

NSL TEXTILES LIMITED

19th ANNUAL REPORT
2020-21



NSL TEXTILES LIMITED

Chairman

Shri M. Prabhakar Rao

Executive Directors

Shri M.Venkatram Chowdary

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.

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

Non-Executive Directors

Shri Prem Malik

Smt. M. Asha Priya

Shri CH Appa Rao

Independent Directors

Shri Laxminiwas Sharma

Shri M. Gopalakrishna

Dr. M. Malakondaiah

CHIEF FINANCIAL OFFICER

Shri S. Satish Kumar

COMPANY SECRETARY

Shri Sairam Karuturi

STATUTORY AUDITORS

M/s. Aaki & Co., Guntur

REGISTERED OFFICE

3rd Floor, EMGEE House,
Chandramouli Nagar, 4th Lane ,Ring Road,
Guntur-522007, Andhra Pradesh

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

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

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Nineteenth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Year ended March 31, 2021.

FINANCIAL SUMMARY

The Statement of profit and loss presented to you gives the operational results for the period ended 31st March, 2021.

<i>(Rupees in Lakhs)</i>		
PARTICULARS	CURRENT YEAR 2020-21	PREVIOUS YEAR 2019-20
Revenue	70,207.64	94,435.31
Increase/(Decrease) in inventories	2988.30	(587.67)
Operating expenditure	62,208.52	89,372.16
Operating profits	5,010.82	5,650.84
Less: Depreciation	5,040.49	5,400.94
Finance cost	3,091.12	3,779.51
Profit/(Loss) before tax	(3,120.79)	(3,529.61)
MAT written off	40.99	-
	(3, 161.78)	(3,529.61)
Tax expenses		-
Profit/(Loss) after tax carried to balance sheet	(3,161.78)	(3,529.61)

INDUSTRY SCENARIO AND OUTLOOK

The textile industry can be broadly divided into fiber, yarn, fabrics both grey and processed, home textile, technical textile and apparel. The domestic textiles and apparel market was estimated at US\$ 84 billion in 2020-21. The market fell 30% from US\$120 billion in 2019-20, due to covid pandemic. The market is expected to recover and grow at 10% CAGR from 2019-20 to reach over US\$200 billion by 2025-26.

The textile industry has around 4.5 crore workers including 35.22 lakh handloom workers all over the country.

Cotton production in India reached 35.4 million bales in 2020-21, and is expected to have same cotton production levels in 2021-22, which may be better due to good monsoon. Capacity utilisation has increased swiftly to reach over 80% during Q3 of FY21 and is expected to sustain at healthy levels next fiscal too. Fabric Production in India stood at 7,436 million sq. mtr. which has grown at 2% CAGR in the past five years. The production of fabric from decentralised sector has also grown at a CAGR of 5 % , while production of mill sector has decreased at 3% CAGR.

The outbreak of COVID had a very significant impact on the already difficult economic conditions and affected the performance of almost all Industries and more particularly Textile Sector which depends heavily on the export markets for its yarn and end products. However, manufacturing excellence with initiation of cost reduction exercise and steps to strengthen the liquidity position shall make the Textiles Industry sustainable. Textiles being basic need for the people, textile industry is expected to recover faster in fiscal 2022. Revenues already seem to be returning to pre-covid levels in fiscal 2022 and the sustained demand should result into better operating profitability.

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. The Ministry of Commerce and Textiles are working on a FTA with UK and once concluded to boost the entire textile sector. Under the proposed trade agreement, the Textile Ministry expects more market access for the Indian textiles and clothing sector in order to achieve its full potential. Similarly, the proposed FTA with European union, when finalised will help the Indian Textile Industry.

USA has banned China's XUAR cotton, opening new markets for Indian cotton/cotton products for export.

Effective 01 January 2021, to boost exports, government have extended the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all exported goods.

The future for the Indian textile industry looks promising, barring the aberrations caused by Pandemic, buoyed by robust demand, policy support from the Government, increasing investments etc.,

(Source: IBEF, CRISIL, WAZIR)

INFORMATION ABOUT SUBSIDIARIES/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.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Accounting Standards and forms an integral part of this Report.

DIVIDEND

In the absence of profits and cash flows and in order to conserve funds for the operational requirements, the Directors do not recommend any dividends for this financial year.

DEPOSITS

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

DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Sri Prem Malik, Director and Smt Ashapriya, Director retire by rotation at the forthcoming Annual General Meeting and, being eligible offer 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

The following are the Key Managerial Personnel of the Company:

1. Sri M. Venkatram Chowdary: Managing Director
2. Sri S.Satish Kumar: Chief Financial Officer
3. Sri Sairam Karuturi: Company Secretary

THE EXTRACT OF ANNUAL RETURN

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

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, 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.	26.08.2020	7	6
2.	30.09.2020	7	3
3.	07.12.2020	8	7
4.	26.03.2021	8	6

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 Gopalakrishna, are Independent Directors of the Company. Further, Dr. Malakondaiah M has been appointed as Independent Director of the Company with effective from 07.12.2020 and his appointment has been regularized by the members in the annual general meeting held on 31.12.2020.

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

Duties & Responsibilities

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

Powers

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

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in their meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non-Executive Directors:

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

AUDITORS AND AUDITORS' REPORT

M/s. Aaki & Co., Chartered Accountants were appointed as statutory auditors of the Company to hold office from the conclusion of the 18th Annual General meeting until the conclusion of the 19th Annual General meeting of the Company on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Aaki & Co., that their appointment, if made, would be in conformity with the limits specified in the said section.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended 31st March, 2021 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 transaction entered with Related Parties for the year under review were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions were placed before the Audit Committee for approval. All the necessary details of transactions entered with the related parties are annexed as **Annexure: 4** which forms an integral part of this Report.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Directors wish to inform you that your Company achieved production of nil lakh qtls of cotton lint (PY Nil lakh qtls.), 2.11 lakh qtls. (PY 2.80 lakh qtls.) of cotton yarn, 0.16 lakh qtls. of dyed yarn (PY 0.42 lakh qtls.), 114.34 lakh mtrs. (PY 291.27 lakh mtrs.) of greige fabric, 101.02 lakh mtrs. of finished fabric (PY 278.71 lakh mtrs.) and Nil lakh pcs. of garments (PY Nil lakh pcs) during the financial year 2020-21 and sold 1.96 lakh qtls. (PY 2.18 lakh qtls.) of cotton yarn, 6.84 lakh mtrs. (PY 2.45 lac mtrs.) of greige fabric, 113.34 lakh mtrs. of finished fabric (PY 261.03 lakh mtrs.) and Nil lakh pcs. of garments (PY Nil lakh pcs.) including retail sales during 2020-21. The

diminution in production levels were mainly attributable to adverse impact caused by COVID-19 situation during major part of the Financial Year.

Your Company had achieved net revenue of Rs. 702.08 Crores as compared to previous FY of Rs.944.35 Crores and posted PAT of Rs. (31.62) Crores during FY 2020-21 as compared to Rs. (35.30) Crores posted for previous financial year. The bottom line got impacted mostly because of sluggishness in domestic market, upward revision in cotton prices coupled with non operation of Ginning Capacities and sub optimal capacity utilization in Spinning and finished fabric due to Working Capital constraints and COVID-19 situation. The export volumes were also under pressure due to the significant fall in demand for cotton yarn from China. This has also affected the top line of the Company as the Company could only make an export turnover of Rs. 37.94 crores in FY 20-21 compared to Rs. 66.22 crores during the previous year. However, the margins got improved from December onwards, the start of new cotton season and Industry expects improvement during the current financial year as cotton and yarn prices are stabilizing.

The proposal of Resolution Plan (RP) for restructuring of the Debt submitted by your Company 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 under S4A Scheme 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, has been approved by all the Lenders. The RP was implemented on 22nd July,2021 and all the overdues of Debt were paid to Lenders with the infusion of Promoters' Contribution to the extent of Rs.60 crs. The accounts of the company get upgraded to STANDARD category in a year as per RBI guidelines. This will certainly help the Company to manage its cash flows in a smoother way.

Though COVID-19 impact has caused lower revenues, the improved production from September, 2020 onwards has sustained profitability levels. The Company has initiated several cost saving measures viz., Reduction in Power cost by purchasing cheaper power from IEX and Renewable Power, rationalization of man power costs, optimization of utility costs etc. which are expected to yield positive financial results.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material orders have been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

APPROPRIATIONS

There were no appropriations made during the financial year. However, the Company has debenture redemption reserve of Rs. 62.5 lakhs.

MATERIAL CHANGES AND COMMITMENTS OR ANY EXPANSION ACTIVITIES

The Company doesn't have any further expansion plans in near future except of 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. The Committee decides the Corporate Social Responsibility (CSR) activities to be undertaken by the Company and the expenditures to be incurred which have to be approved by the Board.

In the absence of adequate profits calculated under section 198 as required under the

provisions of section 135 of the Companies Act, 2013, the Directors do not recommend any amount towards CSR activities for the financial year under review.

ANNUAL EVALUATION

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

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

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

AUDIT COMMITTEE

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

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

SECRETARIAL AUDIT REPORT

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

Further, the Secretarial Audit Report as provided by M/s. VCSR & Associates, Practicing Company Secretary for the financial year ended, 31st March, 2021 is annexed as **Annexure:6** which forms an integral part of this Report.

COST AUDIT

M/s Narasimha Murthy & Co, Cost Accountants, were appointed as the Cost Auditor

of the Company for the financial year ended March 31, 2021. The Cost Audit report for the financial year 2020-21 presented by Cost Auditors shall be submitted to the Central Government within the time limits as prescribed under the law.

WHISTLE BLOWER POLICY

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Company is having various Internal Financial Controls like:-

1. Delegation of Authority

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

2. Standard operating Procedures

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

3. Internal Audit

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

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

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

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

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

Canara Bank, the Leader of the Consortium Banks has filed petition before NCLT, Amaravathi Bench under Insolvency and Bankruptcy Code, 2016 during the year and the same has not been admitted till date. However, Canara Bank has initiated steps to withdraw the said Application filed before NCLT, Amaravathi Bench since the Resolution Plan was implemented and all the overdues of Debt were repaid by the Company.

APPRECIATION

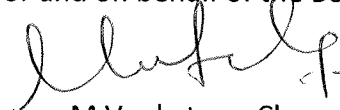
Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work and support, your Company's achievements would not have been possible. Your Company's growth was fueled by their enthusiasm, unstinting efforts, support and solidarity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

ACKNOWLEDGEMENTS

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

Place: Hyderabad
Date: 04.09.2021

For and on behalf of the Board



M Venkatram Chowdary
Managing Director [DIN: 03567730]

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 standalone financial statements of NSL Textiles Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and statement of Profit and Loss and statement of 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.

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 accounting principles generally accepted in India.

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date, and
- c. in the case of 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 Standards 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 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of matter

We draw attention to note 43 to the accompanying standalone financial statements, which describes the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements as at March 31, 2021, the impact of which is dependent on future developments.

Our opinion is not modified in respect of this matter.

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 period. 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, Key Audit Matters 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 in the 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 Board of Directors is 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 specified 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.

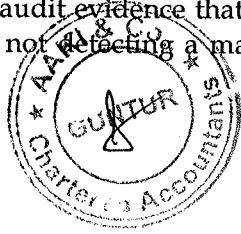
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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.

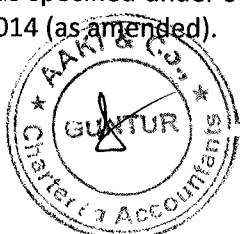
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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.

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, 2016 ("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, 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 Balance Sheet, the Statement of Profit and Loss and the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).



- e) on the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 over financial reporting of the Company and the reporting effectiveness of such controls, refer to our separate report in "Annexure B" and
- 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:
- the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at March 31, 2021 – Refer Note 31 to the standalone financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education Protection Fund by the Company;
 - The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2021.
3. With respect to the matters to be included in the Auditor's Report under section 197(16):
In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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


CA Venkata Srikanth Madamanchi
Partner

Membership No.: 242016

Place : Guntur

Date : 04-09-2021

UDIN: 21242016 AAAACD187L



NSL Textiles Limited

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

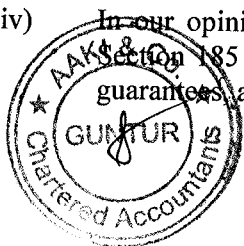
The Annexure-A referred to our report of even date to the Members of the Company on the standalone financial statements for the year ended March 31, 2021. We report that:

- (i) (a) The Company has maintained proper records for fixed assets showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, physical verification of major portion of fixed assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and other relevant records evidencing title provided to us, we report that, the title deeds of immovable properties, as disclosed in Note 10 on property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the following as at March 31, 2021.

Nature of immovable property	Edlapadu		Pulivendula		Nuziveedu / Gurajala	
	Gross block	Net block	Gross block	Net block	Gross block	Net block
Freehold lands	1,968.57	1,968.57	543.88	543.88	334.00	334.00
Factory building	3,164.79	2,023.61	1,018.42	661.31	157.57	105.73
Non-factory building	1,606.83	1,215.80	401.89	328.63	44.32	27.11
Grand total	6,740.19	5,207.98	1,964.19	1,533.82	535.89	466.84
Freehold lands – No. of cases	9	9	1	1	7	7
Remarks	The title deeds are in the names of erstwhile companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Schemes of Amalgamations as approved by the Honourable High Court of Andhra Pradesh.					

Few immovable properties of freehold lands, factory building and non-factory buildings belonging to the Company and erstwhile merged companies whose title deeds have been mortgaged as security for loans, guarantees, etc., are treated as held in the name of the Company and erstwhile merged companies based on the Sanction letters and loan agreements produced before us by the Company.

- (ii) The inventories has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans is prima facie not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated for the loan granted and the repayment / receipt is regular.
- (c) According to information and explanation given to us, there is no overdue amount of loans granted to companies listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.

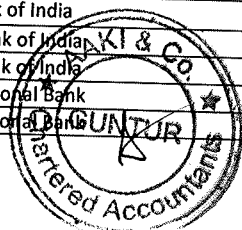


- (v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the Order is not applicable to the Company for the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 (as amended) prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there is delay in a few cases in relation to provident fund, employee state insurance and professional tax during the COVID-19 pandemic period.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding at the yearend, for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, the Company did not have any dues on account of income-tax, sales tax, duty of customs, duty of excise, value added tax, goods and service tax, and cess on account of any dispute except the following:

Name of the statute	Nature of dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Dispute in classification	33.43	Financial year 2012-13	CESTAT, Chennai

- (viii) In our opinion and according to the information and explanation given to us, there have been delay in repayment of dues to lender banks, financial institution and debenture holders as on March 31, 2021, the amount due and remaining unpaid on account of principal and interest to lender banks, financial institution and debenture holders are given below as per resolution plan comprising restructuring proposal –

Name of bank / lender / debenture holder	Type of Loan / lender / debenture	Interest default as on 31.03.21 (Amount Rs. In lakhs)	Default Interest as on 31.03.21 (In days)	Default in Instalment/ Redemption as on 31.03.21 (Amount Rs. In lakhs)	Default in Instalment / Redemption 31.03.21 (In Days)
State Bank of India	RTL	158.79	304	164.71	1 to 91
State Bank of India	Exp TL	52.23	121 to 304	276.89	257 to 457
Canara Bank	RTL	472.17	90 to 609	1,011.84	549
Canara Bank	Exp TL	239.00	609	693.50	549
Union Bank of India	RTL	200.95	365	313.42	365
Union Bank of India	Exp TL	53.90	396	173.67	457
Central Bank of India	RTL	166.59	609	155.16	257 to 365
Central Bank of India	Exp TL	49.99	609	92.17	457
Panjab National Bank	RTL	233.47	762	294.96	365 to 457
Panjab National Bank	Exp TL	62.75	365 to 762	149.03	457 to 549



Indian Bank	RTL	114.06	456	234.49	457
Indian Bank	Exp TL	32.82	578	96.17	549
Bank of Maharashtra	RTL	47.45	762	-	NA
Bank of Maharashtra	Exp TL	20.41	762	24.15	183
Canara Bank^	OCD	0.92	1	10.68	549
State Bank of India^	OCD	1.04	1	12.15	549
Union Bank of India^	OCD	0.54	1	6.29	549
Central Bank of India^	OCD	0.26	1	3.07	549
Bank of Maharashtra^	OCD	0.11	1	1.32	549
Panjab National Bank^	OCD	0.35	1	4.05	549
Indian Bank^	OCD	0.21	1	2.45	549
Total of banks		1,908.01		3,972.70	
Mandava Holdings Private Limited	ICD	64.25	1 to 1096	130.43	1388

^ Though the amount of Rs. 40.00 (lakhs) appears to be due on 31.03.2021 towards redemption of OCD, since the RP implementation had been in the process till July 22, 2021 during which time there was no need to redeem the due amount as the fresh OCDs issued only on July 22, 2021, it should not be taken as default, however the same has been since redeemed.

The Company has not taken any loan from Government.

- (ix) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument). In our opinion and according to the information and explanation given by the management, the Company has availed COVID-19 pandemic period term loans from lender banker and the same was utilized for the purpose for which it is raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanation given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence reporting under Clause 3(xii) of the Order is not applicable to the Company for the year.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in Note 40 to the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Thus, provisions of clause 3(xiv) of the Order are not applicable to the Company for the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.



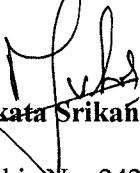
AAKI & CO.
Chartered Accountants

Ph. No. 0863-2268368, Email: aaklandco@gmail.com
Communication address: 11/1, Arundelpet, Guntur - 522002

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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




CA Venkata Srikanth Madamanchi
Partner
Membership No: 242016
Place: Guntur
Date : 04-09-2021
UDIN : 2124 2016 AAAACD1872

NSL TEXTILES LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')
(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the Standalone Financial Statements of NSL Textiles Limited ('the Company') as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to the 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 were established and maintained and whether 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls, 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 with reference to Standalone Financial Statements.



Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls 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 controls 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 controls 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.

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

CA Venkata Srikanth Madamanchi
Partner
Membership No. 242016



Place : Guntur

Date : 04-09-2021

UDIN: 21242016AAAA CD1872

NSL TEXTILES LIMITED
Standalone Balance Sheet as at March 31, 2021

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

	Note No.	As at March 31, 2021	As at March 31, 2020
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	19,325.66	19,325.66
Reserves and Surplus	4	(3,584.07)	(365.03)
Total Shareholders' Funds		15,741.59	18,960.63
Non-current liabilities			
Long-term borrowings	5	76,998.34	80,034.41
Long-term Trade payables	6	-	-
Total outstanding dues of micro enterprises and Small enterprises		1,419.14	1,419.66
Other long-term liabilities	7	77.39	77.39
Long-term provisions	8	940.15	955.41
Total Non-current liabilities		79,435.02	82,486.87
Current liabilities			
Short-term borrowings	9	13,977.72	16,201.21
Short-term Trade payables	6	-	-
Total outstanding dues of micro enterprises and Small enterprises		4.00	91.03
Total outstanding dues of creditors other than micro enterprises and Small enterprises		13,805.35	15,390.36
Other current liabilities	7	10,199.32	6,534.33
Short-term provisions	8	60.28	61.38
Total Current liabilities		38,046.67	38,278.31
Total Equity and Liabilities		1,33,223.28	1,39,725.81
II. ASSETS			
Non-current assets			
Property, Plant and Equipment			
Tangible assets	10	80,658.57	85,518.51
Intangible assets	10	89.31	61.08
Capital work-in-progress		158.87	2.37
Non-current investments	11	0.12	845.60
Deferred tax asset (net)	12	5,975.60	5,975.60
Long-term loans and advances	13	3,199.51	4,887.40
Other non-current assets	14	-	12.37
Total Non-current assets		90,081.98	97,302.93
Current assets			
Inventories	15	11,641.34	11,883.28
Trade receivables	16	9,940.54	8,412.68
Cash and bank balances	17	272.92	285.89
Short-term loans and advances	13	21,067.95	21,585.76
Other current assets	14	218.55	255.27
Total Current assets		43,141.30	42,422.88
Total Assets		1,33,223.28	1,39,725.81

Significant accounting policies

2

Other disclosures

28 - 44

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

As per our report of even date

For Aaki & Co.,

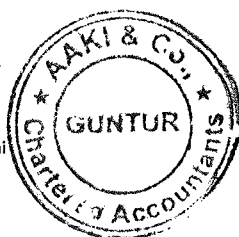
Chartered Accountants

Firm Reg. No.: 0124535

CA Venkata Srikant Madamanchi

Partner

M. No.: 242015


 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
Director
DIN No.00011095

 S Satish Kumar
Chief Financial Officer
Place: Hyderabad
Date: 04.09.2021

 Sairam Karuturi
Company Secretary
M. No. 62030

 Place: Guntur
Date: 04.09.2021

NSL TEXTILES LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2021

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

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations			
Sale of products	18	67,420.94	91,621.10
Sale of services	19	2,162.05	1,693.48
Other operating revenues	20	163.60	379.82
		69,746.59	93,694.40
Other income	21	461.05	740.91
Total revenue (I)		70,207.64	94,435.31
Expenses			
Cost of materials consumed	22	35,503.69	52,885.91
Purchases of stock-in-trade	23	161.85	381.54
Changes in inventories	24	2,988.30	(587.69)
Employee benefits expense	25	5,437.67	7,796.95
Finance costs	26	3,091.12	3,779.51
Depreciation and amortization expense	10	5,040.49	5,400.94
Other expenses	27	21,105.31	28,307.76
Total expenses (II)		73,328.43	97,964.92
Profit / (Loss) before tax (I)-(II)		(3,120.79)	(3,529.61)
Tax expense			
Current tax		40.99	-
Tax credit under MAT written off		-	-
Total tax expense		40.99	-
Profit / (Loss) for the year from continuing operations		(3,161.78)	(3,529.61)
Earnings per equity share (Refer Note 35)			
Basic		(1.64)	(1.83)
Diluted		(1.64)	(1.83)
Nominal value of shares		10.00	10.00

Significant accounting policies

2

Other disclosures

28 - 44

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.: 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

S Satish Kumar

Chief Financial Officer

Place: Hyderabad

Date: 04.09.2021

Ch. Appa Rao

Director

DIN No.00011095

Sairam Karuturi

Company Secretary

M. No. 62030

Place: Guntur

Date: 04.09.2021

NSL TEXTILES LIMITED
Standalone Cash flow statement for the period ended March 31, 2021

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flows from operating activities		
Profit/(Loss) before tax as per Standalone financial statements	(3,120.79)	(3,529.61)
Adjustments for:		
Depreciation and amortization expense	5,040.49	5,400.94
Provision for gratuity	(14.51)	188.56
Provision for leave encashment	(1.86)	13.18
Credit Balances written back (net)	(82.76)	(99.98)
Allowance for/written off of receivables, loans, advances & debit balances	66.46	263.14
Provision for diminution in value of investment	845.48	-
Net loss on transfer of property, plant and equipment	104.53	29.13
Interest income	(217.20)	(335.60)
Finance costs	3,091.12	3,779.51
Amortized capital grants	(57.26)	(59.05)
Operating Profit/(Loss) before working capital changes	5,653.70	5,650.22
Movements in working capital:		
Decrease / (increase) in Inventories	241.94	(32.86)
Decrease / (increase) in Trade receivables	(1,527.87)	(385.42)
Decrease / (increase) in Loans and Advances	1,986.19	(465.44)
Decrease / (increase) in Other assets	36.72	(69.16)
Increase / (decrease) in Trade payables	(1,589.77)	2,629.62
Increase / (decrease) in Other liabilities	(218.18)	(174.01)
Cash generated from operations	4,582.73	7,152.95
Direct taxes paid / (Refund)	(95.30)	(27.69)
Net cash flow from/(used in) operating activities (A)	4,678.03	7,180.64
B. Cash flows from investing activities		
Purchase of fixed assets including CWIP and capital advances	(483.08)	(425.25)
Proceeds from sale of fixed assets	30.00	27.51
Proceeds from/(investment in) deposits	126.09	229.74
Interest received	217.20	335.60
Net cash from/(used in) investing activities (B)	(109.79)	167.60
C. Cash flows from financing activities		
Proceeds/(Repayment) from short term borrowings	(2,223.48)	(181.38)
Proceeds/(Repayment) of long term borrowings	(419.22)	(3,338.15)
Interest paid (Net)	(1,824.79)	(3,770.47)
Net cash from / (used in) financing activities (C)	(4,467.49)	(7,290.00)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	100.75	58.24
Cash and cash equivalents at the beginning of the year	126.07	67.83
Cash and cash equivalents at the end of the year	226.82	126.07
Components of cash and cash equivalents		
Cash on hand in Indian currency	32.72	29.70
Cash on hand in foreign currency	0.93	0.94
Balances with banks	193.16	95.44
	226.81	126.08
Add/(Less): Effect of exchange rate changes	0.01	(0.01)
Cash and cash equivalents as restated and considered in cash flow statement	226.82	126.07

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

S Satish Kumar

Chief Financial Officer

Place: Hyderabad

Date: 04.09.2021

Ch. Appa Rao

Director

DIN No.00011095

Sairam Karuturi

Company Secretary

M. No. 62030

Place: Guntur

Date: 04.09.2021

NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

1. Nature of Operations

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

2. Statement of Significant accounting policies

2.1 Basis of preparation

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

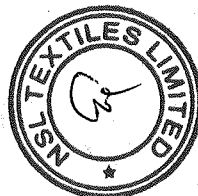
Raw materials, traded goods and stores & spares (including packing materials)

Raw materials, traded goods and stores & spares 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.

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.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

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 at the end of the year.

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 recognised 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 goods

Revenue is recognized when the significant risks and rewards of ownership of the goods 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

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

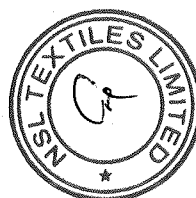
Export incentives principally comprises of Duty Drawback and Merchandise Exports from India Scheme. The benefits under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. These incentives are recognized as revenue on accrual basis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

2.8 Property, Plant and Equipment ("PPE")

Tangible fixed assets except for land are carried at cost of acquisition or construction less accumulated depreciation, impairment losses and specific grants/subsidies if any. Lands are stated at fair value in pursuant to a scheme of amalgamation approved by the 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.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

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 off / held for disposal during the year is provided on pro-rata basis with reference to the date of acquisition or disposal/held for disposal. Life of the components and spares capitalized are restricted to lower of life of component and spares or remaining life of specific machinery.

2.9 Foreign exchange transactions

a. Initial recognition

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

b. Conversion

Foreign currency monetary items denominated in foreign currencies at the yearend are restated at yearend 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 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.

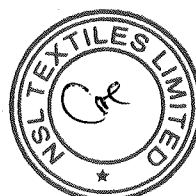
c. Derivative financial instruments

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.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

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.

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, it is not identified as a reportable segment in accordance with Accounting Standard (AS) 17 - Segment Reporting notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Hence, segment reporting is not applicable to the company for this 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.

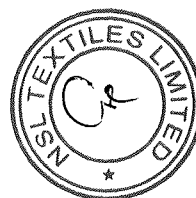
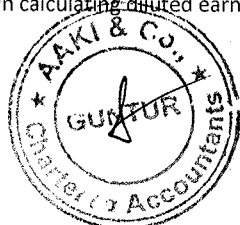
Where the Company is the lessee

The Company's significant leasing arrangements are in respect of operating leases for premises (factory buildings, office, godowns, residential etc.) and machinery. 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.



NSL TEXTILES LIMITED**Notes forming part of Standalone financial statements for the year ended March 31, 2021****(All amounts are in ₹ in lakhs except for shares data or otherwise stated)**

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.

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.

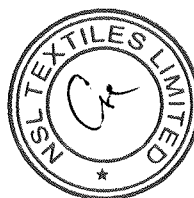
Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

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 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.

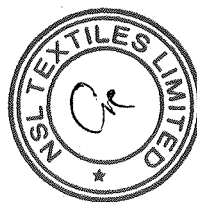
2.20 Provisions

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

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.



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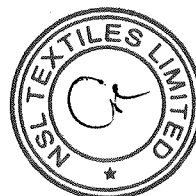
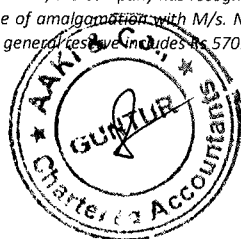
NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

Note No.	As at March 31, 2021	As at March 31, 2020
3 Share Capital		
a. Authorised Capital		
Equity shares of Rs 10 each	Numbers 23,70,00,000 Amount 23,700.00	Numbers 23,70,00,000 Amount 23,700.00
Redeemable preference shares of Rs 100 each	Numbers 4,00,000 Amount 400.00	Numbers 4,00,000 Amount 400.00
	24,100.00	24,100.00
b. Issued, Subscribed and fully Paid up Capital		
Equity shares of Rs 10 each fully paid up	Numbers 19,32,56,578 Amount 19,325.66	Numbers 19,32,56,578 Amount 19,325.66
	19,32,56,578	19,32,56,578
c. Reconciliation of the number of shares outstanding		
Equity shares outstanding as at commencement of the year	Numbers 19,32,56,578 Amount 19,325.66	Numbers 19,32,56,578 Amount 19,325.66
Add: Equity shares issued during the year		
Equity shares outstanding at end of the year	19,32,56,578	19,32,56,578
d. Terms/Rights attached to Equity shares		
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		
Mandava Holdings Private Limited	Numbers 6,83,68,394 % 35.38%	Numbers 6,83,68,394 % 35.38%
State Bank of India	Numbers 2,74,25,507 % 14.19%	Numbers 2,74,25,507 % 14.19%
Canara Bank	Numbers 2,40,51,626 % 12.45%	Numbers 2,40,51,626 % 12.45%
Union Bank of India*&I	Numbers 1,41,68,920 % 7.33%	Numbers 1,41,68,920 % 7.33%
M Prabhakar Rao	Numbers 1,16,63,512 % 6.04%	Numbers 1,16,63,512 % 6.04%
APMS Investment Limited*&*	Numbers 1,00,00,000 % 5.17%	Numbers 1,00,00,000 % 5.17%
	15,56,77,959	15,56,77,959
*&I Due to Andhra Bank merged into Union Bank of India, shareholder name disclosed as Union Bank of India		
& Formerly known as Mavi Investment Fund Limited		
f. Terms of securities convertible into equity shares - refer additional information given under Note 28		
g. Particulars regarding bonus issues and other details during the period of five financial years immediately preceding the balance sheet date	31-Mar-21	31-Mar-20
	No. of shares	No. of shares
i. Aggregate number of equity shares allotted as fully paid bonus shares	NIL	NIL
ii. Aggregate number of equity shares issued for consideration without payment being received in cash ^{^I^}	NIL	NIL
iii. Aggregate number of shares bought back	NIL	NIL
^{^I^} During the financial year 2017-18, The company has allotted equity shares having face value of Rs. 10/- each fully paid-up in pursuant to the conversion of debt into equity shares in accordance with the Scheme for Sustainable Structuring of Stressed Assets (S4A). Hence the issue of equity shares was not treated as shares issued for consideration other than cash.		
4 Reserves and surplus	March 31, 2021	March 31, 2020
a. Securities Premium		
Balance as per last Balance Sheet	21,167.64	21,167.64
b. Deferred government grants (Refer Note 4.1 (b))		
Balance as per last Balance Sheet	815.01	874.06
Less: Income recognised for the year (Refer Note 20)	57.26	59.05
	757.75	815.01
c. Debenture Redemption Reserve		
Balance as per last Balance Sheet (Refer Note 28)	62.50	62.50
d. General Reserve		
Balance as per last Balance Sheet (Refer Note 4.1 (d))	15,465.74	15,465.74
e. Surplus		
Balance as per last Balance Sheet	(37,875.92)	(34,346.31)
Add: Profit / (loss) as per Statement of Profit and Loss	(3,161.78)	(3,529.61)
	(3,584.07)	(365.03)

Note No. 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.

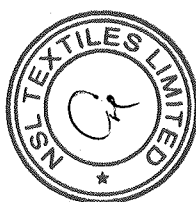
Note No. 4.1(d): During the FY 10-11, the Company has recognised amount of Rs 5836.92 lakhs as General Reserve towards difference between book value and fair value of lands in pursuant to scheme of amalgamation with M/s. NSL Textiles (Edlapadu) Limited and M/s. Prabhat Industrial Corporation Limited as approved by the High Court. The year end balance in general reserve includes Rs 5709.71 lakhs (Previous year: Rs 5709.71 lakhs) credited towards fair value in pursuant to aforesaid scheme of amalgamation.



NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

Note No.	As at March 31, 2021		As at March 31, 2020	
	Non current portion March 31, 2021	Current maturities March 31, 2021	Non current portion March 31, 2020	Current maturities March 31, 2020
5 Long-term borrowings				
Secured (Refer Note 28)				
a. Term loans from banks	9,795.81	6,990.76	12,816.43	4,389.37
b. Optionally Convertible Debentures held by lender banks	37,065.33	60.00	37,080.78	44.55
Unsecured (Refer Note 28 & 40)				
c. Optionally Convertible Debentures held by related parties	250.00	-	250.00	-
d. Compulsorily Convertible Debentures held by related parties	27,070.00	-	27,070.00	-
e. Inter-corporate deposits from related parties	2,817.20	130.43	2,817.20	130.43
	76,998.34	7,181.19	80,034.41	4,564.35
6 Trade payables				
	Long-term March 31, 2021	Short-term March 31, 2021	Long-term March 31, 2020	Short-term March 31, 2020
a. Total outstanding dues of micro enterprises and Small enterprises [@]	-	4.00	-	91.03
b. Total outstanding dues of creditors other than micro enterprises and Small enterprises	1,419.14	13,805.35	1,419.66	15,390.36
	1,419.14	13,809.35	1,419.66	15,481.39
@ Refer Note 41				
7 Other liabilities				
	Long-term March 31, 2021	Short-term March 31, 2021	Long-term March 31, 2020	Short-term March 31, 2020
a. Current maturities of long-term debt (refer Note 5)	-	7,181.19	-	4,564.35
b. Interest accrued but not due on borrowings	69.99	-	69.99	-
c. Interest accrued and due on borrowings	-	1,972.27	-	705.94
d. Creditors for capital goods	-	5.24	-	32.76
e. Advances from customers	-	105.22	-	141.99
f. Advances for sale of tangible assets	-	20.76	-	20.56
g. Security deposits from tenants	7.40	-	7.40	0.00
h. Retention money payable	-	32.20	-	32.20
i. Other liabilities -				
- Employee dues payable	-	733.70	-	842.25
- Statutory Liabilities	-	111.52	-	153.44
- Other payables	-	37.22	-	40.84
	77.39	10,199.32	77.39	6,534.33
8 Provisions				
	Long-term March 31, 2021	Short-term March 31, 2021	Long-term March 31, 2020	Short-term March 31, 2020
Provision for employee benefits (Refer Note 32)				
Provision for gratuity	830.38	46.84	837.89	53.83
Provision for compensated absences	109.77	13.44	117.52	7.55
	940.15	60.28	955.41	61.38
9 Short-term borrowings				
a. Secured				
Loans from banks (Refer Note 28)				
Cash credit facility		13,977.72		16,201.21
		13,977.72		16,201.21



NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

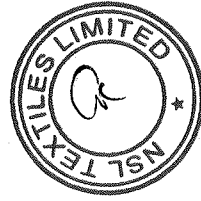
(All amounts are in Rs. in lakhs except for shares data or otherwise stated)

Note 10: Property, Plant and Equipment

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
a. Tangible assets										
Freehold land	7,659.45	-	-	7,659.45	-	-	-	-	7,659.45	7,659.45
Freehold land given on operating lease	262.18	-	-	262.18	-	-	-	-	262.18	262.18
Factory buildings	16,700.81	-	-	16,700.81	5,458.04	527.94	-	5,985.98	10,714.83	11,242.77
Factory buildings on leasehold land	157.57	-	-	157.57	46.90	4.93	-	51.83	105.74	110.67
Non factory buildings	7,263.26	-	-	7,263.26	2,438.31	171.43	-	2,609.74	4,653.52	4,824.95
Non factory buildings given on operating lease	33.83	-	-	33.83	8.15	1.10	-	9.25	24.58	25.68
Non factory buildings on leasehold land	43.30	-	-	43.30	15.01	1.24	-	16.25	27.05	28.29
Plant and Equipment	1,05,267.91	210.21	265.71	1,05,212.41	45,175.91	3,997.32	131.17	49,042.06	56,170.35	60,092.00
Tools and Templates	1,404.58	27.68	-	1,432.26	953.55	115.09	-	1,068.64	363.62	451.03
Electrical installations	4,886.24	63.61	-	4,949.85	4,287.40	166.62	-	4,454.02	495.83	598.84
Furniture and Fixtures	481.92	-	-	481.92	364.06	32.51	-	396.57	85.35	117.86
Vehicles	105.81	1.74	-	107.55	89.87	3.33	-	93.20	14.34	15.94
Office equipment	289.85	2.19	-	292.04	248.03	6.97	-	255.00	37.04	41.82
Computers	372.62	2.88	-	375.50	325.76	5.23	-	330.99	44.52	46.86
Livestock	0.17	-	-	0.17	-	-	-	-	0.17	0.17
Total	1,44,929.50	308.31	265.71	1,44,972.10	59,410.99	5,033.71	131.17	64,313.53	80,658.57	85,518.51
Previous Year	1,44,532.59	518.47	121.56	1,44,929.50	54,082.68	5,393.23	64.92	59,410.99	85,518.51	
b. Intangible assets										
Computer software	432.73	35.00	-	467.73	371.65	6.77	-	378.42	89.31	61.08
Total	432.73	35.00	-	467.73	371.65	6.77	-	378.42	89.31	61.08
Previous Year	432.73	-	-	432.73	363.94	7.71	-	371.65	61.08	

Additional disclosure -

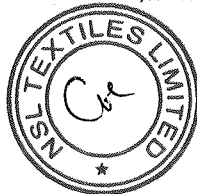
- Some of the immovable properties transferred from transferee companies valuing ₹ 2,846.45 vested pursuant to the Schemes of Amalgamation are yet to be updated in the State Revenue records in the name of the Company.
- Out of the above some of the immovable properties of the Company was given as collateral securities for the loans / credit facilities sanctioned by lender bankers.



NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

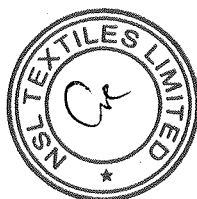
Note No.	As at March 31, 2021		As at March 31, 2020	
	Numbers March 31, 2021	Amount March 31, 2021	Numbers March 31, 2020	Amount March 31, 2020
11 Non-current investments				
A Unquoted, Trade investments & carried at cost				
a Investments in equity instruments of subsidiaries (Fully paid up, Face value of Rs 10.00 each)				
Sree Anantha Lakshmi Textiles Private Limited	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 HKD 1.00 each, paid up)				
NSL Fashion Trends Limited- Hong Kong	1,56,000	13.36	1,56,000	13.36
		977.70		977.70
Less: Provision for diminution in value of investments		977.70		132.22
Total Trade investments		-		845.48
B Non-trade investments				
Investments in Government securities				
National Savings Certificates (deposited with Government Authorities for obtaining various licenses and registrations)		0.12		0.12
		0.12		845.60
Additional information:				
(i) Aggregate amount of unquoted investments		977.82		977.82
(ii) Aggregate amount of provision made for diminution in value of unquoted investments		977.70		132.22
12 Deferred tax asset (net)	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
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	
Deferred tax asset (gross)		20,826.39		20,826.39
Deferred tax liability on account of difference between tax depreciation and depreciation charged to Statement of Profit and Loss	14,850.79		14,850.79	
Deferred tax liability (gross)		14,850.79		14,850.79
		5,975.60		5,975.60
<i>Note: Deferred tax assets further not recognised for the year 6,276.39 lakhs (Previous year: ₹1,098.47 lakhs)</i>				
13 Loans and advances	Long-term March 31, 2021	Short-term March 31, 2021	Long-term March 31, 2020	Short-term March 31, 2020
(Unsecured, considered good except otherwise stated)				
a Advance given for supply of capital goods	82.95	-	99.69	-
b Security deposits	1,102.78	-	2,724.91	-
c Trade deposits against service contracts	650.00	-	650.00	-
d Advance to subsidiaries %	1,062.00	-	1,062.00	-
e Taxes paid under protest	-	33.66	-	33.66
f Tax deducted at source	-	34.82	-	84.44
g Income tax refund receivable	-	81.75	-	127.43
h Prepaid expenses	9.15	94.16	17.18	115.74
i GST input tax credits	-	191.14	-	561.89
j GST refund receivable on exports	-	52.04	-	76.99
k TUF interest rebate receivable	-	3,004.50	-	3,004.50
l Terminal Excise Duty refund receivable	-	145.01	-	214.83
m Power incentive receivable	-	13,894.14	-	13,894.14
n Sales tax incentive receivable	-	159.73	-	159.73
o Non-trade advances	-	30.00	-	30.00
p Loans and advances due by employees	-	6.05	-	40.80
q Claims receivable	-	-	-	57.71
r Export incentives receivable	-	10.91	-	13.42
s MAT credit entitlement	292.63	-	333.62	-
t Other advances recoverable in cash or kind or for value to be received -				
- Considered good	-	3,330.04	-	3,170.48
- Considered doubtful	-	6.10	-	6.10
	3,199.51	21,074.05	4,887.40	21,591.86
Less: Provision for doubtful advances to the extent considered doubtful	-	6.10	-	6.10
	3,199.51	21,067.95	4,887.40	21,585.76
% 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	1,062.00	-	1,062.00	-



NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

Note No.	As at March 31, 2021		As at March 31, 2020	
	Non-current March 31, 2021	Current March 31, 2021	Non-current March 31, 2020	Current March 31, 2020
14 Other assets				
Unsecured, considered good				
a Deposits with Banks having a maturity exceeding 12 months *	-	-	12.37	-
b Interest accrued but not due	-	88.91	-	154.64
c Unbilled revenue	-	111.27	-	82.26
d Assets held for disposal	-	18.37	-	18.37
	-	218.55	12.37	255.27
* Deposits with Banks having a maturity exceeding 12 months and held as margin money against which lien is marked for obtaining guarantees and letters of credit from banks	-	-	12.37	-
15 Inventories	March 31, 2021		March 31, 2020	
(at lower of cost and net realisable value)				
Raw materials		5,150.52		2,488.68
Work-in-progress		2,665.48		3,217.67
Finished goods		2,713.78		5,149.89
Stores, spares, packing and other material		1,111.56		1,027.04
		11,641.34		11,883.28
16 Trade receivables,	Considered good March 31, 2021	Considered doubtful March 31, 2021	Considered good March 31, 2020	Considered doubtful March 31, 2020
(Unsecured)				
Outstanding for over six months from their due date of payment	130.11	859.25	168.19	838.12
Other trade receivables *	9,810.44	-	8,244.49	-
	9,940.54	859.25	8,412.68	838.12
Less: Provision for doubtful trade receivables	-	859.25	-	838.12
	9,940.54	-	8,412.68	-
* Other trade receivables include due from following related parties and private companies in which any Director is a Director				
M/s. Sree Anantha Lakshmi Textiles Private Limited, subsidiary	523.43	-	461.44	-
M/s. NSL Fashion Trends Limited- Hong Kong , Joint Venture	-	24.76	-	24.76
17 Cash and bank balances	March 31, 2021		March 31, 2020	
Cash and cash equivalents:				
Balances with banks on current accounts		193.16		95.44
Cash on hand in Indian currency		32.72		29.70
Cash on hand in foreign currency		0.94		0.93
		226.82		126.07
Other bank balances:				
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		33.70		159.82
Other deposits with Banks having a maturity of 4 to 12 months from acquisition date		12.40		-
		272.92		285.89

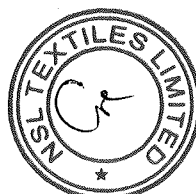


NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
18 Sale of products		
Cotton yarn	46,018.46	48,153.37
Cotton grey fabric	2,571.63	940.41
Cotton finished fabric	13,886.18	34,477.18
Cotton seed	0.28	-
Cotton/yarn waste	3,166.87	4,892.73
Dyed yarn	1,777.52	2,775.87
Cotton lint	-	381.54
	67,420.94	91,621.10
19 Sale of services		
Job work charges received	2,063.32	1,486.72
Unbilled revenue	29.00	58.06
Testing charges	2.82	4.51
Lease received	66.91	144.19
	2,162.05	1,693.48
20 Other operating revenues		
Export incentive	72.08	161.96
Insurance claims	5.94	57.86
Amortized capital grant	57.26	59.05
Freight and insurance collection on sale of products	28.32	100.95
	163.60	379.82
21 Other income		
Sale of scrap	148.47	108.88
Interest income	217.20	335.60
Net gain from foreign exchange fluctuations	-	183.59
Agricultural income	0.32	0.33
Credit Balances written back (net)	82.76	99.98
Miscellaneous income	12.30	12.53
	461.05	740.91
22 Cost of materials consumed		
Cost of raw materials consumed		
Stock at the commencement of the year	2,488.68	3,154.40
Add: Purchases during the year	36,546.70	47,937.54
	39,035.38	51,091.94
Less: Stock at the end of the year	5,150.52	2,488.68
	33,884.86	48,603.26
Cost of primary packing & other materials consumed during manufacturing	1,618.83	4,282.65
	35,503.69	52,885.91

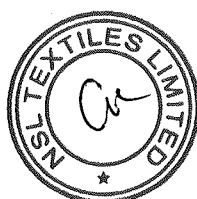
Note: Consumption disclosed is on the basis of derived figure.



NSL TEXTILES LIMITED
Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption details of major raw materials		
Cotton lint	30,847.60	46,763.90
Cotton yarn	2,815.45	1,550.50
Cotton fabric	221.81	288.86
	33,884.86	48,603.26
23 Purchases of stock-in-trade		
Cotton yarn	156.08	-
Cotton lint	-	381.54
Cotton fabric	5.77	-
	161.85	381.54
24 Changes in inventories		
Stock at the commencement of the year		
Work-in-progress		
- Cotton Lint	1,469.01	1,395.07
- Cotton Yarn	764.94	773.29
- Cotton Fabric	983.72	903.81
Finished goods		
- Cotton Yarn	1,522.20	1,666.69
- Cotton Fabric	3,200.40	2,861.07
- Others	427.29	179.94
	8,367.56	7,779.87
Stock at the end of the year		
Work-in-progress		
- Cotton Lint	1,370.55	1,469.01
- Cotton Yarn	552.15	764.94
- Cotton Fabric	742.78	983.72
Finished goods		
- Cotton Yarn	253.20	1,522.20
- Cotton Fabric	2,138.03	3,200.40
- Others	322.55	427.29
	5,379.26	8,367.56
(Increase)/ Decrease in Stock	2,988.30	(587.69)
25 Employee benefits expense		
Salaries, wages, bonus and other allowances	4,678.34	6,794.62
Contribution to provident and other funds	309.48	459.67
Staff welfare expenses	449.85	542.66
	5,437.67	7,796.95

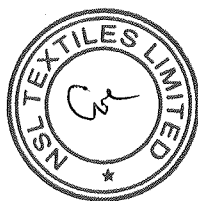


NSL TEXTILES LIMITED

Notes forming part of Standalone Financial Statements for the year ended March 31, 2021

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

Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
26 Finance costs		
Interest on long-term borrowings	1,643.22	2,056.94
Interest on short-term borrowings	1,402.88	1,619.36
Other borrowing costs	42.80	101.24
Interest on Statutory Payments	2.22	1.97
	3,091.12	3,779.51
27 Other expenses		
Power and fuel	10,811.90	15,374.48
Consumption of stores and spare parts	2,778.96	4,440.83
Other Processing charges	211.93	542.53
Other manufacturing expenses	2,843.32	3,078.76
Repair & maintenance of plant & equipment	494.81	763.96
Repair & maintenance of buildings	40.73	56.19
Repair and maintenance of other assets	81.87	95.24
Rent	84.59	101.24
Insurance	251.57	324.90
Rates and taxes	152.84	69.91
Freight and other expenses	906.97	1,109.66
Discount on sales	146.08	362.55
Commission on sales	541.18	579.47
Legal & professional charges	172.59	220.94
Security charges	183.91	181.34
Directors' sitting fee	7.20	10.40
Auditors' remuneration		
As auditor	5.50	5.50
As tax auditor	1.50	1.50
For other services	0.75	0.73
Net loss on transfer of property, plant and equipment	104.53	29.13
Net loss from foreign exchange fluctuations (net)	83.43	-
Loans, advances and balances written off	45.33	220.01
Provision for doubtful receivables, loans and advances (net)	21.13	43.13
Provision for dimunition in value of investment	845.48	-
Miscellaneous expenses	287.21	695.36
	21,105.31	28,307.76



NSL TEXTILES LIMITED**Notes forming part of Standalone financial statements for the year ended March 31, 2021****(All amounts are in ₹ in lakhs except for shares data or otherwise stated)****28. Term and conditions of repayment of Long-term borrowings****a. 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 non-fund based facilities like bank guarantees & Letter(s) of credit. These facilities are sanctioned by consortium banks namely Canara Bank ('CB'), State Bank of India ('SBI'), Union bank of India ('UBI') (formerly Andhra Bank), Central Bank of India ('CBI'), Bank of Maharashtra ('BOM'), Punjab National Bank ('PNB') (including Oriental Bank of Commerce merged) and Indian Bank ('IB').

The Company has approached its consortium banks for Restructuring of the above loan / credit facilities with a Resolution Plan ('RP') with cut-off date of July 01, 2019 and the brief contours of RP are given below:

- Reduction of Interest on restructured term loan(s) and expansion term loan(s) to 9% p.a.
- Reduction of Interest on working capital loan (Cash Credit) to 9% p.a.
- Coupon of 0.01% p.a. on Optionally Convertible Debentures ('OCD') to be issued as fresh OCDs' to consortium banks for a period of 10 years in lieu of the Existing OCDs'
- Waiver of 8.99% p.a. redemption premium on OCDs issued under S4A Scheme from issue date (May 22, 2017) to the date of implementation of RP with a right to recompense clause.
- Elongation in quarterly repayment of RTL from 2nd quarter of financial year 2019-20 to 2nd quarter of financial year 2024-25 as given below.
- Elongation in quarterly repayment of Exp TL from 2nd quarter of financial year 2019-20 to 3rd quarter of financial year 2023-24 as given below.
- Elongation in half-yearly redemption of OCD from fresh issue date to 2nd half year of financial year 2032-33 as given below

Term of repayment of Restructured term loan (s) and Expansion term loan(s):

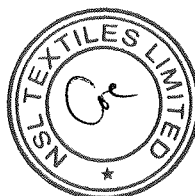
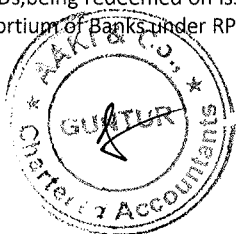
- The following are the repayment structure, rate of interest and number of installments of various facilities availed from consortium bankers.

Financial year	Restructured term loans		Expansion term loans	
	% of repayment	No. of instalments	% of repayment	No. of instalments
2019-20 [^]	16.98%	3	21.24%	3
2020-21 [^]	13.59%	4	21.24%	4
2021-22 [^]	14.27%	4	21.25%	4
2022-23 [^]	16.31%	4	21.25%	4
2023-24 [^]	21.74%	4	15.02%	3
2024-25 [^]	17.11%	2	-	-
<i>Rate of Interest (fixed)</i>				
<i>As on 31.03.21</i>	9.00% p.a.		9.00% p.a.	
<i>As on 31.03.20</i>	9.00% p.a.		9.00% p.a.	

Company has availed rupee loans from consortium banks except Bank of Maharashtra as Cash credit facility as on balance sheet date. Cash credit facilities from aforesaid banks are repayable on demand and carry a floating interest rate of 9.00% p.a. as on March 31, 2021 and March 31, 2020. 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.

Term of repayment of Optionally Convertible Debentures:

The Optionally Convertible Debentures (OCD) aggregating to Rs.371.25 crores to be issued as fresh OCDs for a period of 10 years on implementation of approved Resolution Plan (RP), to consortium of banks, in lieu of the existing outstanding OCDs (issued under S4A Scheme) with a coupon @ 0.01% p.a. and be redeemed half yearly over 10 years upto FY2031 as per the RP approved by the consortium of banks with an option to redeem the OCDs by issuing fresh OCDs for a further tenure of 2 years against the then outstanding OCDs or through funds infused by Promoters contribution. The accumulated premium of 8.99% on existing OCDs, being redeemed on issue of fresh OCDs on implementation of RP, from issue date is waived off by Consortium of Banks under RP.



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

Series	Issued to	Face value	Redemption date	Number	31.03.21	31.03.20	Coupon rate
F	Canara Bank	1,000	31.03.2031	9,90,974	9,909.74	9,909.74	0.01%
F	State Bank of India	1,000	31.03.2031	11,27,406	11,274.06	11,274.06	0.01%
F	Union Bank of India	1,000	31.03.2031	5,83,850	5,838.50	5,838.50	0.01%
F	Central Bank of India	1,000	31.03.2031	2,84,660	2,846.60	2,846.60	0.01%
F	Bank of Maharashtra	1,000	31.03.2031	1,22,090	1,220.90	1,220.90	0.01%
F	Punjab National Bank	1,000	31.03.2031	3,75,831	3,758.31	3,758.31	0.01%
F	Indian Bank	1,000	31.03.2031	2,27,722	2,277.22	2,277.22	0.01%

Outstanding principal of OCDs of ₹ 37,125.33 as on the date of RP implementation will be issued as fresh for a period of 10 years and to be redeemed in 20 half yearly structured installments with a coupon rate of 0.01% payable annually.

Securities and corporate guarantee given to consortium banks for availing above loan / credit facilities:

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 equipments of the Company, both present and future and second charge on all current assets of the Company on reciprocal basis with consortium of bank (except BOM) who have provided working capital facilities to the company and on pari-passu among the term loan consortium banks.

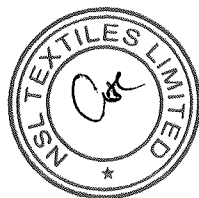
Additionally the above restructured term loans, expansion term loans, optionally convertible debentures and working capital facilities are secured by way of personal guarantee of three promoter directors and two others in their personal capacity (restricted to the value of properties offered), 2,420 Sq. yards of specified lands belonging to two promoter directors and 2,000 sq. yards of specified lands belonging to two others, pledge of entire shares held in Company held by two promoter directors and Mandava Holdings Private Limited, equitable mortgage on 11.0606 Acres of specified lands and irrevocable corporate guarantee given by Ascendant Estates Private Limited and other specified properties as per sanction letters issued by consortium bankers.

b. 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	Issued date	Redem. date	Number	31.03.21	31.03.20	IRR
I	Mandava Holdings Private Limited ^{^~^}	10	01.09.18	31.03.27	40	400.00	400.00	15%
I	PrabhatAgri Bio-tech Limited ^{^~^}	10	01.09.18	31.03.27	100	1,000.00	1,000.00	15%
I	Yaganti Seeds Private Limited ^{^~^}	10	01.09.18	31.03.27	50	500.00	500.00	15%
H	Mandava Holdings Private Limited ^{^~^}	10	26.04.18	31.03.27	208	2,080.00	2,080.00	15%
H	MandavaPrabhakara Rao ^{^~^}	10	26.04.18	31.03.27	52	520.00	520.00	15%
G	Mandava Holdings Private Limited ^{^~^}	10	04.09.17	31.03.27	150	1,500.00	1,500.00	12%
D	Mandava Holdings Private Limited ^{^~^}	10	30.01.13	31.03.24	57	570.00	570.00	12%
C	Mandava Holdings Private Limited ^{^~^}	500	30.01.13	31.03.24	4	2,000.00	2,000.00	12%
B	Mandava Holdings Private Limited ^{^~^}	500	31.12.12	31.03.24	19	9,500.00	9,500.00	12%
B	Mandava Holdings Private Limited ^{^~^}	500	29.09.11	31.03.24	8	4,000.00	4,000.00	12%
A	Mandava Holdings Private Limited ^{^~^}	500	09.12.10	31.03.24	10	5,000.00	5,000.00	12%

B. Optionally Convertible Debentures issued (as amended) -

Series	Issued to	Face value	Issued date	Redem. date	Number	31.03.21	31.03.20	IRR/Coupon rate
E	Mandava Holdings Private Limited ^{^~^}	10	30.03.13	31.03.24	25	250.00	250.00	12%

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

NSL TEXTILES LIMITED**Notes forming part of Standalone financial statements for the year ended March 31, 2021****(All amounts are in ₹ in lakhs except for shares data or otherwise stated)**

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

c. 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 taken from NSL Fertiliser Ventures Private Limited is not repayable until repayment of all RTL, ExpTL availed from consortium banks and redemption of OCD issued to Consortium banks.

Unsecured Inter corporate deposits (ICD) amounting to Rs. 130.43 taken from Mandava Holdings Private Limited is repayable on demand. ICD carrying interest rate of SBIPLR rate as on March 31, 2021 and March 31, 2020.

Additional disclosure:

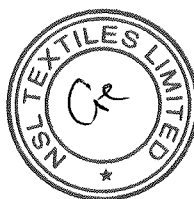
- 01 Aggregate amount of RTL, Exp TL and CC availed from consortium banks and OCD issued to consortium banks along with interest accrued and due and interest accrued but not due are guaranteed by three promoter directors and two others is as follows -

Nature of facility	As on March 31, 2021	As on March 31, 2020
Restructured term loans	12,531.15	12,790.91
Expansion term loans	4,255.42	4,414.88
Optionally convertible debentures	37,125.33	37,125.33
Working capital facilities	13,977.72	16,201.21
Interest accrued and due on above facilities	1,908.01	657.60

- 02 Default in repayment of term loan instalments / OCD Redemption and Interest:

Bank Name/ Name of the person	Type of Loan	Interest default as on 31.03.21	Default Interest as on 31.03.21 (In days)	Interest default as on 31.03.20	Default Interest as on 31.03.20 (In days)	Default in Instalment/ Redemption as on 31.03.21	Default in Instalment/ Redemption 31.03.21 (In Days)	Default in Instalment/ Redemption as on 31.03.20	Default in Instalment/ Redemption 31.03.20 (In Days)
SBI	RTL	158.79	304	25.43	1	164.71	1 to 91	-	NA
SBI	Exp TL	52.23	121 to 304	7.69	1	276.89	257 to 457	71.77	92
CB	RTL	472.17	90 to 609	176.48	1 to 245	1,011.84	549	568.61	92 to 184
CB	Exp TL	239.00	609	95.72	1	693.50	549	384.16	184
UBI	RTL	200.95	365	15.07	1	313.42	365	-	NA
UBI	Exp TL	53.90	396	7.29	32	173.67	457	56.95	92
CBI	RTL	166.59	609	246.76	245	155.16	257 to 365	74.48	184
CBI	Exp TL	49.99	609	54.95	245	92.17	457	45.52	184
PNB	RTL	233.47	762	87.08	398	294.96	365 to 457	101.14	92
PNB	Exp TL	62.75	365 to 762	22.12	1 to 398	149.03	457 to 549	66.56	92 to 184
IB	RTL	114.06	456	27.49	92	234.49	457	149.77	184
IB	Exp TL	32.82	578	9.16	214	96.17	549	51.74	184
BOM	RTL	47.45	762	45.73	366	-	NA	-	NA
BOM	Exp TL	20.41	762	11.58	366	24.15	183	5.41	1
CB^	OCD	0.92	1	-	-	10.68	549	5.34	184
SBI^	OCD	1.04	1	-	-	12.15	549	6.07	184
UBI^	OCD	0.54	1	-	-	6.29	549	3.15	184
CBI^	OCD	0.26	1	-	-	3.07	549	1.53	184
BOM^	OCD	0.11	1	-	-	1.32	549	0.66	184
PNB^	OCD	0.35	1	0.11	1	4.05	549	2.02	184
IB^	OCD	0.21	1	-	-	2.45	549	1.23	184
Total of banks		1,908.01		657.60		3,972.70		1,732.99	
MHPL	ICD	64.25	1 to 1096	48.35	1 to 735	130.43	1388	130.43	1023

^ Though the amount of ₹40.00 appears to be due on 31.03.2021 towards redemption of OCD, since the RP implementation had been in the process till July 22, 2021 during which time there was no need to redeem the due



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amount as the fresh OCDs issued only on July 22, 2021, it should not be taken as default, however the same has been since redeemed.

During the reporting years, Company has incurred losses, hence Debentures Redemption Reserve not provided as per the provisions of Companies (Share capital and Debentures) Amendment Rules, 2019. The resolution plan sanctioned by the lender bankers in the month of July 2021, hence management is unable to estimate the amount to be invested as per the aforesaid Rules and not made any investment for the year ended on March 31, 2021.

29. Commitments -

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	332.70	233.60
Other Commitments due to implementation of resolution plan by lender banks	266.11	117.63
Total amount of IRR commitment as per terms of issue of CCD's company is liable to convert CCD's into fully paid-up equity shares along with range of IRR 12% to IRR 15%. Company is liable for conversion of CCD's into equity shares after repayment of debt to consortium banks.	40,286.75	32,918.20

30. 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, 2006 (as amended), 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.

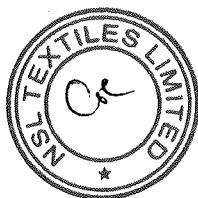
Particulars	As at March 31, 2021 (Unaudited)	As at March 31, 2020 (Unaudited)
Extent of Interest in Joint Venture	50%	50%
Country of incorporation	Hong kong	Hong kong
Income	0.00	0.00
Expenditure	0.00	0.00
Assets	5.13	4.45
Liabilities	20.39	18.07

31. Contingent Liability-

Particulars	As at March 31, 2021	As at March 31, 2020
a. 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	7,479.68	7,454.19
b. The Company under process of resolution plan (RP) comprising restructuring and other permissions with the lenders as at March 31, 2020 as specified under note no 28(a), differential interest on terms loans and cash credit facility is not provided for the period from July 2019 to March 2020.	-	1,771.25
c. Claims not acknowledged as debt as per details below	189.09	189.24

Details of Claims not acknowledged as debt as per details below

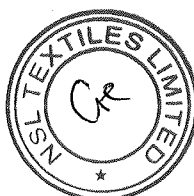
Demand from Provident Fund Authorities towards recovery of provident fund dues and liquidated damages pertaining to the period when the Unit was under occupation by the previous employers. The Company has contested the demand in a petition before the Hon'ble High Court of Andhra Pradesh and the Court has	27.03	27.03
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NSL TEXTILES LIMITED**Notes forming part of Standalone financial statements for the year ended March 31, 2021****(All amounts are in ₹ in lakhs except for shares data or otherwise stated)**

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.		
Demand towards Non Agricultural Land Assessment Tax and Water Royalty from Mandal Revenue Inspector, Inkollu Mandal, Prakasam District pertaining to dues of the period during which the Unit was under occupation by previous owners. As the Unit was purchased by the Company free of encumbrances, the Company has contested the demand in a writ petition before the Hon'ble High Court of Andhra Pradesh. An amount of Rs16 lakhs was deposited with the Tahsildar, Inkollu Mandal for obtaining interim injunction and is shown as Amounts paid under protest under Long-term loans and advances.	31.61	31.61
Demand from Eastern Power Distribution Company of A.P. Ltd. towards electricity consumed during the period February to April 2009 at the Company's Power Plant at Uppalguptam even though there was a net export of power to the grid during that period from the power plant. The Company has paid the amount under protest and the same has been appropriated towards expenditure during the year on settlement of demand.	-	0.15
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 Rs. 7.16 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
Demand from Joint Commissioner of Labour towards cess on construction works. The Company has paid an amount of Rs. 0.50 lakhs under protest and the same is shown as Amounts paid under protest under Long-term loans and advances.	26.35	26.35
The Company have imported 4000 MTs of steam coal from Indonesia during FY 2012-13 availing concessional duty applicable for import of steam coal. The Customs department later issued a show cause notice in September 2013 and after confirmed in order stating the imported Coal is to be classified under Bituminous Coal where concessional duty was not available and demanding to pay differential duty of Rs 16.72 lakhs with equal amount of penalty. Aggrieved by the said order the Company has filed the appeal with commissioner (appeals) in March 2014, but the commissioner (appeals) has also confirmed the order against the company in November 2014 upholding the order of department. Filed appeal with CESTAT. The key issue involved is the classification of coal either based on Calorific of value as contemplated by the customs department or as per the trade parlance and end use as envisaged by the company. The Company hoping for a favourable order from CESTAT. An amount of Rs. 3.34 lakhs was paid against this demand and has been shown as amounts paid under protest under Long-term loans and advances.	33.43	33.43
As per the latest amendment of Payment of bonus Act, Amended payment of bonus with retrospective from April 01, 2014. But as per the Order of Hon'ble High court of Karnataka and Kerala has stay the implementation of bonus with retrospective from April 01, 2014 and only applicable from April 01, 2015. But the company made the contingent liability to the extent of Rs 40.00 lakhs	40.00	40.00

Note: The Company does not expect any reimbursements in respect of the above contingent liabilities. It is not practicable to estimate the timing of the cash outflows, if any, in respect of matters pending appellate proceedings. In respect of other matters, the cash outflows, if any, could generally occur in the next four years



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being the period over which validity of the guarantees / letters of credit extends. 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.

32. Details of employee benefits

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

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

Particulars	Gratuity (funded)		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Current service cost	156.04	168.11	43.80	45.44
Interest cost on benefit obligation	58.64	51.53	8.08	8.59
Return on plan assets	-	(0.00)	-	-
Actuarial (gain)/loss recognized	(170.48)	19.13	(38.67)	(37.76)
Total expense	44.20	238.77	13.21	16.27

b. Change in defined benefit obligation -

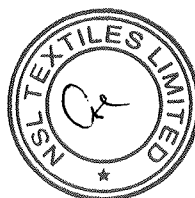
Particulars	Gratuity (funded)		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Opening defined benefit obligation	891.73	703.17	125.07	111.90
Interest cost	58.62	51.53	8.08	8.59
Current service cost	156.04	168.11	43.79	45.44
Benefits paid	(58.70)	(50.21)	(15.08)	(3.10)
Actuarial (gain)/loss recognized	(170.48)	19.13	(38.66)	(37.76)
Closing defined benefit obligation	877.21	891.73	123.20	125.07

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

Particulars	Gratuity (funded)		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Opening fair value of plan assets	0.01	0.01	-	-
Return on plan assets	-	0.00	-	-
Contributions	58.70	50.21	-	-
Employer direct benefit payments	-	-	15.08	3.09
Benefits paid	(58.71)	(50.21)	(15.08)	(3.09)
Closing fair value of plan assets	-	0.01	-	-

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

Particulars	Gratuity (funded)		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Present value of defined benefit obligation	877.21	891.73	123.20	125.07
Fair value of plan assets	-	0.01	-	-
Funded status (surplus/(deficit))	(877.21)	(891.72)	(123.20)	(125.07)
Net Plan asset/(liability)	(877.21)	(891.72)	(123.20)	(125.07)
Recognised in balance sheet	(877.21)	(891.72)	(123.20)	(125.07)
Present value of Encashment Obligation	-	-	114.49	122.79
Present value of Availment Obligation	-	-	8.71	2.28



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Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

Particulars	Gratuity (funded)		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Discount rate	6.89%	6.80%	7.13%	6.88%
Expected rate of return on assets	0.00%	7.00%	0.00%	0.00%
Salary escalation	6.00%	6.00%	6.50%	6.50%
Withdrawal rate & Attrition Rate	1.00%	1.00%	3.54%	3.54%
Mortality table	Indian Assured Lives Mortality (2012-014)			
Actuarial valuation method	Projected Unit Credit Method			
Insurer managed funds	0.00%	0.00%	0.00%	0.00%

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

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 31 March 2021	For the year ended 31 March 2020
Employer's contribution to provident fund	229.52	323.64
Employer's contribution to employee state insurance	77.98	133.54
Labour welfare fund	1.98	2.49
Total	309.48	459.67

33. 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, 2021	For the year ended March 31, 2020
Amount due not later than one year from the date of balance sheet	66.83	86.71
Amount due later than one year and not later than five years	29.78	100.74
Amount due later than five years	-	-

Lease rent debited to the Statement of profit and loss is ₹84.59 (Previous year: ₹101.24).

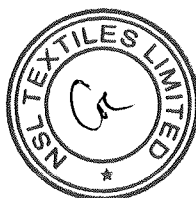
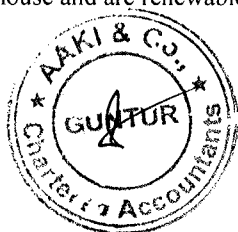
34. Lease income on non-cancellable lease arrangement credited to the Statement of profit and loss and the future lease income in respect of non-cancellable operating lease are summarized below –

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount due not later than one year from the date of balance sheet	43.83	58.42
Amount due later than one year and not later than five years	50.09	80.74
Amount due later than five years	15.31	28.76

Lease rent credited to the Statement of profit and loss is ₹ 66.91 (Previous year: ₹ 144.19). There is no contingent rent recognised as income in the Statement of profit and loss. During the period operating lease of garments division has been cancelled w.e.f March 01, 2020 after mutually agreed with lessee and the same is used for manufacturing activity of the Company. Hence necessary disclosure required under AS – 19 for property, plant and equipment is not given for the reporting periods.

General description of the leasing arrangement:

- (i) Operating leases are mainly in the nature of lease arrangement for office premises, plant & warehouse and are renewable at mutual consent.



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- (ii) The future lease rental income is determined on the basis of the monthly lease rental as per the agreements.

35. Earnings per share:

Earnings per share is computed based on the following particulars –

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after taxation considered for calculation of basic and diluted earnings per share	(3,161.78)	(3,529.61)
Weighted average number of equity shares considered for basic and diluted earnings per share	19,32,56,578	19,32,56,578
Basic and diluted earnings per share	(1.64)	(1.83)

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

Particulars	2020-21	2019-20
Raw material	-	1,157.17
Stores and spare parts	514.48	702.89
Capital goods	96.94	-

37. Expenditure in foreign currency -

Particulars	2020-21	2019-20
Travelling	-	7.85
Commissions	108.24	70.27
Professional fees	20.32	40.64
Others	17.73	19.12

38. Earnings in foreign currency

Particulars	2020-21	2019-20
Direct exports	3,679.89	6,518.30
Exports through merchant/trade house	114.23	103.54

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

Particulars	2020-21		2019-20	
	%	Rs	%	Rs
Imported	-	-	2.38%	1,157.17
Indigenous	100%	33,880.54	97.62%	47,446.48
Total	100.00%	33,880.54	100.00%	48,603.65

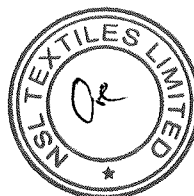
B. Comparison between Consumption of Imported and Indigenous stores and spare parts

Particulars	2020-21		2019-20	
	%	Rs	%	Rs
Imported	11.70%	514.48	7.50%	654.21
Indigenous	88.30%	3,883.31	92.50%	8,069.27
Total	100.00%	4,397.79	100.00%	8,723.48

40. Related party transactions

- a. Related parties where control exists

Name of related party	Nature of relationship
Mandava Investments Private Limited	Holding company of Investing Enterprise
Mandava Holdings Private Limited	Investing Enterprise
SreeAnantha 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)
Mr. M.Prabhakar Rao, Chairman	Key management personnel
Mr. M. VenkatramChowdary, Managing Director	Key management personnel



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

b. Related parties with whom transactions have taken place during the year

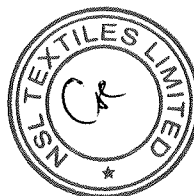
Name of related party	Nature of relationship
Nuziveedu Seeds Limited	Key management personnel having indirect control
Topnotch Projects Private Limited	
NSL Sugars Limited	
NSL Cotton Corporation Private Limited	
Radhakrishna Manufacturing and Industries Private Limited (formerly known as NCC Radhakrishna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

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

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

c. Transactions with related parties

	Particulars	2020-21	2019-20
a.	Purchase of goods and services		
	Mandava Holdings Private Limited	-	34.63
	Topnotch Projects Private Limited	62.33	41.56
	SreeAnantha Lakshmi Textiles Private Limited	231.03	310.64
	Nuziveedu Seeds Limited	-	0.40
	NSL Sugars Limited	4.53	4.50
	NSL Krishnaveni Sugars Limited	5.29	0.07
	M Srinivasarao	7.25	4.57
	PremSardarilalMalik	33.00	-
b.	Sale of goods and services		
	SreeAnantha Lakshmi Textiles Private Limited	-	359.08
	Nuziveedu Seeds Limited	44.46	42.31
c.	Interest received		
	Sree Anantha Lakshmi Textiles Private Limited	117.04	132.75
d.	Interest expenses		
	Mandava Holdings Private Limited	16.31	17.95
e.	Directors remuneration		
	Mr. VenkatramChowdary	55.10	60.07
f.	Reimbursement of expenses paid / (received) (net)		
	Mandava Holdings Private Limited	-	14.70
	Topnotch Projects Private Limited	58.14	34.87

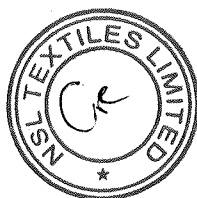


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	NSL Sugars Limited	-	1.84
	SreeAnantha Lakshmi Textiles Private Limited	-	(0.01)
	M Asha Priya	(0.48)	(0.45)
	M Srinivasarao	15.31	30.91
g.	Transfer of trade payables		
	NSL Cotton Corporation Private Limited	203.35	-
	Radhakrishna Manufacturing and Industries Private Limited	979.98	-
	NCC Santosh Fibers Private Limited	127.92	-
	Mahasree Manufacturers & Industries Private Limited	15.44	-
	Venkateswara Manufacturers & Traders Private Limited	82.46	-
h.	Transfer of trade receivables and other advances		
	NCC Matoshri Cotton Private Limited	0.08	-
	NCC Jayalakshmi Fibers Private Limited	0.13	-

d. Year-end balances

	Particulars	As at March 31, 2021	As at March 31, 2020
a	Trade receivables – current		
	SreeAnantha Lakshmi Textiles Private Limited (good)	523.43	461.44
	NSL Fashion Trends Limited ^{^*%}	24.76	24.76
	NCC Matoshri Cotton Private Limited	-	0.08
	Nuziveedu Seeds Limited	3.83	-
b	Advances to subsidiaries		
	SreeAnantha Lakshmi Textiles Private Limited	1,062.00	1,062.00
c	Trade payables – long term		
	NSL Cotton Corporation Private Limited	-	203.35
	Radhakrishna Manufacturing and Industries Private Limited	-	979.98
	NCC Santosh Fibers Private Limited	-	127.92
	Mahasree Manufacturers & Industries Private Limited	-	15.44
	Venkateswara Manufacturers & Traders Private Limited	-	82.46
	NSL Krishnaveni Sugars Limited	10.20	10.50
d	Trade payables – short term		
	Mandava Holdings Private Limited	477.57	477.57
	Topnotch Projects Private Limited	211.78	70.84
	Nuziveedu Seeds Limited	-	6.88
	NSL Sugars (Tungabhadra) Limited	5.91	5.91
	NSL Sugars Limited	19.67	14.70
	M. Asha Priya	27.39	28.35
	M. Srinivasarao	1.32	0.60
	PremSardarilal Malik	5.55	-
e	Compulsory convertible debentures		
	Mandava Holdings Private Limited	25,050.00	25,050.00
	PrabhatAgri Biotech Limited	1,000.00	1,000.00
	MandavaPrabhakar Rao	520.00	520.00
	Yaaganti Seeds Private Limited	500.00	500.00
f	Optionally convertible debentures		
	Mandava Holdings Private Limited	250.00	250.00
g	Inter-corporate deposits payable		
	Mandava Holdings Private Limited	130.43	130.43
	NSL Fertilisers & Ventures Private Limited	2,817.20	2,817.20
i	Interest accrued and due on inter-corporate deposits		



NSL TEXTILES LIMITED
Notes forming part of Standalone financial statements for the year ended March 31, 2021
(All amounts are in ₹ in lakhs except for shares data or otherwise stated)

	Mandava Holdings Private Limited	64.25	48.35
j	Security deposits receivable		
	NSL Cotton Corporation Private Limited	-	0.30
k	Other advances receivable		
	NCC JayalakshmiFibers Private Limited	-	0.13
l	Interest accrued but not due on inter corporate deposit		
	NSL Fertilisers & Ventures Private Limited	69.99	69.99
m	Investment in subsidiaries		
	SreeAnantha Lakshmi Textiles Private Limited ^{^^*%}	845.48	845.48
	SreeVenkataraya Cotton Mills Private Limited ^{^^*%}	118.86	118.86
n	Investment in joint ventures		
	NSL Fashion Trends Limited- Hong Kong ^{^^*%}	13.36	13.36

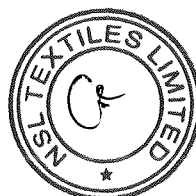
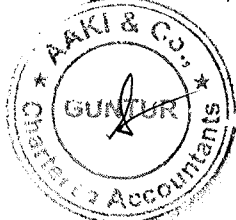
^{^^*%} Provision for diminution in value of investments/Provision for doubtful trade receivables made

41. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers and remaining unpaid as at year end	3.45	78.99
Interest due to suppliers and remaining unpaid as at year end ^{^!^^}	0.55	12.04
Principal amounts paid to suppliers beyond the appointed day during the year	13.84	306.26
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	0.59	13.36
Interest due and payable towards suppliers for payments already made	0.53	8.31
Further interest remaining due and payable for earlier years	-	-

^{^!^^}Interest accrued is written back to Statement of Profit and Loss in the following year, if the same is not claimed by respective vendors.

42. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2021. Accordingly, necessary disclosure is not given for the year ended on March 31, 2021.
43. The COVID-19, recognized as global pandemic continued its sweep during the current financial year 2020-21 also with nationwide lock down upto June 2020 which impacted normal business operations of the company. While it was taking a long while to reach normal levels of operation, the second wave of COVID-19 surfaced again in March 2021 needing again national wide lock down. The Company had, therefore, assessed the impact of this pandemic on its business operations and considered all relevant internal and external information available up to the date of approval of these standalone financial statements, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and MAT credit. The impact of Covid-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company has resumed its business activities in all the Plants in stages in consonance with un-lockings declared by the Government from time to time, taken steps to strengthen its liquidity



NSL TEXTILES LIMITED

Notes forming part of Standalone financial statements for the year ended March 31, 2021

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

position and initiated cost reduction exercise. Though the Company does not anticipate any challenges in its ability to continue as a going concern or meeting its financial obligations, as the situation is unprecedented with unexpected ramifications, the Company is closely monitoring the situation towards off further ill-effects that may come in the way of smooth going in its operations.

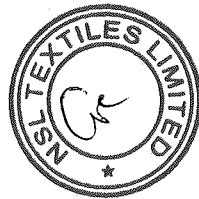
44. Previous year's figures are shown in brackets wherever necessary, and have been regrouped/reclassified, wherever necessary, to conform to current year's presentation. All amounts have been rounded to the nearest thousands.

As per our report of even date

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

CA Venkata Srikant Madamanchi
Partner
M. No. 242016

Place: Guntur
Date : 04-09-2021



For and on behalf of the Board of Directors
of NSL Textiles Limited
CIN: U15429AP2002PLC038489

M Venkatram Chowdary
Managing Director
DIN No. 03567730

S Satish Kumar
Chief Financial Officer
Place: Hyderabad
Date : 04-09-2021

Ch. Appa Rao
Director
DIN No. 00011095

Sahram Karuturi
Company Secretary
M. No. 62030