

NSL TEXTILES LIMITED

20th ANNUAL REPORT
2021-22

NSL TEXTILES LIMITED

Chairman

Shri M. Prabhakar Rao

Non-Executive Directors

Shri Prem Malik

Smt. M. Asha Priya

Executive Directors

Shri M.Venkatram Chowdary

Shri Ch.Appa Rao

Independent Directors

Shri Laxminiwas Sharma

Shri M. Gopalakrishna

Dr. M. Malakondaiah

AUDIT COMMITTEE

Shri Laxminiwas Sharma

Shri M. Gopala Krishna

Shri Ch. Appa Rao

CHIEF FINANCIAL OFFICER

Shri S. Satish Kumar

COMPANY SECRETARY

Shri Sairam Karuturi

BANKERS

Canara Bank

Union Bank of India

Punjab National Bank

Indian Bank

Bank of Maharashtra

State Bank of India

Central Bank of India

STATUTORY AUDITORS

M/s. Aaki & Co., Guntur

REGISTERED OFFICE

3rd Floor, EMGEE House,

Chandramouli Nagar, 4th Lane ,Ring Road,

Guntur-522007, Andhra Pradesh

WORKS

Inkollu Village & Mandal,
Prakasam District – 523167. AP.

Survey No.237, Kommuru Road,
Veeravalli, Rangannagudem Post,
Krishna District – 521110. AP.

Edlapadu Village & Mandal
Guntur District – 522 233. AP.

Thondur Mandal, Pulivendula,
Cuddapah District, A.P.

Survey Nos. 371-379, Kunchalavaripalem,
Cherukupalli Mandal, Guntur District. AP.

Door No. 8-239, Survey No. 1336,
Gurajala Village & Mandal,
Guntur District. AP

Survey No. 253, Budampadu,
Guntur District – 522017. AP

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twentieth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Year ended March 31, 2022.

FINANCIAL SUMMARY

The Statement of profit and loss presented to you gives the operational results for the period ended 31st March, 2022.

<i>(Rupees in Lakhs)</i>		
PARTICULARS	CURRENT YEAR 2021-22	PREVIOUS YEAR 2020-21
Revenue	1,24,672.23	70,207.64
Increase/(Decrease) in inventories	5329.52	(2988.30)
Operating expenditure	1,19,652.41	62,208.52
Operating profits	10,349.35	5,010.82
Less: Depreciation	4794.83	5,040.49
Finance cost	2821.71	3,091.12
Profit/(Loss) before tax	2732.80	(3,120.79)
MAT written off		40.99
	2732.80	(3,161.78)
Tax expenses		
Profit/(Loss) after tax carried to balance sheet	2732.80	(3,161.78)

INDUSTRY SCENARIO AND OUTLOOK

India's Textiles sector is extremely varied, with the capital-intensive sophisticated mills sector at one end of the spectrum, with hand-spun and hand-woven textiles sector at other end. The decentralized power looms/hosiery and knitting sector form the largest component of the textiles sector. India's textiles industry has a capacity to produce a wide variety of products such as fibre, yarn, fabrics both grey and processed, home textile, technical textile and apparel that are suitable for different market segments, both within India and across the world.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production, relative to major textile producers. The textile industry has around 4.5 crore workers including 35.22 lakh handloom workers all over the country.

Cotton production in India reached 29.25 million bales in 2021-22, and is expected to achieve the production of 34 to 35 million bales in 2022-23. Cotton production in India is projected to reach 43 million bales of 170 kg each by 2030, driven by increasing demand from consumers. Capacity utilisation has increased swiftly to reach pre COVID levels during Q3 of FY21 and continued to operate at healthy levels upto end of FY2022. However, the lower cotton production in 2021-22 lead to shortage of cotton and high volatility in prices which is expected to affect the performance of the industry in the 1st half of FY2022-23. The new cotton season with expected higher production may

help the Industry from 2nd half of FY 2022-23 to sustain the operations. The change over from cotton to man made fibres viz., Polyester, Viscose etc may have some impact to sustain the Industry.

Though the Q1 of FY2022 was impacted by COVID the Textile Industry got recovered faster with manufacturing excellence and steps towards cost reduction could strengthen the liquidity position and thereby make the Textile Industry sustainable. The Textile sector which depends heavily on the export markets for its Yarn and end products which are subdued in the first half of FY2022-23 due to the higher Indian cotton prices thereby causing difficulties in competing at International level.

The Government Policy support for Textile Industry with permission of 100% FDI (automatic route), Production-linked Incentive (PLI) Scheme worth Rs. 10,683 crore (US\$ 1.44 billion) for manmade fibre and technical textiles over a five-year period. The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns and apparel, which came into effect from January 1, 2022. Effective 01 January 2021, to boost exports, government have extended the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all exported goods.

The new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

The future of the Indian textiles industry for FY2022-23 depends on the cotton production in the ensuing season and the efforts to increase the Exports by competing at international level with the given volatilities in cotton prices and need to focus on improved productivity, cost reduction etc.,

INFORMATION ABOUT SUBSIDIARIES/ ASSOCIATES / JOINT VENTURES

M/s. Sree Anantha Lakshmi Textiles Private Limited (SALT), Sree Venkataraya Cotton Mills Private Limited are the subsidiaries of the Company and NSL Fashion Trends Limited is the Joint venture of the Company.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement of Subsidiaries/Associate Companies/Joint Ventures in Form AOC-1 is annexure as **Annexure:1** which forms an integral part of this Report.

Highlights of Performance of Subsidiaries, Associates and Joint Venture Companies and their contribution to over-all performance of the Company during period under review:

During the year under review, there have been no business transactions in any of the subsidiaries and joint venture Company and hence no contribution to over-all performance of the Company. However, the Immovable and Movable properties of Sree Anantha Lakshmi Textiles Private Ltd (SALT) have been sold during the year.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Accounting Standards.

DIVIDEND

In order to conserve funds for the operational requirements, the Directors do not recommend any dividend for this financial year.

DEPOSITS

The company has not accepted any deposits during the year under review.

DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Sri M.Prabhakar Rao, Director retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

1. Sri M. Venkatram Chowdary: Managing Director
2. Sri Ch.Appa Rao: Whole-time Director
3. Sri S.Satish Kumar: Chief Financial Officer
4. Sri Sairam Karuturi: Company Secretary

THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed as **Annexure-2** which forms an integral part of this Report.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2021-22, the Company held four Board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S No.	Date of Meeting	Board Strength	No. of Directors Present
1.	25.06.2021	8	4
2.	04.09.2021	8	7
3.	20.12.2021	8	8
4.	29.03.2022	8	7

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis;
- (v) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

INDEPENDENT DIRECTORS AND DECLARATION

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, Sri Laxminiwas Sharma, Sri M. Gopalakrishna, and Dr. Malakondaiah M. are Independent Directors of the Company.

In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Act and integrity, expertise and experience.

NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of four Non-executive Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
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Sri M Gopala Krishna	Chairman	Independent Director
Sri M Prabhakar Rao	Member	Non Executive Director
Sri Laxminiwas Sharma	Member	Independent Director
Sri Ch.Appa Rao	Member	Non Executive Director

Duties & Responsibilities

- (a) Periodically oversee an evaluation of the Board, and recommend desirable changes in Board size, composition, Committees' structure and processes and other aspects of the Board's functioning;
- (b) Recommend new Board Members in light of resignation of current members or a planned expansion of the Board;
- (c) Review stockholder proposals relating to Board's composition and recommend an appropriate course of action;
- (d) Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;
- (e) Formulate criteria for determining qualifications, positive attributes and independence of director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- (f) Review and recommend the compensation and variable pay for Executive Directors to the Board;
- (g) Perform other activities related to this Charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

Powers

- (a) to investigate any activity covered under this Charter;
- (b) to seek any required information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Committee;
- (c) to obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- (d) to form and delegate authority to its sub-committees or to one or more Members of the Committee.
- (e) the Company shall bear all such expenses to support the requirements of the Committee.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in their meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other

authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fees and Commission/Consultation fee. The Non-Executive Directors are paid sitting fees for each meeting of the Board.

AUDITORS AND AUDITORS' REPORT

M/s. Aaki & Co., Chartered Accountants were appointed as statutory auditors of the Company to hold office from the conclusion of the 19th Annual General meeting until the conclusion of the 20th Annual General meeting of the Company on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

There are no qualifications or adverse remarks in the Auditors' Report both statutory as well as secretarial audit. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended 31st March, 2022 is annexed as **Annexure: 3** which forms an integral part of this Report.

LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements forming a part of this annual Report.

RELATED PARTY TRANSACTIONS

All the transactions entered with Related Parties for the year under review were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions were placed before the Audit Committee for approval. All the necessary details of transactions entered with the related parties are annexed as **Annexure: 4** which forms an integral part of this Report.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Directors wish to inform you that your Company achieved production of 0.09 lakh qtls of cotton lint (PY Nil lakh qtls.), 2.98 lakh qtls. (PY 2.11 lakh qtls.) of cotton yarn, 0.36 lakh qtls. of dyed yarn (PY 0.16 lakh qtls.), 300.24 lakh mtrs. (PY 114.34 lakh mtrs.) of greige fabric, 243.64 lakh mtrs. of finished fabric (PY 101.02 lakh mtrs.) and Nil lakh pcs. of garments (PY Nil lakh pcs) during the financial year 2021-22 and sold Nil lakh qtls (PY nil lakh qtls.) of cotton lint, 2.35 lakh qtls. (PY 1.96 lakh qtls.) of cotton yarn, 41.92 lakh mtrs. (PY 18.74 lac mtrs.) of greige fabric, 224.09 lakh mtrs. of finished

fabric (PY 113.34 lakh mtrs.) and Nil lakh pcs. of garments (PY Nil lakh pcs.) including retail sales during 2021-22. The Company could increase the production as well as sales to optimum levels post COVID.

Your Company had achieved net revenue of Rs.1,24,672.23 lakhs as compared to previous FY of Rs.70,207.64 lakhs and posted PAT of Rs. 2,732.80 lakhs during FY 2021-22 as compared to Rs. (3161.78) lakhs posted for previous financial year. The Company has posted positive results due to increased operations and robust market conditions. The exports turnover has gone up to Rs.14398.95 lakhs in FY 2021-22 compared to Rs.3794.12 lakhs during the previous year.

The Company has implemented the Resolution Plan (RP) for restructuring of the Debt as approved by all the Lenders on 22nd July, 2021. The RP comprises of reduction in the Interest rate on Term Loan(s) and Working Capital Loans and also reduction in Coupon rate to 0.01% and waiver of accumulated coupon of 8.99% till implementation date on Optionally Convertible Debentures (OCDs') issued to Lenders and also realignment of the existing debt obligations in line with estimated earnings, which will substantially reduce the company's existing finance costs and the repayment obligations. All the overdues of Debt were paid to Lenders with the infusion of Promoters' Contribution to the extent of Rs.60 crs. through M/s.Nuziveedu Seeds Ltd against allotment of Compulsorily Convertible Debenture (CCDs'). The delay in repayment of overdues was regularised on implementation of Resolution Plan on 22.07.2021. Further, the Company has been paying the Debt obligations regularly on due dates. The accounts of the company get upgraded to STANDARD category in a year as per RBI guidelines. This will certainly help the Company to manage its cash flows in a smoother way.

Though COVID-19 impact has impacted the operations in Q1 of current FY the Company could achieve higher revenues and profit with the improved production coupled with better market conditions in the subsequent quarters of the Financial Year 2021-22 to post better operational and financial performance.

Further, the high volatility in cotton prices and shortage of quality cotton due to lower cotton production in 2021-22 besides the power shortage in the State of A.P. in Q1 of FY2023 which led to lower capacity utilization and dismal performance in Q1 of FY2023 which is expected to continue even in Q2 of FY2023. The new cotton season with expected higher production may help the Company from 2nd half of FY 2022-23 to sustain the operations. The change over of part of the Spinning capacities from cotton to manmade fibres viz., Polyester, Micro Modal etc may improve the operations as well as financial performance of the Company.

The Company has initiated several cost saving measures viz., Reduction in Power cost by purchasing cheaper power from IEX and Renewable Power, rationalization of man power costs, optimization of utility costs etc. which are expected to yield positive financial results.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material orders have been passed by the regulators, courts,

tribunals impacting the going concern status and Company's operations in future.

APPROPRIATIONS

There were no appropriations made during the financial year. However, the Company has debenture redemption reserve of Rs. 62.50 lakhs.

MATERIAL CHANGES AND COMMITMENTS OR ANY EXPANSION ACTIVITIES

The Company doesn't have any further expansion plans in near future except routine and current in nature. There are no material changes affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of Energy and Technology absorption

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption is annexed as **Annexure:5**.

(B) Foreign exchange earnings and Outgo

The Foreign exchange earnings and outgo during the year under review is annexed as **Annexure:5** which forms an integral part of this Report.

RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risks through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the Company has duly constituted CSR Committee as specified hereunder:

Name of the Director	Position held in the Committee	Category of the Director
Sri M Gopala Krishna	Chairman	Independent Director
Smt. M.Ashapriya	Member	Non-Executive Director
Sri. M.Venkatram Chowdary	Member	Executive Director

The Committee decides the Corporate Social Responsibility (CSR) activities to be undertaken by the Company and the expenditures to be incurred which have to be approved by the Board.

In the absence of adequate profits calculated under section 198 as required under the provisions of section 135 of the Companies Act, 2013, the Directors do not recommend any amount towards CSR activities for the financial year under review.

ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of Board.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors

AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of following Directors. The Board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Shri Laxminiwas Sharma	Chairman	Independent Director
Shri M Gopala Krishna	Member	Independent Director
Sri Ch Appa Rao	Member	Non-Executive Director

SECRETARIAL AUDIT REPORT

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation.

Further, the Secretarial Audit Report as provided by M/s. VCSR & Associates, Practicing Company Secretary for the financial year ended, 31st March, 2022 is annexed as **Annexure:6** which forms an integral part of this Report.

COST AUDIT

M/s Narasimha Murthy & Co, Cost Accountants, were appointed as the Cost Auditor of the Company for the financial year ended March 31, 2022. The Cost Audit report for the financial year 2021-22 presented by Cost Auditors shall be submitted to the Central Government within the time limits as prescribed under the law.

WHISTLE BLOWER POLICY

As per Section 177(9) and (10) of the Companies Act, 2013, the Company has established Vigil Mechanism for Directors and employees to report genuine concerns about unethical behavior / misconduct / actual or suspected frauds / violation of code conduct and made provisions for adequate safeguards against victimization of persons who avail of the vigil mechanism and direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Company has formulated the present policy for establishing the Whistle Blower Policy to safeguard the interest of its Stakeholders, Directors and employees to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practices being carried out in the Company.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Company is having various Internal Financial Controls like:-

1. Delegation of Authority

This Delegation of Authority is established to define the limits of authority designated to specified positions of responsibility within the Company and to establish the types and maximum amount of obligations that may be approved by individuals.

2. Standard operating Procedures

The essence of writing the policies is to ensure organizational equity through the means of rational policies. Clearly defined policies shall instill and strengthen the positive employee perceptions. This also helps in fulfilling the legal formalities of maintenance of certain records, submission of various reports to government as per the statutory requirements & notifications.

3. Internal Audit

Internal Audit is conducted every quarter and deliberated by Audit Committee and the Board in their meetings organized on quarterly basis. It is the duty of the Internal Auditor to obtain reasonable assurance about operation of systems, procedures and internal controls. Their responsibility is to express an opinion on the weaknesses in internal controls, risk management and governance framework, highlighting any exceptions and cases of non-compliance and suggest or recommend improvements in the design and operations of controls based on the internal audit.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

Canara Bank, the Leader of the Consortium Banks has filed petition before NCLT, Amaravathi Bench under Insolvency and Bankruptcy Code, 2016 and the same was not admitted and further Canara Bank has withdrawn the said Application filed before NCLT, Amaravathi Bench since the Resolution Plan was implemented and all the overdues of Debt were repaid by the Company.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOANS FROM BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no time settlement of loans taken from Banks and Financial Institutions.

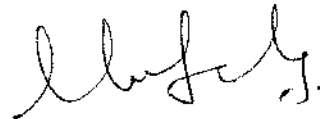
APPRECIATION

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work and support, your Company's achievements would not have been possible. Your Company's growth was fueled by their enthusiasm, unstinting efforts, support and solidarity and enabled it to remain at the forefront of the industry despite increased competition from several existing and new players.

ACKNOWLEDGEMENTS

Your Directors wish to take this opportunity to express their deep sense of gratitude to the Bankers, Vendors, Customers, Agents, Retail Partners, Auditors and Members for their continued support and faith reposed in the Company and look forward to their continued support in future.

Place: Hyderabad
Date: 06.09.2022



M Venkatram Chowdary
Managing Director
[DIN:03567730]

For and on behalf of the Board



Ch. Appa Rao
Whole-time Director
[DIN:00011095]

ANNEXURE -1**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Sree Ananthlakshmi Textiles Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
4.	Share capital	3,00,00,000
5.	Reserves & surplus	(2,00,14,808)
6.	Total assets	1,55,54,072
7.	Total Liabilities	1,55,54,072
8.	Investments	Nil
9.	Turnover	NIL
10.	Profit before taxation	9,42,45,455
11.	Provision for taxation	NIL
12.	Profit after taxation	7,62,91,472
13.	Proposed Dividend	Nil
14.	% of shareholding	95.04%

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Sree Venkataraya Cotton Mills Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Nil
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
4.	Share capital	95,00,000
5.	Reserves & surplus	(85,37,125)
6.	Total assets	72,32,794
7.	Total Liabilities	72,32,794
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(22,900)
11.	Provision for taxation	Nil
12.	Profit after taxation	(22,900)
13.	Proposed Dividend	Nil
14.	% of shareholding	92.94%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NSL FASHION TRENDS LIMITED
1. Latest Balance Sheet Date	31 st March 2022.
2. Shares of Associate/Joint Ventures held by the company on the year end	50%
No.	2,50,000*
Amount of Investment in Associates/Joint Venture	Rs. 13,35,777
Extend of Holding%	50%
3. Description of how there is significant influence	Holding 50% of paid up share capital
4. Reason why the associate/joint venture is not consolidated	NIL
5. Net worth attributable to shareholding as per latest Balance Sheet **	-ve
6. Profit/Loss for the year	
i. Considered in Consolidation	NIL
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

* Including 94000 Shares Uncalled

** As per provisional Balance sheet as on 31.03.2022

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

ANNEXURE-2 to Directors Report

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2022**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U15429AP2002PLC038489
- ii) Registration Date: 12.02.2002
- iii) Name of the Company: NSL TEXTILES LIMITED
- iv) Category / Sub-Category of the Company:
Public Company Limited by Shares
- v) Address of the Registered office and contact details
'EMGEE HOUSE', 3rd Floor, Chandramouli Nagar, 4th Lane, Ring Road,
Guntur-522007, Andhra Pradesh, India
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 008

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	COTTON YARN	52051410	66.05
2	FINISHED FABRIC	52083190	33.95

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	SREE ANANTHALAKSHMI TEXTILES PRIVATE LIMITED	U18100AP1982 PTC003448	Subsidiary Company	95.04	Section 2(87)
2	SREE VENKATARAYA COTTON MILLS PRIVATE LIMITED	U17110AP1995 PTC021407	Subsidiary Company	92.94	Section 2(87)
3	NSL FASHION TRENDS LIMITED	Company registry Hongkong. No.2299129	Associate Company (Joint Venture)	50	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

[illegible]

a) NRIs - Individuals b) Other - Individuals c) Bodies Corp. d) Banks / FI e) Any Other.... Sub-total (A) (2):- Total shareholdin g of Promoter (A) = (A)(1)+(A)(2)	85491894	85491894	44.24	85491894	85491894	44.24	NIL
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital	90150240	90150240	46.65	90150240	90150240	46.65	

Funds									
i) Others (specify)									
Sub-total (B)(1):-	90150240		90150240	46.65	90150240		90150240	46.65	
2. Non- Institutions									
a) Bodies Corp.									
i) Indian					13420000		13420000	6.94	
ii) Overseas		13420000 4194444	13420000 4194444	6.94 2.17		4194444	4194444	2.17	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-		17614444	17614444	9.11	13420000	4194444	17614444	9.11	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	90150240	17614444	107764684	55.76	103570240	4194444	107764684	55.76	NIL
C. Shares held by Custodian for GDRs & ADRs									NIL
Grand Total (A+B+C)	175642134	17614444	193256578	100	189062134	4194444	193256578	100	NIL

(ii) **Shareholding of Promoters**

SNo.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M.Prabhakar Rao	11663512	6.04	6.04	11663512	6.04	6.04	NIL
2	M.Ashapriya	2947515	1.53	1.53	2947515	1.53	1.53	NIL
3	M.Venkatram Chowdary	12473	0.01	0	12473	0.01	0	NIL
4	Mandava Holdings Pvt. Ltd.	68368394	35.38	35.38	68368394	35.38	35.38	NIL
5	Mandava Cold Storage Pvt. Ltd.	2500000	1.29	0	2500000	1.29	0	NIL
	Total	85491894	44.24	42.95	85491894	44.24	42.95	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change) No Change

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	85491894	44.24		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	85491894	44.24		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	24051626	12.45		
		27425507	14.19		
		14168920	7.33		
		10000000	5.17		
		9117919	4.72		
		6908537	3.57		
		5532151	2.86		
		4194444	2.17		
		3420000	1.77		
		2945580	1.52		
	Increase / Decrease during the year	NIL	NA	NIL	NA
	At the end of the year	24051626	12.45		
		27425507	14.19		
		14168920	7.33		
		10000000	5.17		
		9117919	4.72		
		6908537	3.57		
		5532151	2.86		
		4194444	2.17		
		3420000	1.77		
		2945580	1.52		

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	11663512	6.04		
2		2947515	1.53		
3		12473	0.01		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
1	At the End of the year	11663512	6.04		
2		2947515	1.53		
3		12473	0.01		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	67889.63	30267.63		98157.26
ii) Interest due but not paid	1972.27			1972.27
iii) Interest accrued but not due	69.99			69.99
Total (i+ii+iii)	69931.89	30267.63	-	100199.52
Change in Indebtedness during the financial year				
· Addition	-	6000.00		6000.00
· Reduction	8028.55	-		8028.55
Net Change	8028.55	6000.00	-	2028.55
Indebtedness at the end of the financial year				
i) Principal Amount	61701.49	36267.63		97969.12
ii) Interest due but not paid	131.86			131.86
iii) Interest accrued but not due	69.99			69.99
Total (i+ii+iii)	61903.34	36267.63	-	98170.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SNo	Particulars of Remuneration	Name of MD/WTD		Total Amount
		M.Venkatram Chowdary MD	Ch. Appa Rao WTD	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	6000000	1897500	7897500
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify- Exgratia	6421	0	6421
	Total (A)	6006421	1897500	7903921
	Ceiling as per the Act	12000000	12000000	

B. Remuneration to other directors:

S. No	Particulars of Remuneration					Total Amount
		Laxminiwas Sharma	M.Gopala krishna	Dr. Malakondaiah		
	1. Independent Directors					
	· Fee for attending board committee meetings	270000	270000	210000		750000
	· Commission	0	0	0		0
	Total (1)	270000	270000	210000		750000
	2. Other Non-Executive Directors	Prem Malik				
	· Fee for attending board committee meetings					
	· Commission	4320000				4320000
	· Others, please specify (prof. fee)					
	Total (2)	4320000				4320000
	Total (B)=(1+2)					5070000

B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1110696	6448488	7559184
				0
		0	0	0
		0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0 0	0 0	0 0
5.	Others, please specify – Exgratia/ELs etc.,	6421	99326	105747
	Total	1117117	6547814	7664931

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

RELATED PARTY TRANSACTIONS FOR THE PERIOD ENDED 31st Mar'22

Details of transactions during the period						In Cr.	
Purchase of Materials	Quarter ending Jun'21	Quarter ending Sep'21	Quarter ending Dec'21	Quarter ending Mar'22	Year ending Mar'22		
Nuziveedu Seeds Limited (Kappas)	-	-	0.01	0.01	0.02		
Nsl Cotton Corporation (p) Ltd (Cotton Lint)	-	-	7.24	9.41	16.65		
NSL KRISHNAVENI SUGARS LIMITED(Purchase of Sanitizers & Sugar bags)	0.01	0.01	-	0.00	0.02		
Sale of Materials							
Nuziveedu Seeds Ltd(Mask Sales)	0.00	0.00	0.05	-	0.05		
Nuziveedu Seeds Ltd(Shirts Sales)	-	-	-	-	-		
Leasing of Property							
TOPNOTCH PROJECTS PVT LTD (Lease Rent Paid)	0.16	0.16	0.16	0.16	0.62		
TOPNOTCH PROJECTS PVT LTD (Floor Maintenance Charges Paid)	0.09	0.09	0.09	0.09	0.37		
Smt. M. Asha Priya (Lease Rent Paid)	-	-	0.03	0.05	0.08		
Availing or Rendering of Services							
NSL Cotton Corporation Pvt. Ltd.(Testing Charges Paid)							
Nuziveedu seeds Ltd.(Testing Charges Received)				0.03	0.03		
Mandava Holding Pvt. Ltd. (Management Consultancy Charges)							
Sh. PREM MALIK (Management Consultancy Charges)	0.15	0.12	0.06	0.03	0.36		
Mandava Srinivasa Rao (Vehicle Hire Charges)	0.03	0.02	-	-	0.05		
NSL SUGARS LTD (Lease of Land & Buildings)	-	-	-	0.05	0.05		
Reimbursement of Expenses							
Sh. Mandava Srinivasa Rao	0.06	0.05	-	-	0.11		
Sh. PREM MALIK							
TOPNOTCH PROJECTS PVT LTD	0.07	0.06	0.06	0.05	0.24		
Smt. M. Asha Priya			(0.00)	(0.00)	(0.01)		
Interest Paid / Received							
Mandava Holding Pvt. Ltd. (ICD Interest Paid)	-	-	-	0.16	0.16		
NSL Cotton Corporation Pvt. Ltd.(Interest Paid)	-	-	-	0.09	0.09		
SREE ANANTHALAKSHMI TEXTILES PVT LTD (Interest Received)	-	-	-	-	-		

NSL Textiles Limited

RELATED PARTY TRANSACTIONS FOR THE PERIOD ENDED 31st Mar'22

1) Sale, purchase or supply of any goods or materials

Limit as per section 188 of the Companies Act, 2013

Particulars	In Cr.
25% of the Turnover - I	175.52
100 Cts - II	100.00
Result (I or II or whichever ever is lower)	100.00
Total of Transactions for the period	16.73

Particulars	Amount	Transaction Price	Third Party Price	Remarks
Purchase of Kappas from Nuziveedu Seeds Ltd.	0.02	Rs 120/Kg	Rs 120.00/Kg	Purchase cost from 3rd party - Comparative Purpose
Purchase of Cotton Lint from Nsl Cotton Corporation Pvt. Ltd	16.65	Rs 87290/Candy	Rs 87290/Candy	Purchase cost from 3rd party - Comparative Purpose
NSL KRISHNAVENI SUGARS LIMITED(Purchase of Sanitizers & Sugar bags)	0.02	Rs 100/Ltr	Rs 100/Ltr	Purchase cost from 3rd party - Comparative Purpose
Nuziveedu Seeds Ltd(Mask Sales)	0.05	Rs 14/Mask	Rs 14/Mask	Purchase cost from 3rd party - Comparative Purpose
Total	16.73			

2) Leasing of Property of any Kind

Limit as per section 188 of the Companies Act, 2013

Particulars	In Cr.
10% of the Networth - I	15.74
10% of the Turnover - II	70.21
100 Cts - III	
Result (I or II or III which ever is lower)	15.74
Total of Transactions for the period	1.00

Particulars	Amount	Transaction Price	Transaction Price	Remarks
Lease Rent Paid to TOPNOTCH PROJECTS PVT LTD	0.62	30.00/SFT	30.00/SFT	At Arms Length Price - Comparable Rentals in the similar location
Maintenance Charges Paid to TOPNOTCH PROJECTS PVT LTD.	0.37	18.00/SFT	18.00/SFT	At Arms Length Price - Comparable Rentals in the similar location
Lease Rent Paid to Smt. M. Asha Priya	0.08	7.00/SFT	7.00/SFT	At Arms Length Price - Comparable Rentals in the similar location
Total	1.00			

3) Availing or Rendering of any services

Limit as per section 188 of the Companies Act, 2013

Particulars	In Cr Amount
10% of the Turnover - I	70.21
50 Crs. - II	50.00
Result (I or II which ever is lower)	50.00
Total of Transactions for the period	0.41

Particulars	In Cr Amount	Transaction Price	Transaction Price	Remarks
Vehicle Hire Charges paid to Sri. Mandava Srinivasa Rao	0.05	51,000/- P.M	51,000/- P.M	At Arms Length Price - Comparable prices with third party
Sh. PRFEM MAIK (Management Consultancy Charges)	0.36			As per the experience & Expertise in textiles field considered to ALP
Total	0.41			

ANNEXURE- 5 TO THE DIRECTORS' REPORT

A. POWER AND FUEL CONSUMPTION:

			Financial Year 2021-22	Financial Year 2020-21
1	Electricity purchased			
i	Quantity	Units	21,93,53,771	15,78,99,065
ii	Amount	Rs. In Lacs	14,687.57	10,250.17
iii	Rate per unit	Rs.	6.6958	6.4916
2	Coal:			
i	Grade - Round 'C' grade		Round 'C' grade	Round 'C' grade
ii	Use		Boiler operations	Boiler operations
iii	Quantity	MT	14,575.55	11,042.50
iv	Amount	Rs. In Lacs	1001.25	595.04
v	Cost per unit	Rs.	6,869	5,389
3	Husk			
i	Quantity	MT	15,252	2,223
ii	Amount	Rs.	455.31	80.07
iii	Cost per unit	Rs.	2,985	3,600

B. CONSUMPTION PER UNIT OF PRODUCTION

(Products with details per unit)

Electricity : Since no separate accounts were maintained furnishing of information for the processing of different grade of cotton yarn is not possible.

Furnace Oil : Not Applicable

Coal : Not Applicable

C. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

1. Research and Development (R&D)	Amount (Rs. In Lacs)
i. Specific areas in which R&D carried out by the company :	Nil
ii. Benefits derived as a result of the above R&D :	NA
iii. Future Plan of action :	NA
iv. Expenditure on R&D	Nil
2. Technology Absorption, Adaptation and innovation	Amount (Rs. In Lacs)
i. Efforts, in brief, made towards Technology absorption, adaptation and innovation :	Nil
ii. Benefits derived as result of the above efforts :	Nil
iii. Imported Technology :	Nil

D. Particulars of foreign exchange earnings and outgo

		Amount (Rs. In Lacs)
i.	Amount spent on capital equipments	: 318.82
ii.	Amount spent on raw material and stores	: 1,125.86
iii.	Amount spent on foreign travel	: Nil
iv.	Amount paid to foreign technicians	: 18.91
v.	Amount paid to foreign commission agents	: 172.56
vi.	Other expenditures in foreign exchange	: 15.02
vii.	Amount remitted as dividend	: Nil
viii.	Foreign exchange earnings on export	: 14398.95
ix.	Foreign exchange earnings for technical services rendered outside India	: Nil
x.	Foreign exchange earnings on investments made outside India	: Nil

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FORM NO. MR-3

SECRETARIAL AUDIT REPORT

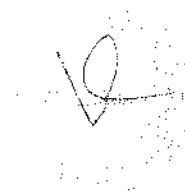
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s. NSL Textiles Limited,
Guntur.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. NSL Textiles Limited (herein called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

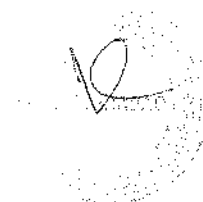
A handwritten signature in blue ink is written over a circular blue ink stamp. The stamp contains some text, but it is mostly illegible due to the signature and the quality of the scan.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. NSL Textiles Limited ('the Company') for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- V. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- VI. Employees State Insurance Act, 1948
- VII. Employers Liability Act, 1938
- VIII. Environment Protection Act, 1986 and other environmental laws
- IX. Equal Remuneration Act, 1976
- X. Factories Act, 1948
- XI. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- XII. Income Tax Act, 1961 and Indirect Tax Laws
- XIII. Indian Contract Act, 1872
- XIV. Industrial Dispute Act, 1947
- XV. Minimum Wages Act, 1948
- XVI. Payment of Bonus Act, 1965
- XVII. Payment of Gratuity Act, 1972
- XVIII. Payment of Wages Act, 1936 and other applicable labour laws

We have also examined the Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:



- The Company has availed the loan / other credit facilities like Restructured Term Loan ('RTL'), Expansion Term Loan ('Exp TL'), Optionally Convertible Debentures ('OCD'), working capital facilities ('the CC') and non-fund based facilities like bank guarantees & Letter(s) of credit. These facilities are sanctioned by consortium banks namely Canara Bank ('CB'), State Bank of India ('SBI'), Union bank of India ('UBI') (formerly Andhra Bank), Central Bank of India ('CBI'), Bank of Maharashtra ('BOM'), Punjab National Bank ('PNB') (including Oriental Bank of Commerce merged) and Indian Bank ('IB').

The Company has approached its consortium banks for Restructuring of the above loan / credit facilities with a Resolution Plan ('RP') with cut-off date of 01.07.2019 and the brief contours of RP are given below:

- a) Reduction of Interest on restructured term loan(s) and expansion term loan(s) to 9% p.a.
- b) Reduction of Interest on working capital loan (Cash Credit) to 9% p.a.
- c) Coupon of 0.01% p.a. on Optionally Convertible Debentures ('OCD') to be issued as fresh OCDs' to consortium banks for a period of 10 years in lieu of the Existing OCDs'
- d) Waiver of 8.99% p.a. redemption premium on OCDs issued under S4A Scheme from issue date (22.05.2017) to the date of implementation of RP with a right to recompense clause.
- e) Elongation in quarterly repayment of RTL from 2nd quarter of financial year 2019-20 to 2nd quarter of financial year 2024-25.
- f) Elongation in quarterly repayment of Exp TL from 2nd quarter of financial year 2019-20 to 3rd quarter of financial year 2023-24.
- g) Elongation in half-yearly redemption of OCD from fresh issue date to 2nd half year of financial year 2032-33.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the period.



Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

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

We further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad
Date: 06.09.2022

For VCSR & Associates
Company Secretaries


(Ch. Veeranjanyulu)
Partner
CPNo: 6392, M No. F6121

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

(Annexure)

To

The Members,
M/s. NSL Textiles Limited.
Guntur.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, were followed to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 06.09.2022

For VCSR & Associates
Company Secretaries


(Ch. Veeranjanyulu)
Partner

CP No: 6392, M No: F6121

AAKI & CO.,
Chartered Accountants

Ph. No. 0863-2233761, Email: aakiandco@gmail.com

Communication address: #31-11-943, 11/1, Arundelpet, Guntur - 520002

INDEPENDENT AUDITOR'S REPORT

To the members of
NSL Textiles Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **NSL Textiles Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss, and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (as amended) ('the Act') in the manner so required and give a true and fair view in conformity with the Companies (Accounting Standards) Rules, 2021 prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India.

- in the case of the Standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2022;
- in the case of the Standalone Statement of Profit and Loss, of the profit for the year ended on that date and
- in the case of Standalone Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 are not applicable to the Company as it is an unlisted Company.



AAKI & CO.,
Chartered Accountants

Ph. No. 0863-2233761, Email: aakiandco@gmail.com

Communication address: #31-11-943, 11/1, Arundelpet, Guntur - 520002

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information as included in the Directors' Report including Annexures to Directors' Report but does not include the standalone financial statements and our independent auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

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



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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

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



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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Standalone Balance Sheet, Standalone Statement of Profit and Loss and Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2021 prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and reporting effectiveness of the Company's internal financial control with reference to Standalone financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in Note 32 of its standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which are required to be transferred to the Investor Education Protection Fund by the Company.
 - d. i. The management has represented to us that to the best of their knowledge and belief and as disclosed in Note 46 (xiv) to standalone financial statements, that no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether



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recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.

- ii. The management has represented to us that to the best of their knowledge and behalf and as disclosed in Note 46(xiv) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - iii. Based on the audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. During the year, the Company has not declared or paid any dividend. Hence reporting on compliance of provisions of Section 123 of the Act by the Company is not applicable for the year.
3. In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act

For Aaki & Co.,
Chartered Accountants
Firm Reg. No.: 013453S



CA Venkata Srikanth Madamanchi
Partner
Membership No.: 242016

Place: Guntur
Date : 06-09-2022

UDIN: 22242016AUZVKP5927

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NSL Textiles Limited

Annexure to the Independent Auditors' Report on the standalone financial statements

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2022.

We report that:

- i. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B. The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Company has a programme of physical verification to cover all the items of property, plant and equipment in a phased manner of three years, which in our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. Pursuant to the programme, portion of the property, plant and equipment were physically verified by the management during the previous year. In our opinion, and according to the information and explanations given to us, no discrepancies were noticed on such verification.
- c. The title deeds of immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in Note 10 to the standalone financial statements included in Property, plant and equipment are held in the name of the Company except immovable properties as indicated in the below mentioned cases :

Description of property	Gross carrying value (Rs. In lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held since which date	Reason for which not held in the name of the Company
Property, plant and equipment -					
Lands	2,512.45	NSL Textiles (Edlapadu) Limited	Subsidiary ^^&^	01.04.2010	^^&\$
Factory buildings	4,183.21				
Non-factory buildings	2,008.72				
Lands	334.00	Prabhat Industrial Corporation Limited		01.02.2011	
Factory buildings	157.57				
Non-factory buildings	44.32				

^^&^ Erstwhile companies that are merged with the Company under Section 391 to 394 of the Companies Act, 1956 (as amended) in pursuant to Schemes of Amalgamations as approved by the Hon'ble High Court of Andhra Pradesh.

^^&\$ Assets acquired in pursuant to scheme of arrangement sanctioned by Hon'ble High Court of Andhra Pradesh and mutation process is yet to be completed.



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- d. In our opinion and according to the information and explanation given to us, the Company has not revalued any of its property, plant and equipment or intangible assets during the year ended on March 31, 2022 (Also refer Note 46(ii) to the standalone financial statements)
- e. According to the information and explanations given to us and the records examined by us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and Rules made thereunder.
- ii. a. The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- b. The Company has been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, during the year, from banks on the basis of security of current assets. The Company has filed revised quarterly returns or statements with such banks in necessary quarters and which are in agreement with the books of account (Also refer Note 46(vii) to the standalone financial statements).
- iii. During the year, the Company has not made any investment in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties. During the year, the Company has granted interest free unsecured loans to employees in respect of which:
 - a. i. Aggregate amount of loan provided to subsidiary is ₹Nil and balance outstanding at the balance sheet date is ₹Nil.
 - ii. During the year, aggregate amount of loan provided to employees is ₹27.00 lakhs and balance outstanding at the balance sheet date is ₹28.15 Lakhs.
- b. During the year, the Company has not made investment or not provided security and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except loan given to employees of the Company. The terms and conditions of the loan granted to employees are not prejudicial to the Company's interest.
- c. The Company has granted loan during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except interest charged on overdue receivables in prior years to subsidiary and part of the amount is written off during the year.
- d. There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days except part of the advance given to subsidiary is written off during the year.



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- e. There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act except loan given to subsidiary company and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. In our opinion, the Company have been complied the provisions of Section 185 and 186 of the Act.
- v. According to the information and explanation given to us, the Company has not accepted any deposit during the year to which Section 73 to 76 or other relevant provision of the Act and Rules made thereunder were applicable. There are no unclaimed deposits as on the Balance Sheet date. Hence, the paragraph 3(v) of the Order is not applicable to the Company for this year.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. The Company does not have liability in respect of service tax, duty of excise and sales tax during the year since effective July 01, 2017, these statutory dues has been subsumed into goods and services tax.

According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues applicable to it have been generally regularly deposited during the year by the Company with appropriate authorities except short delay in few cases in respect of provident fund, employee state insurance and withholding taxes under the Income-Tax Act.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory were in arrears as at March 31, 2022 for a



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period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of goods and service tax, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues which have not been deposited with appropriate authorities on account of any dispute, except as stated below –

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Dispute in classification	33.43	Financial year 12-13	CESTAT, Chennai
	Dispute in discharge of export obligation	26.86	Financial year 21-22	High Court of Telangana

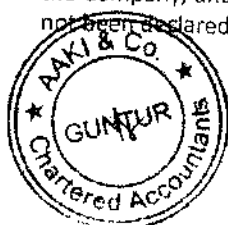
- Viii According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not have any transactions to be recorded in books of account that has been surrendered or disclosed as income during the year in the tax assessments under the income-tax Act, 1961 (as amended).

- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender except in below mentioned instances -

Nature of borrowings	Name of lender	Principal amount in lakhs	Principal no. of days	Interest amount in lakhs	Interest no. of days	Delay or unpaid
Term loan	Bank of Maharashtra	104.20	25-301	90.95	4-543	Delay [^] [^]
Term loan	Canara Bank	1,848.91	26-667	890.27	4-727	Delay [^] [^]
Term loan	Central Bank of India	517.82	26-575	250.03	4-727	Delay [^] [^]
Term loan	Indian Bank	375.32	26-667	184.08	4-696	Delay [^] [^]
Term loan	Punjab National Bank	536.13	26-667	361.93	4-880	Delay [^] [^]
Term loan	State Bank of India	638.50	26-575	303.61	27-422	Delay [^] [^]
Term loan	Union Bank of India	594.40	26-575	336.66	4-514	Delay [^] [^]
Debentures	Bank of Maharashtra	1.32	667	0.11	1-3	Delay [^] [^]
Debentures	Canara Bank	10.68	667	0.92	1-3	Delay [^] [^]
Debentures	Central Bank of India	3.07	667	0.26	1-3	Delay [^] [^]
Debentures	Indian Bank	2.45	667	0.21	1-3	Delay [^] [^]
Debentures	Punjab National Bank	4.05	667	0.35	1-3	Delay [^] [^]
Debentures	State Bank of India	12.15	667	1.04	1-3	Delay [^] [^]
Debentures	Union Bank of India	6.29	667	0.54	1-3	Delay [^] [^]
Inter-corporate deposits	Due to related party	130.43	1-1916	80.07	1-1753	Unpaid

[^][^] During the process of approval of resolution plan, Company made payment of interest and repayment of principal amount due to banks.

- b. According to the information and explanations given to us including confirmations received from financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared as willful defaulter by any bank or financial institution or other lender.



AAKI & CO.,
Chartered Accountants

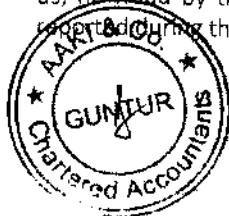
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- c. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans except consolidation of existing few term loans into two new term loan(s) by one of the consortium bank and the working capital facilities are used by the Company for the purpose for which it is obtained.
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.
- x. a. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company for the year.
- b. In our opinion and according to the information and explanations obtained by us, the company has complied with the provisions of sections 42 and 62 of the Act, in connection with funds raised through preferential allotment of Compulsory convertible debentures and optionally convertible debentures and the same have been utilized for the purpose for which they were raised as stated below –

Nature of securities	Type of issue	Amount involved (Rs. In lakhs)	Nature of non-compliance / Remarks
Compulsory convertible debentures	Private Placement	6,000.00	^*
Secured Optionally convertible debentures	Private Placement	37,125.33	^%^
^* All money transactions of Company are operated through TRA accounts opened with consortium bankers as per "Debt restructuring plan" sanctioned by consortium banks in earlier years. Hence subscription amount for allotment of Compulsory Convertible Debentures was directly received to TRA account and amounts was utilized after filing of respective forms before Registrar of Companies.			
^%^ Secured optionally convertible debentures were allotted to bank(s) in place of existing optionally convertible dentures as per resolution plan sanctioned by consortium banks. Hence allotment of secured optionally convertible debentures are made for consideration other than in cash.			

- xi. a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company has been noticed or reported during the year covered by our audit.



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- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in Note 41 to the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- xiv. a. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered, during the course of our audit, the reports of the Internal Auditor for the year under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act is not applicable to the Company.
- xvi. a. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on paragraph 3(xvi)(a) of the Order is not applicable to the Company for the year.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 (2 of 1934).
- c. The Company is not a Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on paragraph 3(xvi)(c) of the Order is not applicable to the Company for the year.
- d. According to the information and explanation given to us by the management, the Group has two CIC's which are registered with the Reserve Bank of India, 1 CIC's which is not required to be registered with the Reserve Bank of India and 1 CIC's which is required to be registered with the Reserve Bank of India but application for registration not filed^%^



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^^ As per information and explanation given to us, the management of the step-down subsidiary company to which CIC registration applicable is proposed to merged with its immediate holding company by way of filing scheme of arrangement before National company Law Tribunal during the financial year 2022-23.

- xvii. The Company has not incurred cash loss in current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on paragraph 3(xviii) of the Order is not applicable to the Company for the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 46(xii) to the standalone financial statement, ageing and expected dates of realization of current assets and payment of current liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of standalone balance sheet as and when they fall due within a period of one year from the standalone balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanation given to us, the Company is not required to spent amount in accordance with section 135 of the Act and Rules made thereunder. Accordingly, paragraph 3 (xx) (a) and (b) of the Order are not applicable to the Company for the year (Also Refer Note 48 to the standalone financial statements).
- xxi. Reporting under clause 3(xxi) of the Order is not applicable at the standalone financial statements level.

For Aaki & Co.,
Chartered Accountants
Firm Reg. No. :0134538

CA Venkata Srikanth Madhulanchi
Partner
M. No: 242016



Place: Guntur
Date : 06-09-2022

AAKI & CO.,
Chartered Accountants

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Annexure-A to the Independent Auditors' Report of even date on standalone financial statements of NSL Textiles Limited for the year ended on March 31, 2022

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of NSL Textiles Limited on the Standalone Financial Statements for the year ended March 31, 2022]

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of NSL Textiles Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting include obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



AAKI & CO.,
Chartered Accountants

Ph. No. 0863-2233761, Email: aakiandco@gmail.com

Communication address: #31-11-943, 11/1, Arundelpet, Guntur - 520002

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Aaki & Co.,
Chartered Accountants
Firm Reg. No. :0134535

CA Venkata Srikant Madananchi
Partner
M. No: 242016



Place: Guntur
Date : 06-09-2022

NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022
(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

1. Nature of Operations

NSL Textiles Limited (the 'Company') is engaged in textile manufacturing with capacities spread over seven locations encompassing ginning, spinning, weaving, processing and garmenting operations.

2. Statement of Significant accounting policies

2.1 Basis of preparation

The Standalone financial statements have been prepared under historical cost convention on accrual basis of accounting except for certain immovable properties that are measured at fair valued under a scheme of amalgamations approved by the High Court during the financial year 2010-11 and in accordance with the Generally Accepted Accounting Principles in India (the 'GAAP'). The Company is other than small and medium sized company as per the Accounting Standards. The Standalone financial statements are prepared to comply in all material respects with the Companies (Accounting Standards) Rules, 2021 ("the Accounting Standards") as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended) ("Rules"), and other pronouncements of the Institute of Chartered Accountants of India to the extent applicable.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard or amendments to the provisions of any statute which requires a change in accounting policy hitherto in use

2.2 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months' period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non-current.

2.3 Use of estimates

In preparation of the Standalone financial statements, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including investments, employee benefits and other provisions and recoverability of deferred tax assets.

2.4 Inventories

Raw materials, traded goods and stores & spares (including packing materials)

Raw materials, traded goods and stores & spares (including packing materials) are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and traded goods are determined based on specific identification basis and cost of dyes, chemicals, stores and spares are determined on a weighted average basis.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

Work-in-progress and finished goods

Work-in-progress and finished goods manufactured by the Company are valued at lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of fixed manufacturing overheads based on normal operating capacity. Cost of semi-finished and finished goods are determined on weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.5 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand (both reporting currency and foreign currency) and short term fixed deposits with an original maturity of three months or less.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of products

Revenue is recognized when the significant risks and rewards of ownership of the products have passed to the buyer. Revenue from sale of goods include net of sale returns and rebates and excludes goods & service tax (GST) and other taxes, where applicable.

Sale of services

Revenue from service contracts is recognized as and when services are rendered in accordance with the terms of the relevant contract. Revenue from contract work-in-progress at the balance sheet date is recognized based on percentage of completion with reference to cumulative cost incurred and estimated total cost.

Lease rentals

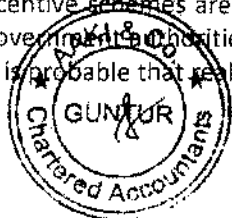
Revenue from lease of infrastructure facilities is recognised on time proportion basis taking into account the facility leased.

Interest income

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable, except in cases where recovery of principal is uncertain.

Export incentives

Export incentives principally comprises of Duty Drawback, Remission of Duties and Taxes on Export Products ("RoDTEP") and Merchandise Exports from India Scheme. The benefits under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. These incentives are recognized as revenue on accrual basis to the extent it is probable that realization is certain.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022
(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

2.8 Property, Plant and Equipment ("PPE") and Capital work-in-progress

Property, plant and equipment except for certain lands are carried at cost of acquisition or construction less accumulated depreciation, impairment losses and specific grants/subsidies if any. Certain Lands are stated at fair value in pursuant to a scheme of amalgamation approved by the Hon'ble High Court during the financial year 2010-11. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Advances paid for acquisition of PPE outstanding at each balance sheet are classified as capital advances under non-current assets. Cost of assets not put to use before such date are disclosed under "Capital work-in-progress". Cost comprising direct cost, related incidental expenses and attributable borrowing cost. Expenditure specifically attributable to projects under implementation is treated as pre-operative expenditure, pending allocation to the assets and is included under Capital work-in-progress.

Any subsequent expenditure relates to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

All material items of spare parts are recognised as PPE when they meet the definition of PPE. The cost and related depreciation are eliminated from the PPE upon sale or retirement of the spare parts / PPE and the resultant gain or losses are recognised in Statement of Profit and Loss.

Borrowing costs relating to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use.

Cost of self-generated tangible fixed assets includes direct costs relating to construction activities and indirect costs incidental to the construction of such property. Other indirect expenditure incurred during the construction period which is not related to construction activity nor is incidental thereto is charged to Statement of Profit and Loss.

Company has computed depreciation based on useful lives as specified in Schedule II under straight line method. In accordance with Schedule II of Act, the carrying amount of PPE as on 01.04.2014 is being depreciated over remaining useful life of the PPE. Moreover, the Company adopted the significant component wise depreciation as per requirements of Schedule II of Act. The carrying amount of the Components of PPE as on 01.04.2015 is being depreciated over remaining useful life of the Components. Depreciation on PPE / its components acquired or disposed of / held for disposal during the year is provided on pro-rata basis with reference to the date of acquisition or disposal/held for disposal. Life of the components and spares capitalized are restricted to lower of life of component and spares or remaining life of specific machinery.

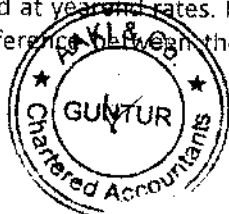
2.9 Foreign exchange transactions

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion

Foreign currency monetary items denominated in foreign currencies at the yearend are restated at year-end rates. In case of monetary items which are covered by forward contracts, the difference between the original entry date to forward contract date is recognized as an



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

exchange difference. Non-monetary foreign currency items are carried at cost. Capital advances in foreign currency towards purchase of PPE are treated as non-monetary items.

c. Derivative financial instruments

Derivative financial instruments such as forward exchange contract are used to hedge risks associated with foreign currency fluctuation. The premium or discount arising at the inception of the forward contract is amortized as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contract is recognized as income or expense in the respective accounting period.

2.10 Government grants

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, in the year of company meets the reasonable conditions relates to it. Recognition as income doesn't postponed beyond the actual date of receipt of subsidy.

Where the grant or subsidy relates to a depreciable asset, it is recognised as income in the profit and loss statement over the useful life of the related asset in the proportions in which depreciation is charged on that asset. The deferred income is disclosed under Reserves and Surplus in the balance sheet pending its apportionment to Statement of Profit and Loss.

2.11 Investments

Investments in subsidiaries and government securities are classified as Long-term Investments and carried at cost after providing for any diminution in value, if such diminution is of other than temporary in nature.

Investment in Joint venture of foreign body corporate is classified as Long-term Investments and carried at cost after providing any diminution of in value, and separately disclosed the % of share of ownership interest, the aggregate amounts of each of the assets, liabilities, income and expenses related to its interests in the jointly controlled entities.

2.12 Employee benefits

- a. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- b. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c. Accumulating compensated absences are provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- d. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

2.13 Financing / borrowing cost

Financing / borrowing cost other than those referred in Note 2.8 above is charged to the Statement of Profit and Loss. Initial direct costs/expenses incurred in connection with raising of funds are also charged off in the same year. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2.14 Segment policies

The company operates through two business segments - textile manufacturing segment and retail segment. However, as the revenues of retail segment is less than 10% of the total revenues of the Company and it is not identified as a reportable segment in accordance with Accounting Standard (AS) 17 - Segment Reporting notified under the Companies (Accounting Standards) Rules, 2021. Hence, segment reporting is not applicable to the company for the current and previous financial year.

2.15 Leases

Where the Company is the lessor

Assets subject to operating leases are included in PPE. Lease income is recognized in the Statement of Profit and Loss on straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss.

Where the Company is the lessee

The Company's significant leasing arrangements are in respect of operating leases for premises (factory buildings, office, godowns, residential etc. and machinery / equipments). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

2.16 Earnings per share

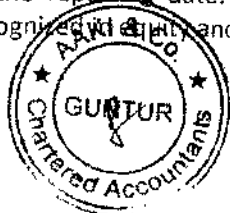
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share.

2.17 Income taxes

Tax expense consists of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 (as amended). The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assess the reasonable certainty of the unrecognized deferred tax assets of earlier years. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

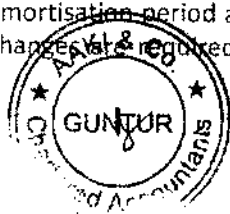
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period. i.e., the period for which MAT credit is allowed to carry forward. In the year in which the Company recognizes the MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit available in respect of Minimum Alternative Tax under the income Tax Act, 1961 (as amended), the said asset is created by way of credit to statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.18 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the purchase price and any attributable expenditure on making the asset ready for its intended use. Intangible asset acquired in an amalgamation are measured on initial recognition at their fair value as at the date of amalgamation.

Intangible assets are amortised on a straight line basis over their estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Amortization of intangible assets acquired or disposed off during the year is provided on pro-rata basis with reference to the date of acquisition or disposal.

The amortisation period and the amortisation method are reviewed at each financial year end. If any changes are required in the amortisation period or the amortisation method as a result of



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022
(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

such review, such changes are accounted for in accordance with Accounting Standard (AS) 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

2.19 Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, impairment provision is created to bring down the carrying value to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment provision created earlier is reversed to bring it at the recoverable amount subject to a maximum of depreciated / amortized historical cost.

After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

2.20 Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Where no reliable estimate can be made or if in respect of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation, no provisions are made but a disclosure is made as contingent liabilities in the notes. Contingent assets are neither recognized nor disclosed until they materialize. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.21 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. The Company does not recognize any contingent asset as on balance sheet date.



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NSL TEXTILES LIMITED
Standalone Balance Sheet as at March 31, 2022

(All amounts are Rs. in lakhs except for shares data or otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	19,325.66	19,325.66
Reserves and surplus	4	(907.82)	(3,584.07)
Total shareholders' funds		18,417.84	15,741.59
Non-current liabilities			
Long-term borrowings	5	78,602.04	76,998.34
Long-term trade payables	6		
Total outstanding dues of micro enterprises and Small enterprises			
Total outstanding dues of creditors other than micro enterprises and Small enterprises		1,419.45	1,419.14
Other long-term liabilities	7	102.39	77.39
Long-term provisions	8	974.96	940.15
Total non-current liabilities		81,098.84	79,435.02
Current liabilities			
Short-term borrowings	9	19,367.08	21,158.91
Short-term trade payables	6		
Total outstanding dues of micro enterprises and Small enterprises		25.70	4.00
Total outstanding dues of creditors other than micro enterprises and Small enterprises		13,892.13	13,805.35
Other current liabilities	7	1,783.13	3,018.13
Short-term provisions	8	79.10	60.28
Total current liabilities		35,147.14	38,046.67
Total Equity and Liabilities		134,663.82	133,223.28
II. ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
Property, plant and equipment	10	75,758.42	80,658.57
Intangible assets	10	76.75	89.31
Capital work-in-progress	10	582.40	158.87
Non-current investments	11	0.12	0.12
Deferred tax asset (net)	12	5,975.60	5,975.60
Long-term loans and advances	13	1,113.47	1,446.73
Other non-current assets	14	2,681.39	1,752.78
Total Non-current assets		86,188.15	90,081.98
Current assets			
Inventories	15	17,474.22	11,641.34
Trade receivables	16	9,280.68	10,051.81
Cash and cash equivalents	17	734.13	272.92
Short-term loans and advances	13	20,639.68	21,067.95
Other current assets	14	346.96	107.28
Total Current assets		48,475.67	43,141.30
Total Assets		134,663.82	133,223.28

Significant accounting policies

Other disclosures

 2
28 - 53

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

As per our report of even date

For Aaki & Co.,

Chartered Accountants

Firm Reg. No. 014535

CA Venkata Srikanth Madamanchi

Partner

M. No.: 242016



For and on behalf of the Board of Directors

of NSL Textiles Limited

CIN: U15429AP2002PLC038489

M Venkatram Chowdary

Managing Director

DIN: 03567780

S Satish Kumar

Chief Financial Officer

Place: Hyderabad

Date: 06-09-2022

Ch. Appa Rao

Whole-time Director

DIN: 00011095

Satish Karuturi

Company Secretary

Place: Guntur

Date: 06-09-2022

NSL TEXTILES LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are Rs. in lakhs except for shares data or otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations			
Sale of products	18	121,364.53	67,420.94
Sale of services	19	2,018.86	2,162.05
Other operating revenues	20	888.16	163.60
		124,271.55	69,746.59
Other income	21	400.68	461.05
Total income (I)		124,672.23	70,207.64
Expenses			
Cost of materials consumed	22	75,490.99	35,503.69
Purchases of stock-in-trade	23	-	161.85
Changes in inventories of work-in-progress and finished goods	24	(5,329.52)	2,988.30
Employee benefits expense	25	7,839.27	5,437.67
Finance costs	26	2,821.71	3,091.12
Depreciation and amortization expense	10	4,794.83	5,040.49
Other expenses	27	36,322.15	21,105.31
Total expenses (II)		121,939.43	73,328.43
Profit / (Loss) before tax (I)-(II) / (II-I)		2,732.80	(3,120.79)
Tax expense			
MAT credit entitlement written off		-	40.99
Profit / (Loss) for the year from continuing operations		2,732.80	(3,161.78)
Earnings per equity share (Refer Note 36)			
Basic and diluted (In Rs.)		1.41	(1.64)
Nominal value of shares (In Rs.)		10.00	10.00

Significant accounting policies	2
Other disclosures	28 - 53

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

As per our report of even date

For Aaki & Co.,

Chartered Accountants

Firm Reg. No.: 0134535

CA Venkata Srikant Madanagani

Partner

M. No.: 242016


 For and on behalf of the Board of Directors
of NSL Textiles Limited

CIN: U15429AP2002PLC038489

M Venkatram Chowdary

Managing Director

DIN: 03567730

S Satish Kumar

Chief Financial Officer

Place: Hyderabad

Date : 06-09-2022

Ch. Appa Rao

Whole-time Director

DIN: 00011095

S Ram Karuturi

Company Secretary

Place: Guntur

Date : 06-09-2022

NSL TEXTILES LIMITED

Standalone Cash flow statement for the period ended March 31, 2022

(All amounts are Rs in lakhs except for shares data or otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flows from operating activities		
Profit/(Loss) before tax as per Standalone statement of profit and loss	2,732.80	(3,120.79)
Adjustments for:		
Depreciation and amortization expenses	4,794.83	5,040.49
Provision for gratuity	60.96	(14.51)
Provision for leave encashment	(7.32)	(1.86)
Credit balances written back	(24.42)	(82.76)
Allowance for/written off of receivables, loans, advances & debit balances	2,535.68	66.46
Provision for diminution in value of assets	458.68	845.48
Loss / (Gain) on sale of property, plant and equipment	39.61	104.53
Interest income	(87.33)	(217.20)
Finance costs	2,821.71	3,091.12
Amortized capital grants	(56.55)	(57.26)
Operating Profit/(Loss) before working capital changes	13,268.66	5,653.70
Movements in working capital:		
Decrease / (increase) in Inventories	(5,832.88)	241.94
Decrease / (increase) in Trade receivables	(1,764.56)	(1,527.87)
Decrease / (increase) in Loans and Advances	438.85	1,986.19
Decrease / (increase) in Other assets	(239.68)	36.72
Increase / (decrease) in Trade payables	133.21	(1,589.77)
Increase / (decrease) in Other liabilities	927.60	(218.18)
Cash generated from operations	6,931.20	4,582.73
Direct taxes paid / (Refund)	245.95	(95.30)
Net cash flow from/(used in) operating activities (A)	6,685.25	4,678.03
B. Cash flows from investing activities		
Purchase of property, plant and equipment including Capital work-in-progress and capital advances	(1,701.36)	(483.08)
Proceeds from sale of property, plant and equipment	234.98	30.00
Proceeds from/(Investment in) deposits	(1,661.48)	126.09
Realisation of advance/(Advances to) subsidiaries	1,062.00	-
Interest income	87.33	217.20
Net cash from/(used in) investing activities (B)	(1,978.53)	(109.79)
C. Cash flows from financing activities		
Proceeds/(Repayment) from short term borrowings	(1,791.84)	(2,223.48)
Proceeds/(Repayment) of long term borrowings	1,603.70	(419.22)
Interest expenses (Net)	(4,713.36)	(1,824.79)
Net cash from / (used in) financing activities (C)	(4,901.50)	(4,467.49)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(194.79)	100.75
Cash and cash equivalents at the beginning of the year	226.82	126.07
Cash and cash equivalents at the end of the year	32.03	226.82
Components of cash and cash equivalents		
Cash on hand in Indian currency	12.58	32.72
Cash on hand in foreign currency	0.23	0.93
Balances with banks	19.20	193.16
Effect of exchange rate changes	32.01	226.81
Cash and cash equivalents as restated and considered in cash flow statement	32.03	226.82

As per our report of even date

For Aaki & Co.,

Chartered Accountants

Firm Reg. No. 0134535

CA Venkata Sankanth Madanachari

Partner

M. No.: 242016



For and on behalf of the Board of Directors
of NSL Textiles Limited

CIN: 015429A2002PL0038489

M Venkatram Chowdary

Managing Director

DIN: 03567730

S Satish Kumar

Chief Financial Officer

Place: Hyderabad

Date : 06-09-2022

Ch. Appa Rao

Whole-time Director

DIN: 00011095

Satish Karuturi

Company Secretary

Place: Guntur

Date : 06-09-2022

NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	As at March 31, 2022	As at March 31, 2021
3 Share Capital		
a. Authorised Capital		
Equity shares of Rs 10 each	237,000,000	237,000,000
Redeemable preference shares of Rs 100 each	400,000	400,000
	24,100.00	24,100.00
b. Issued, Subscribed and fully Paid-up capital		
Equity shares of Rs 10 each fully paid-up	193,256,578	193,256,578
	193,256,578	193,256,578
c. Reconciliation of the number of shares outstanding		
Equity shares outstanding as at commencement of the year	193,256,578	193,256,578
Add: Equity shares issued during the year	-	-
Less: Equity shares bought back during the year	-	-
Equity shares outstanding at end of the year	193,256,578	193,256,578

- d. **Terms/Rights attached to equity shares having face value of Rs. 10 each fully paid-up**
The company has only one class of equity shares having par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share and entitled to dividends as declared in Annual General Meetings. In the event of winding up, the holder of equity shares will be entitled to receive remaining assets of the company, after payment of all debts and liabilities. The distribution will be in proportion to the capital paid-up by the shareholders.

e. Shareholders holding more than 5% of the equity shares fully paid-up	Numbers	% of total shares	Numbers	% of total shares
Mandava Holdings Private Limited	68,368,394	35.38%	68,368,394	35.38%
State Bank of India	27,425,507	14.19%	27,425,507	14.19%
Canara Bank	24,051,626	12.45%	24,051,626	12.45%
Union Bank of India* &†	14,168,920	7.33%	14,168,920	7.33%
Jupiter City Developers (India) Limited	13,420,000	6.94%	-	-
M. Prabhakar Rao	11,663,512	6.04%	11,663,512	6.04%
APMS Investment Limited* &†	-	-	10,000,000	5.17%

* &† Due to Andhra Bank merged into Union Bank of India, shareholder name disclosed as Union Bank of India

* &† Formerly known as Mavi Investment Fund Limited

f. Change in promoters holding of equity share of Rs. 10 each fully paid-up	Numbers	% of total shares	Numbers	% of total shares
Mandava Holdings Private Limited	68,368,394	35.38%	68,368,394	35.38%
M. Prabhakar Rao	11,663,512	6.04%	11,663,512	6.04%
M. Asha Priya	2,947,515	1.53%	2,947,515	1.53%
M. Venkatram Chowdary	12,473	0.01%	12,473	0.01%
Mandava Cold Storage Private Limited	2,500,000	1.29%	2,500,000	1.29%
	85,491,894	44.24%	85,491,894	44.24%

Note: There is no change in promoters holding of equity shares from April 01, 2020 to March 31, 2022. Hence specific columns of % of change in equity shares held by promoters is not given for the year ended on March 31, 2021 and March 31, 2022.

- g. Terms of securities convertible into equity shares - refer additional information under Note 28

h. Particulars regarding bonus issues and other details during the period of last five financial years immediately preceding the balance sheet date	31-Mar-22 No. of shares	31-Mar-21 No. of shares
i. Equity shares allotted as fully paid-up bonus shares	NIL	NIL
ii. Equity shares issued for consideration without payment being received in cash ^{1A}	NIL	NIL
iii. Equity shares bought back	NIL	NIL

^{1A} During the financial year 2017-18, The company has allotted equity shares having face value of Rs. 10/- each fully paid-up in pursuant to the conversion of debt into equity shares is in accordance to the Scheme for Sustainable Structuring of Stressed Assets (S4A) sanctioned by lender bankers. Hence the issue of fully paid-up equity shares was not treated as equity shares issued for consideration other than cash.



NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	As at March 31, 2022		As at March 31, 2021	
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
4 Reserves and surplus				
a. Securities premium				
Balance as per last balance sheet		21,167.64		21,167.64
b. Deferred government grants relating to depreciable capital assets				
Balance as per last balance sheet (Refer Note 4.1 (b))	757.75		815.01	
Less: Income recognised for the year (Refer Note 20)	56.55	701.20	57.26	757.75
c. Debenture redemption reserve				
Balance as per last balance sheet (Refer Note 29)		62.50		62.50
d. General reserve				
Balance as per last balance sheet (Refer Note 4.1 (d))		15,465.74		15,465.74
e. Surplus				
Balance as per last balance sheet	(41,037.70)		(37,875.92)	
Add/less: Profit / (loss) as per Statement of Profit and Loss	2,732.80	(38,304.90)	(3,161.78)	(41,037.70)
		(907.82)		(3,584.07)

Note 4.1(b): Deferred government grant received in relation to Property, Plant and Equipment in pursuant to Industrial Policy and various schemes announced by Ministry of Textiles of Government of India and Government of Andhra Pradesh

Note 4.1(d): During the financial year 2010-11, the Company has recognised amount of Rs 5,836.92 lakhs in General Reserve towards difference between book value and fair value of lands in pursuant to scheme of amalgamation with M/s. NSL Textiles (Edlapadu) Limited and M/s. Prabhat Industrial Corporation Limited as approved by the High Court. The year-end balance in general reserve includes Rs 5,709.71 lakhs (Previous year: Rs 5,709.71 lakhs) credited towards fair value in pursuant to aforesaid scheme of amalgamation.

5 Long-term borrowings

	Non current portion March 31, 2022	Current maturities March 31, 2022	Non current portion March 31, 2021	Current maturities March 31, 2021
Secured (Refer Note 28)				
a. Term loans from banks	5,419.51	3,855.05	9,795.81	6,990.76
b. Optionally convertible debentures held by lender banks	37,045.33	20.00	37,065.33	60.00
Unsecured (Refer Note 28 & 41)				
a. Optionally convertible debentures held by related parties	250.00	-	250.00	-
b. Compulsorily convertible debentures held by related parties	33,070.00	-	27,070.00	-
c. Inter-corporate deposits due to related parties	2,817.20	130.43	2,817.20	130.43
	78,602.04	4,005.48	76,998.34	7,181.19

6 Trade payables

	Long-term March 31, 2022	Short-term March 31, 2022	Long-term March 31, 2021	Short-term March 31, 2021
a. Total outstanding dues of micro enterprises and small enterprises	-	25.70	-	4.00
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,419.45	13,892.13	1,419.14	13,805.35
	1,419.45	13,917.83	1,419.14	13,809.35

Additional information -

- Disclosure of transaction with micro enterprises and small enterprises given at Note 42
- Ageing of trade payables given at Note 44

7 Other liabilities

	Long-term March 31, 2022	Short-term March 31, 2022	Long-term March 31, 2021	Short-term March 31, 2021
Interest accrued but not due on borrowings	59.99	-	69.99	-
Interest accrued and due on borrowings (Refer Note 28)	-	80.62	-	1,972.27
Creditors for capital goods	-	88.18	-	5.24
Advance received from customers	-	320.20	-	105.22
Advance received for sale of property, plant and equipment	-	-	-	20.76
Security deposit from customers	32.40	8.60	7.40	0.00
Retention money payable	-	32.20	-	32.20
Other liabilities -				
- Employee dues payable	-	923.24	-	733.70
- Statutory liabilities	-	288.29	-	111.52
- Other payables	-	41.80	-	37.22
	102.39	1,783.13	77.39	3,018.13



NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	As at March 31, 2022		As at March 31, 2021	
	Long-term March 31, 2022	Short-term March 31, 2022	Long-term March 31, 2021	Short-term March 31, 2021
8 <u>Provisions</u>				
Provision for employee benefits (Refer Note 33)				
Provision for gratuity	871.07	67.10	830.38	46.84
Provision for compensated absences	103.89	12.00	109.77	13.44
	<u>974.96</u>	<u>79.10</u>	<u>940.15</u>	<u>60.28</u>
9 <u>Short-term borrowings</u>	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
Secured				
Loans from banks (Refer Note 28)				
Cash credit facility		15,361.60		13,977.72
Current maturities of long-term borrowings (Refer Note 5)				
Term loans from banks		3,855.05		6,990.76
Optionally convertible debentures held by lender banks		20.00		60.00
Inter-corporate deposits due to related parties		130.43		130.43
		<u>19,367.08</u>		<u>21,158.91</u>



NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note 10: Property, Plant and Equipment and Intangible assets

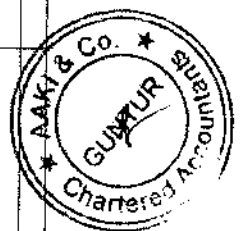
Particulars	Gross carrying amount			Depreciation and amortisation			Net carrying amount		
	At the beginning of the year	Additions during the year	Deletions during the year	At the end of the year	Accumulated upto the beginning of the year	For the year	On deletions	Accumulated upto the end of the year	At the beginning of the year
a. Property, plant and equipment									
Freehold land	7,659.45	24.88	-	7,684.33	-	-	-	7,684.33	7,659.45
Freehold land given on operating lease	262.18	-	-	262.18	-	-	-	262.18	262.18
Factory buildings	16,700.81	-	-	16,700.81	5,985.98	532.87	-	6,518.85	10,714.83
Factory buildings on leasehold land	157.57	-	-	157.57	51.83	-	-	105.74	105.74
Non factory buildings	7,263.26	-	59	7,204.10	2,609.74	123.26	19.49	4,490.59	4,653.52
Non factory buildings given on operating lease	33.83	-	-	33.83	9.25	-	-	24.58	24.58
Non factory buildings on leasehold land	43.30	-	-	43.30	16.25	1.24	-	25.81	27.05
Plant and Equipment	105,212.41	560.62	1,494.23	104,278.80	49,042.06	3,956.48	800.79	52,197.75	52,081.05
Tools and Templates	1,432.26	-	-	1,432.26	1,068.64	74.48	-	1,143.12	289.14
Electrical installations	4,949.85	-	-	4,949.85	4,454.02	65.24	-	4,519.26	363.62
Furniture and Fixtures	481.92	-	-	481.92	396.57	14.79	-	411.36	495.83
Vehicles	107.55	29.90	-	137.45	93.20	3.37	-	70.56	85.35
Office equipment	292.04	-	-	292.04	255.00	6.10	-	40.88	14.35
Computers	375.50	-	-	375.50	330.99	4.44	-	30.94	37.04
Livestock	0.17	-	0.17	-	-	-	-	40.07	44.51
Total	144,972.10	615.40	1,533.56	144,033.94	64,313.53	4,782.27	820.28	75,758.42	80,658.57
Previous Year	144,929.50	308.31	265.71	144,372.10	59,410.99	5,033.71	131.17	64,313.53	80,658.57
b. Intangible assets									
Computer software	467.73	-	-	467.73	378.42	12.56	-	390.98	89.31
Total	467.73	-	-	467.73	378.42	12.56	-	390.98	89.31
Previous Year	432.73	35.00	-	467.73	371.65	6.77	-	378.42	89.31
Additional disclosure									

1. Some of the immovable properties transferred from transferee companies valuing ₹2,846.45 lakhs (Previous year ₹2,846.45 lakhs) vested pursuant to the Schemes of Amalgamation are yet to be updated in the State Revenue records in the name of the Company.

2. Out of the above some of the immovable properties of the Company was given as collateral securities for the loans / credit facilities sanctioned by consortium banks.

Note 10: Capital work-in-progress

Particulars	Gross carrying amount		
	At the beginning of the year	Additions during the year	At the end of the year
Non factory buildings	158.87	158.23	317.10
Plant and Equipment	158.87	265.30	424.17
Total	317.74	423.53	741.27
Previous year	2.37	156.50	158.87



NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

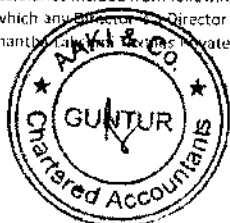
(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	As at March 31, 2022		As at March 31, 2021	
	Numbers March 31, 2022	Amount March 31, 2022	Numbers March 31, 2021	Amount March 31, 2021
11 Non-current investments				
A Unquoted, Trade investments and carried at cost				
a Investments in equity instruments of subsidiaries (Fully paid-up, Face value of Rs 10.00 each)				
Sree Anantha Lakshmi Textiles Private Limited	2,851,100	845.48	2,851,100	845.48
Sree Venkataraya Cotton Mills Private Limited	882,900	118.86	882,900	118.86
b Investments in equity shares of foreign Joint venture (Face value of Hong-kong dollar 1.00 each, paid up)				
NSL Fashion Trends Limited, Hong Kong	156,000	13.36	156,000	13.36
		977.70		977.70
Less: Provision for diminution in value of investments		977.70		977.70
Total Trade investments		-		-
B Non-trade investments				
Investments in Government securities				
National Savings Certificates		0.12		0.12
(deposited with Government Authorities for obtaining various licenses and registrations)				
		0.12		0.12
Additional information:				
(i) Aggregate amount of unquoted investments		977.82		977.82
(ii) Aggregate amount of provision made for diminution in value of unquoted investments		977.70		977.70
12 Deferred tax asset (net)	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Deferred tax assets on account of:				
Expenditure charged to Statement of Profit and Loss but allowable for tax purposes only or payment basis	1,813.24		1,813.24	
Carry forward of depreciation losses under tax laws	19,013.15		19,013.15	
Deferred tax asset (gross)		20,826.39		20,826.39
Deferred tax liability on account of difference between tax depreciation and depreciation charged to Statement of Profit and Loss	14,850.79		14,850.79	
Deferred tax liability (gross)		14,850.79		14,850.79
		5,975.60		5,975.60
Note: Deferred tax assets further not recognised for the year Rs. 4,254.50 lakhs (Previous year: Rs. 6,276.39 lakhs)				
13 Loans and advances	Long-term March 31, 2022	Short-term March 31, 2022	Long-term March 31, 2021	Short-term March 31, 2021
(Unsecured, considered good except otherwise stated)				
Capital advances considered good	742.84	-	82.95	-
Capital advances considered doubtful	2.53	-	-	-
Advance to subsidiaries	-	-	1,062.00	-
Taxes and other amounts paid under protest	-	150.92	-	33.66
Tax deducted at source and tax collected at source	-	245.95	-	34.82
Income tax refund receivable	-	34.82	-	81.75
Prepaid expenses	53.20	118.42	9.15	94.16
GST input tax credits carry forward	-	723.60	-	191.14
GST refund receivable	-	36.67	-	52.04
TUF interest rebate receivable	-	3,004.50	-	3,004.50
Power incentive receivable	-	13,894.14	-	13,894.14
Sales tax incentive receivable	-	133.09	-	159.73
Export incentives receivable	-	202.53	-	10.91
Terminal excise duty refund receivable	-	-	-	145.01
Non-trade advances	-	-	-	30.00
Loans and advances due by employees	24.80	3.71	-	6.05
MAT credit entitlement	292.63	-	292.63	-
Other advances recoverable in cash or kind or for value to be received -				
- Considered good	-	744.05	-	3,330.04
- Considered doubtful	-	2,697.60	-	6.10
	1,116.00	21,990.00	1,446.73	21,074.05
Less: Provision for doubtful advances to the extent considered doubtful	2.53	1,350.32	-	6.10
	1,113.47	20,639.68	1,446.73	21,067.95

Additional information -

- a. Advance to subsidiaries include from following related parties and private companies in which any Director -
- M/s. Sree Anantha Lakshmi Textiles Private Limited, subsidiary

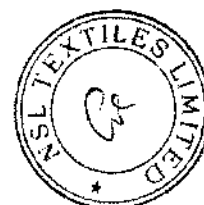
1,062.00



NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	As at March 31, 2022	As at March 31, 2021
14 Other assets		
(Unsecured, considered good except otherwise stated)		
Security deposits	1,350.91	1,102.78
Trade deposits against service contracts	650.00	650.00
Deposits with banks having a maturity exceeding 12 months	1,005.48	-
Interest accrued	-	93.84
Property, Plant and Equipment held for disposal	-	253.12
	3,006.39	1,752.78
Less: Provision for impairment loss on trade deposits	325.00	107.28
	2,681.39	1,752.78
Additional information -		
Deposits with Banks having a maturity exceeding 12 months includes deposits held as margin money against which lien is marked for obtaining guarantees, letters of credit from banks and debt-service coverage	1,005.48	-
15 Inventories	March 31, 2022	March 31, 2021
(Valued at lower of cost and net realisable value, Refer Note 2)		
Raw materials	5,505.41	5,150.52
Work-in-progress	5,134.79	2,665.48
Finished goods	5,573.98	2,713.78
Stores, spares, packing and other material	1,260.04	1,111.56
	17,474.22	11,641.34
16 Trade receivables		
(Unsecured, considered good)		
Outstanding for over six months from their due date of payment	107.05	893.05
Other trade receivables	9,173.63	9,907.56
	9,280.68	10,051.81
Less: Provision for doubtful trade receivables	893.05	859.25
	9,280.68	10,051.81
Additional information -		
a. Other trade receivables include due from following related parties and private companies in which any director is a Director		
M/s. Sree Anantha Lakshmi Textiles Private Limited, Indian subsidiary	-	523.43
M/s. NSL Fashion Trends Limited, Foreign Joint Venture	24.76	24.76
b. Ageing of trade receivables disclosed in Note 43		
17 Cash and cash equivalents:	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks on current accounts	19.20	193.16
Cash on hand in Indian currency	12.58	32.72
Cash on hand in foreign currency	0.23	0.94
	32.03	226.82
Other bank balances		
Fixed deposits with banks having a maturity of 4 to 12 months from acquisition date and held as margin money against which lien is marked for obtaining guarantees and letters of credit from banks	702.10	33.70
Other deposits with banks having a maturity of 4 to 12 months from acquisition date	-	12.40
	734.13	272.92

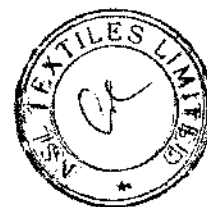


NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
18 Sale of products		
Cotton yarn	75,535.87	46,018.46
Cotton grey fabric	2,934.60	2,571.63
Cotton finished fabric	34,476.98	13,886.18
Nose masks	18.84	-
Cotton seed	534.68	0.28
Cotton/yarn waste	5,380.81	3,166.87
Dyed yarn	2,482.75	1,777.52
	121,364.53	67,420.94
19 Sale of services		
Job work charges	1,932.67	2,063.32
Unbilled revenue	43.45	29.00
Testing charges	3.44	2.82
Lease income	39.30	66.91
	2,018.86	2,162.05
20 Other operating revenues		
Export incentive	718.93	72.08
Sales tax incentive	11.48	-
Amortized capital grant	56.55	57.26
Insurance claims	-	5.94
Other Income	101.20	28.32
	888.16	163.60
21 Other income		
Sale of scrap	205.72	148.47
Interest income	87.33	217.20
Net gain from foreign exchange fluctuations	66.09	-
Agricultural income	-	0.32
Credit balances written back (net)	24.42	82.76
Miscellaneous income	17.12	12.30
	400.68	461.05
22 Cost of materials consumed		
Cost of raw materials consumed		
Stock at the commencement of the year	5,150.52	2,488.68
Add: Purchases during the year	72,419.33	36,546.70
	77,569.85	39,035.38
Less: Stock at the end of the year	5,505.41	5,150.52
	72,064.44	33,884.86
Add: Cost of packing and other materials consumed during manufacturing	3,426.55	1,618.83
	75,490.99	35,503.69

Note: Consumption disclosed is on the basis of derived figure.

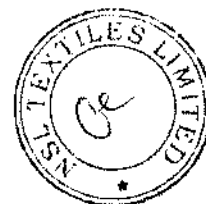


NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the period ended March 31, 2022

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption details of major raw materials		
Kappas	1,413.54	-
Cotton Lint	63,889.51	32,045.51
Cotton Yarn	5,818.79	1,550.50
Cotton Fabric	942.60	288.86
	72,064.44	33,884.87
23 Purchases of stock-in-trade		
Cotton Yarn	-	156.08
Fabric	-	5.77
		161.85
24 Changes in inventories of work-in-progress and finished goods		
Stock at the commencement of the year		
Work-in-progress		
- Cotton Lint	1,370.55	1,469.01
- Cotton Yarn	552.15	764.94
- Cotton Fabric	742.78	983.72
Finished goods		
- Cotton Yarn	253.20	1,522.20
- Cotton Fabric	2,138.03	3,200.40
- Others	322.55	427.29
	5,379.26	8,367.56
Stock at the end of the year		
Work-in-progress		
- Cotton Lint	1,938.72	1,370.55
- Cotton Yarn	1,348.26	552.15
- Cotton Fabric	1,847.81	742.78
Finished goods		
- Cotton Lint	14.77	-
- Cotton Yarn	1,474.79	253.20
- Cotton Fabric	3,724.94	2,138.03
- Others	359.49	322.55
	10,708.78	5,379.26
(Increase) / Decrease in Stock	(5,329.52)	2,988.30
25 Employee benefits expense		
Salaries, wages, bonus and other allowances	6,829.49	4,678.34
Contribution to provident and other funds	426.66	309.48
Staff and labour welfare expenses	583.12	449.85
	7,839.27	5,437.67



NSL TEXTILES LIMITED**Notes forming part of Standalone Financial Statements for the period ended March 31, 2022**

(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
26 Finance costs		
Interest on long-term borrowings	1,133.60	1,643.22
Interest on short-term borrowings	1,514.58	1,402.88
Other borrowing costs	172.24	42.80
Interest on statutory payments	1.29	2.22
	2,821.71	3,091.12
27 Other expenses		
Power and fuel	16,145.00	10,811.90
Consumption of stores and spare parts (including packing materials)	6,516.28	2,778.96
Other processing charges	416.02	211.93
Other manufacturing expenses	4,418.45	2,843.32
Repair and maintenance of plant and equipment	850.81	494.81
Repair and maintenance of buildings	464.23	40.73
Repair and maintenance of other assets	124.28	81.87
Rent	107.35	84.59
Insurance	231.32	251.57
Rates and taxes, excluding taxes on income	417.02	152.84
Freight and other expenses	1,490.70	906.97
Discount on sales	286.45	146.08
Commission on sales	744.61	541.18
Legal and professional charges	216.58	172.59
Security charges	198.38	183.91
Directors' sitting fee	9.60	7.20
Auditors' remuneration		
As Auditor	5.50	5.50
As Tax Auditor	1.50	1.50
For other services	0.78	0.75
Net loss on transfer of property, plant and equipment	39.61	104.53
Net loss from foreign exchange fluctuations (net)	-	83.43
Bad receivables, loans, advances and balances written off	830.12	45.33
Provision for doubtful receivables, loans and advances (net)	1,705.56	21.13
Provision for diminution in value of assets	458.68	845.48
Miscellaneous expenses	643.32	287.21
	36,322.15	21,105.31



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

28. Term and conditions of repayment of Long-term borrowings

I. Term loans from banks, Optionally Convertible Debentures issued to banks and Cash credit facility availed from consortium banks

Company has availed loan / other credit facilities like Restructured Term Loan ('RTL'), Expansion Term Loan ('Exp TL'), Optionally Convertible Debentures ('OCD'), working capital facilities ('the CC and WCDL') and non-fund based facilities like bank guarantees and Letter(s) of credit. These facilities are sanctioned by consortium banks namely Canara Bank ('CB'), State Bank of India ('SBI'), Union bank of India ('UBI'), Central Bank of India ('CBI'), Bank of Maharashtra ('BOM'), Punjab National Bank ('PNB') and Indian Bank ('IB').

The Company has implemented during the year the Restructuring of the above loan / credit facilities with an approved Resolution Plan ('RP') by Lender bankers with cut-off date of July 01, 2019 and the brief contours of RP are given below:

- a) Reduction of Interest on restructured term loan(s) and expansion term loan(s) to 9.00% p.a.
- b) Reduction of Interest on working capital loans (Cash Credit) to 9.00% p.a.
- c) Coupon of 0.01% p.a. on Secured Optionally Convertible Debentures ('OCD') issued in place of existing OCDs' to lender bankers for a period of 10 years with rollover option for another 2 years on completion of 10th year.
- d) Waiver of 8.99% p.a. redemption premium on existing OCD's issued under S4A Scheme from issue date i.e. May 22, 2017 to the date of implementation of RP with a right to recompense clause.
- e) Elongation in quarterly repayment of RTL from 2nd quarter of financial year 2019-20 to 2nd quarter of financial year 2024-25 as given below.
- f) Elongation in quarterly repayment of Exp TL from 2nd quarter of financial year 2019-20 to 3rd quarter of financial year 2023-24 as given below.
- g) The existing term loan(s) of SBI were merged and classified into two new accounts (Term Loan-1 of Rs.2,799.00 lakhs and Term Loan-2 of Rs.643.00 lakhs on implementation of the RP with elongation in quarterly repayment of Term Loan-1 from 1st quarter of financial year 2021-22 to 2nd quarter of financial year 2024-25 and Term Loan-2 from 1st quarter of financial year 2021-22 to 3rd quarter of financial year 2023-24 as given below.
- h) The existing limits of Cash Credit facilities of Canara Bank (CB) and State Bank of India (SBI) are bifurcated into Working Capital Loan (WCL) (60%) and Cash Credit (CC) (40%) as per RBI guidelines during the financial year 2021-22.
- i) Elongation in half-yearly redemption of new OCD's from fresh issue date to 2nd half year of financial year 2030-31 as given below



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

A. Term of repayment of Restructured term loan(s):

Financial year	Repayment in lakhs	No. of quarterly instalments
2019-20	2,500.00	3
2020-21	2,000.00	4
2021-22	2,587.00	4
2022-23	2,793.00	4
2023-24	3,022.00	4
2024-25	1,818.00	2

B. Term of repayment of Expansion term loan(s):

Financial year	Repayment in lakhs	No. of quarterly instalments
2019-20	1,000.00	3
2020-21	1,000.00	4
2021-22	1,065.00	4
2022-23	1,062.00	4
2023-24	580.00	3

C. Term of repayment of Optionally Convertible Debentures ("OCD") held by lender banks -

New OCD series	Old OCD series	Face value per OCD (Rs.)	New OCD to be redeemed on	Old OCD to be redeemed on	New No. of OCD's	Old No. of OCD's	Coupon rate % (p.a.)
K	F	1,000	31.03.31	31.03.27	37,12,533	37,12,533	0.01%

The secured Optionally Convertible Debentures ("OCD's") aggregating to Rs. 37,125.33 lakhs issued as fresh OCDs' for a period of 10 years on implementation of approved Resolution Plan (RP) with rollover option for a further tenure of 2 years against the then outstanding balance on completion of 10th year to consortium of banks in lieu of the existing outstanding OCD's (issued under S4A Scheme) with a coupon at the rate of 0.01% p.a. Repayment schedule of OCD's are given below –

Financial year	% of repayment		Half yearly instalments (repayment for the year)	
	On new OCD's	On Old OCD's	On new OCD's	On Old OCD's
2019-20	-	-	-	-
2020-21	-	-	-	-
2021-22	0.15%	-	60.00	-
2022-23	0.05%	-	20.00	-
2023-24	0.05%	23.00%	20.00	8,539.00
2024-25	4.85%	26.00%	1,800.00	9,653.00
2025-26	11.85%	24.00%	4,400.00	8,910.00
2026-27	11.85%	27.00%	4,400.00	10,023.33
2027-28	11.85%	-	4,400.00	-
2028-29	11.85%	-	4,400.00	-



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

2029-30	11.85%	-	4,400.00	-
2030-31	35.65%	-	13,225.33	-
Grand total			37,125.33	37,125.33

D. Rate of interest on various credit facilities availed from consortium banks -

Nature of credit facility	Interest nature	Rate of interest as on March 31, 2022	Rate of interest as on March 31, 2021
Restructured term loans	Fixed rate	9.00% p. a.	9.00% p. a.
Expansion term loans	Fixed rate	9.00% p. a.	9.00% p. a.
Working capital facilities	Floating rate	9.00% p. a.	9.00% p. a.
Optionally convertible debentures	Fixed rate	0.01% p. a.	0.01% p. a.

E. As per Reserve Bank of India ("RBI") vide circular No. RBI/2018-19/87 dated December 05, 2018 banks have to create WCL to the extent of 60% of its cash credit limits, accordingly the cash credit limits of CB and SBI were bifurcated and credited working capital loan (Cash Credit) of Rs.4,020.00 lakhs and Rs. 1,952.00 lakhs respectively during the financial year 2021-22. Company has availed rupee loans from lender bankers except Bank of Maharashtra as Cash credit facility as on balance sheet date. Cash credit facilities from aforesaid banks are repayable on demand /renewable on yearly basis. Cash credit facilities are secured by pari-passu first charge on all current assets, both present and future, and second charge on all property, plant and equipment, both present and future, of the Company.

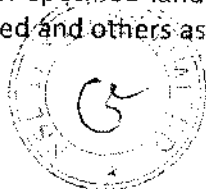
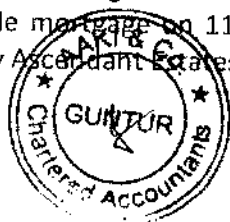
F. Primary and secondary security given to consortium banks for availing above restructured term loans, expansion term loans and optionally convertible debentures:

All the above restructured term loans, expansion term loans and optionally convertible debentures are secured by first charge on pari-passu basis among consortium banks by way of equitable mortgage of specified lands & buildings and hypothecation of all the property, plant and equipment's of the Company, both present and future and second charge on all current assets of the Company on reciprocal basis with working capital consortium banks and on pari-passu among the term loan consortium banks.

G. Collateral security, personal guarantee and corporate guarantee given to consortium banks for availing above restructured term loans, expansion term loans, optionally convertible debentures and cash credit facilities:

The above restructured term loans, expansion term loans, optionally convertible debentures and working capital facilities are secured by

- Personal guarantee of three promoter directors in their personal capacity,
- Personal guarantee of two others in their personal capacity (restricted to the value of properties specified in sanction letters),
- Specified lands properties belonging to two promoter directors,
- Specified lands properties belonging to above two others who gave personal guarantee,
- Pledge of entire equity shares fully paid-up held in Company by two promoter directors & Mandava Holdings Private Limited and
- Equitable mortgage on 11.0606 Acres of specified lands and irrevocable corporate guarantee given by Ascendant Estates Private Limited and others as per sanction letters.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

H. Total amount of dues to consortium banks:

Aggregate amount of restructured term loan, expansion term loan, cash credit facilities and OCD's held by consortium banks along with interest accrued and due and interest accrued but not due are guaranteed by three promoter directors and two others is as follows -

Nature of facility	As on March 31, 2022 (Amount in lakhs)	As on March 31, 2021 (Amount in lakhs)
Restructured term loans (old and new)	7,634.03	12,531.15
Expansion term loans (old and new)	1,640.52	4,255.42
Optionally convertible debentures	37,065.33	37,125.33
Working capital facilities	15,361.60	13,977.72
Interest accrued and due ^{^^} %	0.54	1,908.01

^{^^}% Default in payment of interest as on March 31, 2021 is given in below point (j) and out of the amount due as on March 31, 2021 Company intimated respective bank on April 03, 2021 to transfer the interest amount due but the same was transferred by bank as on April 16, 2022. Hence the same was not treated as default in payment of interest as on March 31, 2022. There are no other default in payment dues to consortium banks as on March 31, 2022.

I. Default in repayment of term loan instalments / OCD Redemption and Interest accrued and due as on March 31, 2021:

Bank Name	Type of loan / OCD	Interest default as on 31.03.21 (In lakhs)	Default Interest as on 31.03.21 (In days)	Default in Instalment/ Redemption as on 31.03.21 (In lakhs)	Default in Instalment/ Redemption 31.03.21 (In Days)
SBI	RTL	158.79	304	164.71	1 to 91
SBI	Exp TL	52.23	121 to 304	276.89	257 to 457
CB	RTL	472.17	90 to 609	1,011.84	549
CB	Exp TL	239.00	609	693.50	549
UBI	RTL	200.95	365	313.42	365
UBI	Exp TL	53.90	396	173.67	457
CBI	RTL	166.59	609	155.16	257 to 365
CBI	Exp TL	49.99	609	92.17	457
PNB	RTL	233.47	762	294.96	365 to 457
PNB	Exp TL	62.75	365 to 762	149.03	457 to 549
IB	RTL	114.06	456	234.49	457
IB	Exp TL	32.82	578	96.17	549
BOM	RTL	47.45	762	-	NA
BOM	Exp TL	20.41	762	24.15	183
CB [^]	OCD	0.92	1	10.68	549
SBI [^]	OCD	1.04	1	12.15	549
UBI [^]	OCD	0.54	1	6.29	549
CBI [^]	OCD	0.26	1	3.07	549
BOM [^]	OCD	0.11	1	1.32	549
PNB [^]	OCD	0.35	1	4.05	549



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

1B^	OCD	0.21	1	2.45	549
Total of banks		1,908.01		3,720.17	

^ Default in redemption of OCD (Rs. 40.00 lakhs) held by consortium banks as on March 31, 2021 was redeemed on July 22, 2021 by making payment while implementation of Resolution Plan by consortium banks.

The delay in repayment of overdues of interest and Instalments up to July 2021 were regularised on implementation of Resolution Plan on 22.07.2021. Further, the Company has been paying the Debt obligations regularly on due dates.

II. Terms of conversion of optionally and compulsory convertible debentures issued to various debenture holders (Zero coupon debentures)

A. Compulsory Convertible Debentures issued (as amended) -

Series	Issued to	Face value (Amount in lakhs)	Issued date	To be redeemed on	No. of CCD's	IRR
J	Nuziveedu Seeds Ltd ^{^^^}	10	22.07.21	31.03.31	600	Nil
I	Mandava Holdings Private Limited ^{^^^}	10	01.09.18	31.03.27	40	15.00%
I	Prabhat Agri Bio-tech Limited ^{^^^}	10	01.09.18	31.03.27	100	15.00%
I	Yaganti Seeds Private Limited ^{^^^}	10	01.09.18	31.03.27	50	15.00%
H	Mandava Holdings Private Limited ^{^^^}	10	26.04.18	31.03.27	208	15.00%
H	Mandava Prabhakara Rao ^{^^^}	10	26.04.18	31.03.27	52	15.00%
G	Mandava Holdings Private Limited ^{^^^}	10	04.09.17	31.03.27	150	12.00%
D	Mandava Holdings Private Limited ^{^^^}	10	30.01.13	31.03.24	57	12.00%
C	Mandava Holdings Private Limited ^{^^^}	500	30.01.13	31.03.24	4	12.00%
B	Mandava Holdings Private Limited ^{^^^}	500	31.12.12	31.03.24	19	12.00%
B	Mandava Holdings Private Limited ^{^^^}	500	29.09.11	31.03.24	8	12.00%
A	Mandava Holdings Private Limited ^{^^^}	500	09.12.10	31.03.24	10	12.00%



B. Optionally Convertible Debentures issued (as amended) -



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

Series	Issued to	Face value (Rs. In lakhs)	Issued date	To be redeemed on	No. of OCD's	IRR%
E	Mandava Holdings Private Limited ^{^^^}	10	30.03.13	31.03.24	25	12.00%

^{^~!} Unsecured, Unrated, Unlisted, Non-marketable^{^^~} Unsecured, Unrated, Transferable and Non-marketable^{^^^} Unsecured, Unrated, Unlisted, Non-transferable and Non-marketable

Note: As per the resolution plan approved by the consortium banks the above Compulsory Convertible debentures held and optionally convertible debentures held by related parties are not eligible for conversion into fully paid-up equity shares in respect of Compulsory convertible debentures and redemption / conversion of optionally convertible debentures until repayment of all restructured term loans, expansion term loans and redemption of optionally convertible debentures held by Consortium banks.

III. Terms of repayment of intercorporate deposit taken from Mandava Holdings Private Limited and NSL Fertiliser Ventures Private Limited:

Unsecured and interest free Inter corporate deposits (ICD) amounting to Rs. 2,817.20 lakhs due to NSL Fertiliser Ventures Private Limited will not be repayable until repayment of all Restructured term loan, expansion term loan and redemption of OCD held by Consortium banks.

Inter-corporate deposits ("ICD") due to Mandava Holdings Private Limited is repayable on demand. ICD carrying interest rate of SBIPLR rate as on March 31, 2022 and March 31, 2021.

The details of default in repayment of ICD is given below:

Due to	ICD due as on 31.03.22 (Rs. In lakhs)	ICD due as on 31.03.21 (Rs. In lakhs)	No. of days default as on 31.03.22	No. of days default as on 31.03.21
Mandava Holdings Private Limited	130.43	130.43	1,916	1,551

The details of default in payment of interest accrued and due on ICD is given below:

Due to	Interest accrued and due as on 31.03.22 (Rs. In lakhs)	Interest accrued and due as on 31.03.21 (Rs. In lakhs)	No. of days default as on 31.03.22	No. of days default as on 31.03.21
Mandava Holdings Private Limited	80.07	64.75	1,753	1,388



29. Debentures redemption reserve:



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

The accumulated surplus of the Company is Rs. (38,304.52) lakhs as on March 31, 2022 and Rs. (41,037.70) as on March 31, 2021. As per calculation of profits available for distribution of dividend in accordance with the provisions of Section 123 of the Act, the Company does not have profits available for distribution of dividend to shareholders. As per provisions of Companies (Share Capital and Debentures) Rules, 2014 (as amended) read with Companies (Share Capital and Debentures) Amendment Rules, 2020 the company does not have profits available for distribution of dividend and hence "Debentures Redemption Reserve" not eligible to create out of the profits for the year ended on March 31, 2022. The Company have fixed deposits with Consortium Banks amounting to Rs. 999.00 lakhs to cover debt service of installments due for the financial year 2022-23. The required funds for current maturity of debentures amounting to Rs. 20.00 lakhs already held as DSRA fixed deposit with Consortium Bankers, no specific fixed deposit made by the company on or before April 30, 2022.

30. Commitments -

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	4,133.68	332.70
Other Commitments due to implementation of Loans Resolution plan	-	266.11
IRR commitment as per terms of issue of CCD's to other than Consortium Banks, Company is liable to convert CCD's into fully paid-up equity shares along with range of IRR 0.00% to 15.00%. Company is liable for conversion of CCD's into equity shares after repayment of debt to Consortium Banks.	49,008.74	40,286.75

31. The Company incorporated the Joint Venture in Hong kong in the name of M/s NSL Fashion Trends Ltd in earlier years. In pursuant to disclosure requirement by Accounting Standard - 27 notified by the Companies (Accounting Standard) Rules, 2021, regarding Financial Reporting of Interests in Joint Venture, the name of Joint Ventures companies (JV) and the Company's share in Income, Expenditure, Assets and Liabilities of joint venture entity based on financial statements submitted is given as under.

Particulars	As at March 31, 2022 (Unaudited)	As at March 31, 2021 (Unaudited)
Extent of Interest in Joint Venture	50%	50%
Country of incorporation	Hong kong	Hong kong
Income	0.00	0.00
Expenditure	0.00	0.00
Assets	5.30	5.13
Liabilities	21.05	20.39

32. Contingent Liabilities

NSL TEXTILES LIMITED

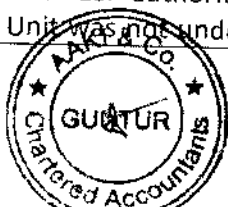
Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Custom and excise duty liability in case of non-fulfilment of export obligation pertaining to EPCG Authorisations and Advance License for import of capital goods and raw material at concessional rate of customs duty and refund of excise duty on domestic purchase of capital goods	4,389.92	7,479.68
Claims not acknowledged as debt as per details below	189.60	189.09

Details of Claims not acknowledged as debt as per details below

EPCG licence against imported goods, obligation discharge case filed on Delhi airport Customs with High court of Telangana. The Company has fulfilled the export obligation which was not updated in Customs portal and it is contested in the court.	26.86	-
Demand from Provident Fund Authorities towards recovery of provident fund dues and liquidated damages pertaining to the period when the Unit was under occupation by the previous employers. The Company has contested the demand in a petition before the Hon'ble High Court of Andhra Pradesh and the Court has granted stay till further order. The Liquidator in the matter of The Chilakaluripet Cotton Growers Cooperative Spinning Mills Limited, the previous employer, has also filed an undertaking before the Hon'ble High Court to pay the Provident Fund dues.	27.03	27.03
Demand towards Non Agricultural Land Assessment Tax and Water Royalty from Mandal Revenue Inspector, Inkollu Mandal, Prakasam District pertaining to dues of the period during which the Unit was under occupation by previous owners. As the Unit was purchased by the Company free of encumbrances, the Company has contested the demand in a writ petition before the Hon'ble High Court of Andhra Pradesh. An amount of Rs16 lakhs was deposited with the Tahsildar, Inkollu Mandal for obtaining interim injunction and is shown as Amounts paid under protest under Long-term loans and advances.	31.61	31.61
Demand from Southern Power Distribution Company of Andhra Pradesh Limited towards Fuel Surcharge Adjustment. The Company had contested the demand in a writ petition before the Hon'ble High Court of Andhra Pradesh and received a favourable ruling. An amount of Rs. 2.43 lakhs was paid against this demand and has been shown as Amounts paid under protest under Long-term loans and advances.	6.80	6.80
Demand from ESI authorities towards ESI contribution when the Unit was not under ESI coverage. The Company	23.87	23.87



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Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

has contested the demand before the Employees Insurance Court and Chairman, Industrial Tribunal at Hyderabad and obtained stay order. An amount of Rs7.16 lakhs being 30% of the amount demanded, was deposited with the ESI authorities and shown as Amounts paid under protest under Long-term loans and advances.		
Demand from Joint Commissioner of Labour towards cess on construction works. The Company has paid an amount of Rs0.50 lakhs under protest and the same is shown as Amounts paid under protest under Long-term loans and advances. Though the case is filed in High Court of Andhra Pradesh, the provision made for in the books of accounts.	-	26.35
The Company have imported 4000 MTs of steam coal from Indonesia during FY 2012-13 availing concessional duty applicable for import of steam coal. The Customs department later issued a show cause notice in Sep'13 and after confirmed in order stating the imported Coal is to be classified under Bituminous Coal where concessional duty was not available and demanding to pay differential duty of Rs. 16.72 lakhs with equal amount of penalty. Aggrieved by the said order the Company has filed the appeal with commissioner (appeals) in March 2014, but the commissioner (appeals) has also confirmed the order against the company in November 2014 upholding the order of department. Filed appeal with CESTAT. The key issue involved is the classification of coal either based on Calorific of value as contemplated by the customs department or as per the trade parlance and end use as envisaged by the company. The Company hoping for a favourable order from CESTAT. An amount of Rs3.34 lakhs was paid against this demand and has been shown as amounts paid under protest under Long-term loans and advances.	33.43	33.43
As per the latest amendment of Payment of bonus Act, Amended payment of bonus with retrospective from 01.04.2014. But as per the Order of Hon'ble High court of Karnataka and Kerala has stayed the implementation of bonus with retrospective from 01.04.2014 and only applicable from 01.04.2015. But the company made the contingent liability to the extent of Rs. 40.00 lakhs.	40.00	40.00

Note: The Company does not expect any reimbursements in respect of the above contingent liabilities. It is not practicable to estimate the timing of the cash outflows, if any, in respect of matters pending appellate proceedings. In respect of other matters, the cash outflows, if any, could generally occur in the next four years being the period over which validity of the guarantees / letters of credit extends. The Management believes that the ultimate outcome of appellate



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Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

proceedings will not have a material adverse effect on the Company's financial position and result of operations.

33. Details of employee benefits

Following table summarize the components of net benefit expense recognized in the profit and loss account, the funded status and amounts recognized in the balance sheet as per actuarial valuations in respect of defined benefit plans and accumulated compensated absence.

A. Defined Benefit Plan**a. Details of net employee benefit expenses recognised in Statement of Profit and Loss under the head Employee Benefit Expenses -**

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current service cost	162.54	156.04	41.56	43.80
Interest cost on benefit obligation	58.01	58.64	8.33	8.08
Return on plan assets	-	-	-	-
Actuarial (gain)/loss recognized	(88.97)	(170.48)	(44.41)	(38.67)
Total expense	131.58	44.20	5.48	13.21

b. Change in defined benefit obligation -

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening defined benefit obligation	877.21	891.73	123.20	125.07
Interest cost	58.01	58.64	8.33	8.08
Current service cost	162.54	156.04	41.56	44.80
Benefits paid	(70.62)	(58.70)	(12.79)	(15.08)
Actuarial (gain)/loss recognized	(88.97)	(170.48)	(44.41)	(38.67)
Closing defined benefit obligation	938.17	877.21	115.89	123.20

c. Change in the fair value of the plan assets -

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening fair value of plan assets	-	0.01	-	-
Return on plan assets	-	-	-	-
Contributions	70.62	58.70	-	-
Employer direct benefit payments	-	-	12.79	15.08
Benefits paid	(70.62)	(58.71)	(12.79)	(15.08)
Closing fair value of plan assets	-	-	-	-



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

d. Details of net asset / (liability) recognised in balance sheet –

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	938.17	877.21	115.89	123.20
Fair value of plan assets	-	-	-	-
Funded status (surplus/(deficit))	(938.17)	(877.21)	(115.89)	(123.20)
Net Plan asset/(liability)	(938.17)	(877.21)	(115.89)	(123.20)
Recognised in balance sheet	(938.17)	(877.21)	(115.89)	(123.20)
Present value of Encashment Obligation			108.83	114.49
Present value of Availment Obligation			7.06	8.71

e. Principal actuarial assumptions used in determining defined benefit obligation –

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	7.35%	6.89%	7.51%	7.13%
Expected rate of return on assets	0.00%	0.00%	0.00%	0.00%
Salary escalation	6.00%	6.00%	6.50%	6.50%
Withdrawal rate & Attrition Rate	1.00%	1.00%	3.54%	3.54%
Mortality table	Indian Assured Lives Mortality (2012-014)			
Actuarial valuation method	Projected Unit Credit Method			
Insurer managed funds	0.00%	0.00%	0.00%	0.00%

Note: The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

B. Defined benefit obligations

During the year, the company has recognized the following contribution amounts in the Statement of Profit and Loss.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to provident fund	311.38	229.52
Employer's contribution to employee state insurance	112.83	77.98
Labour welfare fund	2.44	1.98
Total	426.65	309.48

34. Lease expenditure on non-cancellable lease arrangement debited to the Statement of profit and loss and the future lease expenditure in respect of non-cancellable operating lease are summarized below –

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount due not later than one year from the date of balance sheet	49.77	66.83
Amount due later than one year and not later than five years	14.12	29.78
Amount due later than five years	36.20	-

Lease rent debited to the Statement of profit and loss is Rs. 107.35 (Previous year: Rs. 84.59).

35. Lease income on non-cancellable lease arrangement credited to the Statement of profit and loss and the future lease income in respect of non-cancellable operating lease are summarized below –

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount due not later than one year from the date of balance sheet	206.89	43.83
Amount due later than one year and not later than five years	647.57	50.09
Amount due later than five years	-	15.31

Lease rent credited to the Statement of profit and loss is Rs.39.30 (Previous year: Rs. 66.91). There is no contingent rent recognised as income in the Statement of profit and loss.

General description of the leasing arrangement:

- Operating leases are mainly in the nature of lease arrangement for office premises, plant & warehouse and are renewable at mutual consent.
- The future lease rental income is determined on the basis of the monthly lease rental as per the agreements.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

36. Earnings per share:

Earnings per share is computed based on the following particulars –

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after taxation considered for calculation of basic and diluted earnings per share	2,732.80	(3,161.78)
Weighted average number of equity shares considered for basic and diluted earnings per share	19,32,56,578	19,32,56,578
Basic and diluted earnings per share	1.41	(1.64)

37. Value of imports made by the Company during the year on CIF basis -

Particulars	As at March 31, 2022	As at March 31, 2021
Stores and spare parts	1,125.86	521.86
Capital goods	318.82	96.94

38. Expenditure in foreign currency -

Particulars	As at March 31, 2022	As at March 31, 2021
Commissions	172.56	100.87
Professional fees	17.38	20.32
Others	16.56	17.73

39. Earnings in foreign currency (F.O.B. basis)

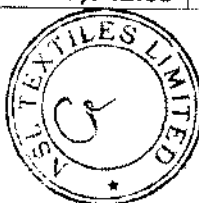
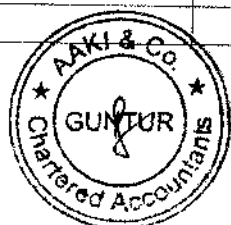
Particulars	As at March 31, 2022	As at March 31, 2021
Direct exports	14,398.95	3,679.89
Exports through merchant/trade house	-	114.23

40. A. Comparison between Consumption of Imported and Indigenous raw material

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	%	Rs	%	Rs
Imported	-	-	-	-
Indigenous	100.00%	72,064.44	100.00%	33,884.86
Total	100.00%	72,064.44	100.00%	33,884.86

B. Comparison between Consumption of Imported and Indigenous stores and spare parts

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	%	Rs	%	Rs
Imported	11.39%	1,132.80	11.87%	521.86
Indigenous	82.62%	8,810.03	88.13%	3,875.93
Total	100.00%	9,942.83	100.00%	4,397.79



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

41. Related party transactions**a. Related parties where control exists**

Name of related party	Nature of relationship
Sree Anantha Lakshmi Textiles Private Limited	Subsidiary
SreeVenkataraya Cotton Mills Private Limited	Subsidiary
NSL Fashion Trends Limited - Hong Kong	Joint Venture (50% share of paid-up capital)
M.Prabhakara Rao, Chairman	Key management personnel
M. Venkatram Chowdary, Managing Director	Key management personnel
Ch. Appa Rao, Whole-time Director ^{^!^^}	Key management personnel

^{^!^^} Appointed as whole-time director w.e.f. 04.09.2022**b. Related parties with whom transactions have taken place during the current and previous financial year**

Name of related party	Nature of relationship
Mandava Holdings Private Limited	Enterprise having significant influence
Nuziveedu Seeds Limited	Key management personnel having indirect control
Topnotch Projects Private Limited	
NSL Sugars Limited	
NSL Cotton Corporation Private Limited	
Yaaganti Seeds Private Limited	
Prabhat Agri Biotech Limited	
NSL Krishnaveni Sugars Limited	
NSL Sugars (Tungabhadra) Limited	
NSL Fertilisers & Ventures Private Limited	
NCC Matoshri Cotton Private Limited	
NCC Jay Laxmi Fibers Private Limited	Key management personnel having indirect control
Radhakrishna Manufacturing and Industries Private Limited (formerly known as NCC Radhakrishna Cotton Private Limited) *^%	
NCC Santosh Fibers Private Limited	
Mahasree Manufacturers & Industries Private Limited (formerly known as NCC Shri Cotton Private Limited)	
Venkateswara Manufacturers & Traders Private Limited (formerly known as NCC Venkateswara Cotton Fibers Private Limited)*^%	
M. Asha Priya, Director	Relative of key management personnel
M. Srinivasarao	Relative of key management personnel
PremSardarilal Malik, Director	Vice-Chairman

^{*^%} Ceased as a related party w.e.f. December 31, 2020^{*^^%} Ceased as a related party w.e.f. March 31, 2021

NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

c. Transactions with related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<i>Purchase of goods and services</i>		
Topnotch Projects Private Limited	62.33	62.33
Sree Anantha Lakshmi Textiles Private Limited	-	231.03
Nuziveedu Seeds Limited	1.56	-
NSL Sugars Limited	4.60	4.53
NSL Krishnaveni Sugars Limited	1.60	5.29
M. Srinivasarao	4.96	7.25
PremSardarilal Malik	36.00	33.00
M Asha Priya	8.23	-
NSL Cotton Corporation Private Limited	1,664.72	-
<i>Sale of goods and services</i>		
Nuziveedu Seeds Limited	8.85	44.46
<i>Interest received</i>		
Sree Anantha Lakshmi Textiles Private Limited	-	117.04
<i>Interest expenses</i>		
Mandava Holdings Private Limited	15.84	16.31
NSL Cotton Corporation Private Limited	8.83	-
<i>Directors remuneration</i>		
M. Venkatram Chowdary	60.06	55.10
Ch. Appa Rao	18.98	-
<i>Reimbursement of expenses (net)</i>		
Topnotch Projects Private Limited	61.10	58.14
M Asha Priya	(0.88)	(0.48)
M Srinivasarao	10.82	15.31
NSL Krishnaveni Sugars Limited	0.48	-
<i>Directors sitting fees -</i>		
PremSardarilal Malik	1.20	1.20
<i>Transfer of trade payables</i>		
NSL Cotton Corporation Private Limited	-	203.35
Radhakrishna Manufacturing and Industries Private Limited	-	979.98
NCC Santosh Fibers Private Limited	-	127.92
Mahasree Manufacturers & Industries Private Limited	-	15.44
Venkateswara Manufacturers & Traders Private Limited	-	82.46



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

Transfer of trade receivables and advances -

NCC Matoshri Cotton Private Limited	-	0.08
NCC Jay Laxmi Fibers Private Limited	-	0.13

Advance to subsidiary written off -

Sree Anantha Lakshmi Textiles Private Limited	702.07	-
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Trade receivables written off -

Sree Anantha Lakshmi Textiles Private Limited	43.10	-
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Compulsory convertible debentures allotted -

Nuziveedu Seeds Limited	6,000.00	-
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d. Year-end balances

Particulars	As at March 31, 2022	As at March 31, 2021
Optionally convertible debentures held by related parties		
Mandava Holdings Private Limited	250.00	250.00
Compulsory convertible debentures held by related parties		
Mandava Holdings Private Limited	25,050.00	25,050.00
M. Prabhakara Rao	520.00	520.00
Yaaganti Seeds Private Limited	500.00	500.00
Prabhat Agri Biotech Limited	1,000.00	1,000.00
Nuziveedu Seeds Limited	6,000.00	-
Inter-corporate deposits due to related parties		
Mandava Holdings Private Limited	130.43	130.43
NSL Fertilisers & Ventures Private Limited	2,817.20	2,817.20
Interest accrued but not due on borrowings		
NSL Fertilisers & Ventures Private Limited	69.99	69.99
Interest accrued and due on borrowings		
Mandava Holdings Private Limited	80.08	64.25
Trade receivables -		
Sree Anantha Lakshmi Textiles Private Limited	-	523.43
NSL Fashion Trends Limited	24.76	24.76
Nuziveedu Seeds Limited	2.43	3.83
Advance to subsidiary -		
Sree Anantha Lakshmi Textiles Private Limited		1,062.00

Trade payables – long term



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022
(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

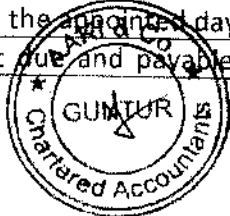
NSL Krishnaveni Sugars Limited	10.63	10.20
Trade payables – short term		
Mandava Holdings Private Limited	477.57	477.57
Topnotch Projects Private Limited	173.83	211.78
NSL Sugars (Tungabhadra) Limited	5.91	5.91
NSL Sugars Limited	14.77	19.67
M. Asha Priya	35.40	27.39
M. Srinivasarao	-	1.32
PremSardarilal Malik	-	5.55
NSL Cotton Corporation Private Limited	8.48	-
Investment in subsidiaries^{^^*}%		
Sree Anantha Lakshmi Textiles Private Limited	845.48	845.48
SreeVenkatraya Cotton Mills Private Limited	118.86	118.86
Investment in joint venture^{^^*}%		
NSL Fashion Trends Limited, Hong Kong	13.36	13.36
Other advances recoverable in cash or kind		
NSL Krishnaveni Sugars Limited	0.17	-
Employee dues payable -		
M. Venkatram Chowdary	3.52	4.42
Ch. Appa Rao	1.82	-

^{^^*}% Provision for diminution in value of investments / Provision for doubtful trade receivables made

Note: As per Accounting Standard 18 – Chief Financial Officer and Company Secretary are not covered under the definition of “Related party”. Hence transaction with them is not disclosed as “related party transaction”.

42. Disclosure requirement under Micro, Small and Medium Enterprises Development Act, 2016 (as amended) (“MSMED Act”)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers and remaining unpaid as at year end	22.45	3.45
Interest due to suppliers and remaining unpaid as at year end	3.25	0.55
Principal amounts paid to suppliers beyond the appointed day during the year	74.16	13.84
Interest paid, other than under Section 16 of MSMED Act, to suppliers beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers beyond the appointed day during the year	-	-
Interest due and payable towards suppliers for payments	2.29	0.55



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

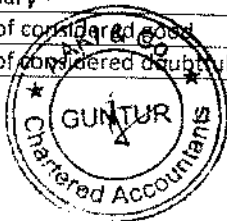
already made		
Further interest remaining due and payable for earlier years	0.96	-

43. Disclosure of ageing of trade receivables –
A. Trade receivables ageing as at March 31, 2022

Particulars	Outstanding for following periods from the transaction date					Total as on 31-03-2022
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables -						
Considered good	9,130.16	29.47	80.17	34.90	-	9,274.70
Considered doubtful	-	-	-	-	463.77	463.77
Disputed trade receivables -						
Considered good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	391.81	391.81
Sub-total	9,130.16	29.47	80.17	34.90	855.58	10,130.28
Add: Unbilled dues						43.45
Less: Provision for doubtful trade receivables	-	-	20.02	17.45	855.58	893.05
Grand total						9,280.68
Summary -						
Total of considered good	9,130.16	29.47	80.17	34.90	-	9,274.70
Total of considered doubtful	-	-	-	-	855.58	855.58
Add: Unbilled dues						43.45
Less: Provision for doubtful trade receivables	-	-	20.02	17.45	855.58	893.05
Grand total						9,280.68

B. Trade receivables ageing as at March 31, 2021

Particulars	Outstanding for following periods from the transaction date					Total as on 31-03-2021
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables -						
Considered good	9,810.44	69.27	44.51	16.32	-	9,940.54
Considered doubtful	-	-	15.03	16.33	436.02	467.38
Disputed trade receivables -						
Considered good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	391.87	391.87
Sub-total	9,810.44	69.27	59.54	32.65	827.89	10,799.79
Add: Unbilled dues						111.27
Less: Provision for doubtful trade receivables	-	-	15.03	16.33	827.89	859.25
Grand total						10,051.81
Summary -						
Total of considered good	9,810.44	69.27	44.51	16.32	-	9,940.54
Total of considered doubtful	-	-	15.03	16.33	827.89	859.25



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

Add: Unbilled dues						111.27
Less: Provision for doubtful trade receivables	-	-	15.03	16.33	827.89	859.25
Grand total						10,051.81

44. Disclosure of ageing of trade payables –
A. Short-term trade payables ageing as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed due to -					
Due to MSME	23.82	1.88	-	-	25.70
Due to Other than MSME	9,489.44	276.19	136.73	1,671.46	11,573.82
Disputed due to -					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
Sub-total	9,513.26	278.07	136.73	1,671.46	11,599.52
Add: Unbilled dues					2,318.31
Grand total					13,917.83
Summary of trade payables					
Total due to MSME	23.82	1.88	-	-	25.70
Total due to other than MSME	9,489.44	276.19	136.73	1,671.46	11,573.82
Add: Unbilled dues					2,318.31
Grand total					13,917.83

B. Short-term trade payables ageing as at March 31, 2021

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-21
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed due to -					
Due to MSME	3.45	0.55	-	-	4.00
Due to Other than MSME	10,430.61	224.27	55.55	2,203.33	12,913.76
Disputed due to -					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
Sub-total	10,434.61	224.27	55.55	2,203.33	12,917.76
Add: Unbilled dues					891.59
Grand total					13,809.35
Summary of trade payables -					
Total due to MSME	3.47	0.53	-	-	4.00
Total due to other than MSME	10,430.61	224.27	55.55	2,203.33	12,913.76
Add: Unbilled dues					891.59
Grand total					13,809.35



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

C. Long-term trade payables ageing as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed due to -					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	428.97	528.55	461.93	1,419.45
Disputed due to -					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
Sub-total	-	428.97	528.55	461.93	1,419.45
Add: Unbilled dues					-
Grand total					1,419.45
Summary of trade payables -					
Total due to MSME	-	-	-	-	-
Total due to other than MSME	-	428.97	528.55	461.93	1,419.45
Add: Unbilled dues					-
Grand total					1,419.45

D. Long-term trade payables ageing as at March 31, 2021

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed due to -					
Due to MSME	-	-	-	-	-
Due to Other than MSME	428.66	528.55	-	461.93	1,419.14
Disputed due to -					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
Sub-total	428.66	528.55	-	461.93	1,419.14
Add: Unbilled dues					-
Grand total					1,419.14
Summary of trade payables					
Total due to MSME	-	-	-	-	-
Total due to other than MSME	428.66	528.55	-	461.94	1,419.14
Add: Unbilled dues					-
Grand total					1,419.14

45. Disclosure in accordance with Paragraph 6(VA) of General instructions for preparation of Balance Sheet of Division I of Schedule III of the Act, the Company availed short-term borrowings from banks and the same was utilised for the purpose for which it is obtained.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

46. Disclosure of additional regulatory information in accordance with Paragraph 6(Y) of General instructions for preparation of Balance Sheet of Division I of Schedule III of the Act –

- i. Title deeds of all immovable properties disclosed in Property, plant and equipment are held in the name of the Company except the properties disclosed below as on March 31, 2022 and March 31, 2021

Name of the Company except the properties disclosed below as on March 31, 2022 and March 31, 2021					
Balance sheet reference and Description of item of property	Gross carrying value	Title deeds held in the name of	Relationship with the title deed holder	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment (Note 10)					
Lands	2,512.45	NSL Textiles (Edlapadu) Limited	^^&^	01.04.2010	On amalgamation the mutation process is yet to be completed
Factory buildings	4,183.21				
Non-factory buildings	2,008.72				
Lands	334.00	Prabhat Industrial Corporation Limited		01.02.2011	
Factory buildings	157.57				
Non-factory buildings	44.32				

^^&^ Erstwhile companies that are merged with the Company under Section 391 to 394 of the Companies Act, 1956 in pursuant to Schemes of Amalgamations as approved by the Hon'ble High Court of Andhra Pradesh

- ii. Certain immovable properties carrying at fair value under a scheme of amalgamations approved by the High Court during the financial year 2010-11. The Company has not revalued any immovable properties during either the current or the previous financial year.
- iii. The Company has not given any loans and advances in the nature of loans granted to promoters, directors, key management personnel or any other related parties except loan given to subsidiary without specifying any terms or period of repayment details as given below –

Type of borrower	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Related party – Sree Anantha Lakshmi Textiles Private Limited (Subsidiary)	-	-	1,062.00	100.00%
Total	-	-	1,062.00	100.00%

iv. Ageing of Capital work-in-progress:

Ageing of capital work-in-progress as at March 31, 2022

Particulars	Amount in capital work-in-progress for a period of				Totals as at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Plant and equipment	262.63	156.50	2.37	-	421.50
Buildings – Workers quarters	158.23	-	-	-	158.23
Lab equipment	2.67	-	-	-	2.67
Total	423.53	156.50	2.37	-	582.40



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

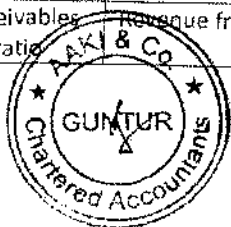
Ageing of capital work-in-progress as at March 31, 2021

Particulars	Amount in capital work-in-progress for a period of				Totals as at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>Projects in progress</i>					
Plant and equipment	156.50	2.37	-	-	158.87
Total	156.50	2.37	-	-	158.87

Note: There is no capital expenditure is pending for completion and whose completion is overdue when compared to its original plan either as on March 31, 2022 and March 31, 2021.

- v. The Company has not made any expenditure towards intangible assets under development, hence specific disclosure is not given as on March 31, 2022 and March 31, 2021.
- vi. The Company does not hold any benami properties. No proceeding initiated under The Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder against the Company, Hence, specific disclosure is not given as on March 31, 2022 and March 31, 2021.
- vii. The Company has borrowings from bank on the basis of security of current assets and the periodical revised statement of quarterly returns and statements of current assets filed with banks in necessary quarters and which are in agreement with the books of account for the year ended on March 31, 2022 and March 31, 2021.
- viii. The Company has not been declared as wilful defaulter by any banks, financial institutions or other lenders. Hence, specific disclosure is not given for the year ended on March 31, 2022 and March 31, 2021.
- ix. The Company has not entered any transaction with struck of companies either in the current year or in the previous year. Hence specific disclosure is not given for the year ended as on March 31, 2022 and March 31, 2021.
- x. During the current year and previous year, there are no delays in filing of charge and satisfaction of charges. Hence specific disclosure is not given for the year ended on March 31, 2022 and March 31, 2021.
- xi. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- xii. **Disclosure of Various financial ratios -**

Ratio	Numerator	Denominator	Ratio for the year ended 31-03-22	Ratio for the year ended 31-03-21	% Variance
Current ratio	Current assets	Current liabilities	1.38	1.13	22.12%
Debt-equity ratio	Total debt	Shareholder's equity	6.31	7.46	(15.42%)
Debt service coverage ratio	Earnings available for debt service	Debt service	1.59	0.50	218.00%
Return on equity ratio	Net profit after taxes	Shareholder's equity	0.15	(0.20)	(175.00%)
Inventory turnover Ratio	Revenue from operations	Average Inventory	8.54	5.93	44.01%
Trade receivables turnover ratio	Revenue from operations	Average trade receivable	12.86	6.98	84.24%



NSL TEXTILES LIMITED**Notes forming part of Standalone financial statements for the year ended March 31, 2022****(All amounts are in ₹ in lakhs except for shares data or otherwise stated)**

Trade payables turnover ratio	Net credit purchases	Average trade payables	5.40	2.56	110.94%
Net capital turnover ratio	Revenue from operations	Working Capital	9.31	13.69	(31.92%)
Net profit ratio	Net Profit after tax	Revenue from operations	2.20	(4.53)	(148.51%)
Return on capital employed	Earnings before Interest and taxes	Capital employed	4.13	(0.02)	(18,618.4 8%)
Return on investment	Income generated from investments	Average weighted investments	-	(199.94%)	(100.00%)

Reason for variance in financial ratios –

- Higher debt service coverage ratio on account of restructuring of debt, reduction in finance cost and improvement in profitability.
 - Improvement in return on capital employed ratio is due to better profitability on account of robust market demand.
 - Inventory turnover ratio is increased due to higher sales.
 - Trade receivable turnover ratio increased due to increase in turnover and faster realization of receivables.
 - Trade payable turnover ratio increased due to increase in purchases in line with production increase.
 - Capital turnover ratio increased due to revenue increased on account of robust market demand and availability of working capital.
 - Net profit ratio increased due to robust market demand thereby realization of better margins on the increased production.
 - Return on capital employed increased due to robust market demand thereby realization of better margins on the increased production.
 - Comparison for return on investment is not applicable for the year. During the current year and previous year no income received from investments.
- In general the profitability of the Company increased due to robust demand and the previous financial year profitability was low due to COVID pandemic impact on the operations of the Company.

xiii. The Company has not entered into any scheme of arrangement, which has an accounting impact on current or previous financial year.

xiv. Utilisation of borrowed funds and share premium

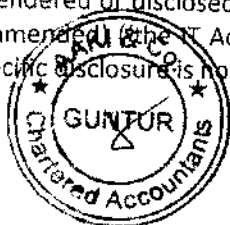
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

47. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (as amended (the "IT Act")) (such as, search or survey or any other relevant provisions of the IT Act. Hence specific disclosure is not given for the year ended on March 31, 2022 and March 31, 2021.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2022

(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

48. Corporate Social Responsibility –

The average net profit of the Company during the three immediately preceding previous years for the year ended on March 31, 2022 and March 31, 2021 is less than ₹500.00 lakhs. Hence, the amounts required to be spent for Corporate Social Responsibility as per provisions of Section 135 of the Act read with Rules there under is not applicable to the Company for the current financial year and previous financial year. Due to non-applicability of the provisions of Section 135, specified disclosure in accordance with Paragraph 5(x) of General instructions for preparation of Statement of Profit and Loss under Division I of Schedule III of the Act is not given for the year.

49. The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.
50. Balances in personnel accounts of various parties are subject to confirmation by and reconciliation with the said parties. In the opinion of the management, Current assets, loans and advances have a value on realization in the ordinary course of business equal to the value at which they are stated.
51. The Company has adopted measures to curb the spread of infection of COVID-19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Companies operations, revenue and consequently profit during the year were impacted due to COVID-19. The Company has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this financial statements including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections and also actualized excess liabilities / provisions. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.
52. Financial Statements for the year ended March 31, 2022 have been prepared in accordance with amended Division I of Schedule III to the Act. Balances of certain assets and liabilities as at the previous year ended March 31, 2021 have been regrouped or reclassified, where necessary, to comply with the amended Division I of Schedule III. Such reclassifications did not have a material impact on the financial statements.
53. Rupee has been rounded off to nearest lakhs along with two decimals thereof.

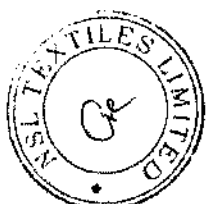
As per our report of even date

For Aaki & Co.,

Chartered Accountants

Firm Reg. No.: 013453S


CA Venkata Srinanth Madam
Partner
M. No. 242016



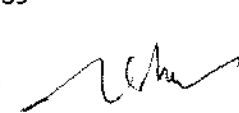
For and on behalf of the Board of Directors

of NSL Textiles Limited

CIN: U15429AP2002PLC038489



M. Venkatram Chowdary
Managing Director
DIN No.03567730



Ch. Appa Rao
Whole-time Director
DIN No.00011095


S. Satish Kumar
Chief Financial Officer


Sairam Karuturi
Company Secretary

Place: Guntur
Date :06-09-2022

Place: Hyderabad
Date :06-09-2022