

NSL TEXTILES LIMITED

# **NSL TEXTILES LIMITED**

**21<sup>ST</sup> ANNUAL REPORT**

**2022-23**

# NSL TEXTILES LIMITED

[CIN: U15429AP2002PLC038489]

Regd. Office: 'EMGEE HOUSE', 3rd Floor, Chandramouli Nagar, 4th Lane, Ring Road, Guntur-522007, A.P

Phone No: 0863- 2237144

Email : karuturi.sairam@nsltextiles.com

## Chairman

Shri M. Prabhakar Rao

## Executive Directors

Shri M.Venkatram Chowdary

Shri Ch.Appa Rao

## AUDIT COMMITTEE

Shri Laxminiwas Sharma

Shri M. Gopala Krishna

Shri Ch. Appa Rao

## BANKERS

Canara Bank

Union Bank of India

Punjab National Bank

Indian Bank

Bank of Maharashtra

State Bank of India

Central Bank of India

## 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.

## Non-Executive Directors

Shri Prem Malik

Smt. M. Asha Priya

## Independent Directors

Shri Laxminiwas Sharma

Shri M. Gopalakrishna

Dr. M. Malakondaiah

## CHIEF FINANCIAL OFFICER

Shri H. Muralidhar

## COMPANY SECRETARY

Shri Sairam Karuturi

## STATUTORY AUDITORS

M/s. Aaki & Co., Guntur

## REGISTERED OFFICE

3rd Floor, EMGEE House,

Chandramouli Nagar, 4<sup>th</sup> Lane ,Ring Rd;

Guntur-522007, Andhra Pradesh

## COST AUDITORS

M/s Narasimha Murthy & Co.,

Survey Nos. 371-379, Kunchalavaripalem,

Cherukupalli Mandal, Guntur District. AP.

Door No. 8-239, Survey No. 1336,

Gurajala Village & Mandal,

Guntur District. AP

Thondur Mandal, Pulivendula,

Cuddapah District, A.P.



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty first Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Year ended March 31, 2023.

## FINANCIAL SUMMARY

The Statement of profit and loss presented to you gives the operational results for the period ended 31<sup>st</sup> March, 2023.

PARTICULARS	(Rupees in Lakhs)	
	CURRENT YEAR 2022-23	PREVIOUS YEAR 2021-22
Revenue	99189.81	1,24,672.23
Increase/(Decrease) in inventories	-1759.26	5329.52
Operating expenditure	95,890.92	1,19,652.41
Operating profits	1,539.63	10,349.35
Less: Depreciation	4664.67	4794.83
Finance cost	2283.75	2821.71
Profit/(Loss) before tax	-5408.79	2732.80
MAT written off	-21.69	
	-5430.48	2732.80
Tax expenses		
Profit/(Loss) after tax carried to balance sheet	-5430.48	2732.80

## INDUSTRY SCENARIO AND OUTLOOK

The Textile & Apparel industry has been a significant part of the global economy which involves the production, distribution, and consumption of a wide range of textiles and garments across countries and regions. The manufacturing of textile & apparel is highly driven by the cost of raw materials, cost of power & other utilities, salary, wages etc.

With respect to the Textile industry in India, it holds a prominent position in the economy of our country. It contributes 4 per cent to the global trade in textiles and apparel, 2 per cent to the national Gross Domestic Product (GDP), more than 12 per cent of the manufacturing sector's GDP, and 7 per cent of industry output in value.

The Indian textile industry is the second largest employment provided after agriculture. Being highly labour intensive, this industry has significantly emerged as source of income for the unskilled, semi-skilled, and women labour force in the country. It provides livelihood to more than 45 million people directly and more than 60 million people indirectly through its allied industry.

In the India's Economic Survey 2022-23, it indicates that investment in manufacturing industries like textiles, apparel and leather have been showing tepid growth as the export demand for these products remained soft due to slow global demand and the growth in textile sector was disappointing because of tepid demand from global market.



In the first eight months of the fiscal under review, the sector could maintain positive growth (of 5.9 per cent year-on-year) only in May. The textiles sector growth remained negative in the remaining seven months from April to November 2022. The sector witnessed negative growth of 0.4 per cent in April 2022, 3.1 per cent in June, 9 per cent in July, 12.5 per cent in August, 13.9 per cent in September, 18.7 per cent in October and 9 per cent in November 2022. The extreme volatility in raw material prices has been a major cause of concern for businesses. In 2022 the price of cotton experienced fluctuations, ranging from 100 US Cents/Lb to 164 US Cents/Lb.

In the year 2022-23, the cotton production in India reached around 325 lakh bales and, for the year 2023-24 the expected production would be around the same number. Cotton production in India is projected to reach 43 million bales of 170 kg by 2030, driven by increasing demand from consumers.

Successive reforms initiated by Union Government aimed at creating an enabling ecosystem to significantly strengthen India's manufacturing sector have been of considerable contextual significance. The focus of the Union Budget 2023 was on enhancing the yield of extra-long staples [ELS] variety of cotton that would help in increasing the production of value-added garments. The extension of credit guarantee scheme for MSMEs with an infusion of Rs.9,000 Crore, collateral of Rs. 2 lakh crore loan to MSMEs, effective from April 1<sup>st</sup>, 2023, would also help labour and capital-intensive textile industry to match the growth target of the Indian economy.

To position India as a global leader in technical textile, the Ministry of Textiles launched the scheme named - National Technical Textiles Mission (NTTM). Under this, an outlay of ₹ 1480 crore was allocated to promote and develop technical textiles sector in India and 74 research proposals valuing ₹ 232 crore were approved in the category of speciality fibre and technical textile. Other steps taken include development of 31 new HSN codes.

India has signed 13 Free Trade Agreements (FTAs), including the recently concluded Comprehensive Economic Partnership Agreement with UAE and Economic Cooperation and Trade Agreement with Australia, as well as six Preferential Trade Agreements with a variety of trading partners. Keeping in mind the national interest and domestic sensitivities, the Government entered into FTA negotiations with trading partners, such as, the United Kingdom, the European Union, and Canada to increase market access for Indian textiles.

Over the years, India has put liberal and transparent investor-friendly Foreign Direct Investment (FDI) policy in place. There is 100 per cent FDI allowed in the textile sector under the automatic route. As per a survey report by the Confederation of Indian Textile Industry (CITI), the textile sector recorded private investment of about ₹ 10,000 crore in first half of 2022-23 (i.e., April 2022 to September 2022). But the investment slowed down to around ₹ 7,000 crore in second half of the current fiscal.

The current market is looking at sustainability. Producers are increasingly using sustainable raw materials, recycled fibres, biodegradable inputs from raw materials to process and package goods. Alternatives like organic cotton, recycled polyester, organically produced natural fibres like bamboo, jute are increasingly being used. Natural dyes and organic chemicals are being used for textile processing. These are being offered that meet the defined standards of European and American agencies, certifying their products as sustainable, organic, biodegradable, and eco-friendly.

India is not much behind in terms of capability, but it lacks scale. The textile value chain is well-developed in India and that is primarily the reason why India has robust textile and apparel exports of USD 44 billion during FY22-23. Availability of quality cotton; besides presence of spinning, weaving, processing units, viscose, and polyester fibre mills across several industrial clusters, make India an attractive destination for textile manufacture.



Country needs to encourage large global retailers to buy more from India. Capacities will be built across the value chain when there are right investment incentives, competitive cost of capital and matching logistics infrastructure, some of which take time to deliver.

In effect, the future for the Indian Textile industry looks promising, barring all the aberrations, because of anticipated increased demand, policy support from the Government, increasing investments 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.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

#### **DIVIDEND**

In the absence of profits and cash flows, 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**

There has been no change in the constitution of Board of Directors during the period under review. Further, in accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Sri Prem Malik and Smt. M.Ashapriya, Directors retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.



**KEY MANAGERIAL PERSONNEL**

Sri H.Muralidhar was appointed as Chief Financial Officer of the Company with effect from 31.03.2023 in the place of Sri S.Satish Kumar, who has resigned from the position of CFO and was appointed as Chief Operating Officer of the Company with effect from 31.3.2023.

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 H. Muralidhar: 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**.

**MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2022-23, 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.	07.07.2022	8	7
2.	06.09.2022	8	7
3.	13.12.2022	8	5
4.	31.03.2023	8	8

**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 Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
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	Executive Director

The Nomination and the remuneration committee lays down the criteria for qualification, policy relating to the remuneration of the directors, key personnel management, independence of directors, and recommend the same to the board.

#### 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 with the approval of Board and/or Shareholders of the Company. 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 20<sup>th</sup> Annual General meeting until





the conclusion of the 21<sup>st</sup> 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. However, the management hereby submit the response to the emphasis matter raised by the auditors as the Company is in the process of obtaining extension of maturity dates of series A to D Compulsory Convertible Debentures and Series E Optionally Convertible Debentures to be converted into fully paid-up equity shares of the Company by March 31, 2024 with the approval of debenture holders and Board of Directors.

Further the Auditors' Report for the financial year ended 31st March, 2023 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 and Board of Directors 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 0.17 lakh qtls of cotton lint (PY 0.09 lakh qtls.), 1.71 lakh qtls. (PY 2.98 lakh qtls.) of cotton yarn, 0.40 lakh qtls. of dyed yarn (PY 0.36 lakh qtls.), 350.97 lakh mtrs. (PY 300.24 lakh mtrs.) of greige fabric, 270.00 lakh mtrs. of finished fabric (PY 243.64 lakh mtrs.) and Nil lakh pcs. of garments (PY Nil lakh pcs) during the financial year 2022-23 and sold Nil lakh qtls (PY nil lakh qtls.) of cotton lint, 1.70 lakh qtls. (PY 2.35 lakh qtls.) of cotton yarn, 41.12 lakh mtrs. (PY 41.92 lac mtrs.) of greige fabric, 271.03 lakh mtrs. of finished fabric (PY 224.09 lakh mtrs.) and Nil lakh pcs. of garments (PY Nil lakh pcs.) including retail sales during 2022-23.

Your Company had achieved net revenue of Rs.99,189.81 lakhs as compared to previous FY of Rs. 1,24,672.23 lakhs and posted PAT of Rs. (5,430.48) lakhs during FY 2022-23 as compared to Rs. 2,732.80 lakhs posted for previous financial year. The Company has posted a loss due to high volatility in the raw material price[cotton] and also decreased demand and low margins realisation. The exports turnover has gone down to Rs.10,358.42 lakhs in FY 2022-23 compared to Rs. 14,398.95 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 Company has been paying the Debt obligations regularly on due dates. The accounts of the company needs to get upgraded to STANDARD category as per RBI guidelines. This will certainly help the Company to manage its cash flows in a smoother way.

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.

#### **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:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
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 policy on Corporate Social Responsibility (CSR) activities to be undertaken by the Company in accordance with the provisions of Section 135 read with Schedule VII of the Company Act, 2013 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	Executive Director

#### SECRETARIAL AUDIT REPORT

M/s. VCSR & Associates, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company for the period under review.

There are no qualifications or adverse remarks in the Secretarial Audit Report for the FY 2022-23 which require any clarification / explanation.

The Secretarial Audit Report as presented by M/s. VCSR & Associates, Practicing Company Secretaries for the financial year ended, 31st March, 2023 is annexed as **Annexure:6.**

#### MAINTENANCE OF COST RECORDS UNDER SECTION 148(1) OF COMPANIES ACT, 2013

The Company required to maintain cost records as specified by the Government under section 148(1) of the Companies Act, 2013 and accordingly the Company has maintained such cost records as specified under Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

#### COST AUDIT

M/s Narasimha Murthy & Co, Cost Accountants, were appointed as Cost Auditor of the Company for the financial year ended March 31, 2023. The Cost Audit report for the financial year 2022-23 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:**

There were no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.



**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 one time settlement of loans taken from Banks and Financial Institutions.

**CORPORATE GOVERNANCE**

The Company has been practicing the principles of good corporate governance.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid and unclaimed for a period of seven years. Therefore, there were no funds required to be transferred to Investor Education and Protection Fund (IEPF).

**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.

**For and on behalf of the Board**



M Venkatram Chowdary  
Managing Director  
[DIN: 03567730]

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

Place: Hyderabad  
Date: 04.09.2023



**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	(2,34,59,990)
6.	Total assets	1,48,35,121
7.	Total Liabilities	1,48,35,121
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(34,45,182)
11.	Provision for taxation	NIL
12.	Profit after taxation	(34,45,182)
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	(85,47,225)
6.	Total assets	72,32,794
7.	Total Liabilities	72,32,794
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(10,000)
11.	Provision for taxation	Nil
12.	Profit after taxation	(10,000)
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 <sup>st</sup> March 2023
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 31.03.2023

**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 31.03.2023**

[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 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	13111	40.00
2	FINISHED FABRIC	13121	45.00



**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)



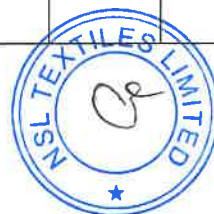
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
g) Individual/ HUF	14623500		14623500	7.57	14623500		14623500	7.57	
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	70868394		70868394	36.67	70868394		70868394	36.67	
k) Banks / FI									
l) Any Other....									
<b>Sub-total (A) (1):-</b>	85491894		85491894	44.24	85491894		85491894	44.24	NIL
(2) <b>Foreign</b>									



a) NRIs - Individuals b) Other - Individuals c) Bodies Corp. d) Banks / FI e) Any Other....  <b>Sub-total (A) (2):-</b>  <b>Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>									
	85491894		85491894	44.24	85491894		85491894	44.24	NIL
<b>B. Public Shareholding</b>  1. <b>Institutions</b>  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)									
<b>Sub-total (B)(1):-</b>	90150240		90150240	46.65	90150240		90150240	46.65	
<b>2. Non- Institutions</b>									
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)									
<b>Sub-total (B)(2):-</b>		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			% change in share holding during 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	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	Canara Bank	24051626	12.45		
2	SBI	27425507	14.19		
3	UBI	14168920	7.33		
4	Jupiter City Developers(I)Ltd	13420000	6.94		
5	PNB	9117919	4.72		
6	CBI	6908537	3.57		
7	Indian Bank	5532151	2.86		
8	Krishnaprasad K	4194444	2.17		
9	BOM	2945580	1.52		
	Increase / Decrease during the year	NIL	NA	NIL	NA
At the end of the year					
1	Canara Bank	24051626	12.45		
2	SBI	27425507	14.19		
3	UBI	14168920	7.33		
4	Jupiter City Developers(I)Ltd	13420000	6.94		
5	PNB	9117919	4.72		
6	CBI	6908537	3.57		
7	Indian Bank	5532151	2.86		
8	Krishnaprasad K	4194444	2.17		
9	BOM	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	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	M.Prabhakar Rao	11663512	6.04		
2	M.Ashapriya	2947515	1.53		
3	M.Venkatram Chowdary	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
At the end of the year					
1	M.Prabhakar Rao	11663512	6.04		
2	M.Ashapriya	2947515	1.53		
3	M.Venkatram Chowdary	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	61701.49	36267.63		97969.12
ii) Interest due but not paid	80.62			80.62
iii) Interest accrued but not due	69.99			69.99
<b>Total (i+ii+iii)</b>	61852.10	36267.63	-	98119.73
<b>Change in Indebtedness during the financial year</b>				
· Addition				-
· Reduction	3687.75	-		3687.75
<b>Net Change</b>	3687.75	-	-	3687.75
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	57966.38	36267.63		94234.01
ii) Interest due but not paid	127.98			127.98
iii) Interest accrued but not due	69.99			69.99
<b>Total (i+ii+iii)</b>	58164.35	36267.63	-	94431.98





## 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	8000000	3300000	11300000
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	6996	0	6996
	Total (A)	8006996	3300000	11306996
	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		
	<b>1. Independent Directors</b>					
	· Fee for attending board committee meetings	380000	380000	440000		1200000
	· Commission	0	0	0		0
	<b>Total (1)</b>	<b>380000</b>	<b>380000</b>	<b>440000</b>		<b>1200000</b>
	<b>2. Other Non-Executive Directors</b>	Prem Malik				
	· Fee for attending board committee meetings					
	· Commission	3690000				3690000
	· Others, please specify (prof. fee)					
	<b>Total (2)</b>	<b>3690000</b>				<b>3690000</b>
	<b>Total (B)=(1+2)</b>					<b>4890000</b>



**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	1247004	6964896	8211900
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.,	6996	86498	93494
	Total	1254000	7051394	8305394



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



**NSL Textiles Limited**  
**Guntur**

**RELATED PARTY TRANSACTIONS FOR THE PERIOD ENDED 31st Mar'23**

Details of transactions during the period	₹ In Cr.				₹ In Cr.	
	Quarter ending Jun'22	Quarter ending Sep'22	Quarter ending Dec'22	Quarter ending March'23	Year 2022-23	
<b>Purchase of Materials</b>						
NSL Cotton Corporation (p) Ltd (Cotton Lint)	1.72	-	-	0.00		1.72
NSL KRISHNAVENI SUGARS LIMITED	0.00	-	-	-		0.00
<b>Sale of Materials</b>						
Nuziveedu Seeds Ltd(Mask Sales)	0.01	-	-	-		0.01
Nuziveedu Seeds Ltd(Shirts Sales)	0.00	-	-	-		0.00
Nuziveedu Seeds Ltd(Seed Sales)	-	-	0.01	-		0.01
<b>Leasing of Property</b>						
TOPNOTCH PROJECTS PVT LTD (Lease Rent)	0.16	0.20	0.22	0.22		0.79
TOPNOTCH PROJECTS PVT LTD (Floor Maintenance Charges)	0.09	0.03	-	-		0.12
Smt. M. Asha Priya (Lease Rent )	0.05	0.05	0.05	0.04		0.20
<b>Availing or Rendering of Services</b>						
Sh. PREM MALIK (Management Consultancy Charges)	0.15	0.09	0.09	0.03		0.36
<b>Reimbursement of Expenses</b>						
TOPNOTCH PROJECTS PVT LTD	0.06	0.09	0.04	0.09		0.27
<b>Interest Paid / Received</b>						
NSL Cotton Corporation Pvt. Ltd.(Interest)	-	-	-	-		-



NSL Textiles Limited

RELATED PARTY TRANSACTIONS FOR THE PERIOD ENDED 31st Mar'23

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	311.69
100 Crs. - II	100.00
Result (I or II or which ever is lower)	100.00
Total of Transactions for the period	-

Particulars	₹ In Cr.	Transaction Price	Transaction Price
Purchase of Cotton Lint from Nsl Cotton Corporation Pvt Ltd	-		
Sale of Cotton Seed to Nuziveedu Seeds Ltd.	-		
Nuziveedu Seeds Ltd(Mask Sales)	-		
Nuziveedu Seeds Ltd(Shirts Sales)	-		
Total	-		-

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	19.11
10% of the Turnover - II	124.68
100 Crs - III	-
Result (I or II or III which ever is lower)	19.11
Total of Transactions for the period	0.25

Particulars	₹ In Cr.	Transaction Price	Transaction Price
Lease Rent Paid to TOPNOTCH PROJECTS PVT LTD	0.22	50.40/SFT	50.40/SFT
Maintenance Charges Paid to TOPNOTCH PROJECTS PVT LTD.	-	-	-
Lease Rent Paid to Smt. M. Asha Priya	0.04	7.00/SFT	7.00/SFT
Total	0.25		





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	124.68
50 Crs. - II	50.00
Result (I or II which ever is lower)	50.00
Total of Transactions for the period	0.03

Particulars	₹ In Cr.	Transaction Price	Transaction Price
	Amount		
Sh. PREM MALIK (Management Consultancy Charges)	0.03		
Total	0.03		

Reimbursement of Expenses to	₹ In Cr.	Transaction Price	Transaction Price
	Amount		
TOPNOTCH PROJECTS PVT LTD.	0.09	0.09	0.09
Total	0.09	0.09	0.09



## **ANNEXURE- 5 TO THE DIRECTORS' REPORT**

### **A. POWER AND FUEL CONSUMPTION:**

			<b>Financial Year 2022-23</b>	<b>Financial Year 2021-22</b>
<b>1</b>	<b>Electricity purchased</b>			
i	Quantity	Units	16,26,02,841	21,93,53,771
ii	Amount	Rs. In Lacs	12660.42	14,687.57
iii	Rate per unit	Rs.	7.7861	6.6958
<b>2</b>	<b>Coal:</b>			
i	Grade - Round 'C' grade		Round 'C' grade	Round 'C' grade
ii	Use		Boiler operations	Boiler operations
iii	Quantity	MT	1619.22	14,575.55
iv	Amount	Rs. In Lacs	128.13	1,001.25
v	Cost per unit	Rs.	7913	6,869
<b>3</b>	<b>Husk</b>			
i	Quantity	MT	31449.53	15,252
ii	Amount	Rs.	1596.82	455.31
iii	Cost per unit	Rs.	5077	2,985

### **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	-
ii. Amount spent on raw material and stores	820.62
iii. Amount spent on foreign travel	
iv. Amount paid to foreign technicians	27.00
v. Amount paid to foreign commission agents	42.92
vi. Other expenditures in foreign exchange	9.67
vii. Amount remitted as dividend	Nil
viii. Foreign exchange earnings on export	10,358.42
ix. Foreign exchange earnings for technical services rendered outside India	Nil
x. Foreign exchange earnings on investments made outside India	Nil

--- XXX ---



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023**

[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, 2023 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:



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, 2023 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.

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.

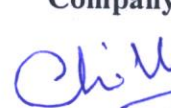
Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

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: 04.09.2023

For VCSR & Associates  
Company Secretaries

  
(Ch. Veeranjanyulu)  
Partner

CP No: 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: 04.09.2023

For VCSR & Associates  
Company Secretaries

  
(Ch. Veeranjanevulu)  
Partner

CP No: 6392, M No: F6121

Peer Review Cer. No. 751/2020



**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, 2023, 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, 2023;
- in the case of the Standalone Statement of Profit and Loss, of the loss 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.

**Emphasis of matter**

We draw attention to the following matters in the standalone financial statements:

Foot note 1 to Note 28(II) to the accompanying standalone financial statements, the Series A to D Compulsory Convertible Debentures and Series E Optionally Convertible Debentures are to be converted into fully paid-up equity shares of the Company by March 31, 2024. Hence the same need to be classifiable as current liability as per terms of Division I of Schedule III of the Act. Due to terms and conditions mentioned in the Resolution Plan sanctioned by consortium bankers, the above series of compulsory convertible debentures and optionally convertible debentures is



classified as non-current liability in standalone financial statements. The management is in the process of obtaining extension of maturity dates of above series of compulsory convertible debentures and optionally convertible debentures from respective statutory authorities by submission of consent received from respective debenture holders.

Our report on standalone financial statements is not modified in respect of the above matters.

**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.

**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.

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.

#### **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) except for the effect / possible effect of the matters described under the Emphasis of Matters paragraph above, in our opinion may not have an adverse effect on the functioning of the Company.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 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 belief 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.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended) for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the financial year ended March 31, 2023.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, in our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors during the year is 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 : 04-09-2023

U.D.N. 23242016BA XDM 03052

**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, 2023**

[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, 2023]

**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 with reference to standalone financial statements NSL Textiles Limited ('the Company') as of March 31, 2023 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 with reference to standalone financial statements 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 with reference to standalone financial statements of the Company 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 with reference to standalone financial statements 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 with reference to standalone financial statements.





**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements 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.: 013453S



CA Venkata Srikanth Madamanchi  
Partner  
M. No: 242016

Place: Guntur  
Date : 04-09-2023

UDIN: 23242016B9 XDM03852

**NSL TEXTILES LIMITED**
**Standalone Balance Sheet as at March 31, 2023**

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

	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	19,325.66	19,325.66
Reserves and surplus	4	(6,394.83)	(907.82)
<b>Total shareholders' funds</b>		<b>12,930.83</b>	<b>18,417.84</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	74,982.84	78,602.04
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		1,355.11	1,419.45
Other long-term liabilities	7	106.59	102.39
Long-term provisions	8	1,004.28	974.96
<b>Total non-current liabilities</b>		<b>77,448.82</b>	<b>81,098.84</b>
<b>Current liabilities</b>			
Short-term borrowings	9	19,251.16	19,367.08
Short-term trade payables	6		
Total outstanding dues of micro enterprises and Small enterprises		92.99	25.70
Total outstanding dues of creditors other than micro enterprises and Small enterprises		14,663.09	13,892.13
Other current liabilities	7	1,988.95	1,783.13
Short-term provisions	8	79.75	79.10
<b>Total current liabilities</b>		<b>36,075.94</b>	<b>35,147.14</b>
<b>Total Equity and Liabilities</b>		<b>1,26,455.59</b>	<b>1,34,663.82</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment and Intangible assets			
Property, plant and equipment	10	72,538.47	75,758.42
Intangible assets	10	66.31	76.75
Capital work-in-progress	10	391.35	582.40
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	943.29	1,113.47
Other non-current assets	14	3,066.25	2,681.39
<b>Total Non-current assets</b>		<b>82,981.39</b>	<b>86,188.15</b>
<b>Current assets</b>			
Inventories	15	16,251.36	17,474.22
Trade receivables	16	5,785.89	9,280.68
Cash and cash equivalents	17	1,075.52	734.13
Short-term loans and advances	13	20,119.93	20,639.68
Other current assets	14	241.50	346.96
<b>Total Current assets</b>		<b>43,474.20</b>	<b>48,475.67</b>
<b>Total Assets</b>		<b>1,26,455.59</b>	<b>1,34,663.82</b>

Significant accounting policies

2

Other disclosures

28 - 52

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 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 No.03567730

H. Muralidhar

Chief Financial Officer

Place: Hyderabad

Date: 04.09.2023

Ch. Appa Rao

Whole-time Director

DIN No.00011095

Saigram Karuturi

Company Secretary

Place: Hyderabad (camp)

Date: 04.09.2023

**NSL TEXTILES LIMITED**

**Standalone Statement of Profit and Loss for the year ended March 31, 2023**

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

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations			
Sale of products	18	95,342.85	1,21,364.53
Sale of services	19	1,379.14	2,018.86
Other operating revenues	20	1,693.79	888.16
		98,415.78	1,24,271.55
Other income	21	774.03	400.68
<b>Total income (I)</b>		<b>99,189.81</b>	<b>1,24,672.23</b>
<b>Expenses</b>			
Cost of materials consumed	22	61,385.39	75,490.99
Purchases of stock-in-trade	23	32.72	-
Changes in inventories	24	1,759.26	(5,329.52)
Employee benefits expense	25	7,943.79	7,839.27
Finance costs	26	2,283.75	2,821.71
Depreciation and amortization expense	10	4,664.67	4,794.83
Other expenses	27	26,529.02	36,322.15
<b>Total expenses (II)</b>		<b>1,04,598.60</b>	<b>1,21,939.43</b>
<b>Profit / (Loss) before tax (I)-(II)</b>		<b>(5,408.79)</b>	<b>2,732.80</b>
<b>Tax expense</b>			
MAT Credit Written off		21.69	-
<b>Total tax expense</b>		<b>21.69</b>	<b>-</b>
<b>Profit / (Loss) for the year from continuing operations</b>		<b>(5,430.48)</b>	<b>2,732.80</b>
<b>Earnings per equity share (Refer Note 36)</b>			
Basic		(2.81)	1.41
Diluted		(2.81)	1.41
Nominal value of shares		10.00	10.00
<b>Significant accounting policies</b>	2		
<b>Other disclosures</b>	28 - 44		
<b>The accompanying notes are an integral part of the standalone financial statements</b>			

As per our report of even date

For Aaki & Co.

Chartered Accountants

Firm Reg. No.: 0134535

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 No.03567730

H. Muralidhar

Chief Financial Officer

Place: Hyderabad

Date: 04.09.2023

Ch. Appa Rao

Whole-time Director

DIN No.00011095

Sairam Karuturi

Company Secretary

Place: Hyderabad (camp)

Date: 04.09.2023

**NSL TEXTILES LIMITED****Standalone Cash flow statement for the year ended March 31, 2023**

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flows from operating activities</b>		
Profit/(Loss) before tax as per Statement of Profit and Loss	(5,408.79)	2,732.80
Adjustments for:		
Depreciation and amortization expenses	4,664.67	4,794.83
Provision for gratuity	54.85	60.96
Provision for leave encashment	(24.88)	(7.32)
Balances Written back	-	(24.42)
Allowance for/written off of receivables, loans, advances & debit balances	9.52	2,535.68
Provision for diminution in value of assets	13.77	458.68
Loss/(Gain) on sale/transfer of assets	(5.64)	39.61
Interest income	(298.03)	(87.33)
Finance costs	2,283.75	2,821.71
Amortized capital grants	(56.53)	(56.55)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>1,232.69</b>	<b>13,268.65</b>
Movements in working capital:		
Decrease / (increase) in Inventories	1,222.86	(5,832.88)
Decrease / (increase) in Trade receivables	3,494.79	(1,764.56)
Decrease / (increase) in Loans and Advances	789.53	438.85
Decrease / (increase) in Other assets	(440.41)	(239.68)
Increase / (decrease) in Trade payables	773.91	133.21
Increase / (decrease) in Other liabilities and provisions	239.99	927.60
<b>Cash generated from operations</b>	<b>7,313.36</b>	<b>6,931.19</b>
Direct taxes paid / (Refund)	-	245.95
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>7,313.36</b>	<b>6,685.24</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets including CWIP and capital advances	(1,387.81)	(1,701.36)
Proceeds from sale of fixed assets	164.41	234.98
Proceeds from/(Investment in) deposits	(362.69)	(1,661.48)
Realisation of advance/(Advances to) subsidiaries	-	1,062.00
Interest received	298.03	87.33
<b>Net cash from/(used in) investing activities (B)</b>	<b>(1,288.06)</b>	<b>(1,978.53)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds/(Repayment) from short term borrowings	(115.92)	(1,791.84)
Proceeds/(Repayment) of long term borrowings	(3,619.20)	1,603.70
Interest paid (Net)	(2,283.75)	(4,713.36)
<b>Net cash from / (used in) financing activities (C)</b>	<b>(6,018.87)</b>	<b>(4,901.50)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	6.43	(194.79)
Cash and cash equivalents at the beginning of the year	32.03	226.82
<b>Cash and cash equivalents at the end of the year</b>	<b>38.46</b>	<b>32.03</b>



**NSL TEXTILES LIMITED****Standalone Cash flow statement for the year ended March 31, 2023**

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Components of cash and cash equivalents</b>		
Cash on hand in Indian currency	11.48	12.58
Cash on hand in foreign currency	2.08	0.23
Balances with banks	24.88	19.20
	38.44	32.01
Effect of exchange rate changes	0.02	0.02
<b>Cash and cash equivalents as restated and considered in cash flow statement</b>	<b>38.46</b>	<b>32.03</b>

As per our report of even date

**For Aaki & Co.****Chartered Accountants**

Firm Reg. No.: 0134535

**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 No.03567730

**H. Muralidhar**  
**Chief Financial Officer**

Place: Hyderabad

Date : 04.09.2023

**Ch. Appa Rao**  
**Whole-time Director**

DIN No.00011095

**Sairam Karuturi**  
**Company Secretary**

Place: Hyderabad (camp)

Date : 04.09.2023

## NSL TEXTILES LIMITED

### Notes forming part of Standalone financial statements for the year ended March 31, 2023 (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 value 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, 2023  
(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

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### 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"). 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, 2023 (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 year-end 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, 2023

(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, 2023 (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, 2023

(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, 2023

(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**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.		As at March 31, 2023		As at March 31, 2022	
<b>3</b>	<b>Share Capital</b>				
a.	<b>Authorised Capital</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
	Equity shares of Rs 10 each	23,70,00,000	23,700.00	23,70,00,000	23,700.00
	Redeemable preference shares of Rs 100 each	4,00,000	400.00	4,00,000	400.00
			<b>24,100.00</b>		<b>24,100.00</b>
b.	<b>Issued, Subscribed and fully Paid-up capital</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
	Equity shares of Rs 10 each fully paid-up	19,32,56,578	19,325.66	19,32,56,578	19,325.66
		<b>19,32,56,578</b>	<b>19,325.66</b>	<b>19,32,56,578</b>	<b>19,325.66</b>
c.	<b>Reconciliation of the number of shares outstanding</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
	Equity shares outstanding as at commencement of the year	19,32,56,578	19,325.66	19,32,56,578	19,325.66
	Add: Equity shares issued during the year				
	Less: Equity shares bought back during the year				
	Equity shares outstanding at end of the year	<b>19,32,56,578</b>	<b>19,325.66</b>	<b>19,32,56,578</b>	<b>19,325.66</b>

**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	6,83,68,394	35.38%	6,83,68,394	35.38%
State Bank of India	2,74,25,507	14.19%	2,74,25,507	14.19%
Canara Bank	2,40,51,626	12.45%	2,40,51,626	12.45%
Union Bank of India	1,41,68,920	7.33%	1,41,68,920	7.33%
Jupiter City Developers (India) Limited	1,34,20,000	6.94%	1,34,20,000	6.94%
M. Prabhakar Rao	1,16,63,512	6.04%	1,16,63,512	6.04%

**f. Change in promoters holding of equity share of Rs. 10 each fully paid-up**
**As at March 31, 2023**

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares held	% change during the year
Mandava Holdings Private Limited	6,83,68,394	-	6,83,68,394	35.38%	0.00%
M. Prabhakar Rao	1,16,63,512	-	1,16,63,512	6.04%	0.00%
M. Asha Priya	29,47,515	-	29,47,515	1.53%	0.00%
M. Venkatram Chowdary	12,473	-	12,473	0.01%	0.00%
Mandava Cold Storage Private Limited	25,00,000	-	25,00,000	1.29%	0.00%

**As at March 31, 2022**

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares held	% change during the year
Mandava Holdings Private Limited	6,83,68,394	-	6,83,68,394	35.38%	0.00%
M. Prabhakar Rao	1,16,63,512	-	1,16,63,512	6.04%	0.00%
M. Asha Priya	29,47,515	-	29,47,515	1.53%	0.00%
M. Venkatram Chowdary	12,473	-	12,473	0.01%	0.00%
Mandava Cold Storage Private Limited	25,00,000	-	25,00,000	1.29%	0.00%

**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**

- Equity shares allotted as fully paid-up bonus shares
- Equity shares issued for consideration without payment being received in cash
- Equity shares bought back

**31-03-2023**  
Number

Nil  
Nil  
Nil

**31-03-2022**  
Number

Nil  
Nil  
Nil



**NSL TEXTILES LIMITED**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	As at March 31, 2023		As at March 31, 2022	
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
<b>4 Reserves and surplus</b>				
a. <b>Securities premium</b>				
Balance as per last balance sheet		21,167.64		21,167.64
b. <b>Deferred government grants relating to depreciable capital assets</b>				
Balance as per last balance sheet (Refer Note 4.1(b))	701.20		757.75	
Less: Income recognised for the year (Refer Note 20)	56.53	644.67	56.55	701.20
c. <b>Debenture redemption reserve</b>				
Balance as per last balance sheet (Refer Note 29)		62.50		62.50
d. <b>General reserve</b>				
Balance as per last balance sheet (Refer Note 4.1(d))		15,465.74		15,465.74
e. <b>Surplus</b>				
Balance as per last balance sheet	(38,304.90)		(41,037.70)	
Add/(less): Profit / (loss) as per Statement of Profit and Loss	(5,430.48)	(43,735.38)	2,732.80	(38,304.90)
		<b>(6,394.83)</b>		<b>(907.82)</b>

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**
**Secured (Refer Note 28)**

	Non current portion March 31, 2023	Current maturities March 31, 2023	Non current portion March 31, 2022	Current maturities March 31, 2022
a. Term loans from banks	1,820.31	3,598.16	5,419.51	3,855.05
b. Optionally convertible debentures held by lender banks	37,025.33	20.00	37,045.33	20.00

**Unsecured (Refer Note 28 & 41)**

	Non current portion March 31, 2023	Current maturities March 31, 2023	Non current portion March 31, 2022	Current maturities March 31, 2022
a. Optionally convertible debentures held by related parties	250.00	-	250.00	-
b. Compulsorily convertible debentures held by related parties	33,070.00	-	33,070.00	-
c. Inter-corporate deposits due to related parties	2,817.20	130.43	2,817.20	130.43
	<b>74,982.84</b>	<b>3,748.59</b>	<b>78,602.04</b>	<b>4,005.48</b>

**6 Trade payables**

	Long-term March 31, 2023	Short-term March 31, 2023	Long-term March 31, 2022	Short-term March 31, 2022
a. Total outstanding dues of micro enterprises and small enterprises	-	92.99	-	25.70
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,355.11	14,663.09	1,419.45	13,892.13
	<b>1,355.11</b>	<b>14,756.08</b>	<b>1,419.45</b>	<b>13,917.83</b>

**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, 2023	Current March 31, 2023	Long-term March 31, 2022	Current March 31, 2022
Interest accrued but not due on borrowings	69.99	-	69.99	-
Interest accrued and due on borrowings (Refer Note 28)	-	120.37	-	80.62
Creditors for capital goods	-	60.65	-	88.18
Advance received from customers	-	292.38	-	320.20
Advance received for sale of property, plant and equipment	-	-	-	-
Security deposit from customers	36.60	5.00	32.40	8.60
Retention money payable	-	31.87	-	32.20
Other liabilities -				
- Employee dues payable	-	1,131.24	-	923.24
- Statutory liabilities	-	303.18	-	288.29
- Other payables	-	44.26	-	41.80
	<b>106.59</b>	<b>1,988.95</b>	<b>102.39</b>	<b>1,783.13</b>





## Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

(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 end of the year	At the beginning of the year
<b>a. Property, plant and equipment</b>										
Freehold land	7,684.33	-	-	7,684.33	-	-	-	-	7,684.33	7,684.33
Freehold land given on operating lease	262.18	-	-	262.18	-	-	-	-	262.18	262.18
Factory buildings	16,700.81	193.20	-	16,894.01	6,513.89	527.95	-	7,041.84	9,852.17	10,186.92
Factory buildings on leasehold land	157.57	-	-	157.57	56.79	4.93	-	61.72	95.85	100.78
Non factory buildings	7,204.10	376.93	-	7,581.03	2,712.43	117.75	-	2,830.18	4,750.85	4,491.67
Non factory buildings given on operating lease	33.83	-	-	33.83	10.33	1.10	-	11.43	22.40	23.50
Non factory buildings on leasehold land	43.30	-	-	43.30	17.49	1.24	-	18.73	24.57	25.81
Plant and Equipment	1,04,278.80	759.33	-	1,05,038.13	52,197.75	3,882.77	-	56,080.52	48,957.61	52,081.05
Tools and Templates	1,432.26	26.44	-	1,458.70	1,143.12	51.78	-	1,194.90	263.80	289.14
Electrical installations	4,949.85	-	-	4,949.85	4,519.26	40.86	-	4,560.12	389.73	430.59
Furniture and Fixtures	481.92	12.42	-	494.34	411.36	12.06	-	423.42	70.92	70.56
Vehicles	137.45	58.56	-	196.01	96.57	5.10	-	101.67	94.34	40.88
Office equipment	292.04	1.28	-	293.32	261.10	4.54	-	265.64	27.68	30.94
Computers	375.50	5.83	-	381.33	335.43	3.86	-	339.29	42.04	40.07
<b>Total</b>	<b>1,44,033.94</b>	<b>1,433.99</b>	<b>-</b>	<b>1,45,467.93</b>	<b>68,275.52</b>	<b>4,653.94</b>	<b>-</b>	<b>72,929.46</b>	<b>72,538.47</b>	<b>75,758.42</b>
<b>Previous Year</b>	<b>1,44,972.10</b>	<b>615.40</b>	<b>1,553.56</b>	<b>1,44,033.94</b>	<b>64,313.53</b>	<b>4,782.27</b>	<b>820.28</b>	<b>68,275.52</b>	<b>75,758.42</b>	
<b>b. Intangible assets</b>										
Computer software	467.73	0.29	-	468.02	390.98	10.73	-	401.71	66.31	76.75
<b>Total</b>	<b>467.73</b>	<b>0.29</b>	<b>-</b>	<b>468.02</b>	<b>390.98</b>	<b>10.73</b>	<b>-</b>	<b>401.71</b>	<b>66.31</b>	<b>76.75</b>
<b>Previous Year</b>	<b>467.73</b>	<b>-</b>	<b>-</b>	<b>467.73</b>	<b>378.42</b>	<b>12.56</b>	<b>-</b>	<b>390.98</b>	<b>76.75</b>	

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	Capitalised during the year	At the end of the year
Non-factory buildings	158.23	481.77	376.93	263.07
Other property, plant and equipments	424.17	761.17	1,057.06	128.28
Total	582.40	1,242.94	1,433.99	391.35
Previous year	158.87	423.53		582.40



**NSL TEXTILES LIMITED**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	As at March 31, 2023		As at March 31, 2022	
	Long-term March 31, 2023	Short-term March 31, 2023	Long-term March 31, 2022	Short-term March 31, 2022
<b>8 Provisions</b>				
<b>Provision for employee benefits (Refer Note 33)</b>				
Provision for gratuity	923.70	69.32	871.07	67.10
Provision for compensated absences	80.58	10.43	103.89	12.00
	<b>1,004.28</b>	<b>79.75</b>	<b>974.96</b>	<b>79.10</b>
<b>9 Short-term borrowings</b>	March 31, 2023		March 31, 2022	
<b>Secured</b>				
Loans from banks (Refer Note 28)				
Cash credit facility		15,502.57		15,361.60
Current maturities of long-term borrowings (Refer Note 5)				
Term loans from banks		3,598.16		3,855.05
Optionally convertible debentures held by lender banks		20.00		20.00
Inter-corporate deposits due to related parties		130.43		130.43
		<b>19,251.16</b>		<b>19,367.08</b>
<b>11 Non-current investments</b>	Numbers March 31, 2023	Amount March 31, 2023	Numbers March 31, 2022	Amount March 31, 2022
<b>A Unquoted, Trade investments and carried at cost</b>				
a Investments in equity instruments of subsidiaries (Fully paid-up, Face value of Rs 10.00 each)				
Sree Anantha Lakshmi Textiles Private Limited	28,51,100	845.48	28,51,100	845.48
Sree Venkataraya Cotton Mills Private Limited	8,82,900	118.86	8,82,900	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	1,56,000	13.36	1,56,000	13.36
		<b>977.70</b>		<b>977.70</b>
<b>Less: Provision for diminution in value of investments</b>		<b>977.70</b>		<b>977.70</b>
<b>Total Trade investments</b>				
<b>B Non-trade investments</b>				
Investments in Government securities				
National Savings Certificates (deposited with Government Authorities for obtaining various licenses and registrations)		0.12		0.12
		<b>0.12</b>		<b>0.12</b>
<b>Additional information:</b>				
(i) Aggregate amount of unquoted investments		<b>977.82</b>		<b>977.82</b>
(ii) Aggregate amount of provision made for diminution in value of unquoted investments		<b>977.70</b>		<b>977.70</b>
<b>12 Deferred tax asset (net)</b>	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Deferred tax assets on account of:				
Expenditure charged to Statement of Profit and Loss but allowable for tax purposes only on payment basis	1,813.24		1,813.24	
Carry forward of depreciation losses under tax laws	19,013.15		19,013.15	
<b>Deferred tax asset (gross)</b>		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	
<b>Deferred tax liability (gross)</b>		14,850.79		14,850.79
		<b>5,975.60</b>		<b>5,975.60</b>

Note: Deferred tax assets further not recognised for the year Rs. 4,572.47 lakhs (Previous year: Rs. 4,254.50 lakhs)



**NSL TEXTILES LIMITED**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	As at March 31, 2023		As at March 31, 2022	
	Long-term March 31, 2023	Short-term March 31, 2023	Long-term March 31, 2022	Short-term March 31, 2022
<b>13 Loans and advances</b> (Unsecured, considered good except otherwise stated)				
Capital advances considered good	612.03	-	742.84	-
Capital advances considered doubtful	2.53	-	2.53	-
Taxes and other amounts paid under protest	-	134.92	-	150.92
Tax deducted at source and tax collected at source	-	191.17	-	245.95
Income tax refund receivable	-	-	-	34.82
Prepaid expenses	40.62	133.12	53.20	118.42
GST input tax credits carry forward	-	648.33	-	723.60
GST refund receivable	-	37.86	-	36.67
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	-	133.09
Export incentives receivable	-	82.97	-	202.53
Loans and advances due by employees	23.40	75.25	24.80	3.71
MAT credit entitlement	267.24	3.70	292.63	-
Other advances recoverable in cash or kind or for value to be received -				
- Considered good	-	433.61	-	744.05
- Considered doubtful	-	2,697.59	-	2,697.60
	945.82	21,470.25	1,116.00	21,990.00
Less: Provision for doubtful advances to the extent considered doubtful	2.53	1,350.32	2.53	1,350.32
	<b>943.29</b>	<b>20,119.93</b>	<b>1,113.47</b>	<b>20,639.68</b>

**Additional information -**

- a. Advance to subsidiaries include from following related parties and private companies in which any Director is a Director

M/s. Sree Anantha Lakshmi Textiles Private Limited,  
subsidiary

14 Other assets	Non-current		Current	
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
(Unsecured, considered good except otherwise stated)				
Security deposits	1,708.04	-	1,350.91	-
Trade deposits against service contracts	650.00	-	650.00	-
Deposits with banks having a maturity exceeding 12 months	1,033.21	-	1,005.48	-
Interest accrued	-	147.15	-	93.84
Property, Plant and Equipment held for disposal	-	94.35	-	253.12
	3,391.25	241.50	3,006.39	346.96
Less: Provision for impairment loss on trade deposits	325.00	-	325.00	-
	<b>3,066.25</b>	<b>241.50</b>	<b>2,681.39</b>	<b>346.96</b>

**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

1,033.21 - 1,005.48 -

15 Inventories	March 31, 2023		March 31, 2022	
(Valued at lower of cost and net realisable value, Refer Note 2)				
Raw materials		6,128.23		5,505.41
Work-in-progress		3,612.90		5,134.79
Finished goods		5,336.62		5,573.98
Stores, spares, packing and other material		1,173.61		1,260.04
		<b>16,251.36</b>		<b>17,474.22</b>



**NSL TEXTILES LIMITED**

**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	As at March 31, 2023	As at March 31, 2022
<b>16 Trade receivables</b>		
Secured considered good	14.53	-
Unsecured, considered good	5,771.36	9,280.68
Unsecured, considered doubtful	894.88	893.05
	6,680.77	10,173.73
Less: Provision for doubtful trade receivables	894.88	893.05
	<u>5,785.89</u>	<u>9,280.68</u>
<b>Additional information -</b>		
a. Other trade receivables include due from following related parties and private companies in which any director is a Director		
M/s. NSL Fashion Trends Limited, Foreign Joint Venture	24.76	24.76
b. Ageing of trade receivables disclosed in Note 43		
<b>17 Cash and cash equivalents:</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Cash and cash equivalents		
Balances with banks on current accounts	24.88	19.20
Cash on hand in Indian currency	11.48	12.58
Cash on hand in foreign currency	2.10	0.25
	38.46	32.03
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	1,037.06	702.10
	<u>1,075.52</u>	<u>734.13</u>

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**NSL TEXTILES LIMITED**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>18 Sale of products</b>		
Cotton yarn	39,208.24	75,535.87
Cotton grey fabric	4,078.56	2,934.60
Cotton finished fabric	44,276.78	34,476.98
Nose masks	0.60	18.84
Cotton seed	1,062.67	534.68
Cotton/yarn waste	4,279.73	5,380.81
Dyed yarn	2,435.17	2,482.75
Cotton lint	1.10	-
	<b>95,342.85</b>	<b>1,21,364.53</b>
<b>19 Sale of services</b>		
Job work charges *^	1,206.72	1,976.12
Testing charges	0.18	3.44
Lease income	172.24	39.30
	<b>1,379.14</b>	<b>2,018.86</b>
<i>*^ including unbilled revenue</i>		
<b>20 Other operating revenues</b>		
Export incentive	577.39	718.93
Sales tax incentive and refunds	78.53	11.48
Amortized capital grant	56.53	56.55
Insurance claims	902.62	-
Other operating income	78.72	101.20
	<b>1,693.79</b>	<b>888.16</b>
<b>21 Other income</b>		
Sale of scrap	402.11	205.72
Interest income	298.03	87.33
Net gain on sale of property, plant and equipment	5.64	-
Net gain from foreign exchange fluctuations	37.78	66.09
Credit balances written back (net)	-	24.42
Miscellaneous income	30.47	17.12
	<b>774.03</b>	<b>400.68</b>
<b>22 Cost of materials consumed</b>		
<b>Cost of raw materials consumed</b>		
Stock at the commencement of the year	5,505.41	5,150.52
Add: Purchases during the year	58,031.50	72,419.33
	63,536.91	77,569.85
Less: Stock at the end of the year	6,128.23	5,505.41
	57,408.68	72,064.44
Add: Cost of packing and other materials consumed during manufacturing	3,976.71	3,426.55
	<b>61,385.39</b>	<b>75,490.99</b>

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



**NSL TEXTILES LIMITED**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Consumption details of major raw materials</b>		
Kappas	4,370.20	1,413.54
Cotton Lint	44,764.81	63,889.51
Cotton/polyster Yarn	7,967.49	5,818.79
Cotton Fabric	306.18	942.60
	<b>57,408.68</b>	<b>72,064.44</b>
<b>23 Purchases of stock-in-trade</b>		
Fabric	32.72	-
	<b>32.72</b>	<b>-</b>
<b>24 Changes in inventories</b>		
<b>Stock at the commencement of the year</b>		
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
	<b>10,708.78</b>	<b>5,379.26</b>
<b>Stock at the end of the year</b>		
Work-in-progress		
- Cotton Lint	1,373.46	1,938.72
- Cotton Yarn	1,041.82	1,348.26
- Cotton Fabric	1,197.62	1,847.81
Finished goods		
- Cotton Lint	26.98	14.77
- Cotton Yarn	2,191.16	1,474.79
- Cotton Fabric	2,428.23	3,724.94
- Others	690.25	359.49
	<b>8,949.52</b>	<b>10,708.78</b>
<b>(Increase )/ Decrease in inventory of finished goods and work-in-progress</b>	<b>1,759.26</b>	<b>(5,329.52)</b>
<b>25 Employee benefits expense</b>		
Salaries, wages, bonus and other allowances	7,024.88	6,829.49
Contribution to provident and other funds	425.00	426.66
Staff and labour welfare expenses	493.91	583.12
	<b>7,943.79</b>	<b>7,839.27</b>





**NSL TEXTILES LIMITED****Notes forming part of Standalone Financial Statements for the year ended March 31, 2023**

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

Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>26 Finance costs</b>		
Interest on long-term borrowings	703.29	1,133.60
Interest on short-term borrowings	1,521.41	1,514.58
Other borrowing costs	44.65	172.24
Interest on statutory payments	14.40	1.29
	<b>2,283.75</b>	<b>2,821.71</b>
<b>27 Other expenses</b>		
Power and fuel (net)	13,184.97	16,145.00
Consumption of stores and spare parts (including packing materials)	4,356.21	6,516.28
Other processing charges	193.91	416.02
Other manufacturing expenses	3,978.60	4,418.45
Repair and maintenance of plant and equipment	944.52	850.81
Repair and maintenance of buildings	178.19	464.23
Repair and maintenance of other assets	95.43	124.28
Rent	151.76	107.35
Insurance	292.29	231.32
Rates and taxes, excluding taxes on income	190.88	417.02
Freight and other expenses	998.95	1,490.70
Discount on sales	320.87	286.45
Commission on sales	268.32	744.61
Legal and professional charges	203.64	216.58
Security charges	212.80	198.38
Directors' sitting fee	12.90	9.60
Auditors' remuneration		
As Auditor	6.50	5.50
As Tax Auditor	1.50	1.50
For other services	0.60	0.78
Net loss on transfer of property, plant and equipment	-	39.61
Bad receivables, loans, advances and balances written off	7.70	830.12
Provision for doubtful trade receivables, loans and advances (net)	1.82	1,705.56
Loss on sale of export incentive scrips	45.41	-
Provision for diminution in value of assets	13.77	458.68
Miscellaneous expenses	867.48	643.32
	<b>26,529.02</b>	<b>36,322.15</b>



**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 "the Resolution Plan" during the financial year 2021-22. The Restructuring of the above loans / 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 is given below:

- a) Reduction of Interest on restructured term loan(s) and expansion term loan(s) to fixed interest rate of 9.00% p.a.
- b) Reduction of Interest on working capital loans (Cash Credit) to floating interest of 9.00% p.a. (subject to maximum of 9.00% p.a.)
- c) Fixed coupon of 0.01% p.a. on Secured Optionally Convertible Debentures ('OCD') issued in place of existing OCDs' issued to lender bankers for a period of 10 years with rollover option for another 2 years on completion of 10<sup>th</sup> 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 restructured term loans from 2<sup>nd</sup> quarter of financial year 2019-20 to 2<sup>nd</sup> quarter of financial year 2024-25 as given below.
- f) Elongation in quarterly repayment of Expansion term loans from 2<sup>nd</sup> quarter of financial year 2019-20 to 3<sup>rd</sup> quarter of financial year 2023-24 as given below.
- g) The existing term loan(s) of SBI were merged and classified into two new term loan 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 2<sup>nd</sup> quarter of financial year 2024-25 and Term Loan-2 from 1st quarter of financial year 2021-22 to 3<sup>rd</sup> 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 2<sup>nd</sup> 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, 2023

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

**A. Terms of repayment of Restructured term loan(s):**

Financial year	Restructured term loan(s)		Expansion term loan (s)	
	Repayment in lakhs	No. of quarterly instalments	Repayment in lakhs	No. of quarterly instalments
2019-20	2,500.00	3	1,000.00	3
2020-21	2,000.00	4	1,000.00	4
2021-22	2,587.00	4	1,065.00	4
2022-23	2,793.00	4	1,062.00	4
2023-24	3,022.00	4	580.00	3
2024-25	1,818.00	2		

**B. 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 fixed coupon at the rate of 0.01% p. a. payable annually on 31<sup>st</sup> March. 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
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	-
2029-30	11.85%	-	4,400.00	-
2030-31	35.65%	-	13,225.33	-
<b>Grand total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>37,125.33</b>	<b>37,125.33</b>



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

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

Nature of credit facility	Interest nature	Rate of interest as on March 31, 2023	Rate of interest as on March 31, 2022
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.

^^! Subject to maximum of 9.00% p.a.

**D.** 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.

**E. 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.

**F. 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, 2023

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

**G. 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, 2023 (Amount in lakhs)	As on March 31, 2022 (Amount in lakhs)
Restructured term loans (old and new)	4,840.83	7,634.03
Expansion term loans (old and new)	577.65	1,640.52
Optionally convertible debentures	37,045.33	37,065.33
Working capital facilities	15,502.57	15,361.60
Interest accrued and due <sup>^^</sup> %	Nil	0.54
Interest accrued but not due	25.73	Nil

<sup>^^</sup>%Company intimated respective bank on April 03, 2022 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.

**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 <sup>^^^</sup>	10	22.07.21	31.03.31	600	Nil
I	Mandava Holdings Private Limited <sup>^^^</sup>	10	01.09.18	31.03.27	40	15.00%
I	Prabhat Agri Bio-tech Limited <sup>^^^</sup>	10	01.09.18	31.03.27	100	15.00%
I	Yaganti Seeds Private Limited <sup>^^^</sup>	10	01.09.18	31.03.27	50	15.00%
H	Mandava Holdings Private Limited <sup>^^^</sup>	10	26.04.18	31.03.27	208	15.00%
H	Mandava Prabhakara Rao <sup>^^^</sup>	10	26.04.18	31.03.27	52	15.00%
G	Mandava Holdings Private Limited <sup>^^^</sup>	10	04.09.17	31.03.27	150	12.00%
D	Mandava Holdings Private Limited <sup>^^^</sup>	10	30.01.13	31.03.24	57	12.00%
C	Mandava Holdings Private Limited <sup>^^^</sup>	500	30.01.13	31.03.24	4	12.00%
B	Mandava Holdings Private Limited <sup>^^^</sup>	500	31.12.12	31.03.24	19	12.00%
B	Mandava Holdings Private Limited <sup>^^^</sup>	500	29.09.11	31.03.24	8	12.00%
A	Mandava Holdings Private Limited <sup>^^^</sup>	500	09.12.10	31.03.24	10	12.00%



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

**B. Optionally Convertible Debentures issued (as amended) -**

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

<sup>^~</sup>! Unsecured, Unrated, Unlisted, Non-marketable<sup>^~~</sup>Unsecured, Unrated, Transferable and Non-marketable<sup>^^^</sup>Unsecured, Unrated, Unlisted, Non-transferable and Non-marketable

Foot note 1: 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. Series A to D compulsory convertible debentures and Series E optionally convertible debentures are liable for conversion within one year as per original terms of maturity. The respective debenture holders placed their consent for conversion / redemption after duly payment of dues in accordance with Resolution Plan to lender bankers. Hence those debentures liable for conversion / redemption are disclosed as non-current liability instead of current liability. Company is in the process of obtaining extension of maturity dates of above series of debentures from respective statutory authorities by submission of consent received from respective debenture holders.

Foot note 2: Company regularly paying interest on credit facility to consortium banks at the end of the month. The Company communicated to those banks who are charging interest in the middle of the month, in such cases also company paying interest at the end of the month it is debited to respective credit facility accounts. Additionally company placed request to drop charging penal interest on the interest amounts charged at middle of the month and the same is in review by respective consortium banks to waive penal interest charged till March 31, 2023. Due to waiver proposal is under consideration, the Company has not made provision towards penal interest charging by the consortium banks upto March 31, 2023.

**III. Terms of repayment of inter-corporate 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 be repayable after repayment of all Restructured term loan, expansion term loan and redemption of OCD held by Consortium banks as per Resolution Plan. Scheme of amalgamation filed by Mandava Holdings Private Limited and others are accepted and order issued by National Company Law Tribunal Hyderabad Bench – I on July 05, 2023. As per the scheme of amalgamation, the NSL Fertilizer Ventures Private Limited is merging with Mandava Holdings Private Limited. Hence, the interest free inter-corporate deposit due to NSL Fertilizer Ventures Private Limited is disclosing at respective places as outstanding amount is due to Mandava Holdings Private Limited.





**NSL TEXTILES LIMITED****Notes forming part of Standalone financial statements for the year ended March 31, 2023****(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

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, 2023 and March 31, 2022.

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

Due to	ICD due as on 31.03.23 (Rs. In lakhs)	ICD due as on 31.03.22 (Rs. In lakhs)	No. of days default as on 31.03.23	No. of days default as on 31.03.22
Mandava Holdings Private Limited	130.43	130.43	1 to 2281	1 to 1,916

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

Due to	Interest accrued and due as on 31.03.23 (Rs. In lakhs)	Interest accrued and due as on 31.03.22 (Rs. In lakhs)	No. of days default as on 31.03.23	No. of days default as on 31.03.22
Mandava Holdings Private Limited	94.63	80.07	1 to 2,118	1 to 1,753

**29. Debentures redemption reserve:**

The accumulated surplus/(deficit) of the Company is Rs. (43,735.38) lakhs as on March 31, 2023 and Rs. (38,304.90) as on March 31, 2022. 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, 2023. The Company have fixed deposits with Consortium Banks amounting to Rs. 1033.21 lakhs to cover one quarter debt service of installment due for the financial year 2023-24. The required funds for current maturity of debentures amounting to Rs. 20.00 lakhs already held as DSRA fixed deposit with Consortium Bankers, hence no specific fixed deposit made by the company on or before April 30, 2023.

**30. Commitments -**

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	7,726.78	4,133.68
IRR commitment accrued upto balance sheet date as per terms of issue of CCD's to other than Consortium Banks, the Company is liable to convert CCD's and OCD's into fully paid-up equity shares along with range of IRR 0.00% p.a. to 15.00% p.a. The Company is liable for conversion of CCD's and OCD's into equity shares after repayment of debt to Consortium Banks.	58,377.20	49,008.74



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

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, 2023 (Unaudited)	As at March 31, 2022 (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	5.74	5.30
Liabilities	22.89	21.05

**32. Contingent Liability-**

Particulars	As at March 31, 2023	As at March 31, 2022
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^%&	3,133.65	4,389.92
Claims not acknowledged as debt as per details below	1,935.94	189.60

^%&amp; excluding composition fee, interest and penalty due to non-fulfillment of obligation

**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	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 d500emand 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	16.00	31.61



**NSL TEXTILES LIMITED****Notes forming part of Standalone financial statements for the year ended March 31, 2023****(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

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.		
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 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.	23.87	23.87
During the financial year 2022-23, the income-tax authorities levied demand for non-compliance of provisions of Chapter XVII of the Income-tax Act, 1961 (as amended). The Company collected necessary forms from respective customers and submitted the same to income-tax authorities without considering those documents the assessing authorities' levied demand. Hence, the Company filed an appeal before Commissioner of income-tax (Appeals) and the appeal is in process as on balance sheet date.	46.78	-
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	33.43	33.43



**NSL TEXTILES LIMITED****Notes forming part of Standalone financial statements for the year ended March 31, 2023****(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

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.		
As per the amendment of Payment of Bonus Act, Amended provisions for payment of bonus applicable with retrospective from April 01, 2014. But as per the Order of Hon'ble High court of Karnataka and Kerala has stayed the implementation of bonus with retrospective from April 01, 2014 and only applicable from April 01, 2015. As per further court orders, if the provisions are applicable from April 01, 2014 the company is liable to make provision for the same.	40.00	40.00
Excess interest charged by consortium banks on various credit facilities and covered under Resolution Plan and to be reversed as per interest rate sanctioned in Resolution Plan. The Company requested the banks to reverse the excess interest charged in excess of the rate specified in the Resolution plan and the same is pending with the consortium banks	251.58	
During the financial year 2022-23, the Andhra Pradesh electricity authorities charged electricity duty at the rate of Rs. 1.00 per unit instead of Rs. 0.06 per unit of power consumed. The Company paid electricity duty at the Rate of Rs. 0.06 per unit of power consumed and filed appeal before the Hon'ble High Court of Andhra Pradesh for remaining amount of liability charged in regular power bills of various plants / officer of the Company	1,463.59	

*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. The Management believes that the ultimate outcome of appellate 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.





**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

**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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current service cost	156.37	162.54	32.64	41.56
Interest cost on benefit obligation	65.94	58.01	8.70	8.33
Actuarial (gain)/loss recognized	(85.53)	(88.97)	(66.22)	(44.41)
<b>Total expense</b>	<b>136.78</b>	<b>131.58</b>	<b>(24.87)</b>	<b>5.48</b>

**b. Change in defined benefit obligation -**

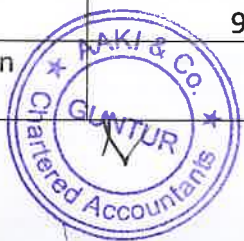
Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening defined benefit obligation	938.17	877.21	115.89	123.20
Interest cost	65.94	58.01	8.70	8.33
Current service cost	156.37	162.54	32.64	41.56
Benefits paid	(81.96)	(70.62)	-	(12.79)
Actuarial (gain)/loss recognized	(85.53)	(88.97)	(66.22)	(44.41)
<b>Closing defined benefit obligation</b>	<b>993.01</b>	<b>938.17</b>	<b>91.01</b>	<b>115.89</b>

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

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening fair value of plan assets	-	-	-	-
Return on plan assets	-	-	-	-
Contributions	-	-	-	-
Employer direct benefit payments	81.96	70.62	-	12.79
Benefits paid	(81.96)	(70.62)	-	(12.79)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	993.01	938.17	91.01	115.89
Fair value of plan assets	-	-	-	-





**NSL TEXTILES LIMITED**
**Notes forming part of Standalone financial statements for the year ended March 31, 2023**
**(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

Funded status (surplus/(deficit))	993.01	(938.17)	(91.01)	(115.89)
<b>Net Plan asset/(liability)</b>	<b>993.01</b>	<b>(938.17)</b>	<b>(91.01)</b>	<b>(115.89)</b>
<b>Recognised in balance sheet</b>	(993.01)	(938.17)	(91.01)	(115.89)
Present value of Encashment Obligation			85.41	108.83
Present value of Availment Obligation			5.59	7.06

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

Particulars	Gratuity (funded)		Leave encashment	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.51%	7.35%	7.52%	7.51%
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			

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.

**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, 2023	For the year ended March 31, 2022
Employer's contribution to provident fund	316.50	311.38
Employer's contribution to employee state insurance	106.66	112.83
Labour welfare fund	1.84	2.44
<b>Total</b>	<b>425.00</b>	<b>426.65</b>



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

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, 2023	For the year ended March 31, 2022
Amount due not later than one year from the date of balance sheet	100.22	49.77
Amount due later than one year and not later than five years	131.25	14.12
Amount due later than five years	43.81	36.20

Lease rent debited to the Statement of profit and loss is Rs. 151.76 Lakhs (Previous year: Rs. 107.35 Lakhs).

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, 2023	For the year ended March 31, 2022
Amount due not later than one year from the date of balance sheet	187.60	206.89
Amount due later than one year and not later than five years	597.32	647.57
Amount due later than five years	-	-

Lease rent credited to the Statement of profit and loss is Rs.172.24 Lakhs (Previous year: Rs.39.30 Lakhs). 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.

**36. Earnings per share:**

Earnings per share is computed based on the following particulars –

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) after taxation considered for calculation of basic and diluted earnings per share (in Lakhs)	(5,430.48)	2,732.80
Weighted average number of equity shares considered for basic and diluted earnings per share (In Numbers)	19,32,56,578	19,32,56,578
Basic and diluted earnings per share (In Rs.)	(2.81)	1.41



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Stores and spare parts	820.62	1,125.86
Capital goods	-	318.82
Raw materials	2,721.20	-

**38. Expenditure in foreign currency -**

Particulars	As at March 31, 2023	As at March 31, 2022
Commissions	42.92	172.56
Professional / Technical fees	27.00	17.38
Membership and other expenditures	9.67	16.56

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

Particulars	As at March 31, 2023	As at March 31, 2022
Direct exports	10,358.42	14,398.95

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

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	%	Rs	%	Rs
Imported	4.58%	2,631.41	-	-
Indigenous	95.32%	54,723.15	100.00%	72,064.44
<b>Total</b>	<b>100.00%</b>	<b>57,408.68</b>	<b>100.00%</b>	<b>72,064.44</b>

**B. Comparison between Consumption of Imported and Indigenous stores and spare parts (including packing materials)**

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	%	Rs	%	Rs
Imported	11.57%	963.87	11.39%	1,132.80
Indigenous	88.43%	7,369.05	82.62%	8,810.03
<b>Total</b>	<b>100.00%</b>	<b>8,332.92</b>	<b>100.00%</b>	<b>9,942.83</b>

**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 <sup>^!^^</sup>	Key management personnel

<sup>^!^^</sup> Appointed as whole-time director w.e.f. 04.09.2022

**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

**b. Related parties with whom transactions have taken place during the current and previous financial year**

Name of related party	Nature of relationship
Mandava Investments Private Limited	Ultimate enterprise having significant influence
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	
Serene Estates Private Limited	
NSL Sugars (Tungabhadra) Limited	
NSL Fertilisers & Ventures Private Limited	
M. Asha Priya, Director	Relative of key management personnel
M. Srinivasarao	
M. Sunitha	
PremSardarilal Malik, Director	Vice-Chairman

**c. Transactions with related parties**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b><i>Purchase of goods and services</i></b>		
Topnotch Projects Private Limited	91.16	62.33
Nuziveedu Seeds Limited	1.06	1.56
NSL Sugars Limited	4.50	4.60
NSL Krishnaveni Sugars Limited	0.03	1.60
M. Srinivasarao	-	4.96
PremSardarilal Malik	36.00	36.00
M Asha Priya	23.77	8.23
NSL Cotton Corporation Private Limited	172.03	1,664.72
M. Sunitha	1.80	-
Serene Estates Private Limited	2.74	-
<b><i>Sale of goods and services</i></b>		
Nuziveedu Seeds Limited	2.57	8.85
<b><i>Interest expenses</i></b>		
Mandava Holdings Private Limited	16.19	15.84
NSL Cotton Corporation Private Limited	-	8.83
<b><i>Directors remuneration</i></b>		
M. Venkatram Chowdary (Refer foot note 2)	80.07	60.06
Ch. Appa Rao	33.07	18.98



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

**Reimbursement of expenses (net)**

Topnotch Projects Private Limited	23.30	61.10
M Asha Priya	0.38	(0.88)
M Srinivasarao	-	10.82
NSL Krishnaveni Sugars Limited	-	0.48
NSL Sugars Limited	115.35	-
Serene Estates Private Limited	0.13	-
Sree Anantha Lakshmi Textiles Private Limited	(0.01)	-

**Directors sitting fees -**

PremSardarilal Malik	0.90	1.20
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**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, 2023	As at March 31, 2022
<b>Optionally convertible debentures held by related parties</b>		
Mandava Holdings Private Limited	250.00	250.00
<b>Compulsory convertible debentures held by related parties</b>		
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	6,000.00
<b>Inter-corporate deposits due to related parties</b>		
Mandava Holdings Private Limited (Short-term)	130.43	130.43
Mandava Holdings Private Limited (Long-term)	2,817.20	-
NSL Fertilisers & Ventures Private Limited (Long-term)	-	2,817.20
<b>Interest accrued but not due on borrowings</b>		
NSL Fertilisers & Ventures Private Limited	-	69.99
Mandava Holdings Private Limited	69.99	-





**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

**Interest accrued and due on borrowings**

Mandava Holdings Private Limited	94.63	80.08
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**Trade receivables -**

NSL Fashion Trends Limited	24.76	24.76
Nuziveedu Seeds Limited	-	2.43
NSL Krishnaveni Sugars Limited	0.01	-

**Advance received from customers -**

Nuziveedu Seeds Limited	0.11	-
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**Trade payables – long term**

NSL Krishnaveni Sugars Limited	-	10.63
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**Trade payables – short term**

Mandava Holdings Private Limited	477.57	477.57
Topnotch Projects Private Limited	157.68	173.83
NSL Sugars (Tungabhadra) Limited	5.91	5.91
NSL Sugars Limited	14.70	14.77
M. Asha Priya	35.23	35.40
PremSardarilal Malik	0.45	-
NSL Cotton Corporation Private Limited	0.30	8.48
NSL Krishnaveni Sugars Limited	10.33	-
M. Sunitha	0.18	-
	*	

**Investment in subsidiaries<sup>^^\*</sup>%**

Sree Anantha Lakshmi Textiles Private Limited	845.48	845.48
SreeVenkatraya Cotton Mills Private Limited	118.86	118.86

**Investment in joint venture<sup>^^\*</sup>%**

NSL Fashion Trends Limited, Hong Kong	13.36	13.36
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**Other advances recoverable in cash or kind**

NSL Krishnaveni Sugars Limited	-	0.17
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**Employee dues payable -**

M. Venkatram Chowdary	16.63	3.52
Ch. Appa Rao	1.92	1.82

<sup>^^\*</sup>% Provision for diminution in value of investments / Provision for doubtful trade receivables made

Note 1: 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 transactions”.



**NSL TEXTILES LIMITED**

Notes forming part of Standalone financial statements for the year ended March 31, 2023

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers and remaining unpaid as at year end	85.01	22.45
Interest due to suppliers and remaining unpaid as at year end	7.98	3.25
Principal amounts paid to suppliers beyond the appointed day during the year	298.09	74.16
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 already made	0.90	2.29
Further interest remaining due and payable for earlier years	1.01	0.96

**43. Disclosure of ageing of trade receivables –**
**A. Trade receivables ageing as at March 31, 2023**

Particulars	Outstanding for following periods from the transaction date					Total as on 31-03-2023
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables -</b>						
Considered good	5,602.48	85.85	58.09	9.45	-	5,755.87
Considered doubtful	-	-	19.37	9.46	479.24	508.07
<b>Disputed trade receivables -</b>						
Considered good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	386.81	386.81
<b>Sub-total</b>	5,602.48	85.85	77.46	18.91	866.05	6,650.75
Add: Unbilled dues						30.02
Less: Provision for doubtful trade receivables						894.88
<b>Grand total</b>						<b>5,785.89</b>
<b>Summary -</b>						
Total of considered good	5,602.48	85.85	58.09	9.45	-	5,755.87
Total of considered doubtful	-	-	19.37	9.46	866.05	894.88
Add: Unbilled dues						30.02
Less: Provision for doubtful trade receivables						894.88
<b>Grand total</b>						<b>5,785.89</b>



**NSL TEXTILES LIMITED**
**Notes forming part of Standalone financial statements for the year ended March 31, 2023**
**(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**
**B. 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	
<b>Undisputed trade receivables -</b>						
Considered good	9,130.16	29.47	80.17	34.90	-	9,274.70
Considered doubtful	-	-	-	-	463.77	463.77
<b>Disputed trade receivables -</b>						
Considered good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	391.81	391.81
<b>Sub-total</b>	<b>9,130.16</b>	<b>29.47</b>	<b>80.17</b>	<b>34.90</b>	<b>855.58</b>	<b>10,130.28</b>
Add: Unbilled dues						43.45
Less: Provision for doubtful trade receivables	-	-	20.02	17.45	855.58	893.05
<b>Grand total</b>						<b>9,280.68</b>
<b>Summary -</b>						
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
<b>Grand total</b>						<b>9,280.68</b>

**44. Disclosure of ageing of trade payables –**
**A. Short-term trade payables ageing as at March 31, 2023**

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed due to -</b>					
Due to MSME	91.99	0.02	0.98	-	92.99
Due to Other than MSME	10,475.57	82.55	39.53	1,384.26	11,981.91
<b>Disputed due to -</b>					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
<b>Sub-total</b>	<b>10,567.56</b>	<b>82.57</b>	<b>39.59</b>	<b>1,385.18</b>	<b>12,074.90</b>
Add: Unbilled dues					2,681.18
<b>Grand total</b>					<b>14,756.08</b>
<b>Summary of trade payables</b>					
Total due to MSME	91.99	0.02	0.06	0.92	92.99
Total due to other than MSME	10,475.57	82.55	39.53	1,384.26	11,981.91
Add: Unbilled dues					2,681.18
<b>Grand total</b>					<b>14,756.08</b>



**NSL TEXTILES LIMITED**
**Notes forming part of Standalone financial statements for the year ended March 31, 2023**
**(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**
**B. Short-term trade payables ageing as at March 31, 2022**

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-22
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed due to -</b>					
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
<b>Disputed due to -</b>					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
<b>Sub-total</b>	<b>9,514.26</b>	<b>276.73</b>	<b>136.73</b>	<b>1,671.46</b>	<b>11,599.52</b>
Add: Unbilled dues					2,318.31
<b>Grand total</b>					<b>13,917.83</b>
<b>Summary of trade payables -</b>					
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
<b>Grand total</b>					<b>13,917.83</b>

**C. Long-term trade payables ageing as at March 31, 2023**

Particulars	Outstanding for following periods from the due date of payment				Total as on 31-03-2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed due to -</b>					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	428.97	926.14	1,355.11
<b>Disputed due to -</b>					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>428.97</b>	<b>926.14</b>	<b>1,355.11</b>
Add: Unbilled dues					-
<b>Grand total</b>					<b>1,355.11</b>
<b>Summary of trade payables -</b>					
Total due to MSME	-	-	-	-	-
Total due to other than MSME	-	-	428.97	926.14	1,355.11
Add: Unbilled dues					-
<b>Grand total</b>					<b>1,355.11</b>





**NSL TEXTILES LIMITED**
**Notes forming part of Standalone financial statements for the year ended March 31, 2023**
**(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**
**D. 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	
<b>Undisputed due to -</b>					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	428.97	528.55	461.93	1,419.45
<b>Disputed due to -</b>					
Due to MSME	-	-	-	-	-
Due to Other than MSME	-	-	-	-	-
<b>Sub-total</b>	-	428.97	528.55	461.93	1,419.45
Add: Unbilled dues					-
<b>Grand total</b>					1,419.45
<b>Summary of trade payables</b>					
Total due to MSME	-	-	-	-	-
Total due to other than MSME	-	428.97	528.55	461.93	1,419.45
Add: Unbilled dues					-
<b>Grand total</b>					1,419.45

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 was obtained.

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, 2023 and March 31, 2022

Name of the Company except the properties disclosed below as on March 31, 2023 and March 31, 2022					
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.





**NSL TEXTILES LIMITED****Notes forming part of Standalone financial statements for the year ended March 31, 2023****(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

- 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 either in the current year or in the previous year.

**iv. Ageing of Capital work-in-progress:****Ageing of capital work-in-progress as at March 31, 2023**

Particulars	Amount in capital work-in-progress for a period of				Totals as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Buildings – Workers quarters	106.75	156.31	-	-	263.07
Other property, plant and equipments	11.29	57.56	12.10	47.33	128.28
<b>Total</b>	<b>118.04</b>	<b>213.88</b>	<b>12.10</b>	<b>47.33</b>	<b>391.35</b>

**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	
<b>Projects in progress</b>					
Plant and equipment	262.63	156.50	2.37	-	421.50
Buildings – Workers quarters	158.23	-	-	-	158.23
Lab equipment	2.67	-	-	-	2.67
<b>Total</b>	<b>423.53</b>	<b>156.50</b>	<b>2.37</b>	<b>-</b>	<b>582.40</b>

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, 2023 and March 31, 2022.

- v. The Company has not made any expenditure towards intangible assets under development, hence specific disclosure is not given as on March 31, 2023 and March 31, 2022.
- 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, 2023 and March 31, 2022.
- vii. The Company has borrowings from consortium banks basing on security of current assets and the periodical statement of quarterly returns and statements of current assets filed with banks in necessary quarters and which are not in agreement with the books of account for the year ended on March 31, 2023 and March 31, 2022. The differences are given below -

Nature of statement furnished before the consortium banks	Quarter ending to the amount relates	Amount as per books of accounts (in lakhs)	Amount as per statements furnished to consortium banks (in lakhs)	Difference	Reasons for differences, as informed by the management
Stock statement containing details of inventories	June 2022	15,842.09	16,185.02	342.93	The difference is primarily due to the variation in the basis of valuation as per net realizable value instead of valuation as per
	September 2022	17,334.70	17,461.82	127.13	
	December 2022	17,931.68	18,076.46	144.78	

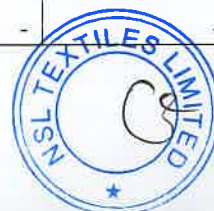


**NSL TEXTILES LIMITED****Notes forming part of Standalone financial statements for the year ended March 31, 2023****(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

	March 2023	16,250.66	17,656.36	1,405.71	Note 2.4 to standalone financial statements
Statement containing details of trade receivables	September 2022	7,633.81	7,849.18	215.36	The difference is primarily due to non-deduction of advances from respective customer while preparation of statement for the quarter ended.
	December 2022	7,960.55	8,290.46	329.91	
	March 2023	6,680.77	8,221.89	1,541.12	

- 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, 2023 and March 31, 2022.
- ix. The Company has not entered any transaction with struck off 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, 2023 and March 31, 2022.
- x. During the current year and previous year, there are no delays in filing of charge and satisfaction of charges.
- 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 31-03-23	Ratio for the year ended 31-03-22	% Variance
Current ratio	Current assets	Current liabilities	1.21	1.38	(12.63%)
Debt-equity ratio	Total debt	Shareholder's equity	8.78	6.31	39.10%
Debt service coverage ratio	Earnings available for debt service	Debt service	0.26	1.59	(83.79%)
Return on equity ratio	Net profit after taxes	Shareholder's equity	(0.42)	0.15	(383.04%)
Inventory turnover Ratio	Revenue from operations	Average Inventory	5.84	8.54	(31.63%)
Trade receivables turnover ratio	Revenue from operations	Average trade receivable	13.06	12.86	1.62%
Trade payables turnover ratio	Net credit purchases	Average trade payables	4.22	5.40	(21.97%)
Net capital turnover ratio	Revenue from operations	Working Capital	13.30	9.32	42.67%
Net profit ratio	Net Profit after tax	Revenue from operations	(5.52%)	2.20	(350.92%)
Return on capital employed	Earnings before Interest and taxes	Capital employed	(2.60%)	4.13	(100.63%)
Return on investment	Income generated from investments	Average weighted Investments	-	-	-



**NSL TEXTILES LIMITED**

**Notes forming part of Standalone financial statements for the year ended March 31, 2023**

**(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

**Reasons for variance in financial ratios –**

- The debt equity ratio has increased due to the losses incurred by the Company during the year.
- Low debt service coverage ratio is on account of lower profitability.
- Reduction in return on equity ratio is due to lower profitability.
- Fall in inventory turnover ratio is due to decrease in sales and higher level of inventory holding during the year.
- Net capital turnover ratio increased due to lower level of Net working capital, during the year, though there was dip in the turnover.
- Net profit ratio decreased due to market volatility in the raw material prices, however the selling prices of the finished goods [yarn] was not in line with the increase in cotton prices. Secondly lower demand in the fabric market resulted in lower sales. Eventually both these factors affected the profitability of the Company.
- Return on capital employed decreased due to Loss in the current year.
- In general the profitability of the Company decreased due to low demand and the previous financial year profitability was high due to good market condition.

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:*

- a) 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
- b) 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:*

- a) 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
- b) 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, 2023 and March 31, 2022.

**48. Corporate Social Responsibility –**

The average net profit for the immediate previous year as at 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 year ended on March 31, 2022.

The net profit of the Company during the immediately preceding previous year (March 31, 2022) is more than ₹500.00 lakhs but the average net profit of the Company for the immediately preceding three previous years is having loss and liable to spend the amount under Corporate Social Responsibility for the year ended on March 31, 2023.



**NSL TEXTILES LIMITED**

**Notes forming part of Standalone financial statements for the year ended March 31, 2023**

**(All amounts are Indian Rupees in lakhs except for shares data or otherwise stated)**

Due to amount not required spent as at March 31, 2023 and March 31, 2022, 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. Previous year numbers are regrouped or reclassified wherever necessary.
52. 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 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 No.03567730

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

**H. Muralidhar**  
Chief Financial Officer

**Sairam Karuturi**  
Company Secretary

Place: Guntur  
Date :04.09.2023

Place: Hyderabad  
Date : 04.09.2023