



# ANNUAL REPORT 2013-14

SEL Manufacturing Company Ltd.

## **BOARD OF DIRECTORS**

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

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

### **AUDITORS**

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

### **REGISTERED OFFICE**

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

### **REGISTRAR & TRANSFER AGENT**

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

### **COMPANY SECRETARY**

Sh. Rahul Kapoor

**CIN : L51909PB2000PLC023679**

### **Contents**

### **Page No.**

(from)

Notice	01
Directors' Report	12
Corporate Governance Report (including Management Discussion and Analysis)	17
Certificate on Corporate Governance	24
Auditors Report on Financial Statements	25
Balance Sheet	29
Profit & Loss Statement	30
Cash flow Statement	31
Notes on Financial Statements etc.	32
Auditors Report on Consolidated Financial Statements	53
Consolidated Balance Sheet	54
Consolidated Profit & Loss Statement	55
Consolidated Cash Flow Statement	56
Notes on Consolidated Financial Statements etc.	57
Financial Information of Subsidiary Company(ies)/Firm(s)	73

# 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,



## **SEL Manufacturing Company Ltd.**

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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>● 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</li> </ul>
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





## SEL Manufacturing Company Ltd.

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](mailto: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](mailto: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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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,