.2013
				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	170,000,000	80,400,116	27	6,100,000	13	12,200,000	31.10.2013
				1	5,300,000			
State Bank of Travancore	14.75	500,000,000	324,414,890	29	16,700,000	19	50,100,000	30.09.2013
				1	15,700,000			
State Bank of Travancore	13.75	1,000,000,000	940,105,659	2	12,500,000	28	56,250,000	31.10.2013
				4	28,125,000			
				24	33,325,000			
				2	31,350,000			
State Bank of Mysore	14.50	80,000,000	37,345,334	27	2,900,000	13	5,800,000	31.10.2013
				1	1,700,000			
Punjab National Bank	15.25	250,000,000	114,987,754	27	8,333,333	11	2,392,003	31.01.2014
				1	25,000,000			
Punjab National Bank	15.25	500,000,000	294,137,833	30	16,666,667	17	19,666,918	31.12.2013
Punjab National Bank	13.75	1,200,000,000	1,022,947,265	30	40,000,000	25	68,801,969	31.12.2013
Punjab & Sind Bank	13.75	130,000,000	67,223,439	27	4,643,000	13	9,286,000	31.10.2013
				1	4,639,000			
Punjab & Sind Bank	13.25	450,000,000	308,799,563	30	15,000,000	19	45,000,000	30.09.2013
Punjab & Sind Bank	14.25	500,000,000	515,555,685	2	6,000,000	31	44,665,000	30.09.2013
				2	11,333,000			
				26	16,666,000			
				2	10,666,000			
				2	5,343,000			
Vijaya Bank	13.50	190,000,000	85,909,822	28	6,785,700	12	1,734,329	31.01.2014
Allahabad Bank	14.25	250,000,000	187,396,719	32	7,812,500	23	23,437,500	30.09.2013
Allahabad Bank	13.75	1,250,000,000	1,331,402,879	34	36,764,706	34	70,129,412	31.10.2013
Allahabad Bank	13.75	1,650,000,000	1,702,674,938	30	55,000,000	29	110,000,000	31.10.2013
Indian Bank	14.75	300,000,000	192,592,196	30	10,000,000	18	20,000,000	31.12.2013
Union Bank of India	14.65	350,000,000	202,419,501	30	11,666,700	17	11,666,700	31.03.2014
United Bank of India	14.35	300,000,000	231,342,629	30	9,700,000	22	29,100,000	30.09.2013
				1	9,000,000			
United Bank of India	13.75	1,100,000,000	1,064,034,571	29	36,666,666	27	73,333,332	31.10.2014
				1	36,666,686			
Karur Vysya Bank	13.75	300,000,000	268,811,090	2	3,333,333	28	-	0
				2	6,666,666			
				26	10,000,000			
				2	3,333,334			
				2	6,666,667			
Indian Bank	14.25	107,000,000	97,843,274	2	1,337,500	27	3,006,700	31.01.2014
				4	3,006,700			
				24	3,563,100			
				2	3,391,900			
Bank of Maharashtra	13.95	100,000,000	94,007,198	2	1,244,000	30	5,676,000	31.10.2013
				4	2,822,000			
				24	3,333,000			
				4	1,550,000			
Bank of Maharashtra	13.75	700,000,000	636,904,273	29	23,300,000	27	46,600,000	31.10.2013
				1	24,300,000			
Dena Bank	13.75	1,100,000,000	980,699,889	29	36,666,666	27	73,333,332	31.10.2013
				1	36,666,686			
Corporation Bank	13.75	,900,000,000	900,906,692	30	30,000,000	29	30,000,000	31.03.2014

Details of security for term loans

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

Sr. No.	Onwer	Detail of property
1.	Sh. R.S.Saluja	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



Terms of repayment of unsecured loans

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Monthly Installment	Repayment Type	No. of Instalment Outstanding
HDFC Bank	13.00	36	26,400	Monthly	14
HDFC Bank	12.79	36	26,590	Monthly	5
HDFC Bank	12.00	36	57,215	Monthly	2
HDFC Bank	11.49	36	36,090	Monthly	2
HDFC Bank	12.00	36	2,20,630	Monthly	27
HDFC Bank	12.79	36	26,590	Monthly	4
HDFC Bank	12.79	36	23,266	Monthly	5
HDFC Bank	11.50	36	64,070	Monthly	17
Habib Bank	4.75	60	54,740	Monthly	24
ICICI Bank	10.00	60	4,76,500	Monthly	22
ICICI Bank	12.55	36	16,900	Monthly	5
ICICI Bank	10.32	36	56,245	Monthly	14
Kotak Mahindra Prime Ltd.	12.00	36	2,87,010	Monthly	18
State Bank of Bikaner & Jaipur	11.15	36	28,026	Monthly	8
State Bank of Bikaner & Jaipur	11.15	36	28,026	Monthly	8
State Bank of Bikaner & Jaipur	11.15	36	14,180	Monthly	11
State Bank of Bikaner & Jaipur	11.15	36	15,334	Monthly	11
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	14
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	14
State Bank of Bikaner & Jaipur	11.65	36	12,821	Monthly	14
State Bank of Bikaner & Jaipur	11.40	36	25,550	Monthly	14

DEFERRED TAX ASSET/LIABILITY (Net)

NOTE NO. - 6

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	16707,43,503	15128,31,757
Gross Deferred Tax Liability	16707,43,503	15128,31,757
Deferred Tax Asset		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis and unabsorbed depreciation	16804,04,897	97,13,556
Gross Deferred Tax Asset	16804,04,897	97,13,556
Net Deferred Tax (Asset)/Liability	(96,61,394)	15031,18,201

LONG TERM PROVISION

NOTE NO. - 7

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(a) Provision for Employee Benefits	398,24,996	223,80,288
TOTAL	398,24,996	223,80,288

SHORT TERM BORROWINGS

NOTE NO. - 8

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(a) Secured Loans		
i) Loans Repayable on Demand#		
From Banks	157938,70,131	126561,50,468
TOTAL	157938,70,131	126561,50,468



SEL Manufacturing Company Ltd.

Details of security for working capital borrowings

i) Short term borrowings from banks are secured by the Hypothecation of Stock-in trade, Book Debts and Receivables of the Company and further secured by the second pari-passu charge on the entire fixed assets of the Company and personal guarantee of the promoter directors and pledged of 36,729,044 equity shares of the company held by the promoters. The said borrowings are further secured, on pari-passu basis with term loan lenders, by equitable mortgage of the following properties.

S.No.	Owner	Detail of property
1.	Sh. R.S.Saluja	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

Terms of repayment of loans repayable on demand

From banks are repayable on demand and carries interest @ 12% to 14.50% p.a.

The detail of amount & period of default of interest on Short Term Borrowings

Bank Name	Overdue Interest Amount	Overdue Since
Allahabad Bank	1881,67,468	31.10.2013
Andhra Bank	461,90,642	31.10.2013
Indian Bank	322,84,841	31.10.2013
Indian Overseas Bank	627,58,247	30.11.2013
Punjab National Bank	242,04,779	31.01.2014
State Bank of Bikaner & Jaipur	707,42,104	31.12.2013
State Bank of Bikaner & Jaipur	19,18,710	31.03.2014
State Bank of Hyderabad	289,90,518	31.10.2013
State Bank of India	694,32,816	31.10.2013
State Bank of Patiala	1466,82,482	31.12.2013
State Bank of Travancore	1698,76,933	30.09.2013
UCO Bank	812,63,824	30.11.2013
Total	9225,13,364	

TRADE PAYABLES

NOTE NO. - 9

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
Sundry Creditors*	20326,52,375	28003,94,370
TOTAL	20326,52,375	28003,94,370

*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, 2014 are Nil.

OTHER CURRENT LIABILITIES

NOTE NO. - 10

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
a) Current Maturities of Long Term Debts	43187,50,170	28117,88,653
b) Interest Accrued but not due on borrowings	27,23,051	2,08,451
c) Interest Accrued and due on borrowings#	10728,19,138	2174,89,431
d) Unpaid Dividends*	28,348	28,348

**SEL Manufacturing Company Ltd.**

e) Other Payables		
i) Statutory Dues & Taxes	255,09,061	262,78,666
ii) Employees Benefits	1139,80,330	1105,99,617
iii) Advances from Customers	7562,44,457	1106,38,069
iv) Payable to Vendors-Non Trade	2570,48,491	1594,31,019
v) Others-Expenses Payable	3052,92,040	2850,03,125
TOTAL	68523,95,086	37214,65,379

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

*Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

SHORT TERM PROVISIONS**NOTE NO. - 11**

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
a) Provision for Employee Benefits	71,99,441	35,10,836
b) Others		
- Income Tax	-	3376,04,000
- Wealth Tax	5,25,000	5,50,000
TOTAL	77,24,441	3416,64,836



NOTE NO.- 12

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	BALANCE AS ON 01.04.2013	ADDITIONS DURING THE YEAR	SALES/ADJUSTMENT DURING THE YEAR	BALANCE AS ON 31.03.2014	BALANCE AS ON 01.04.2013	PROVIDED DURING THE YEAR	SALES DURING THE YEAR	BALANCE AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(a) Tangible Assets												
i) Land	10367,67,485	-	-	10367,67,485	-	-	-	-	-	-	10367,67,485	10367,67,485
ii) Leasehold Land	732,88,658	-	-	732,88,658	32,81,018	7,17,802	-	39,98,820	692,89,838	700,07,640	700,07,640	
iii) Building	83111,21,962	-	-	83111,21,962	3835,96,604	2577,32,448	-	6413,29,052	76697,92,910	79275,25,358	79275,25,358	
iv) Road	484,13,448	-	-	484,13,448	13,71,984	7,89,139	-	21,61,123	462,52,325	470,41,464	470,41,464	
v) Plant & Machinery	184186,76,146	1345,88,820	266,58,606	185266,06,359	28040,08,806	18216,18,028	20,14,443	46236,12,391	139029,93,968	156146,67,340	156146,67,340	
vi) Furniture & Fixtures	3751,55,072	168,23,839	-	3919,78,911	388,97,155	192,41,782	-	581,38,937	3338,39,975	3362,57,917	3362,57,917	
vii) Vehicles	1635,07,860	117,87,105	83,43,120	1669,51,845	499,87,443	163,96,948	26,87,039	636,97,351	1032,54,493	1135,20,417	1135,20,417	
viii) Office Equipments	401,74,166	36,59,120	-	438,33,287	49,65,473	19,43,361	-	69,08,834	369,24,452	352,08,693	352,08,693	
	284671,04,797	1668,56,884	350,01,726	285989,61,955	32861,08,483	21184,39,508	47,01,482	53998,46,509	231991,15,446	251809,96,314	251809,96,314	
b) Intangible Assets												
i) Computer Software	455,75,820	-	-	455,75,820	83,09,537	58,71,217	-	141,80,754	313,95,066	372,66,283	372,66,283	
(c) Capital Work in Progress	2425,48,321	15489,10,084	1514,12,659	16400,45,746	-	-	-	-	16400,45,746	2425,48,321	2425,48,321	
Total	287552,28,938	17157,68,968	1864,14,385	302845,83,521	32944,18,020	21243,10,725	47,01,482	54140,27,263	248705,56,258	254608,10,918	254608,10,918	
Previous Year	210086,47,769	205198,02,609	127732,21,440	287552,28,938	19435,90,303	13559,26,493	50,98,777	32944,18,020	254608,10,918	-	-	



NON CURRENT INVESTMENTS

NOTE NO. - 13

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
Other Investments (At Cost)		
(a) Investment in Equity Instruments (Quoted)		
i) 3,124 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited (Previous Year 3,124 Equity Shares of Rs. 10/- each fully paid up)	30,00,000	30,00,000
ii) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited (Previous Year 778 Equity Shares of Rs. 10/- each fully paid up)	67,555	67,555
(b) Investment in Equity Instruments (Unquoted)		
Subsidiaries		
i) 127,057,200 Equity Shares of Rs. 10/- each fully paid up of SEL Textiles Ltd. (Previous Year 127,057,200 Equity Shares of Rs. 10/- each fully paid up)	51146,23,500	51146,23,500
ii) (2,392,700) Equity Shares of Rs. 10/- each fully paid up of Omega Hotels Ltd. (Previous Year 2,392,700 Equity Shares of Rs. 10/- each fully paid up)	-	2883,16,700
iii) 3,989,600 Equity Shares of Rs. 10/- each fully paid up of SEL Aviations Pvt. Ltd. (Previous Year 2,089,600 Equity Shares of Rs. 10/- each fully paid up)	1443,76,000	1253,76,000
iv) 48,050 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Ltd. (Previous Year 48,050 Equity Shares of Rs. 10/- each fully paid up)	4,80,500	4,80,500
v) (270,000) Equity Shares of Rs. 10/- each fully paid up of SEL Ecochem Pvt. Ltd. (Previous Year 270,000 Equity Shares of Rs. 10/- each fully paid up)	-	27,00,000
vi) 10,000 Equity Shares of USD 1/- each fully paid up of SEL Textile Corporation (Previous Year 10,000 Equity Shares of USD 1/- each fully paid up)	5,57,900	5,57,900
Associates		
i) 24000 Equity Shares of Rs. 10/- each fully paid up of Rhythm Textile & Apparels Park Limited (Previous Year 24000 Equity Shares of Rs. 10/- each fully paid up)	2,40,000	2,40,000
ii) 2,392,700 Equity Shares of Rs. 10/- each fully paid up of Omega Hotels Ltd. (Previous Year Nil Equity Shares of Rs. 10/- each fully paid up)	2883,16,700	-
Others		
i) 299,300 Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited (Previous Year 299,300 Equity Shares of Re. 1/- each fully paid up)	209,51,000	209,51,000
(c) Investment in Mutual Funds (Unquoted)		
i) 15,000 Units of Rs.10/- each of SBI Infrastructure Fund (Previous Year 15,000 units of Rs. 10/- each)	15,00,000	15,00,000
ii) 5,000 Units of Rs.10/- each of SBI PSU Fund (Previous Year 5,000 units of Rs. 10/- each)	5,00,000	5,00,000
iii) 55,187.638 Units of Rs. 10/- each of Union KBC Equity Fund (Previous Year 55,187.638 Units of Rs.10/- each)	5,00,000	5,00,000
iv) 100,000 Units of Rs.10/- each of SBI Gold Fund (Previous Year 100,000 Units of Rs.10/- each)	10,00,000	10,00,000
(d) Investments in Partnership Firm		
i) 99% Share in SE Exports		
Capital (After adjusting Drawings)	42,88,528	
Add: Share of Profits	(4,44,062)	
	38,44,466	46,51,838

**SEL Manufacturing Company Ltd.**

Name of Partners	Share of Profit	Amount of Capital as on 31st March, 2014	Amount of Capital as on 31st March, 2013		
Mr. Dhiraj Saluja	0.50%	3,08,370	3,10,613		
Mrs. Reema Saluja	0.50%	7,31,748	7,33,991		
SEL Manufacturing Co. Ltd.	99.00%	38,44,466	46,51,839		
		TOTAL		55799,57,621	55644,64,993
Market Value of Quoted Investments				29,07,710	24,14,734
Aggregate Value of Quoted Investments				30,67,555	30,67,555
Aggregate Value of UnQuoted Investments				55768,90,066	55613,97,438

LONG TERM LOANS AND ADVANCES

NOTE NO. - 14

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(Unsecured, considered good)		
a) Capital Advances	12526,55,569	1245,98,115
b) Security Deposits	1236,43,808	992,61,870
TOTAL	13762,99,377	2238,59,985

OTHER NON CURRENT ASSETS

NOTE NO. - 15

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
a) MAT Credit Entitlement	5533,59,969	5948,36,129
TOTAL	5533,59,969	5948,36,129

INVENTORIES

NOTE NO. - 16

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(Taken as, valued & certified by the Management)		
a) Raw Materials	12366,42,835	46310,84,220
b) Work in Progress	13237,12,953	16129,03,925
c) Finished Goods		
- In Godown	39168,60,386	12430,27,860
- In Transit	5459,08,902	4293,21,799
d) Stock in Trade	120,00,400	24517,50,954
e) Stores & Spares	646,43,851	3849,74,561
TOTAL	70997,69,327	107530,63,319

**SEL Manufacturing Company Ltd.**

TRADE RECEIVABLES		NOTE NO. - 17	
PARTICULARS	AS AT	AS AT	
	31.03.2014	31.03.2013	
	In Rupees	In Rupees	
(Unsecured, considered good)			
a) Outstanding for a period exceeding six months from the date they are due for payment	31077,79,058	10554,57,143	
b) Other Receivables	50603,20,057	44668,19,824	
TOTAL	81680,99,115	55222,76,967	

CASH & CASH EQUIVALENTS		NOTE NO. - 18	
PARTICULARS	AS AT	AS AT	
	31.03.2014	31.03.2013	
	In Rupees	In Rupees	
a) Cash in Hand	355,24,373	184,31,944	
b) Balances With Scheduled Banks			
i) In Current Accounts	628,44,850	1499,36,239	
ii) In Fixed Deposits Accounts	349,28,277	783,36,325	
TOTAL	1332,97,501	2467,04,509	

SHORT TERM LOANS AND ADVANCES		NOTE NO. - 19	
PARTICULARS	AS AT	AS AT	
	31.03.2014	31.03.2013	
	In Rupees	In Rupees	
(Unsecured, considered good)			
a) Others			
i) Advances to Suppliers	3097,87,726	3610,25,351	
ii) Statutory Dues & Taxes	2394,40,510	2885,15,305	
iii) Prepaid Taxes	182,56,637	1616,04,155	
iv) Others	226,57,135	406,71,782	
TOTAL	5901,42,008	8518,16,593	

OTHER CURRENT ASSETS		NOTE NO. - 20	
PARTICULARS	AS AT	AS AT	
	31.03.2014	31.03.2013	
	In Rupees	In Rupees	
(Unsecured, considered good)			
a) Others			
i) Duty Drawback Receivable	3736,29,877	6566,63,691	
ii) Interest Subsidy Receivable	23395,84,474	12740,66,578	
iii) Interest Receivable	10,00,108	8,50,663	
TOTAL	27142,14,459	19315,80,931	

REVENUE FROM OPERATIONS		NOTE NO. - 21	
PARTICULARS	Current Year	Previous Year	
	In Rupees	In Rupees	
Sale of Products			
Finished Goods	244916,14,339	224971,31,288	
Traded Goods	48030,05,662	86525,17,374	

**SEL Manufacturing Company Ltd.**

Other Operating Income		
Waste/Sale Scrap	2657,75,262	3938,27,533
	295603,95,263	315434,76,195
Less: Excise Duty	-	13,07,019
TOTAL	295603,95,263	315421,69,176

Details of Sales (Finished Goods)

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Yarn	121296,75,372	119894,69,087
Hosiery Garments	16608,42,196	21799,64,472
Terry Towel	42326,99,803	31974,26,108
Knitted Cloth	64683,96,968	51302,71,621
	244916,14,339	224971,31,288
Less: Excise Duty	-	13,07,019
TOTAL	244916,14,339	224958,24,269

Details of Sales (Traded Goods)

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Yarn	8370,77,720	-
Hosiery Garments	39616,84,400	80483,76,431
Raw Material	42,43,542	97,43,191
Knitted Cloth	-	5943,97,752
TOTAL	48030,05,662	86525,17,374

OTHER INCOME**NOTE NO. - 22**

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Export Incentives	4552,01,763	7873,52,500
Interest (Gross)	554,83,137	149,20,338
Share of profit from Partnership Firms	-	42,93,720
Other Income	9,25,600	2,43,964
Foreign Exchange Fluctuation	3889,37,527	8941,29,113
Profit on Sale of Fixed Assets	-	182,30,891
Dividend Income	-	54,375
Rental Income	6,70,000	6,57,562
TOTAL	9012,18,027	17198,82,463

COST OF MATERIAL CONSUMED**NOTE NO. - 23**

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Raw Material Consumed		
Opening Stock	45902,99,990	13736,92,116
Add: Purchases (net)	183383,52,849	170748,46,093
Add: Stock in Trade	-	5464,81,702
	229286,52,839	189950,19,910
Less: Closing Stock	11987,27,990	45902,99,990
Cost of raw material consumed during the year (A)	217299,24,850	144047,19,920
Packing Material Consumed		
Opening Stock	407,84,230	399,47,126



SEL Manufacturing Company Ltd.

Add: Purchases (net)		3895,98,295	2451,44,496
		4303,82,525	2850,91,622
Less: Closing Stock		379,14,845	407,84,230
Cost of packing material consumed during the year	(B)	3924,67,680	2443,07,392
	TOTAL (A+B)	221223,92,529	146490,27,312

Details of Raw Material Consumed

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Raw Cotton/Waste	102571,73,489	105020,77,357
Polyster Fibre	5664,66,679	5459,91,902
Yarn	8173,56,081	958,51,740
Knitted Cloth	100889,28,602	32607,98,921
	TOTAL	217299,24,849

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	16129,03,925	9766,39,800
Finished Goods	16723,49,659	28641,25,411
Stock in Trade	24517,50,954	5464,81,702
	(A)	57370,04,538
Less: Stock in Trade converted to raw materials	(B)	-
		5464,81,702
Closing Stocks		
Work in Process	13237,12,953	16129,03,925
Finished Goods	62722,00,454	16723,49,659
Stock in Trade	120,00,400	24517,50,954
	(C)	76079,13,807
Decrease/(Increase) in Inventories	(A-B-C)	(18709,09,269)

EMPLOYEE BENEFITS EXPENSE

NOTE NO. - 25

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Wages, Salaries & Other Allowances	11270,84,792	11955,89,199
Contribution to PF, ESI & Other Funds	685,82,624	590,55,884
Staff & Labour Welfare	322,25,636	507,74,020
	TOTAL	12278,93,052

FINANCIAL COSTS

NOTE NO. - 26

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
a) Bank Charges	700,99,898	654,44,216
b) Interest on		
i) Working Capital Limits	19781,66,223	15575,08,379
ii) Term Loans	8882,54,738	9518,72,502
iii) Car Loans	34,10,614	43,70,849
iv) Others	1823,11,803	1001,23,549
	TOTAL	31222,43,276



SEL Manufacturing Company Ltd.

OTHER EXPENSES

NOTE NO. - 27

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Powel & Fuel	22362,46,594	16509,28,747
Consumables & Repair Maintenance	7222,23,758	5856,15,302
Job Work Expenses	422,50,521	433,59,632
Printing & Stationery	18,52,063	36,68,223
Insurance	232,01,783	190,32,763
Fees & Taxes	113,57,613	89,81,914
Donation	1,00,400	4,36,803
Legal & Professional Charges	204,89,212	79,34,838
Postage & Courier Charges	86,61,142	101,17,616
Telephone & Fax Expenses	63,25,729	57,02,399
Statutory Auditors' Remuneration		
- Audit Fee	29,98,450	26,34,305
- Tax Audit Fee	8,75,000	8,90,695
- Reimbursement of Expenses	49,641	32,686
- Service Tax	4,43,907	3,33,862
Cost Auditors' Remuneration		
- Audit Fee	85,000	-
General Repair & Maintenance	108,27,616	92,93,166
Office Expenses	174,85,885	111,83,443
Festival Expenses	112,09,619	122,64,286
Rent	47,95,314	62,03,073
Travelling & Conveyance	500,45,966	429,77,702
Water Charges	149,49,439	41,33,001
Service Tax Paid	80,93,449	100,47,997
Advertisement	40,79,564	47,15,470
Loss on Sale of Fixed Assets	96,816	-
Security Expenses	4,12,516	5,77,235
Building Repair & Maintenance	17,83,602	33,62,453
Share of Loss from Partnership Firms	4,44,062	-
Vehicles Expenses	159,56,516	123,39,706
Wealth Tax	5,25,000	5,50,000
Business Promotion	169,88,857	146,83,963
Commission	2403,94,213	1648,09,013
Rebate & Discount	293,52,725	142,08,912
Freight Outward	2855,07,588	3380,19,270
TOTAL	37901,09,559	29890,38,475

DEPRECIATION & AMORTIZATION EXPENSES

NOTE NO. - 28

PARTICULARS	Current Year In Rupees	Previous Year In Rupees
Depreciation of Tangible Assets	21184,39,508	13500,55,276
Depreciation of Intangible Assets	58,71,217	58,71,217
TOTAL	21243,10,725	13559,26,493



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. 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 Use of Estimates

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

2.3 Revenue Recognition

i) Sales

Revenue from sale of goods is recognized:

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

ii) Export Incentives

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

iii) Dividend

Dividend income is 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.

2.4 Investments

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

2.5 Inventories

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

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

2.6 Foreign Currency Transactions

(a) Foreign Branch (Integral)

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



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

(b) Other foreign currency transactions:

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

2.7 Fixed Assets

(i) a) Tangible Assets

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

b) Intangibles Assets

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

(ii) Capital work in progress

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

(iii) Expenditure incurred during construction period

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

2.8 (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.

2.9 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.

2.10 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.

2.11 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.

2.12 Accounting for Taxes on Income

Current Tax

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



Deferred Tax

Deferred Tax 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.

2.13 Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in case of revalued assets.

2.14 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.

2.15 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.

2.16 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.

2.17 Operating Leases

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

2.17 Government Grants & Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

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:-



SEL Manufacturing Company Ltd.

Particulars	(Rs. In Crores)	
	March 31, 2014	March 31, 2013
i) Export Bills Discounted	43.65	127.09
ii) Estimated amount of capital contracts remaining to be executed net of advances	41.51	71.95
iii) Guarantees given by the Company on behalf of SEL Textiles Ltd. (Subsidiary Company)	1487.55	1487.55
iv) Income Tax*	0.53	-
v) Performance Guarantees issued for export obligations	495.61	1088.43
vi) Others (Net of deposit of Rs. 0.07 crores (Previous Year Rs. 0.07 crores) against the said demand, contested in appeal.	0.07	0.07
(vi) During the year under audit, the Income Tax authorities carried out search & seizure action u/s. 132(1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been made in the books for additional liability (amount presently not ascertainable) for tax, interest and penalty, if any.		

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

30. The related party disclosure in accordance with Accounting Standard-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given below:-

Sr. No.	Name of Related Party	Relationship
1	S. E. Exports	Subsidiary Partnership Firm
2	SEL Textiles Ltd.	Subsidiary Company
3	SEL Aviation Pvt. Ltd.	Subsidiary Company
4	SEL Ecochem Pvt. Ltd.#	Subsidiary Company
5	SEL Textile Corporation	Subsidiary Company
6	*Silverline Corporation Ltd.	Fellow Subsidiary Company
7	*SEL Textiles Overseas Ltd.	Fellow Subsidiary Company
8	*Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
9	Mrs. Sneha Lata Saluja Mrs. Ritu Saluja *Mrs. Reema Saluja Ms. Palak Goyal	Relatives of KMP
10	Rythm Textiles & Apparels Park Ltd. Omega Hotels Ltd.	Associates
11	*Shiv Narayan Investments Pvt. Ltd. *Saluja International *Saluja Fabrics	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.

#Cease to exist as subsidiary company w.e.f. March, 2014.



SEL Manufacturing Company Ltd.

Related Parties Transactions:

(Rs. in Crores)

Particulars	Subsidiaries		Associates		Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase & Processing of Goods & Consumables Stores	107.64	125.58	-	-	-	-	-	-	107.64	125.58
Sale & Processing of Goods & Consumables Stores	165.23	118.75	-	-	-	-	-	-	165.23	118.75
Services Received	0.38	0.65	-	-	-	-	-	-	0.38	0.65
Purchase of:										
- Fixed Assets	1.23	3.26	-	-	-	-	-	-	1.23	3.26
- Other Assets (net of Liabilities)	-	(2.15)	-	-	-	-	-	-	-	(2.15)
Sale of Fixed Assets	-	0.63	-	-	-	-	-	-	-	0.63
Investment made/(withdrawal)	1.59	370.72	-	-	-	-	-	-	1.59	370.72
Equity Contribution Received in Cash	-	-	-	-	-	21.87	-	-	-	21.87
Loan Taken	-	-	-	-	67.96	-	-	-	67.96	-
Share/(Loss) of Profit	(0.04)	0.43	-	-	-	-	-	-	(0.04)	0.43
Rent Paid	0.02	0.02	-	-	0.01	0.01	-	-	0.03	0.03
Rent Received	0.03	0.03	0.01	0.01	-	-	-	-	0.04	0.04
Managerial Remuneration	-	-	-	-	3.20	2.77	-	-	3.20	2.77
Remuneration Paid	-	-	-	-	0.06	0.06	-	-	0.06	0.06
Corporate Guarantee Given	1487.55	1487.55	-	-	-	-	-	-	1487.55	1487.55
Closing Balance of Related Parties Debits	555.22	552.92	0.02	0.02	-	-	-	-	555.24	552.94
Closing Balance of Related Parties Credits	13.56	294.86	-	-	-	-	-	-	13.56	294.86

31. The Company has initiated the process of identifying non-moving, slow moving, obsolete and damaged inventory in finished goods during the year, which was concluded at the close of the year. The company has recognized an aggregate amount of Rs. 180.94 crores as reduction in value of inventories due to write down thereof to net realizable value, which is charged to Profit & Loss Statement as an exceptional item.

32. Earnings Per Share

The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Accounting Standard (AS)-20 on "Earning per Share" issued by the Institute of Chartered Accountants of India.

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

Particulars		Unit	Current Year	Previous Year
Profit/(Loss) after tax before Extra ordinary Items	(A)	Rs. In Lacs	(25542.90)	10643.51
Weighted average number of equity shares	(B)	No.	331347000	294579877
Weighted average number of Potential equity shares	(C)	No.	-	4556250
Total	(D)	No.	331347000	299136127
Basic EPS	(A/B)	Rs.	(7.71)	3.61
Diluted EPS	(A/D)	Rs.	(7.71)	3.56

33. The outstanding balances as at March 31, 2014 in respect of some of the Trade Receivables and trade payables are subject to confirmation from the respective parties and consequent reconciliation/adjustments arising there from, if any. The management however, does not expect any material difference affecting the financial statements for the year.

34. 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.

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 followed an aggressive growth path in the last ten years, it had considerably grown its balance sheet, including debt. Due to the industry situation in general viz. slowdown and company specific issues such as growing



SEL Manufacturing Company Ltd.

debt, delayed realisation of debtors, working capital shortfall, delay in project completion and cash flow mismatch, which had adversely affected the liquidity position of the company, the company was facing financial problems and finding difficulty in servicing its debt obligation. Therefore, it had approached the lenders for restructuring its debts under Corporate Debt Restructuring (CDR) mechanism. The Corporate Debt Restructuring (CDR) package will help the company in coming out of the financial problem and enable it to service debt/ interest obligations in terms of the package. A Joint Lenders Meeting (JLM) was held on November 06, 2013 wherein it was decided to refer the case to the Corporate Debt Restructuring (CDR) Forum to restructure the Company's debt in order to get through the present phase of industry-wide liquidity crunch.

The Board of Directors of the Company in its Meeting held on November 14, 2013 had accorded its approval for restructuring of the debts of the Company under Corporate Debt Restructuring (CDR) Mechanism of the Reserve Bank of India. Corporate Debt Restructuring Empowered Group (CDREG) in its meeting held on February 17, 2014 admitted the Company under CDR.

38. Lease Rent

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

Particulars	(Rs. In Crores)	
	2013-14	2012-13
Future Minimum lease payments obligation on non-cancellable operating leases	0.36	0.44
Not later than one year	0.05	0.10
Later than one year and not later than five years	0.10	0.10
Later than five years	0.21	0.24
Lease payment recognized in Profit and Loss Account	0.03	0.09

- 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)	
	2013-14	2012-13
Future Minimum lease payments under non-cancellable operating leases	0.32	0.39
Not later than one year	0.06	0.07
Later than one year and not later than five years	0.15	0.19
Later than five years	0.11	0.13
Lease Income recognized in Profit and Loss Account	0.07	0.07

39. The Company on June 9, 2012 had allotted 72,900,000 equity warrants on preferential basis, carrying an option to the holder of such warrants to subscribe to one equity share of Rs. 10 at a premium of Rs. 2 per share for every warrant held, which can be converted into equity shares within 18 months from the date of allotment i.e. anytime before December 8, 2013 in terms of SEBI (DIP) Guidelines read with SEBI (Issue of Capital & Disclosure Requirements) Regulation, 2009. The holders of equity warrants have not exercised their right of conversion within the stipulated period of 18 months from the date of allotment. Accordingly, the said warrants stand forfeited and the application money received of Rs. 21.87 crores received there against has been transferred to Capital Reserve.

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

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

Particulars	(Rs. In Crores)	
	2013-14	2012-13
Opening Balance	-	57.99
Add: Expenses incurred during the year		
Bank Interest & Charges	6.98	60.78
Foreign Exchange Fluctuation & Other Expenses	0.01	10.02
Sub Total	6.99	128.79
Less: Expenses capitalized during the year	-	128.79
Closing Balance	6.99	-



SEL Manufacturing Company Ltd.

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	Current Year	Previous Year
		(In Rs.)
1. Actuarial 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 31/03/2014		
Present value of obligations as at beginning of year	33,977,067	14,279,481
Interest cost	2,718,165	1,142,359
Current Service Cost	28,176,962	19,424,941
Benefits Paid	(1,538,281)	(469,379)
Actuarial (gain)/ loss on obligations	(9,239,322)	(400,335)
Present value of obligations as at end of year	54,094,591	33,977,067
3. Changes in the fair value of plan assets as on 31/03/2014		
Fair value of plan assets at beginning of year	8,085,943	5,875,327
Expected return on plan assets	522,492	679,995
Contributions	-	2,000,000
Benefits Paid	(1,538,281)	(469,379)
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the end of year	7,070,154	8,085,943
4. Amount recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	54,094,591	33,977,067
Fair value of plan assets as at the end of the year	7,070,154	8,085,943
Funded status	47,024,437	25,891,124
Net asset/(liability) recognized in balance sheet	(47,024,437)	(25,891,124)
5. Expenses recognized in statement of profit and loss		
Current Service cost	28,176,962	19,424,941
Interest Cost	2,718,165	1,142,359
Expected return on plan assets	(522,492)	(679,995)
Net Actuarial (gain)/ loss recognized in the year	(9,239,322)	(400,335)
Total expenses recognized in statement of profit and loss	21,133,313	19,486,970
6. Details of Liability		
Current Liability	7,199,441	3,510,836
Non Current Liability	39,824,996	22,380,288

b. Provident Fund

During the year the company has recognized an expense of Rs. 64,239,676/- (Previous Year Rs. 59,055,884/-) towards provident fund scheme.

c. Leave Encashment

During the year the company has recognized an expense of Rs. 19,513,456/- (Previous Year Rs. 14,435,050/-).



SEL Manufacturing Company Ltd.

43. Value of Imports on CIF Basis

		(In Rs.)	
S.No.	Particulars	2013-14	2012-13
i)	Raw Materials	72,635,558	67,891,584
ii)	Raw Materials Others	1,315,687	88,556
iii)	Stores & Spares	37,532,017	90,092,709
iv)	Capital Goods	70,155,768	1,564,440,540

44. Expenditure in Foreign Currency

		(In Rs.)	
S.No.	Particulars	2013-14	2012-13
i)	In India	178,825,644	100,082,295
ii)	Overseas Expenditures (Revenue)	1,193,882,529	9,360,290,716
iii)	Overseas Expenditures (Capital)	4,978,867	3,622,114,451

45. Earning in Foreign Currency

		(In Rs.)	
S.No.	Particulars	2013-14	2012-13
i)	FOB Value	10,151,666,007	9,924,234,014
ii)	Overseas Income	3,832,641,029	8,048,376,431

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

		(In Rs.)			
Sr. No.	Particulars	31st March, 2014	% of total Consumption as on 31st March, 2014	31st March, 2013	% of total Consumption as on 31st March, 2013
i)	Raw Materials				
	-Indigenous	21,657,289,292	99.67%	14,336,828,337	99.53%
	-Imported	72,635,558	0.33%	67,891,584	0.47%
ii)	Other Raw Materials				
	-Indigenous	391,151,993	99.66%	244,218,836	99.96%
	-Imported	1,315,687	0.34%	88,556	0.04%
iii)	Stores & Spares				
	-Indigenous	684,691,741	94.80%	495,522,593	84.62%
	-Imported	37,532,017	5.20%	90,092,709	15.38%

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

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

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

(Rahul Kapoor)
Company Secretary

Place: Ludhiana
Date: 29.05.2014



Independent Auditor's Report On Consolidated Financial Statements

To the Members of SEL Manufacturing Company Limited

We have audited the accompanying consolidated financial statements of SEL Manufacturing Company Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standard notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the

reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements 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 March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

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

- a) Note No. 29 (vi) of the financial statements relating search & seizure action u/s. 132(1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been considered necessary by the Company in this regard.
- b) Note No. 31 of the financial statements relating to identification of non-moving, slow moving, obsolete and damaged inventory in finished goods during the year & write down thereof for Rs. 253.08 crores to net realizable value as at year end.

Other Matters

Financial statements/consolidated financial statements of certain subsidiaries which reflect total assets (net) of Rs. 1998.82 crores as at March 31, 2014, total revenue (net) of Rs. 988.19 crores and net cash outflows amounting to Rs. 43.03 crores for the year then ended, have been audited by us.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 10.98 crores as at March 31, 2014 total revenues (net) of Rs. 0.63 crores and net cash outflows amounting to Rs. 1.62 crores for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of a subsidiary wherein the group's share of profit aggregate Rs. 0.04 crore. These unaudited financial statements as approved by the respective management of the subsidiary firm has been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the subsidiary is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of other matters.

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

**PLACE: LUDHIANA
DATED: 29.05.2014**

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



SEL Manufacturing Company Ltd.

Consolidated Balance Sheet as at 31st March, 2014

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2014	31.03.2013
		In Rupees	In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	3	33134,70,000	33134,70,000
b) Reserves & Surplus	4	87082,25,403	113507,61,584
c) Money Received Against Share Warrants		-	2187,00,000
2. Share Application Money Pending Allotment			
		-	-
3. Minority Interest			
		24,74,710	88,84,861
4. Non Current Liabilities			
a) Long Term Borrowings	5	223735,21,411	233158,99,859
b) Deferred Tax Liabilities (Net)	6	-	16485,17,258
c) Other Long Term Liabilities		-	-
d) Long Term Provisions	7	506,84,954	246,53,999
5. Current Liabilities			
a) Short Term Borrowings	8	191886,60,752	157199,04,164
b) Trade Payables	9	24505,16,331	4958,84,899
c) Other Current Liabilities	10	97773,56,895	47856,76,858
d) Short Term Provisions	11	82,13,535	4341,86,427
TOTAL		658731,23,991	613165,39,909
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	12	306210,54,050	307088,27,741
ii) Intangible Assets		357,18,835	2027,10,319
iii) Capital Work in Progress		48076,73,666	23231,49,665
iv) Intangible Assets Under Development		-	-
b) Non Current Investments	13	7541,82,549	7055,91,035
c) Deferred Tax Assets (Net)	6	1115,68,391	-
d) Long Term Loans & Advances	14	41695,19,341	24011,11,242
e) Other Non-Current Assets	15	6447,99,969	6863,40,129\
2. Current Assets			
a) Current Investments	16	2161,00,000	-
b) Inventories	17	92533,71,149	118942,52,103
c) Trade Receivables	18	108720,91,241	73845,98,714
d) Cash & Cash Equivalents	19	2032,50,208	13447,61,802
e) Short Term Loans & Advances	20	10333,51,076	13608,32,219
f) Other Current Assets	21	31504,43,516	23043,64,940
TOTAL		658731,23,991	613165,39,909

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

Rahul Kapoor
Company Secretary



Consolidated Profit & Loss Statement for the Year Ended 31st March, 2014

PARTICULARS	NOTE NO.	Current Year In Rupees	Previous Year In Rupees
I. Revenue From Operations	22	363317,97,511	377679,75,389
II. Other Income	23	12829,35,979	19881,76,314
III. Total Revenue (I+II)		376147,33,490	397561,51,703
IV. Expenses			
Cost of Material Consumed	24	284509,82,048	208493,81,438
Purchases of Stock-in-Trade		21409,82,145	88683,05,457
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	25	(39097,06,294)	(20589,94,453)
Employee Benefits Expenses	26	14675,50,862	14548,64,681
Finance Costs	27	43209,45,048	34617,20,235
Depreciation and Amortization Expenses	29	26679,09,868	16340,44,864
Other Expenses	28	45851,99,621	34457,71,669
Total Expenses		397238,63,298	376550,93,890
V. Profit Before Exceptional And Extraordinary Items And Tax (III-IV)		(21091,29,807)	21010,57,813
VI. Exceptional Items		25308,58,908	-
VII. Profit Before Extraordinary Items And Tax (V-VI)		(46399,88,715)	21010,57,813
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		(46399,88,715)	21010,57,813
X. Tax Expense:			
1) Current Tax		19,800	4207,75,193
2) Deferred Tax		(17600,85,649)	6507,95,666
3) MAT Credit Entitlement		-	(3872,00,100)
4) Earlier Years		635,36,760	467,82,529
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		(29434,59,627)	13699,04,525
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)		(29434,59,627)	13699,04,525
XVI. Minority Interest		4,12,081	(92,51,546)
XVII. Profit/(Loss) For The Period (XV-XVI)		(29438,71,707)	13791,56,071
XVIII. Earning per Equity Share of face value of Rs. 10 each			
1) Basic		(8.88)	4.65
2) Diluted		(8.88)	4.58

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

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

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

Rahul Kapoor
Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31st March, 2014

PARTICULARS	Details In Rupees	Current Year In Rupees	Details In Rupees	Previous Year In Rupees
A Cash Flow from Operating Activities				
Net Profit before Taxes & Extraordinary Items		(46404,00,796)		21103,09,359
Adjustments for Non Cash Items:				
- Depreciation	26679,09,868		16340,28,864	
- Preliminary Expenses Written Off	-		16,000	
- Interest Paid	42194,70,634		33819,16,272	
- Interest Received	(608,49,234)		(169,81,650)	
- Dividend Received	-		(54,375)	
- (Profit)/Loss on Sale of Fixed Assets	5,78,623		(1,11,370)	
		68271,09,890		49988,13,741
Adjustments for Changes in Working Capital:				
- Increase/ (Decrease) in Trade Payables	19546,31,432		(13449,99,263)	
- Increase/ (Decrease) in Other Current Liabilities	49916,80,037		19694,35,965	
- Increase/ (Decrease) in Short Term Provisions	(4259,72,892)		1621,76,027	
- (Increase)/ Decrease in Trade Receivables	(34874,92,527)		(1423,77,929)	
- (Increase)/ Decrease in Short Term Loans & Advances	3274,81,143		(2232,75,719)	
- (Increase)/ Decrease in Non Current Investments	(2161,00,000)		-	
- (Increase)/ Decrease in Other Current Assets	(8460,78,576)		(11719,03,982)	
- (Increase)/ Decrease in Inventories	26408,80,954	49390,29,571	(42164,13,868)	(49673,58,769)
Cash Generation from Operations		71257,38,665		21417,64,331
- Taxes Paid		635,56,560		803,57,622
Net Cash from Operating Activities		70621,82,105		20614,06,709
B Cash Flows from Investing Activities				
- Purchase of Fixed Assets & Capital Work in Process	(50896,97,856)		(121217,53,434)	
- Goodwill/(Capital Reserve)	4612,23,937		278,81,764	
- Sale of Fixed Assets	315,71,705		1332,00,433	
- Foreign Exchange Difference Reserve	54,424		(12,889)	
- Interest Received	608,49,234		169,81,650	
- Dividend Received	-		54,375	
- (Increase)/Decrease of Non Current Investments	(485,91,514)		179,97,920	
- (Increase)/ Decrease in Other Non Current Assets	415,40,160		(3794,96,155)	
- (Increase)/ Decrease in Long Term Loans & Advances	(17684,08,099)		25847,43,658	
- Increase/(Decrease) in Long Term Provisions	260,30,955		173,32,645	
Net Cash Flows from Investing Activities		(62854,91,054)		(97030,70,033)
C Cash Flows from Financing Activities				
- Proceeds from Issue of Capital & Securities Premium	-		23419,44,640	
- Increase/(Decrease) in Minority Interest	(64,10,151)		(94,47,665)	
- Proceeds/(Repayment) of Long term Borrowings	(9423,78,448)		30573,72,116	
- Proceeds/(Repayment) of Short term Borrowings	34687,56,588		58775,31,581	
- Share Warrant Application Money	(2187,00,000)		2187,00,000	
- Interest Paid	(42194,70,634)		(33819,16,272)	
Net Cash Flows from Financing Activities		(19182,02,645)		81041,84,400
Net Increase/(Decrease) in Cash & Cash Equivalent		(11415,11,595)		4625,21,076
Cash & Cash Equivalents - Opening Balance		13447,61,803		8822,40,727
Cash & Cash Equivalents - Closing Balance		2032,50,208		13447,61,803

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

Rahul Kapoor
Company Secretary



SHARE CAPITAL

Note No. - 3

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(a) Authorised		
1,000,000,000 Equity Shares	10,000,000,000	10,000,000,000
(b) Issued, Subscribed & Paid Up		
331,347,000 Equity Shares Fully Paid Up.	3,313,470,000	3,313,470,000
	3,313,470,000	3,313,470,000

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

(d) Reconciliation of the number of equity shares outstanding

	As at 31st March, 2014		As at 31st March, 2013	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year	3313,47,000	33134,70,000	1113,47,000	11134,70,000
Add: Addition during the year	-	-	2200,00,000	22000,00,000
	3313,47,000	33134,70,000	3313,47,000	33134,70,000
Less: Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	3313,47,000	33134,70,000	3313,47,000	33134,70,000

(e) Terms/rights attached to equity shares.

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share except holder of GDR will not have voting right with respect to the Deposited Shares.

The Company issued 220,000,000 equity shares of the face value of Rs. 10 per share consequent to Global Depository Receipt (GDRs) issue of the company during the year 2012-13. Holders of Global Depository Receipt (GDRs) were be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares. As on 31.03.2014, 97,386,256 shares (Previous Year 135,195,687) of the face value of Rs. 10/- each per share represent the shares underlying GDRs which were issued during 2012-13.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

RESERVES & SURPLUS

NOTE NO. - 4

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
a) Capital Reserve		
Opening Balance	-	-
Add: Addition during the year	3012,52,481	-
	3012,52,481	-
Less: Deduction during the year	-	-
	3012,52,481	-
b) Securities Premium Reserve		
Opening Balance	51866,83,319	50447,38,678
Add: Addition during the year	-	2164,40,093
	51866,83,319	52611,78,771
Less: Deduction during the year	-	744,95,452
	51866,83,319	51866,83,319
c) General Reserve		
Opening Balance	23200,00,000	13200,00,000
Add: Addition during the year	-	10000,00,000
	23200,00,000	23200,00,000
Less: Deduction during the year	-	-
	23200,00,000	23200,00,000

(d) Foreign Exchange Fluctuation Reserve

Opening Balance	(12,889)	-
Add: Addition during the year	54,424	(12,889)
	41,535	(12,889)
Less: Deduction during the year	-	-
	41,535	(12,889)

(e) Surplus

Opening Balance	38440,91,154	34649,35,083
Add: Addition during the year	(29438,71,707)	13791,56,071
	9002,19,447	48440,91,154
Less: Transferred to General Reserve	-	10000,00,000
Less: Adjustments relating to Previous Year	(28,621)	-
	9002,48,068	38440,91,154
TOTAL	87082,25,403	113507,61,584

LONG TERM BORROWINGS
NOTE NO. - 5
PARTICULARS

	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
a) Secured Loans		
i) Term Loans		
- From Banks	214016,30,675	232664,67,056
b) Unsecured Loans		
i) Vehicle Loans		
- From Banks	161,90,736	494,32,803
ii) Loans from Related Parties (Interest free loans repayable in 2018-19)	9557,00,000	-
TOTAL	223735,21,411	233158,99,859

Terms and conditions of Loans taken from banks and status of continuing default as at year end

Bank Name	Rate of interest (%)	Sanctioned Amount	Balance as on 31.03.2014	Total No. of Instalments at the time of sanction	Equated Instalment	No. of Instalment outstanding as on 31.03.2014	Overdue Principal Amount	Overdue Since
State Bank of Bikaner & Jaipur	13.50	240,000,000	41,085,990	32	7,500,000	6	3,200,000	31.03.2014
State Bank of Bikaner & Jaipur	13.50	300,000,000	131,376,630	29	9,375,000	13	18,750,000	31.12.2013
				2	14,062,500			
State Bank of Bikaner & Jaipur	14.00	200,000,000	84,993,934	27	7,200,000	12	14,400,000	31.12.2013
				1	5,600,000			
State Bank of Bikaner & Jaipur	14.00	140,000,000	55,413,954	28	5,000,000	11	10,000,000	31.12.2013
State Bank of Bikaner & Jaipur	14.00	500,000,000	299,800,000	29	16,700,000	18	33,400,000	31.12.2013
				1	15,700,000			
State Bank of Bikaner & Jaipur	14.00	500,000,000	446,000,000	2	6,200,000	27	14,000,000	31.01.2014
				4	14,000,000			
				24	16,700,000			
				2	15,400,000			
State Bank of Patiala	13.50	80,000,000	15,434,728	32	2,500,000	6	2,500,000	31.03.2014
State Bank of Patiala	13.50	330,000,000	123,638,220	31	10,300,000	12	17,578,376	31.12.2013
				1	10,700,000			
State Bank of Patiala	13.50	600,000,000	254,480,206	27	21,400,000	12	18,355,799	31.01.2014
				1	22,200,000			
State Bank of Patiala	14.25	1,000,000,000	620,517,014	29	33,400,000	18	66,800,000	31.12.2013
				1	31,400,000			
State Bank of Patiala	14.25	500,000,000	344,085,756	31	15,600,000	22	31,200,000	31.12.2013
				1	16,400,000			
State Bank of Patiala	14.25	750,000,000	672,154,533	2	9,375,000	29	24,975,000	31.01.2014
				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	80,000,000	17,500,001	32	2,500,000	7	5,000,000	31.12.2013
State Bank of India	15.00	80,000,000	26,000,000	29	2,700,000	10	5,400,000	31.12.2013
				1	1,700,000			
State Bank of India	15.00	200,000,000	120,800,000	92	2,200,000	55	10,800,000	30.11.2013



SEL Manufacturing Company Ltd.

State Bank of India	14.00	330,000,000	313,594,850	2	4,114,000	28	14,672,000	31.10.2013
				2	7,568,000			
				22	11,242,000			
				4	11,264,000			
				2	7,128,000			
State Bank of Indore	14.00	150,000,000	50,000,000	30	5,000,000	10	10,000,000	31.12.2013
State Bank of India	14.00	250,000,000	108,429,738	27	9,000,000	12	11,429,738	31.10.2013
				1	7,000,000			
State Bank of India	14.00	500,000,000	299,790,840	28	17,000,000	17	34,000,000	31.12.2013
				1	24,000,000			
Exim Bank	13.50	70,000,000	35,451,841	32	2,100,000	16	3,864,904	31.10.2013
				1	2,400,000			
Uco Bank	14.00	365,000,000	171,334,966	32	11,406,250	14	22,812,500	31.10.2013
Uco Bank	13.75	700,000,000	673,998,573	29	23,300,000	27	46,600,000	31.10.2013
				1	24,300,000			
State bank of Hyderabad	14.50	200,000,000	92,857,141	28	7,142,857	13	14,285,714	31.10.2013
State bank of Hyderabad	15.25	500,000,000	305,866,630	29	16,700,000	19	50,100,000	30.09.2013
				1	15,700,000			
State bank of Hyderabad	14.75	500,000,000	464,013,666	2	6,250,000	30	33,260,505	31.10.2013
				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	170,000,000	80,400,116	27	6,100,000	13	12,200,000	31.10.2013
				1	5,300,000			
State Bank of Travancore	14.75	500,000,000	324,414,890	29	16,700,000	19	50,100,000	30.09.2013
				1	15,700,000			
State Bank of Travancore	13.75	1,000,000,000	940,105,659	2	12,500,000	28	56,250,000	31.10.2013
				4	28,125,000			
				24	33,325,000			
				2	31,350,000			
State Bank of Mysore	14.50	80,000,000	37,345,334	27	2,900,000	13	5,800,000	31.10.2013
				1	1,700,000			
Punjab National Bank	15.25	250,000,000	114,987,754	27	8,333,333	11	2,392,003	31.01.2014
				1	25,000,000			
Punjab National Bank	15.25	500,000,000	294,137,833	30	16,666,667	17	19,666,918	31.12.2013
Punjab National Bank	13.75	1,200,000,000	1,022,947,265	30	40,000,000	25	68,801,969	31.12.2013
Punjab & Sind Bank	13.75	130,000,000	67,223,439	27	4,643,000	13	9,286,000	31.10.2013
				1	4,639,000			
Punjab & Sind Bank	13.25	450,000,000	308,799,563	30	15,000,000	19	45,000,000	30.09.2013
Punjab & Sind Bank	14.25	500,000,000	515,555,685	2	6,000,000	31	44,665,000	30.09.2013
				2	11,333,000			
				26	16,666,000			
				2	10,666,000			
				2	5,343,000			
Vijaya Bank	13.50	190,000,000	85,909,822	28	6,785,700	12	1,734,329	31.01.2014
Allahabad Bank	14.25	250,000,000	187,396,719	32	7,812,500	23	23,437,500	30.09.2013
Allahabad Bank	13.75	1,250,000,000	1,331,402,879	34	36,764,706	34	70,129,412	31.10.2013
Allahabad Bank	13.75	1,650,000,000	1,702,674,938	30	55,000,000	29	110,000,000	31.10.2013
Indian Bank	14.75	300,000,000	192,592,196	30	10,000,000	18	20,000,000	31.12.2013
Union Bank of India	14.65	350,000,000	202,419,501	30	11,666,700	17	11,666,700	31.03.2014
United Bank of India	14.35	300,000,000	231,342,629	30	9,700,000	22	29,100,000	30.09.2013
				1	9,000,000			
United Bank of India	13.75	1,100,000,000	1,064,034,571	29	36,666,666	27	73,333,332	31.10.2014
				1	36,666,686			
Karur Vysya Bank	13.75	300,000,000	268,811,090	2	3,333,333	28	-	0
				2	6,666,666			
				26	10,000,000			
				2	3,333,334			
				2	6,666,667			
Indian Bank	14.25	107,000,000	97,843,274	2	1,337,500	27	3,006,700	31.01.2014
				4	3,006,700			
				24	3,563,100			
				2	3,391,900			
Bank of Maharashtra	13.95	100,000,000	94,007,198	2	1,244,000	30	5,676,000	31.10.2013
				4	2,822,000			
				24	3,333,000			
				4	1,550,000			
Bank of Maharashtra	13.75	700,000,000	636,904,273	29	23,300,000	27	46,600,000	31.10.2013
				1	24,300,000			
Dena Bank	13.75	1,100,000,000	980,699,889	29	36,666,666	27	73,333,332	31.10.2013
				1	36,666,686			
Corporation Bank	13.75	900,000,000	900,906,692	30	30,000,000	29	30,000,000	31.03.2014
Allahabad Bank	13.20	1,500,000,000	1,601,523,534	30	50,000,000	30	100,000,000	31.10.2013
Bank of Maharashtra	13.25	500,000,000	492,931,742	29	16,667,000	30	33,334,000	31.10.2013
				1	16,657,000			



SEL Manufacturing Company Ltd.

Punjab & Sind Bank	13.25	600,000,000	213,384,272	1	7,400,000	32	21,200,000	31.10.2013
				1	13,800,000			
				27	20,200,000			
				1	18,200,000			
				1	10,800,000			
				1	4,400,000			
Indian Overseas bank	15.00	430,000,000	415,057,840	30	13,870,900	28	13,870,900	31.01.2014
				1	13,873,000			
Punjab National Bank	14.25	540,000,000	507,207,430	32	16,875,000	29	16,875,000	31.01.2014
Central Bank of India	14.75	820,000,000	806,639,921	27	29,285,700	26	58,571,400	31.10.2013
				1	29,286,100			
Union Bank of India	14.50	150,000,000	139,997,915	31	4,838,709	28	4,838,709	31.01.2014
Bank of Maharashtra	13.25	360,000,000	332,559,401	30	12,000,000	28	24,000,000	31.10.2013
United Bank	14.80	260,000,000	252,351,147	26	9,620,000	25	18,539,487	31.10.2013
				1	9,880,000			
Allahabad Bank	13.45	480,000,000	459,653,391	27	17,100,000	25	23,147,822	31.10.2013
				1	18,300,000			
Union Bank of India	14.75	310,000,000	286,037,038	26	11,480,000	24	11,480,000	31.01.2014
				1	11,520,000			
Central bank of India	14.75	490,000,000	471,960,851	28	17,500,000	26	34,937,297	31.10.2013
Central bank of India	14.75	210,000,000	220,725,738	28	7,500,000	27	22,500,000	30.09.2013
Allahabad Bank	14.45	165,500,000	99,991,765	35	4,597,222	20	6,135,980	31.10.2013
				1	4,605,000			
Central bank of India	14.75	246,000,000	171,371,847	35	6,833,000	23	13,666,000	31.10.2013
				1	6,845,000			
Allahabad Bank	13.45	210,000,000	161,137,835	35	5,850,000	26	11,700,000	31.10.2013
				1	5,250,000			
Central bank of India	14.75	210,000,000	156,949,363	35	5,850,000	25	5,850,000	31.01.2014
				1	5,250,000			
Punjab National Bank	13.50	1,000,000,000	808,671,936	29	33,350,000	28	8,263,371	31.01.2014
				1	32,850,000			
Corporation Bank	14.00	1,000,000,000	1,023,003,355	29	33,350,000	30	66,700,000	31.10.2013
				1	32,850,000			
Indian Overseas bank	13.50	400,000,000	397,296,574	29	13,350,000	30	26,700,000	31.10.2013
				1	12,850,000			
Uco Bank	13.75	1,000,000,000	1,015,285,793	29	33,350,000	30	66,700,000	31.10.2013
				1	32,850,000			

Details of security for term loans

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

Sr. No.	Onwer	Detail of property
1.	Sh. R.S.Saluja	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

Terms of repayment of unsecured Loans

Bank	Rate of Interest (%)	Total No. of Instalments	Equated Monthly Installment	Repayment Type	No. of Instalment Outstanding
HDFC Bank	13.00	36	26,400	Monthly	14
HDFC Bank	12.79	36	26,590	Monthly	5
HDFC Bank	12.00	36	57,215	Monthly	2
HDFC Bank	11.49	36	36,090	Monthly	2
HDFC Bank	12.00	36	2,20,630	Monthly	27
HDFC Bank	12.79	36	26,590	Monthly	4
HDFC Bank	12.79	36	23,266	Monthly	5
HDFC Bank	11.50	36	64,070	Monthly	17
HDFC Bank	9.72	36	2,82,447	Monthly	22
HDFC Bank	10.51	36	31,260	Monthly	22
HDFC Bank	10.51	36	31,260	Monthly	22
HDFC Bank	12.50	36	8,112	Monthly	2
Habib Bank	4.75	60	54,740	Monthly	24
ICICI Bank	10.00	60	4,76,500	Monthly	22
ICICI Bank	12.55	36	16,900	Monthly	5
ICICI Bank	10.32	36	56,245	Monthly	14
ICICI Bank	8.90	36	1,05,588	Monthly	26
Kotak Mahindra Prime Ltd.	12.00	36	2,87,010	Monthly	18
Kotak Mahindra Prime Ltd.	9.94	36	95,700	Monthly	30
State Bank of Bikaner & Jaipur	11.50	36	16,093	Monthly	9
State Bank of Bikaner & Jaipur	11.50	36	2,56,692	Monthly	6
State Bank of Bikaner & Jaipur	11.15	36	28,026	Monthly	8
State Bank of Bikaner & Jaipur	11.15	36	28,026	Monthly	8
State Bank of Bikaner & Jaipur	11.15	36	14,180	Monthly	11
State Bank of Bikaner & Jaipur	11.15	36	15,334	Monthly	11
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	14
State Bank of Bikaner & Jaipur	11.40	36	26,079	Monthly	14
State Bank of Bikaner & Jaipur	11.65	36	12,821	Monthly	14
State Bank of Bikaner & Jaipur	11.40	36	25,550	Monthly	14



SEL Manufacturing Company Ltd.

DEFERRED TAX ASSET/ LIABILITY (Net)		NOTE NO. - 6
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	20083,47,105	16585,96,778
Gross Deferred Tax Liability	20083,47,105	<u>16585,96,778</u>
Deferred Tax Asset		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis and unabsorbed depreciation	21199,15,496	100,79,520
Gross Deferred Tax Asset	21199,15,496	<u>100,79,520</u>
Net Deferred Tax (Asset)/Liability	(1115,68,391)	16485,17,258

LONG TERM PROVISION		NOTE NO. - 7
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
a) Provision for Employee Benefits	506,84,954	246,53,999
TOTAL	506,84,954	246,53,999

SHORT TERM BORROWINGS		NOTE NO. - 8
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
i) Loans Repayable on Demand		
From Banks	191886,60,752	157199,04,164
TOTAL	191886,60,752	157199,04,164

Details of security for working capital borrowings

i) Short term borrowings from banks are secured by the Hypothecation of Stock-in trade, Book Debts and Receivables of the Company and further secured by the second pari-passu charge on the entire fixed assets of the Company and personal guarantee of the promoter directors and pledged of 36,729,044 equity shares of the company held by the promoters. The said borrowings are further secured, on pari-passu basis with term loan lenders, by equitable mortgage of the following properties.

S.No.	Owner	Detail of property
1.	Sh. R.S.Saluja	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

Terms of repayment of loans repayable on demand

From banks are repayable on demand and carries interest @ 12% to 14.50% p.a.

The detail of amount & period of default of interest on Short Term Borrowings

Bank Name	Overdue Interest Amount	Overdue Since
Allahabad Bank	1881,67,468	31.10.2013
Andhra Bank	461,90,642	31.10.2013
Indian Bank	322,84,841	31.10.2013
Indian Overseas Bank	627,58,247	30.11.2013
Punjab National Bank	242,04,779	31.01.2014



SEL Manufacturing Company Ltd.

State Bank of Bikaner & Jaipur	707,42,104	31.12.2013
State Bank of Bikaner & Jaipur	19,18,710	31.03.2014
State Bank of Hyderabad	289,90,518	31.10.2013
State Bank of India	694,32,816	31.10.2013
State Bank of Patiala	1466,82,482	31.12.2013
State Bank of Travancore	1698,76,933	30.09.2013
UCO Bank	812,63,824	30.11.2013
Allahabad Bank	1320,50,530	31.10.2013
Central Bank of India	1452,00,003	30.09.2013
Indian Overseas Bank	334,58,490	31.10.2013
Punjab National Bank	116,69,219	31.03.2014
TOTAL	12448,91,606	

TRADE PAYABLES		NOTE NO. - 9
PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
Sundry Creditors*	24505,16,331	4958,84,899
TOTAL	24505,16,331	4958,84,899

*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, 2014 are NIL.

OTHER CURRENT LIABILITIES		NOTE NO. - 10
PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(a) Current Maturities of Long Term Debts	63690,05,048	35170,52,500
(b) Interest Accrued but not due on borrowings	28,06,669	14,45,047
(c) Interest Accrued and due on borrowings#	16013,91,683	2976,11,380
(d) Unpaid Dividends*	28,348	28,348
(e) Other Payables		
i) Statutory Dues & Taxes	339,54,609	350,76,586
ii) Employees Benefits	1363,22,055	1301,33,044
iii) Advances from Customers	7579,72,620	1391,46,694
iv) Payable to Vendors-Non Trade	3675,22,740	3457,10,428
v) Others-Expenses Payable	5083,53,124	3194,72,831
TOTAL	97773,56,895	47856,76,858

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

*Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

SHORT TERM PROVISIONS		NOTE NO. - 11
PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	In Rupees	In Rupees
(a) Provision for Employee Benefits	74,43,735	37,32,234
(b) Others		
- Income Tax	19,800	4296,79,193
- Wealth Tax	7,50,000	7,75,000
TOTAL	82,13,535	4341,86,427



PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK		NOTE NO.- 12 Rs.
	BALANCE AS ON 01.04.2013	ADDITIONS DURING THE YEAR	SALES DURING THE YEAR	BALANCE AS ON 31.03.2014	BALANCE AS ON 01.04.2013	PROVIDED DURING THE YEAR	SALES DURING THE YEAR	BALANCE AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013	Rs.	Rs.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(a) Tangible Assets													
i) Land	16384,32,219	1279,49,409	-	17663,81,628	-	-	-	-	-	-	-	17663,81,628	16384,32,219
ii) Leasehold Land	732,88,658	-	-	732,88,658	32,81,018	7,17,802	-	39,98,820	692,89,838	700,07,640	-	692,89,838	700,07,640
iii) Building	99846,05,043	8585,59,438	-	108431,64,481	4415,06,886	3344,65,421	-	7759,72,307	100671,92,175	95430,98,157	-	100671,92,175	95430,98,157
iv) Road	484,13,448	-	-	484,13,448	13,71,984	7,89,139	-	21,61,123	462,52,325	470,41,464	-	462,52,325	470,41,464
v) Plant & Machinery	219932,11,580	15802,39,805	267,29,290	235467,22,094	31214,62,013	22816,64,919	20,14,443	53987,59,896	181479,62,198	188717,49,567	-	181479,62,198	188717,49,567
vi) Furniture & Fixtures	3827,42,626	180,57,590	-	4008,00,216	401,55,819	196,47,971	-	598,03,790	3409,96,426	3425,86,807	-	3409,96,426	3425,86,807
vii) Vehicles	2148,13,806	166,01,493	110,09,359	2204,05,940	580,46,649	215,65,911	35,73,879	760,38,680	1443,67,259	1567,67,157	-	1443,67,259	1567,67,157
viii) Office Equipments	420,43,639	37,66,120	-	458,09,760	51,62,516	20,35,042	-	71,97,559	386,12,200	368,81,122	-	386,12,200	368,81,122
	343775,51,019	26051,73,855	377,38,649	369449,86,225	36709,86,885	26608,86,205	55,88,322	63239,32,176	306210,54,050	307065,64,133		306210,54,050	307065,64,133
(b) Intangible Assets													
i) Goodwill	1599,67,822	-	1599,67,822	-	-	-	-	-	-	1599,67,822	-	-	1599,67,822
ii) Computer Software	526,83,090	-	-	526,83,090	99,40,593	70,23,662	-	169,64,255	357,18,835	427,42,497	-	357,18,835	427,42,497
(c) Capital Work in Progress	23231,49,665	49413,80,834	24568,56,833	48076,73,666	-	-	-	-	48076,73,666	23231,49,665	-	48076,73,666	23231,49,665
Total	369133,51,596	75465,54,689	26545,63,304	418053,42,982	36809,27,478	26679,09,868	55,88,322	63408,96,430	354644,46,552	332324,24,117		354644,46,552	332324,24,117
Previous Year	249969,91,755	293387,66,673	174201,43,230	369156,15,198	20890,57,779	16340,28,863	421,59,164	36809,27,478	332346,87,720	-		332346,87,720	-

NON CURRENT INVESTMENTS	NOTE NO. - 13	
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
Other Investments (At Cost)		
(a) Investment in Equity Instruments (Quoted)		
i) 3124 Equity Shares of Rs. 10/- each fully paid up of Reliance Industries Limited (Previous Year 3124 Equity Shares of Rs. 10/- each fully paid up)	3,000,000	3,000,000
ii) 778 Equity Shares of Rs. 10/- each fully paid up of Dhanus Technologies Limited (Previous Year 778 Equity Shares of Rs. 10/- each fully paid up)	67,555	67,555
(b) Investment in Equity Instruments (Unquoted)		
Associates		
i) 24000 Equity Shares of Rs. 10 each fully paid up of Rhythm Textile & Apparels Park Limited (Previous Year 24000 Equity Shares of Rs. 10/- each fully paid up)	77,68,645	16,42,080
ii) 2,392,700 Equity Shares of Rs. 10/- each fully paid up of Omega Hotels Ltd. (Previous Year Nil Equity Shares of Rs. 10/- each fully paid up)	3095,54,949	-
Others		
i) 299,300 Equity Shares of Rs. 1/- each fully paid up of The Delhi Stock Exchange Association Limited (Previous Year 299,300 Equity Shares of Re. 1/- each fully paid up)	209,51,000	209,51,000
(c) Investments in Preference Shares		
Associates		
i) 3,692,930 9% Redeemable Preference Shares of Rs. 10 each fully paid up of Rhythm Textile & Apparels Park Limited (Previous Year 3,692,930 9% Redeemable Preference Shares of Rs. 10 each fully paid up)	4062,22,300	4062,22,300
(d) Investment in Mutual Funds (Unquoted)		
i) 15,000 Units of Rs.10 each of SBI Infrastructure Fund (Previous Year 15,000 units of Rs. 10/- each)	15,00,000	15,00,000
ii) 5,000 Units of Rs.10 each of SBI PSU Fund (Previous Year 5,000 units of Rs. 10/- each)	5,00,000	5,00,000
iii) 55,187.638 Units of Rs.10 each of Union KBC Equity Fund (Previous Year 55187.638 Units of Rs.10 each)	5,00,000	5,00,000
iv) 100,000 Units of Rs.10 each of SBI Gold Fund (Previous Year 100,000 Units of Rs.10 each)	10,00,000	10,00,000
(e) Other Non-Current Investments		
i) Share Application Money in Shiv Narayan Investment Private Limited	-	2670,90,000
ii) Investment in Gold	31,18,100	31,18,100
TOTAL	7541,82,549	7055,91,035
Market Value of Quoted Investments	29,07,710	24,14,734
Aggregate Value of Quoted Investments	30,67,555	30,67,555
Aggregate Value of UnQuoted Investments	7511,14,994	7025,23,480

LONG TERM LOANS AND ADVANCES		NOTE NO. - 14
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(Unsecured, considered good)		
(a) Capital Advances	40129,92,368	22694,23,019
(b) Security Deposits	1565,26,973	1316,88,223
TOTAL	41695,19,341	24011,11,242

OTHER NON CURRENT ASSETS		NOTE NO. - 15
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(a) Preliminary/Public Issue Expenses	-	64,000
(b) Others-MAT Credit Entitlement	6447,99,969	6862,76,129
TOTAL	6447,99,969	6863,40,129

CURRENT INVESTMENTS		NOTE NO. - 16
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
Share Application Money in Shiv Narayan Investments Pvt. Ltd.	2161,00,000	-
TOTAL	2161,00,000	-

INVENTORIES		NOTE NO. - 17
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(Taken as, valued & certified by the Management)		
(a) Raw Materials	12987,47,155	49992,98,363
(b) Work in Progress	17839,43,616	19200,54,453
(c) Finished Goods		
- In Godown	50931,35,017	13547,07,492
- In Transit	7159,39,940	6272,09,276
(d) Stock in Trade	2626,06,278	25748,06,244
(e) Stores & Spares	989,99,142	4181,76,275
TOTAL	92533,71,149	118942,52,103

TRADE RECEIVABLES		NOTE NO. - 18
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(Unsecured, considered good)		
(a) Outstanding for a period exceeding six months from the date they are due for payment	40221,09,445	21603,20,751
(b) Other Receivables	68499,81,796	52242,77,963
TOTAL	108720,91,241	73845,98,714



CASH & CASH EQUIVALENTS		NOTE NO. - 19
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(a) Cash in Hand	662,46,530	484,00,749
(b) Balances With Scheduled Banks		
i) In Current Accounts	730,94,084	12105,62,478
ii) In Fixed Deposits Accounts	639,09,595	857,98,575
TOTAL	2032,50,208	13447,61,802

SHORT TERM LOANS AND ADVANCES		NOTE NO. - 20
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(Unsecured, considered good)		
(a) Others		
i) Advances to Suppliers	3699,26,777	2886,59,892
ii) Statutory Dues & Taxes	6294,52,758	7189,92,426
iii) Prepaid Taxes	198,15,642	1721,62,159
iv) Others	141,55,898	1810,17,743
TOTAL	10333,51,076	13608,32,219

OTHER CURRENT ASSETS		NOTE NO. - 21
PARTICULARS	AS AT 31.03.2014 In Rupees	AS AT 31.03.2013 In Rupees
(Unsecured, considered good)		
(a) Others		
i) Duty Drawback Receivable	4355,36,661	8076,14,610
ii) Interest Subsidy Receivable	27139,03,616	14948,37,532
iii) Interest Receivable	10,03,240	19,12,799
TOTAL	31504,43,516	23043,64,940

REVENUE FROM OPERATIONS		NOTE NO. - 22
PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Sale of Products		
Finished Goods	303273,38,867	276689,59,893
Traded Goods	55359,02,727	95039,41,394
Other Operating Income		
Waste/Sale Scrap	4728,82,932	5963,81,121
	363361,24,526	377692,82,408
Less: Excise Duty	43,27,015	13,07,019
TOTAL	363317,97,511	377679,75,389

Details of Sales (Finished Goods)

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Yarn	162559,92,643	141402,47,584
Hosiery Garments	16608,42,196	21799,64,472
Terry Towel	35684,11,870	23846,46,653
Knitted Cloth	88420,92,158	89641,01,184
Less: Excise Duty	303273,38,867	276689,59,893
	43,27,015	13,07,019
TOTAL	303230,11,852	276676,52,874

Details of Sales (Traded Goods)

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Yarn	8387,69,773	-
Hosiery Garments	39616,84,400	80483,76,431
Raw Material	87,33,642	97,43,191
Knitted Cloth	-	5943,97,752
Towel	7267,14,912	8514,24,020
TOTAL	55359,02,727	95039,41,394

OTHER INCOME

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees	NOTE NO. - 23
Export Incentives	5558,76,839	10210,41,262	
Interest (Gross)	608,49,234	169,81,650	
Foreign Exchange Fluctuation	6646,67,520	9438,90,608	
Profit on Sale of Fixed Assets	-	1,11,370	
Dividend Income	-	54,375	
Rental Income	4,53,749	5,21,562	
Other Income	10,88,637	55,75,487	
TOTAL	12829,35,979	19881,76,314	

COST OF MATERIAL CONSUMED

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees	NOTE NO. - 24
Raw Material Consumed			
Opening Stock	49526,41,023	18416,20,767	
Add: Purchases (net)	242898,39,468	226684,63,948	
Add: Stock in Trade	-	9943,57,437	
	292424,80,491	255044,42,152	
Less: Closing Stock	12608,32,310	49526,41,023	
Cost of raw material consumed during the year (A)	279816,48,182	205518,01,129	
Packing Material Consumed			
Opening Stock	466,57,340	442,68,641	
Add: Purchases (net)	4605,91,371	2999,69,008	
	5072,48,711	3442,37,649	
Less: Closing Stock	379,14,845	466,57,340	
Cost of packing material consumed during the year (B)	4693,33,866	2975,80,309	
TOTAL (A+B)	284509,82,048	208493,81,438	



SEL Manufacturing Company Ltd.

Details of Raw Material Consumed

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees
Raw Cotton/Waste	142518,13,403	129142,65,950
Polyster Fibre	5664,66,679	5459,91,902
Yarn	11085,04,537	29855,52,435
Knitted Cloth	120548,63,564	41059,90,842
TOTAL	279816,48,182	205518,01,129

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

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees	NOTE NO. - 25
Opening Stocks			
Work in Process	19200,54,453	12781,74,909	
Finished Goods	19819,16,768	31396,08,103	
Stock in Trade	25748,06,244	9943,57,437	
	(A) 64767,77,465	54121,40,449	
Less: Stock in Trade converted to raw materials	(B) -	9943,57,437	
Closing Stocks			
Work in Process	17839,43,616	19200,54,453	
Finished Goods	83399,33,865	19819,16,768	
Stock in Trade	2626,06,278	25748,06,244	
	(C) 103864,83,759	64767,77,465	
Decrease/(Increase) in Inventories (A-B-C)	(39097,06,294)	(20589,94,453)	

EMPLOYEE BENEFITS EXPENSE

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees	NOTE NO. - 26
Wages, Salaries & Other Allowances	13413,25,622	13257,21,768	
Contribution to PF, ESI & Other Funds	846,22,460	707,68,639	
Staff & Labour Welfare	416,02,780	583,74,274	
TOTAL	14675,50,862	14548,64,681	

FINANCIAL COSTS

PARTICULARS	CURRENT YEAR In Rupees	PREVIOUS YEAR In Rupees	NOTE NO. - 27
a) Bank Charges	1014,74,414	798,03,963	
b) Interest on			
i) Working Capital Limits	24738,88,165	19569,49,126	
ii) Term Loans	14880,49,825	13154,30,724	
iii) Car Loans	49,77,309	58,95,266	
iv) Others	2525,55,335	1036,41,156	
TOTAL	43209,45,048	34617,20,235	

OTHER EXPENSES		NOTE NO. - 28
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	In Rupees	In Rupees
Job Work Expenses	422,50,521	433,59,632
Powel & Fuel	27306,80,474	19411,52,958
Consumables & Repair Maintenance	7919,74,632	6066,03,293
Printing & Stationery	19,95,346	38,02,157
Insurance	283,29,067	225,45,213
Fees & Taxes	149,59,869	111,52,229
Donation	1,19,600	4,36,803
Legal & Professional Charges	305,32,714	80,48,716
Postage & Courier Charges	100,71,675	108,59,058
Telephone & Fax Expenses	74,19,711	64,90,079
Statutory Auditors' Remuneration		
-Audit Fee	40,63,450	40,55,092
-Tax Audit Fee	12,00,000	8,90,695
-Reimbursement of Expenses	90,248	74,537
-Service Tax	6,05,453	3,37,182
Cost Auditors' Remuneration		
-Audit Fee	1,29,000	-
General Repair & Maintenance	219,92,334	219,38,604
Office Expenses	190,79,290	118,06,207
Festival Expenses	117,08,719	129,36,586
Rent	59,25,766	72,04,233
Travelling & Conveyance	481,20,625	389,05,737
Water Charges	149,49,439	41,33,001
Service Tax Paid	96,95,244	112,82,908
Advertisement	40,79,564	47,15,470
Loss on Sale of Fixed Assets	5,78,623	-
Security Expenses	4,12,516	5,77,235
Building Repair & Maintanance	22,59,831	37,06,632
Vehicles Expenses	170,75,052	129,68,691
Wealth Tax	7,50,000	7,75,000
Business Promotion	169,88,857	146,83,963
Commission	3104,38,419	1922,72,135
Rebate & Discount	413,65,104	189,51,170
Freight Outward	3953,58,479	4291,06,453
TOTAL	45851,99,621	34457,71,669

DEPRECIATION & AMORTIZATION EXPENSES		NOTE NO. - 29
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	In Rupees	In Rupees
Depreciation of Tangible Assets	26608,86,205	16270,05,054
Depreciation of Intangible Assets	70,23,662	70,23,810
Amortization of Preliminary Expenses	-	16,000
TOTAL	26679,09,868	16340,44,864



NOTES TO FINANCIAL STATEMENTS

1. Principles of Consolidation

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

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

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

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

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

2. Significant Policies

2.1 Employee Benefits

i) Defined Contribution Plan:

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

ii) Defined Benefit Plans (Gratuity):

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

iii) Leave with wages

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

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

2.3 Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's 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, 2014	March 31, 2013
(i) Export Bills Discounted	67.28	155.80
(ii) Estimated amount of capital contracts remaining to be executed net of advances	152.78	217.37
(iii) Income Tax*	0.53	-
(iv) Performance Guarantees issued for export obligations	495.80	1462.99
(v) Others (Net of deposit of Rs. 0.07 crores (Previous Year Rs. 0.07 crores) against the said demand, contested in appeal.	0.07	0.07
(vi) During the year under audit, the Income Tax authorities carried out search & seizure action u/s. 132 (1) of the Income Tax Act, 1961 on the Company, its promoters and some other companies/entities. The consequential assessment proceedings are in progress. Pending these proceedings, no provision has been made in the books for additional liability (amount presently not ascertainable) for tax, interest and penalty, if any.		

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

30. Related Party Disclosures

The related party disclosure in accordance with Accounting Standard-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given below:-

Sr. No.	Name of Related Party	Relationship
1	S. E. Exports	Subsidiary Partnership Firm
2	SEL Textiles Ltd.	Subsidiary Company
3	SEL Aviation Pvt. Ltd.	Subsidiary Company
4	SEL Ecochem Pvt. Ltd.#	Subsidiary Company
5	SEL Textile Corporation	Foreign Subsidiary Company
6	Silverline Corporation Ltd.	Fellow Subsidiary Company
7	SEL Textiles Overseas Ltd.	Fellow Foreign Subsidiary Company
8	Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V.K. Goyal	Key Management Personnel
9	Mrs. Sneha Lata Saluja Mrs. Ritu Saluja Mrs. Reema Saluja MS. Palak Goyal	Relatives of KMP
10	Rythm Textiles & Apparels Park Ltd. Omega Hotels Ltd.	Associates
11	Shiv Narayan Investments Pvt. Ltd. *Saluja International *Saluja Fabrics	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.

#Cease to exist as subsidiary company w.e.f. March, 2014.

Related Parties Transactions:

(Rs. in Crores)

Particulars	Associates		Key Management & Relatives of KMP		Enterprises over which Personal (KMP) significant influence		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Equity Contribution Received in Cash	-	-	-	21.87	-	-	-	21.87
Rent Paid	-	-	0.01	0.01	-	-	0.01	0.01
Rent Received	0.01	0.01	-	-	-	-	0.01	0.01
Loan Taken	-	-	95.57	-	-	-	95.57	-
Managerial Remuneration	-	-	3.55	3.12	-	-	3.55	3.12
Closing Balance of Related Parties Debit/(Credit)	0.02	0.02	-	-	21.61	26.70	21.63	26.72

31. The Company has initiated the process of identifying non-moving, slow moving, obsolete and damaged inventory in finished goods during the year, which was concluded at the close of the year. The company has recognized an aggregate amount of Rs. 253.08 crores as reduction in value of inventories due to write down thereof to net realizable value, which is charged to Profit & Loss Statement as an exceptional item.

32. Earnings Per Share

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

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

Particulars	Unit	Current Year	Previous Year
Profit after tax before Extra ordinary Items (A)	Rs. In Lacs	-29434.59	13790.91
Weighted average number of equity shares (B)	No.	331347000	294579877
Weighted average number of Potential equity shares (C)	No.	-	4556250
Total (D)	No.	331347000	299136127
Basic EPS (A/B)	Rs.	-8.88	4.65
Diluted EPS (A/D)	Rs.	-8.88	4.58

33. The Company followed an aggressive growth path in the last ten years, it had considerably grown its balance sheet, including debt. Due to the industry situation in general viz. slowdown and company specific issues such as growing debt, delayed realisation of debtors, working capital shortfall, delay in project completion and cash flow mismatch, which had adversely affected the liquidity position of the company, the company was facing financial problems and finding difficulty in servicing its debt obligation. Therefore, it had approached the lenders for restructuring its debts under Corporate Debt Restructuring (CDR) mechanism. The Corporate Debt Restructuring (CDR) package will help the company in coming out of the financial problem and enable it to service debt/ interest obligations in terms of the package. A Joint Lenders Meeting (JLM) was held on November 6, 2013 wherein it was decided to refer the case to the Corporate Debt Restructuring (CDR) Forum to restructure the Company's debt in order to get through the present phase of industry-wide liquidity crunch.

The Board of Directors of the Company in its Meeting held on November 14, 2013 had accorded its approval for restructuring of the debts of the Company under Corporate Debt Restructuring (CDR) Mechanism of the Reserve Bank of India. Corporate Debt Restructuring Empowered Group (CDREG) in its meeting held on February 17, 2014 admitted the Company under CDR.

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

35. Segment Reporting

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

a. Primary Segment: Business Segment

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

(Rs. In crores)

Particulars	Textiles		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
External Segment	3633.18	3776.80	0.00	0.00	3633.18	3776.80
Other Income	122.16	197.06	0.00	0.00	122.16	197.06
Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	3755.34	3973.85	0.00	0.00	3755.34	3973.85
Segment Results	(48.14)	546.68	0.00	0.00	(48.14)	546.68
Operating Profit					(48.14)	546.68
Interest Expense					421.95	338.19
Interest Income					6.08	1.70
Income Taxes					(169.65)	73.19
Net Profit					(294.35)	136.99
OTHER INFORMATION						
Segment Assets	6533.98	6015.39	0.00	0.00	6533.98	6015.39
Unallocated Corporate Assets					53.33	116.27
Total Assets					6587.31	6131.65
Segment Liabilities	978.56	445.34	0.00	0.00	978.56	445.34
Unallocated Corporate Liabilities					3023.24	2919.99
Total Liabilities					4001.79	3365.32
Capital Expenditures	260.52	1750.54	0.00	0.00		
Depreciation	266.79	163.40	0.00	0.00		
Non Cash Expenses other than depreciation	0.00	0.00	0.00	0.00		

b. Secondary Segment: Geographical segment

The financial information about geographical segment is presented below:

(Rs. In crores)

	2013-14	2012-13
1. Segment Revenue-External Turnover		
- Within India	1916.45	1779.74
- Outside India	1716.73	1997.06
Total Revenue	3633.18	3776.80



SEL Manufacturing Company Ltd.

2. Segment Assets		
- Within India	6496.70	6039.74
- Outside India	90.61	91.92
Total Assets	6587.31	6131.65
3. Capital Expenditures		
- Within India	260.02	1714.32
- Outside India	0.50	36.22
Total Assets	260.52	1750.54

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

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest as at	
		31.03.2014	31.03.2013
SEL Textiles Ltd.	India	100.00%	100.00%
SE Exports	India	99.00%	99.00%
SEL Aviation Pvt. Ltd.	India	97.54%	51.09%
SEL Textiles Corporation	USA	100.00%	100.00%

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

Name of Associates	Country of Incorporation	Proportion of Ownership Interest as at	
		31.03.2014	31.03.2013
Rythm Textile & Apparels Park Ltd.	India	33.27%	33.27%
Omega Hotels Ltd.	India	47.85%	99.88%

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

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

(CA. R.D. Khanna)
Partner
M.No. 12391
Place : Ludhiana
Date: 29.05.2014

(Neeraj Saluja)
Managing Director

(Navneet Gupta)
Executive Director

Rahul Kapoor
Company Secretary

Financial Information of Subsidiaries Company/Firms as on 31st March, 2014

(Rs. in Crores)

Sr. No.	Particulars	SEL Textiles Ltd.	SE Exports	SEL Aviation Pvt. Ltd.	Silverline Corporation Ltd.	SEL Textiles Corporation	SEL Textiles Overseas Ltd.
1.	Capital	127.05	0.49	4.09	4.14	0.06	0.005
2.	Reserves	403.72	-	6.78	36.37	(0.01)	(0.002)
3.	Total assets	1,998.81	0.49	10.93	41.78	0.05	0.003
4.	Total liabilities	1,998.81	0.49	10.93	41.78	0.05	0.003
5.	Details of investment (except in case of investment in the subsidiaries)	40.62	-	-	-	-	-
6.	Turnover	988.19	-	0.63	0.02	-	-
7.	Profit before taxation	(62.50)	(0.04)	(1.62)	0.01	(0.01)	-
8.	Provision for taxation	1.74	-	-	-	-	-
9.	Profit after taxation	(64.24)	(0.04)	(1.62)	0.01	(0.01)	-
10.	Proposed dividend	-	-	-	-	-	-

SEL MANUFACTURING COMPANY LIMITED

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

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

Website: www.selindia.in

CIN : L51909PB2000PLC023679

PROXY FORM

14th Annual General Meeting September 30, 2014

Name of the Member(s) :		Registered Address:	
DP. ID* :		Folio No.:	
Client ID* :		No. of Share(s) held:	

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

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

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on Tuesday, the 30th September, 2014 at 9.30 A.M. and at the Registered office of the Company situated at 274, Dhandari Khurd, G.T. Road, Ludhiana (Punjab) 141014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	
1	Adoption of the Audited Accounts of the Company for the year ended 31st March 2014, together with the Report of the Directors & auditors thereon
2	Re-appointment of Shri Ram Saran saluja, (DIN: 01145051) a Director of the Company who retires by rotation
3	Appointment of Auditors and fixing their remuneration
Special Business	
4	Appointment of Mr. Ashwani Kumar (DIN : 00030307) as an Independent Director of the Company for a term of upto five years.
5	Appointment of Mr. Amit Narang (DIN : 05271363) as an Independent Director of the Company for a term of upto five years.
6	Appointment of Mr. Ranjan Madaan (DIN : 02330886), as an Independent Director of the Company for a term of upto five years.
7	Appointment of Mr. Prem Kumar (DIN : 00051349), as an Independent Director of the Company for a term of upto five years.
8	Appointment of Mr. Kanwalnain Singh Kang (DIN : 05232989), as an Independent Director of the Company for a term of upto five years.
9	Approval to the Board to borrow money upto Rs. 15,000 crores over and above the aggregate of the paid up share capital and free reserves of the Company
10	Approval to the Board to create charge/mortgage on the properties of the Company, both present and future.
11	Waiver of recovery of the excess remuneration paid to Mr. Neeraj Saluja, Managing Director for the period from 01.04.13 to 31.03.2014.
12	Waiver of recovery of the excess remuneration paid to Mr. Dhiraj Saluja, Jt. Managing Director for the period from 01.04.13 to 31.03.2014.

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13	Waiver of recovery of the excess remuneration paid to Mr. Vinod Kumar Goyal, Executive Director & CEO for the period from 01.04.13 to 31.03.2014.
14	Waiver of recovery of the excess remuneration paid to Mr. Navneet Gupta, Executive Director & CFO for the period from 01.04.13 to 31.03.2014.
15	To increase the Authorised Share Capital of the Company
16	To alter the Share Capital Clause in the Memorandum of Association of the Company
17	To Authorise the Board to issue Preference shares to the Promoters of the Company

Signed this ___ day of _____ 2014.

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Affix Revenue Stamp Here

* Applicable for shareholders holding shares in electronic form.

- Notes:
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

SEL MANUFACTURING COMPANY LIMITED

Registered Office: 274, Dhandari Khurd, G.T. Road, LUDHIANA 141 014 (Punjab)
Ph.: 91-161-6611111, Fax : 91-161-6611112
Website: www.selindia.in
CIN : L51909PB2000PLC023679

ATTENDANCE SLIP

14th Annual General Meeting September 30, 2014

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 14th 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 Tuesday, 30th September, 2014 at 9.30 a.m.

Name of the member/proxy

Signature of member/proxy

(in Block Letters)

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

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