**Current Status & Reason for Stressed**

1. NSL Textiles Limited (NTL) is a group company of NSL Group. In FY 2013, NTL debt was restructured under CDR mechanism due to strained cash flow and liquidity crunch. CDR was implemented on 30.03.2013 and consortium level term debt of Rs 656.70 Crs was restructured, new Term Loans of Rs 304.20 Crs were sanctioned (comprising of Expansion Term Loan of Rs.170 Crs, FITL of Rs.84.20 Crs and Short-Term Loan of Rs 50 Crs). WCFB limit of Rs 212 Crs were enhanced to Rs 267.50 Crs and NFB limit of Rs 93.36 Crs was sanctioned, taking total exposure of lenders to Rs 1324.68 Crs (SBI Group Rs 420.03 Crs). However, company cash flows and profitability were not on projected lines and financial difficulties persisted.
2. In May 2017, NTL debt was restructured again under RBIs S4A guidelines (implemented on 23.05.2017). Aggregate outstanding debt of Rs 1,026.29 Crs (FB limits) was bifurcated into Part A (sustainable) of Rs 530.27 Crs (i.e. 53%) and Part B (unsustainable) of Rs 496.02 Crs (47%). Under S4A, lenders were allotted Optionally Convertible Debentures (OCD) of Rs 371.25 Crs (SBI Rs 112.74 Crs) with tenor of 10 years with repayment from FY 2024 to FY 2027 carrying coupon of 9% p.a. and equity of Rs 124.77 Crs (SBI Rs 37.98 Crs). Detail of restructured limit in tabular form given in Appendix.
3. Post S4A, NTL average EBITDA was Rs 90.80 crores vis--vis projections of Rs 149.13 crores and shortfall was due to non-achievement of sales. NTL experienced continued stress despite implementation of S4A, on account of a) non-achievement of estimated sales and EBIDTA b) delayed receipt of power incentives and TUFS subsidy c) delay in equity infusion of 45 crores. Due to failure of S4A, NTL was classified NPA by majority of lenders w.e.f. 1st October 2012.
4. NTL proposed restructuring of debt in terms of RBIs prudential framework for resolution of stressed assets dated 7th June 2019 and submitted a Resolution Plan (RP) to lead Bank. RP proposes following key dates i) cut-off-date of 1st July 2019 ii) implementation date of 31st March 2021 and iii) asset upgradation date of 31st March 2023 i.e. two years from envisaged implementation date of 31.03.2021 up to the date by which at least 10 per cent of the sum of outstanding principle debt as per the RP and interest capitalisation sanctioned as part of the restructuring, if any, is repaid (monitoring period).
5. Account has been restructured under RBI's framework for resolution of stressed assets circular dt 07.06.2019 and implemented on 22.07.2021. During February 2023, NTL obtained external rating from CRISIL and got the rating of BB/stable. However, till that time NTL has not paid 10% of the sum of outstanding principal debt as per the Resolution Plan. Now, NTL has paid 10% of outstanding principal debt to all lenders however, due to non-receipt of investment grade rating upgradation of accounts are delayed. IRAC status of the account will be upgraded after getting satisfactory investment grade external rating (BBB- or better). In JLM dated 28.06.2023, we raised the issue of investment grade rating and upgradation of account. In response NTL informed that after completing the audited financial for FY 2023 they will approach two rating agencies for rating. NTL is now in the process of obtaining two external rating from CRISIL & India Ratings & Research.