



ANNUAL REPORT 2018-19

SEL Manufacturing Company Ltd.

BOARD OF DIRECTORS

(2018-19)

Sh. Ram Saran Saluja
Sh. Neeraj Saluja
Sh. Vinod K. Goyal
Sh. Navneet Gupta
Sh. Dhiraj Saluja
Sh. Ranjan Madaan
Smt. Paramjit Kaur

Chairman
Managing Director
Executive Director & CEO
Executive Director & CFO
Director
Director
Director

AUDITORS

Malhotra Manik & Associates
Chartered Accountants,
708/6-B, St. No. 19-A,
Punjab Mata Nagar,
Pakhawal Road,
Ludhiana 141 002 (Pb.)

REGISTERED OFFICE

274, Dhandari Khurd, G. T. Road,
Ludhiana (Pb.) 141 014 (India)
Ph.: 91-161-7111117
Fax : 91-161-7111118
Website: www.selindia.in

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Formerly Intime Spectrum Registry Ltd.)
Noble Heights, 1st Floor, Plot No. NH-2,
C-1 Block, LSC Near Savitri Market,
Janak Puri, New Delhi- 110 058
Phone No: 011- 41410592
Fax no: 011- 41410591
E-mail: delhi@linkintime.co.in

COMPANY SECRETARY

Sh. Rahul Kapoor

CIN : L51909PB2000PLC023679

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Chairman's Message

Dear Shareholders,

Our vision is based on hard work, open communication, a strong emphasis on team work and a high level of responsibility. This visionary culture allows and emphasis our team not only to adopt the present day challenges but also individual responsibilities to the society and our nation at large.

We believe in the creation of long-term value for both society and stakeholders, that makes it unique. We apply this philosophy in a manner that touches all our stakeholders across the value chain: consumers, communities around our factories, employees, associates, vendors and investors. With a young and strong leadership team, we endeavor to leverage talent, innovation and speed-to-market to realize our global aspirations and harness the opportunity of a young and growing India.

However, we have been facing difficult operating environment due to liquidity crunch as the credit facilities envisaged and sanctioned under CDR package were not released by the lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already incurred. All this has led to adverse financial performance and erosion in net worth of the Company. The company also has been facing cash flow mismatch and is not able to serve debt obligations.

The Corporate Insolvency Resolution Process (CIRP) under "Insolvency and Bankruptcy Code, 2016" (IBC) has been initiated for the Company after the petition filed by State Bank of India in its capacity as financial creditor was admitted by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). However, the Corporate Insolvency Resolution Process (CIRP) has been kept in abeyance vide order dt. 22nd June, 2018 of Hon'ble High Court of Punjab & Haryana.

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

*With best wishes,
Ram Saran Saluja
Chairman*



NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Thursday, the 26th day of September, 2019 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:**
 - a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 including the Statement of Profit & Loss Account for the financial year ended on that date together with the report of Board of Directors & Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 including the Statement of Profit & Loss Account for the financial year ended on that date together with the report of Auditors thereon.
2. To appoint a Director in place of Mr. Navneet Gupta, (DIN: 02122420), who retires by rotation and being eligible offers himself for re-appointment.

AS SPECIAL BUSINESS:-

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

"RESOLVED THAT pursuant to the provisions of Sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory amendments and modifications thereof, for the time being in force, the remuneration payable to M/s Jatin Sharma & Co., Cost Accountants, Firm Registration Number: 101845, appointed by the Board of Directors to conduct the Audit of the cost accounting records of the Company for the Financial year 2019-20 amounting to Rs.77,000 exclusive of GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."
4. **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 196, 197, 203 and any other applicable sections/provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and

subject to the requisite approval of the Central Government, if any, required, the consent of the Company be and is hereby accorded for the re-appointment of Sh. Vinod Kumar Goyal, (DIN: 02751391), as the Executive Director of the Company for a further period of three years w.e.f. 13.07.2019 on a consolidated amount of Salary of Rs. 6,50,000/- per month.

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ranjan Madaan (DIN : 02330886), who was appointed as an Independent director at the 14th Annual General Meeting to hold office for a term upto five consecutive years commencing from 30th September, 2014 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of five consecutive years commencing with effect from 30th September, 2019."



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

"RESOLVED THAT pursuant to the provisions of Sections 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms. Paramjit Kaur (DIN: 07141638), who was appointed as an Independent director at the 15th Annual General Meeting to hold office for a term upto five consecutive years commencing from 31st March, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of five consecutive years commencing with effect from 31st March, 2020."

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modifications(s) and/or re-enactment thereof from time to time, approval of the members of the Company be and is hereby granted to Mr. Ram Saran Saluja (DIN 01145051), who has attained the age of seventy five (75) years, to continue as Non-Executive Director of the Company w.e.f. 01.04.2019."

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

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

"RESOLVED THAT pursuant to Regulation 24 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in terms of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, if any, and the relevant rules made there under (including any amendment thereto or re-enactment thereof) the requisite approvals, if any, of any relevant statutory, regulatory or Government authorities, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter

referred to as "Board", which term shall include any committee of directors constituted by the Board) to sell, lease, transfer or otherwise dispose of the whole or substantially the whole of the undertaking(s)/ investments/ shares in the name of the Company held in SEL Textiles Limited, a Wholly owned subsidiary of the Company, to one or more persons and in one or more tranches and at such time and in such manner as the Board may decide, or cease the exercise of control over the subsidiary by further issue of shares by the Subsidiary to other person or persons, and in one or more tranches and at such time and in such manner as the Board of the subsidiary may decide or in case any loan(s) taken by SEL Textiles Ltd. from any scheduled commercial bank, financial institution is/are converted into equity or in any other manner."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purposes of giving effect to this Resolution.

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

LUDHIANA- 03.07.2019

Regd. Off.:

274, Dhandari Khurd,

G.T. Road, Ludhiana-141014 (Pb.)

CIN: L51909PB2000PLC023679

(RAM SARAN SALUJA)

DIRECTOR

DIN : 01145051

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/financial statements, 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 20, 2019 to September 26, 2019 (both days inclusive).
6. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Director who is proposed to be appointed/re-appointed is given in the annexure to the Notice.

7. 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 19th Annual General Meeting by electronic means and the business may be transacted through remote 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.

Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot/polling paper, at the AGM. Kindly note that members can opt for only one mode of voting i.e. either by remote e-voting or by ballot/polling paper at the AGM. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Votes cast by members who hold shares on the cut off date viz. 19.09.2019 alone will be counted.

The instructions for members for remote e-voting are as under:-

- (i) The remote e-voting period begins at 09.00 am on 23.09.2019 and ends at 05.00 pm on 25.09.2019. 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 19.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. 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. 19.09.2019 and that a person who is not a

Member as on the cut off date should treat this Notice for information purposes only. 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.

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|--|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence Number. <p>Sequence Number is separately communicated to applicable members, in Notice as an Attachment.</p> |
| Dividend Bank Details or Date of Birth (DOB) | <p>Enter the Dividend bank Details or Date of Birth (in dd/mm/yyyy) format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/folio number, in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for SEL Manufacturing Company Limited, on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians:**
 - "Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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.

- (xi) The results along with the Scrutinizer's Report, will be placed on the company's website, i.e. www.selindia.in and of the Agency, immediately after the result is declared by the Chairman within the prescribed time as per the Rules, and the same shall be communicated to the BSE Ltd., and National Stock Exchange of India Ltd.
- 8. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for Inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 19th Annual General Meeting of the Company.

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. 3:

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of and Remuneration payable to M/s Jatin Sharma & Co., Cost Accountants for the audit of cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules 2014, for the Financial Year 2019-20 at a remuneration of Rs. 77,000/- excluding the applicable GST and reimbursement of out of pocket expenses incurred by him in connection with the audit.

As per Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the members of



the Company. Board recommends this resolution for the approval of the members.

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.4:

The Board of Directors of your Company have re-appointed Mr. Vinod Kumar Goyal, as the Executive Director of the Company for a further period of three years w.e.f. 13.07.2019 subject to the confirmation of his re-appointment and remuneration by the members of the Company. The remuneration proposed to be paid to Executive Director has been approved by the Nomination and Remuneration Committee of the Board and the resolution is put for your approval in this meeting. Mr. Vinod Kumar Goyal, Executive Director besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, also looks after complete operations of the Company. Other details required in pursuance of Schedule V of the Companies Act, 2013, are mentioned in the Annexure to the Notice.

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

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

FOR ITEM NO.5:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ranjan Madaan (DIN : 02330886) as an Independent Director, for a second term of five years from 30th September, 2019, not liable to retire by rotation. Mr. Ranjan Madaan was appointed as an Independent Director at the 14th Annual General Meeting to hold office for a term upto five consecutive years commencing from 30th September, 2014. Requisite Notice have been received from member proposing his candidature for the office of Independent Director of the Company. The Board considers that given his background, experience and contribution, the continued association of Mr. Ranjan Madaan would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any

circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day.

Further 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 to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Ranjan Madaan as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends this Special Resolution for approval of the Members.

Except Mr. Ranjan Madaan, the appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, financially or otherwise, concerned or interested, in the above Resolution(s). This Statement may also be regarded as disclosure under the applicable clauses of the SEBI Listing Regulations.

FOR ITEM NO.6:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Ms. Paramjit Kaur (DIN: 07141638), as an Independent Director, for a second term of five years from 31st March, 2020, not liable to retire by rotation. Ms. Paramjit Kaur was appointed as an Independent Director at the 15th Annual General Meeting to hold office for a term upto five consecutive years commencing from 31st March, 2015. Requisite Notice have been received from member proposing her candidature for the office of Independent Director of the Company. The Board considers that given her background, experience and contribution, the continued association of Ms. Paramjit Kaur would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

The Company has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence. In the opinion of the Board, she fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of



SEL Manufacturing Company Ltd.

her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day.

Further 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 to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Ms. Paramjit Kaur as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends this Special Resolution for approval of the Members.

Except Ms. Paramjit Kaur, the appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, financially or otherwise, concerned or interested, in the above Resolution(s). This Statement may also be regarded as disclosure under the applicable clauses of the SEBI Listing Regulations.

FOR ITEM NO.7:

Pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Mr. Ram Saran Saluja, has already attained the age of seventy five (75) years. Pursuant to Regulation 17(1A) of the Listing Regulations, the Special Resolution for continuation of his directorship with effect from April 1, 2019, will be required to be passed. The Board of Directors, have unanimously decided the continuation of directorship of Mr. Ram Saran Saluja, with effect from April 1, 2019.

Mr. Ram Saran Saluja born on 06.02.1943 is our Chairman (Non-Executive). He has over 50 years of experience in the textile industry. As Chairman he provides strategic direction to our Company. He is the founder person of the Group and has put in his best efforts for the growth of the group under his hard work, dedication. Mr. Ram Saran saluja has been an active member of the Board. He brings vast experience of the textile industry on the Board of the Company and his continued association will be valuable and positive. With his expertise, skills and knowledge, particularly in the textile industry, he articulates and provides his valuable guidance and inputs in all matters pertaining to the production facilities, raw material procurement and costs thereof etc.. Mr. Ram Saran saluja is physically fit and dynamic personality and is actively participating in the business affairs of the company. Hence the Board proposes the aforesaid resolution for consideration and approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives except Mr. Neeraj Saluja, Mr. Dhiraj Saluja being relatives and Mr. Ram Saran Saluja being the appointee are in any way, financially or otherwise,

concerned or interested in the above Resolution(s).

FOR ITEM NO.8:

SEL Textiles Limited ("STL") is a wholly owned subsidiary of the Company. SEL Textiles Ltd., has been incurring losses for past some years and has eroded net worth substantially. As a result, the financial health of the Company has deteriorated significantly. There is no improvement in the performance of STL in the financial year 2018-19 as well. The Company needs funds to improve its Working capital position.

As per Regulation 24(5) of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015, a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

Further, in terms of Section 180(1)(a), the Board of Directors shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings only under the authority of special resolution passed by the members of the Company

Since the issue of further shares by SEL Textiles Limited to other persons or conversion of loans of SEL Textiles Ltd by the lenders into equity may result in dilution of Company's holding in SEL Textiles Ltd. to below 50% (from the present 100%) or the Company may cease the exercise of control over the subsidiary, the Board of Directors recommend the enabling Special Resolution for the approval of the shareholders in terms of Section 180(1)(a) of the Companies Act, 2013 and Regulation 24(5) of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015.

The Board recommends this Special Resolution for approval of the Members.

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)

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

LUDHIANA- 03.07.2019

Regd. Off.:

274, Dhandari Khurd,

G.T. Road, Ludhiana-141014 (Pb.)

CIN : L51909PB2000PLC023679

(RAM SARAN SALUJA)

DIRECTOR

DIN : 01145051



ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING SCHEDULED FOR 26TH SEPTEMBER, 2019

| Name of Director with DIN | Mr. Ram Saran Saluja (DIN: 01145051) | Mr. Vinod Kumar Goyal (DIN : 02751391) | Mr. Ranjan Madaan (DIN : 02330886) |
|--|--|---|--|
| Resume including Expertise in specific functional area | Mr. Ram Saran Saluja is our Chairman (Non-Executive). He has over 50 years of experience in the textile industry. As Chairman he provides strategic direction to our Company | Mr. Vinod Kumar Goyal, aged 60 years is Executive Director & CEO of the company. He besides being responsible for the overall management of the Company along with Mr. Neeraj Saluja, also looks after complete operations of the Company | Mr. Ranjan Madaan aged 43 years is an Entrepreneur and holds a bachelors degree in Commerce. He has over 19 Yrs experience in industry |
| List of other Companies in which Directorship held | 1) SEL Textiles Ltd. 2) Shiv Narayan Investments Pvt. Ltd. 3) SEL Aviation Pvt. Ltd. 4) SEL Renewable Power Ltd. 5) Silverline Corporation Ltd. | ----- | ----- |
| Chairman/Member of the Committee of Board of Directors of other Companies | ----- | ----- | ----- |
| Inter-Se relationship with other Directors of the Company | Father of Mr. Neeraj Saluja and Mr. Dhiraj Saluja, other Directors of the Company. | not relatd | not related |
| Shareholding in the Company | 4621505 | nil | nil |