

Independent Auditors' Report

To

The Members of
M/s. NCS Sugars Limited

Report on the Financial Statements

Qualified Opinion

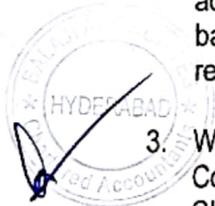
We have audited the accompanying financial statements of **M/s. NCS Sugars Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary 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, subject to qualifications mentioned in basis for qualified opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and loss, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Qualified Opinion on the financial statements;

1. as stated in **Note.1.12** the company has provided gratuity on the basis of independent valuation by the Company and no actuarial valuation is done in line with AS.15
2. as stated in **Note.22.8 and Note.22.9** the outstanding balances of trade receivable including non-provision of bad and doubtful receivable, bank balances, trade payables, loans & advances including advances to farmers and capital advances, other receivables and payables, balance transfers effected before CIRP, their transfers, set-offs are subject to confirmation, reconciliations and realizations.
3. We have been informed by RP that certain information including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as a part of the CIRP such as valuation of assets, etc., are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT, hence the information not shared



Branch :

19-6-1/3, "Soubhagya"
Ananda Gajapathi Marg
VIZIANAGARAM - 535 002
Ph. : (08922) 224512 Mob : 9866058100

Branch :

Villa No. 8, Plot No. 38 C
Vasantha Valley, White Field
Kondapur, HYDERABAD - 500 081
Mob : 9930176486

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with us. Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation, and disclosure impacts.

4. as stated in **Note.22.10** to the notes to accounts, the company has not accounted for deferred tax liability. However, company has not recognized deferred tax asset in the absence virtual certainty of earning future profits.
5. as stated in **Note 22.11** company provided liability to National Spot Exchange Limited (NSEL) of Rs.44.45 Crores as against liability of Rs.155.33 Crores claimed by NSEL.
6. as stated in **Note.22.14** non-provision of custom duty liability due to non-fulfillment of export obligation to the extent of Rs.13.67 crores along with interest and penalty thereon in books.
7. as stated in **Note.22.15** Non provision of interest, interest on interest, penal interest and other charges on loans including TDS compliance if any taken from Punjab National Bank (erstwhile Oriental Bank of Commerce), Indian Overseas Bank, I.C.I.C.I Bank, National Spot Exchange Limited, Sugar Development Fund, Alchemist ARC Limited and P.E.C Limited, except for CIRP funding by certain lenders on payment basis. In addition to that non-restoration of original liability after cancellation of Onetime settlement with Punjab National Bank (erstwhile Oriental Bank of Commerce), Indian Overseas Bank and ICICI Bank.
8. As stated in **Note.22.16** and **Note.22.17** no supporting are provided towards future recoverability of claim of Rs.10.58 crores and Rs.80.00 lacs raised before APTRANSCO which is accounted in the earlier years.
9. as stated in **Note no.22.18** the land to the extent of Ac.27.61 is sold under RR Act, 1864 and the subject matter is pending for adjudication before Hon'ble NCLT and sale of land and payments to cane suppliers were not re-recognized and said land which are earlier given as primary and collateral security to loans taken from Punjab National Bank, Indian Overseas bank and Alchemist (ARC).
10. An Additional Commissioner of GST Central, Visakhapatnam has levied a GST penalty of Rs.4,01,08,951 on dt.21.10.2021 and company has neither filed an appeal nor provided provision in books of accounts.
11. The Income tax liability of the company for the FY 2010-11 is tax of Rs.10,25,959 and interest demand of Rs.33,23,563, for the FY 2016-17 is tax of Rs.2,00,73,239 and interest of Rs.92,33,672, for the FY 2019-20 is tax of Rs.45,83,270 and interest of Rs.2,74,992 hence the total income tax demand along with interest is Rs.3,85,14,695, however company has made provision only for Rs.12,47,567. Hence company has not provided provision for income tax of Rs.3,72,67,128. TDS default for various financial years is Rs.3,03,408, but TDS liability is not provided.



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12. At present company is having only two directors and hence company has not complied with minimum director requirement under Companies Act, 2013, however owing to initiation of CIRP power of Board have been suspended, whereas obligations of directors will continue.
13. Company has not appointed company secretary and Chief Financial Officer as required u/s.203 of the Companies Act, 2013.
14. Company has paid custom duty of Rs.84.68 lacs and VAT of Rs.6.84 lacs under protest and no evidence is provided for the status of the cases and present liability.
15. Non-provision for bonus / exgratia and earned leave.
16. Non-provision of interest on GST liability and Provident Fund liability related to pre-CIRP period.
17. As stated Note.2.27 non-provision of loss incurred due theft.
We unable to quantify the effect of the qualifications as mentioned in qualification paragraph 1 to 17.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Director/Interim Resolution Professional/Resolution Professional is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Empasis on Matters

Without qualifying our audit report we draw attention to the following:

- a) Note no.22.29 with respect to usability of Molasses at factory.

Our Opinion is not qualified in respect of the above matter.



Responsibility of Management for the Financial Statements

The Hon'ble National Company Law Tribunal (NCLT) Hyderabad bench has admitted CIRP application filed by financial creditor and appointed Resolution Professional under Insolvency and Bankruptcy Code to manage the affairs of the company as per the provisions of the code. After the initiation of the CIRP, the powers of the Board of Directors are suspended. However, the suspended directors of the company are obliged to perform their duties. In view of the same the power of preparation and presentation of these statements is done by Board of Directors and Management of the Company.

The Company's Board of Directors/Interim Resolution Professional/Resolution Professional is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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



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- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, We give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, We, report that:
 - a) Except for possible adjustments as contemplated in basis of qualified opinion paragraph and subject to non-availability of information stated therein read with annexure-A of our audit report on even date and our remarks stated under clause 2 (B) f of the report 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 is in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as stated qualified opinion paragraph and our remarks stated under clause 2 (B) f of the report.
 - e) In the absence of written representations received from the directors as on 31st March, 2025 from directors, we are unable to comment whether directors are disqualified as on 31st March, 2025 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 operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note. 22.1 (a) to (f).



"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of M/s **NCS Sugars Limited** for the year ended March 31, 2025:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company is maintaining proper records showing particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Property, Plant and Equipment have been physically verified by the management.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties as disclosed in Note No.9 on Property, Plant and Equipment, to the financial statements, are held in the name of the company except the dispute as mentioned in note no.22.11 and 22.18 related to sale of land under RR Act, 1864 and sale of land pursuant to MPID Court order dated 19.04.2023 respectively.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) The inventory has been physically verified by the management during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees from banks on the basis of security of current assets in earlier years, and it is informed by company that no quarterly returns or statements are filed by company with banks.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records, during the year Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties, hence clause (iii) (a), (b), (c), (d), (e) and (f) of CARO 2020 is not applicable to the company.



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- (iv) According to the information and explanations given to us and on the basis of our examination of the records, during the year the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

- (v) According to the information and explanation given to us, during the year the company has not accepted has any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

- (vi) As per Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the turnover of company during the preceding financial year not exceeded prescribed limit and maintenance of Cost Records not applicable to the company hence, clause (vi) of CARO 2020 is not applicable to company.

- (vii) (A) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Sales tax, Service Tax, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable except Income tax of **Rs.12,47,567** TDS of **Rs.19,98,547**, TCS of **Rs.11,05,718**, PF Payable of **Rs.5,00,64,404** GST of **Rs.4,58,97,913**, GST penalty of **Rs.4,01,08,951** Professional Tax of **Rs.4,44,300** Property Tax of Factory. **Rs. 20,33,242/-**, Water Cess Payable, **Rs. 9,60,274/-**, and Cane Development Council Fund of **Rs.14,89,672**.

- b) According to the information and explanation given to us and the records of the company, statutory dues which have not been deposited by the company on account of dispute are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. Lacs)	Forum at which the dispute is pending	Period to which the amount relates
Sales Tax – AP	Entry Tax	25.93	High Court	2006-07
State Excise – AP	Export Pass Fee	300.00	High Court	2010-11 & 2011-12
Excise Act, 1944	Excise Duty- Availment of CENVAT Credit on Imported Raw Sugar Cess	399.32	Commissioner	2010-11 to 2014-15
Excise Act, 1944	Excise Duty-Availment of CENVAT credit	22.40	GST- Central, Range office, Bobbili	2005-06 to 2008-09



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Income Tax, 1961	Income Tax	352.77	High Court	F.Y 2004-05
Income Tax, 1961	Income Tax	447.20	High Court	F.Y.2005-06
Income Tax, 1961	Income Tax, (Penalty)	200.73	Commissioner of Income tax Appeals	FY 2016-17
Custom Duty	Non-Fulfillment of Advance License Commitment	2187	High Court	F.Y.2013-14

(viii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to lenders. The actual default amount not able to provided due to lack of information, however the amount of default as per books of accounts is given below and the period of default is not able to calculated:

Nature of borrowings	Name of the Lender	Amount not paid on due Date	Whether principal or interest	No. of days delay or unpaid
Term loans – Secured- From banks -Rupee loans:	Punjab National Bank (erstwhile Oriental Bank of Commerce)	48,02,71,311	Both principal and interest	Not Ascertainable
Term loans – Secured- From banks -Rupee loans:	Indian Overseas Bank	5,44,90,000	Both principal and interest	Not Ascertainable
Term loans – Secured- From entities other than banks	Government of India, Sugar, Development Fund	26,32,19,161	Both principal and interest	Not Ascertainable
Term loans – Secured- From entities other than banks	Alchemist (ARC of Union Bank of India erstwhile Andhra Bank)	55,55,36,048	Both principal and interest	Not Ascertainable
Total		1,35,35,16,520		



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- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been declared as a Willful defaulter by Union Bank of India erstwhile Andhra Bank.
- (c) According to the information and explanations given to us by and based on the examination of the records of the Company, during the year the Company has not obtained term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that during the year, no funds have been raised on short-term basis by the Company, except for lending from lenders for CIRP cost. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information explanations given to us, vigil mechanism/whistle blower mechanism is not applicable to this company.



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- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a)(b)(c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, sec. 177 formation of audit committee is not applicable to the company and the transactions with related parties are in compliance with Sections 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company is not having an internal audit system commensurate with the size and nature of its business.
- (b) Since company is not having an internal audit system, no internal audit reports of the Company are provided us me.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) (b)(c)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of **Rs.4.95 crores** in the current financial year and in the immediately preceding financial year of Rs.4.08 crores. We are unable to quantify the potential impact of qualifications given in basis of qualified opinion paragraph.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors/ Interim Resolution Professional and management plans and based on our examination of the evidence supporting the assumptions, which causes us to believe that **since the financial ratios including current ratio are negative, huge accumulated losses, irregular payment of statutory dues and long outstanding statutory dues, defaults in repayments to lenders, unpaid liabilities which provides material uncertainty exists** as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



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(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Place: Hyderabad
Date: 29.09.2025
UDIN: 25219807BMMIBL7736



For Balaji Associates
Chartered Accountants
Firm Reg. No. 05929S

A handwritten signature in black ink, appearing to be "K. Durga Prasad", written over a horizontal line.

K. Durga Prasad
Partner
M.No.219807



**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of
NCS Sugars Limited**

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

We have audited the internal financial controls over financial reporting of **NCS Sugars Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management/ Interim Resolution Professional is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

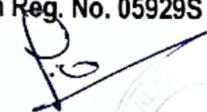
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, subsequent to CIRP and as explained in management responsibility paragraph mentioned in the main audit report, the company's internal financial controls system over financial reporting is effective over financial reporting as at March 31, 2025.

Place: Hyderabad
Date: 29.09.2025
UDIN: 25219807BMMIBL7736

For Balaji Associates
Chartered Accountants
Firm Reg. No. 05929S


K. Durga Prasad
Partner
M.No.219807



NCS SUGARS LIMITED
CIN:U15421TG2002PLC039085
405, Minar Apartments, Deccan Towers, Basheerbagh, Hyderabad - 500 001
BALANCE SHEET AS AT 31st March 2025

All amounts are in ₹ in lakhs, unless otherwise specified

Particulars	Note No.	As at 31 March 2025		As at 31 March 2024	
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	2	2,000.00		2,000.00	
(b) Reserves and Surplus	3	(25,377.17)	(23,377.17)	(24,725.62)	(22,725.62)
2 Non-Current Liabilities					
(a) Long term borrowings	4	-	-	-	-
(b) Other long term liabilities and provisions					
3 Current Liabilities					
(a) Short-term borrowings	5	13,535.17		13,535.17	
(b) Trade payables	6	7,416.01		7,337.85	
(c) Other current liabilities	7	8,339.91		7,655.79	
(d) Short-term provisions	8	12.48	29,304	12.48	28,541.28
TOTAL			5,926.39		5,815.66
II ASSETS					
1 Non-current assets					
(a) Property, Plant and Equipment & Intangible Assets	9				
(i) Tangible assets		2,905.31		3,059.75	
(ii) Intangible assets		3.98		5.24	
(iii) Capital work-in-progress		-	2,909.28	-	3,064.99
(b) Non-current investments	10		0.60		0.60
2 Current Assets					
(a) Inventories	11	209.99		209.99	
(b) Trade receivables	12	315.90		315.90	
(c) Cash and cash equivalents	13	204.47		7.05	
(d) Short term loans and advances	14	2,286.15	3,016.51	2,217.12	2,750.06
TOTAL			5,926.39		5,815.66
III Significant Accounting policies	1				
IV Notes to the financial statements are integral part of financial statements	24				

As per our report of even date

For Balaji Associates
Chartered Accountants
Firm Reg. No. 59295

K. Durga Prasad
Partner
M.No.219807
Place: Hyderabad
Date : 29.09.2025
UDIN: 25219807BMMIBL7736



For and on behalf of the Board

K. Sivalingam
Resolution Professional

NCS SUGARS LIMITED						
CIN:U15421TG2002PLC039085						
405, Minar Apartments, Deccan Towers, Basheerbagh, Hyderabad - 500001						
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31st March, 2025						
All amounts are in ₹ in lakhs, unless otherwise specified						
	Particulars	Note No.	For the year ended 31 March 2025		For the year ended 31 March 2024	
I	Revenue from operations (net)	15				
	Revenue from operations(Gross)		-		2.69	
	Less: Duties and taxes		-	-	(0.13)	2.57
	Other Operating Income	16	26.80		2.47	
	Less: Duties and taxes		(4.09)	22.71	(0.30)	2.17
II	Other income	17		14.07		23.34
III	Total Income (I+II)			36.78		28.07
IV	Expenses					
	Cost of material consumed		-		-	
	Cost of traded goods		-		-	
	Changes in inventories of finished goods, by- products and work-in-progress	18	-		2.39	
	Manufacturing expenses		-		-	
	Employee benefit expenses	19	138.89		158.66	
	Finance costs	20	9.50		11.76	
	Depreciation and amortisation	9	155.71		155.97	
	Other expenses	21	384.02	688.11	262.18	590.95
	Prior period Items					
	Prior period expenses		0.21		1.81	
	Prior period income		-	0.21	(0.20)	1.62
	Total Expenses			688.33		592.57
V	Profit/(loss) before extraordinary items and tax			(651.55)		(564.50)
VI	Extraordinary items			-		-
VII	Profit/(loss) before tax (V-VI)			(651.55)		(564.50)
VIII	Tax expense					
	Current Tax			-		-
	Deferred Tax Asset/Liability	22.10		-		-
IX	Profit/(loss) after tax (VII-VIII)			(651.55)		(564.50)
X	Earnings per Equity Shares face value of Rs.10 each					
	Basic and diluted (₹)	22.3		(3.26)		(2.82)
	Significant Accounting policies	1				
	Notes to the financial statements are Integral part of financial statements	22				
As per our report of even date						
For Balaji Associates Chartered Accountants Firm Reg.No.059295			For and on behalf of the Board			
 K. Durga Prasad Partner M.No.219807			 K. Sivalingam Resolution Professional			
Place: Hyderabad Date : 29.09.2025 UDIN: 25219807BMMIBL7736						

NCS SUGARS LIMITED
CIN No: U15421TG2002PLC039085
405, Minar Apartments, Deccan Towers, Basheerbagh, Hyderabad - 500001
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2025
 All amounts are in ₹ in lakhs, unless otherwise specified

Particulars	As at 31 March 2025		As at 31 March 2024	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Loss before extraordinary items and tax		(651.55)		(564.50)
Adjustments for:				
Depreciation	155.71		155.97	
Interest Paid	9.50		11.76	
Interest income	(2.79)		(1.04)	
Investments written-off	-		-	
Liability no long required	-		-	
Loss on Sale of Asset	-		-	
		162.42		166.68
Operating loss before working capital changes		(489.13)		(397.81)
Movement in working capital				
(Increase)/Decrease in trade receivables	-		-	
(increase)/Decrease in inventories	-		4.03	
Net movements in long term loans and advances	-		-	
(Decrease)/Increase in trade payables	78.17		6.35	
Net movements in short term loans and advances	(69.02)		(26.91)	
Increase/(decrease) in other current liabilities	684.12	693.26	374.91	358.38
Cash generated from operations		204.13		(39.43)
Direct taxes paid (net of refunds)				(12.38)
Net cash from operating activities		204.13		(51.81)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	-		-	
Sale of fixed assets	-		-	
Interest income	2.79		1.04	
Net cash used in investing activities		2.79		1.04
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net movements in borrowings	-		-	
Interest paid	(9.50)		(11.76)	
Net cash (used in)/from financing activities		(9.50)		(11.76)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		197.43		(62.53)
Cash and cash equivalents at the beginning of the year		7.05		69.57
Cash and cash equivalents at the end of the year		204.47		7.05

As per our report of even date

For Balaji Associates
 Chartered Accountant
 Firm Reg.No.059295



K. Durga Prasad
 Partner
 M.No.219807

Place: Hyderabad
 Date : 29.09.2025
 UDIN: 25219807BMMIBL7736

For and on behalf of the Board

K. Sivalingam

K. Sivalingam
 Resolution Professional

"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Corporate Information

NCS Sugars Limited (the Company) (CIN: U15421TG2002PLC039085) is undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016, is a limited Company domiciled in India and incorporated under the provisions of Company Act applicable in India. The registered office of the Company is located at 405, Minar Apartments, Deccan Towers, Basheerbagh, Hyderabad.

The affairs of the Company are being managed by its Resolution Professional Mr. K. Sivalingam

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

1.2 Use of estimate

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates as are recognized in the periods in which the results are known / materialize.

1.3 Property, Plant and Equipment & Intangible Assets

Tangible Assets are stated at original cost less accumulated depreciation. Cost of acquisition is inclusive of all cost incidental to acquisition, installation, commissioning and related pre-operative expenses and excluding recoverable taxes including interest paid on funds borrowed during construction period until the assets are put to commercial use.

The cost of the tangible asset will be adjusted after acquisition of such asset in accordance with increase or reduction in the liability of the company as expressed in Indian Currency for making payment towards the whole or a part of the cost of the asset or for repayment of the whole or part of monies borrowed by the company from any person directly or indirectly in any foreign currency specifically for the purpose of acquiring the asset (being in either case the liability existing immediately before the date on which the change in rate of exchange takes effect), the amount by which the liability is increased or reduced during the year shall be added to or as the case may be deducted from the cost, and the amount arrived at after such addition / deduction shall be taken to be the cost of the tangible asset.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized. Intangible assets are amortized over the useful life of the underlying assets.



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed in the Schedule II of the Companies Act, 2013 or estimated by the management.

Assets	Useful Life
Factory Building	30 years
Non-Factory Building	60 Years
Plant & Machinery	15 - 40 Years
Furniture & Fixture	3 - 10 Years
EDP Equipment	3 - 6 Years
Vehicles	8 - 10 years
Equipment	3 - 10 Years
ERP Software	6 Years

1.4 Capital work in progress

Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet for the cost of fixed assets that are not yet ready for their intended use. Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as pre-operative expenses pending allocation to the assets and are shown under "Capital work-in-progress".

1.5 Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined on the basis of value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in the carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

1.6 Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments are stated at the lower of cost or market value.

1.7 Borrowing Costs

Borrowing cost relating to (i) funds borrowed for acquisition of qualifying fixed assets are capitalized till the date of commissioning and thereafter charged to the Statement of Profit and Loss and (ii) funds borrowed for other purposes are charged to the Statement of Profit and Loss in the period in which they are incurred.

1.8 GST



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

GST claimed on Capital Goods is credited to Plant & Machinery Account/Capital Work-in-Progress Account. CENVAT/GST on purchases of Raw materials and other material is deducted from the cost of such materials.

1.9 Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. The cost of Inventories is computed on weighted average basis. By-products are valued at net realizable value.

1.10 Revenue recognition

- a) Sales represent invoice value of goods sold as reduced by quality claims but include Goods and Sales Tax. Sale of goods is recognized on transfer of property in goods, as per agreed terms.
- b) Revenue on processing of imported raw sugar procured under Advance License commitment is recognized after the completion of fulfillment of the conditions laid down by such Advance License.
- c) Sale of power is recognized on units received by customer on timely basis defined in agreement.
- d) Transactions of high sea sales of raw sugar are recognized on completion of the contractual obligations and complete delivery of stock to the buyer.
- e) Lay time charges receivable on early discharge of vessels are recognized on receipt basis.
- f) Power supplied to other units of the company is recognized at the time of transferring power for captive-consumption and is valued at the average selling price in segment reporting only.
- g) Value of scrap is recognized at the time of realization.
- h) Income from services is recognized at the time of completion of the particular service obligation.

1.11 Inter Unit Transfers:

The product of one unit used as raw materials and energy in another unit of the company is adjusted at market price for the purpose of segment report only.

1.12 Retirement benefits:

Defined Contribution Plan: Company is contributing to approved fund scheme provided.

Defined benefit plan:

- a) **Gratuity:** - The Company provides for gratuity covering eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity is determined by based on independent valuation by the Company.



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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- b) Leave Encashment: The employees of the Company are entitled to compensated absences. The expected cost of compensated absences is recognized in the books in accordance with applicable accounting standard.

1.13 Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets in which case, they are adjusted to the carrying cost of such assets.
- iv) In respect of forward exchange contracts in the nature of hedging
- a. Premium or discount and exchange differences on the contracts is amortized over the term of the contract
 - b. Exchange differences on the contract are recognized as profit or loss in the period in which they arise.
- v) In respect of forward exchange contracts in the nature of speculation, the value of contract is marked to its current market value as at balance sheet and the gain or loss on contract is recognized.

1.14 Taxation

Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods. The Deferred Tax Asset/Liability is provided in accordance with the Accounting Standard – 22 (AS-22), "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India.

1.15 Government Grants:

Grants related to fixed assets is presented in the balance sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value.

Grants related to specific fixed asset equals the whole, or virtually the whole of the cost of the asset, the asset will be shown in the balance sheet at the nominal value.

1.16 Research and development expenditure:



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Revenue expenditure is charged to profit and loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

1.17 Segment reporting

Segments are identified based on the dominant source and nature of risks and returns and the internal organization and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment.
Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

1.18 Earnings per share

Basic earnings per share are computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

1.19 Cash flow statement

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

1.20 Provisions, contingent liabilities and contingent assets

Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

A Contingent Asset is not recognized in the accounts as a matter of prudence.

1.21 Provisions for bad and doubtful debts

The company reviews all the trade receivables, loans and advances and other receivables annually and makes necessary provision every year on case-by-case basis.



NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2025
All amounts are in ₹ In lakhs, unless otherwise specified

2 SHARE CAPITAL

	31 March 2025	31 March 2024
Authorised		
20,000,000 Equity Shares of Rs.10/- each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid		
20,000,000 Equity Shares of Rs.10/- each fully paid	2,000.00	2,000.00
Total	2,000.00	2,000.00

The Company has issued only one class of shares referred to as equity shares having a par value of Rs.10. All the shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets

Shareholders holding more than 5% shares in the Company as on 31st March, 2025 are:

Name of the shareholders	31 March 2025		31 March 2024	
	No. of shares	Percentage of holdings	No. of shares	Percentage of holdings
N.Nageswar Rao	1,17,20,850	58.60%	1,17,20,850	58.60%
NCS Investments Private Limited	25,71,000	12.86%	25,71,000	12.86%
Sai Samhita Storage Systems Private Limited	52,34,000	26.17%	52,34,000	26.17%
Total	1,95,25,850	97.63%	1,95,25,850	97.63%

Shareholding of Promoters as under

Promotor Name	No of Shares	% of total shares	% changes during the year
N.Nagaswara Rao	1,17,20,850	58.60%	No change

Reconciliation of the number of shares outstanding:

Particulars	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Shares issued and allotted during the year	-	-	-	-
Number of shares at the end of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00

3 RESERVES AND SURPLUS

Particulars	31 March 2025	31 March 2024
Capital Reserve		
Opening balance	11,593.06	11,593.06
Add: Addition during the year	-	-
Closing balance	11,593.06	11,593.06
Surplus in the Statement of Profit and Loss		
Opening balance	(36,318.68)	(35,754.18)
Add: Profit / (Loss) for the year	(651.55)	(564.50)
Closing balance	(36,970.23)	(36,318.68)
Total	(25,377.17)	(24,725.62)



NCS SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2025

4 LONG TERM BORROWINGS

Particulars	31 March 2025		31 March 2024	
	Non-current portion	Current Maturities of Long Term Debts	Non-current portion	Current Maturities of Long Term Debts
(1) Term loans - Secured				
(a) From banks - Secured - Rupee loans:				
(i) Punjab National Bank (erstwhile Oriental Bank of Commerce) - Note 4(a)		4,802.71	-	4,802.71
(ii) Indian Overseas Bank - Note 4(b)		544.90	-	544.90
(b) From entities other than banks - Secured				
(i) Government of India, Sugar Development Fund Note 4(c)		2,632.19	-	2,632.19
(ii) Alchemist (ARC of Union Bank of India erstwhile Andhra Bank)- Note 4(d)		5,555.36		5,555.36
Total	-	13,535.17	-	13,535.17

Note: Amounts stated in "Current Maturities of Long Term Debts" above disclosed under short term borrowings (Note 5)

(a) The Punjab National Bank (erstwhile Oriental Bank of Commerce) has initiated action under section 7 of the Insolvency and Bankruptcy Code, 2016 Read with Rule 4 of the Insolvency and Bankruptcy and issued notice under section 7 of the CP(IB) on 12th May 2018 before National Company Law Tribunal, Hyderabad. The total outstanding amount is treated as current maturities of long term borrowings. The Term Loan was taken for the purpose of co-generation power plant is secured by first charge on fixed assets of the company on pari-passu basis with other consortium banks. The loan is also secured against the pledge of promoter shares to the extent of 41.25 lacs and personal guarantee of three directors of the company. The loan is also further secured the limit by way of equitable mortgage of 229 acres of agricultural lands situated at Anantapur District and 24.38 acres of agricultural lands at Latchayyapeta, Bobbili, Vizianagaram District, Andhra Pradesh. Company has entered an OTS agreement with Oriental Bank of Commerce on dated 18.12.2019. The entire principal and interest due with OBC is settled to Rs 51.00 Crores. The entire OTS settled amount of Rs.51 Crores should be paid in Instalments as mentioned in OTS Agreement and entire amount will be repaid on or before 30th September,2020. However, the company has defaulted in repayment of balance amount of Rs.48.02 Crores. The company has not paid entire settlement amount on or before 30.09.2020. Bank has issued letter on dt.24.09.2020 informed the cancellation of OTS. However company has given a proposal to sell-off the exclusive charge of agricultural lands situated at Anantapur and Vizianagaram Districts and off-set the OTS Liability and balance liability will be paid on or before 31st March, 2022. The Punjab National Bank has filed an application Before National Company Law Tribunal, Hyderabad, seeking to initiate Corporate Insolvency Resolution process (CIRP) against company alleging that company had committed default in making payments to PNB by invoking Section 7 of the Insolvency and Bankrupt code, 2016, (hereinafter called I & B Code) Read with rule 4 of the Insolvency and Bankruptcy (application to Adjudicating Authority) Rules 2016. The Adjudicating Authority Admits the Petition of under section 7 of IBC, 2016, vide order dated. 24.06.2022, declaring Moratorium for the purpose referred to in Section 14 of the Code with directions and appointed Interim Resolution Professional (IRP) to carry the functions as mentioned under the IBC Code. However company has not accounted Interest, and Interest on Interest and other claims in books of accounts.

(b) The Indian Overseas Bank has initiated action under SARFAESI ACT and issued notice under section 13(2) of the said Act on 22th May 2014 and hence the total outstanding is treated as current maturities of long term borrowings. This term loan was taken for the purpose of acquisition of co-generation power plant is secured by first charge on block of assets of the company on pari-passu basis with other consortium banks and second charge on current assets. The loan is further secured by way of pledge of 27.40 lacs shares held by promoters and further secured by personal guarantee of the three promoter directors of the company. Company has entered an OTS agreement with Indian Overseas Bank on dated 30.12.2019. The entire principal and Interest due with IOB is settled to Rs 6.68 Crores. The entire OTS settled amount of Rs.6.68 Crores should be paid in Instalments as mentioned in OTS Agreement and entire amount will be repaid on or before 31st March,2020. However, the company has defaulted an amount of Rs.5.45 Crores. Bank has issued letter on dt.20.01.2021 inf. The Company has not restored the liability outstanding before OTS and Interest, Interest on Interest and other claims are noted accounted in books of accounts.

(c) The Sugar Development Fund (IFCI IS THE RECOVERY AGENT) has initiated action for recovery of debts and other various reliefs of Rs.26.32 Crores - and filed a case before Debt Recovery Tribunal (DRT) for recovery of liability. The Sugar Development Fund loan has been taken for the purpose of cane development, sugar plant expansion, raw sugar modernization and co-generation plant. The Debt recovery tribunal has issued on order dt. 27 July 2022, to pay a sum of rupees Rs. 43.46 Crores along with Pendentalite and future Interest @ 12% Simple Interest yearly w.e.f. 18.3.2016 till realization along with cost of Rs. Rs.2,15,000/. However company has not accounted Interest, and Interest on Interest and other claims in books of accounts.



NCS SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2025

(d) The total term loans and working capital loans taken from Union Bank of India (erstwhile Andhra Bank) is taken over by Alchemist Asset Reconstruction Company Limited and securities given to Union Bank of India (erstwhile Andhra Bank) also transferred to Alchemist Asset Reconstruction Company Limited. The loan is secured by first charge on fixed assets created out of the term loan on pari passu basis with the other term lenders under consortium banks. The loan is also secured with collateral security of pledge of 39.00 lacs share held by promoters and personal guarantee of three directors of the company. The loan was further secured with the equitable mortgage of NCS Theatre at Vizianagaram, agricultural land admeasuring 20.93 acres at Alluwada village, Vizianagaram and agricultural land 25.76 acres at Alluwada village, Vizianagaram. Company has entered an settlement agreement with Alchemist Asset Reconstruction Company for Rs.61.60 crores and the total loan repayment will be repaid as per schedule given in settlement agreement and the entire loan will be settled till Dt.10.11.2024. The instalments due as on 31.03.2022 is Rs.44.90 crores which is defaulted by company. The entire instalment due is transferred to current maturities of long term debts.

The following are the details of the principal and interest defaults of the long term borrowings as on 31st March '2025

Particulars	Principal Defaults		Principal Defaults	
	Amounts	No. of days	Amounts	No. of days
(1) Term loans - Secured				
(a) From banks - Secured - Rupee loans:				
(i) Punjab National Bank (erstwhile Oriental Bank of Commerce) - Note 4(a)	4,802.71	Not Ascertainable	4,802.71	Not Ascertainable
(ii) Indian Overseas Bank - Note 4(b)	544.90	Not Ascertainable	544.90	Not Ascertainable
(b) From entities other than banks - Secured				
(i) Government of India, Sugar Development Fund Note 4(c)	2,632.19	Not Ascertainable	2,632.19	Not Ascertainable
(ii) Alchemist (ARC of Union Bank of India erstwhile Andhra Bank)-Note 4(d)	5,555.36	Not Ascertainable	5,555.36	Not Ascertainable

5 SHORT TERM BORROWINGS

Particulars	31 March 2025	31 March 2024
(1) Term loans - Secured		
(a) From banks - Secured - Rupee loans:		
(i) Punjab National Bank (erstwhile Oriental Bank of Commerce) - Note 4(a)	4,802.71	4,802.71
(ii) Indian Overseas Bank - Note 4(b)	544.90	544.90
	-	-
(b) From entities other than banks - Secured		
(i) Government of India, Sugar Development Fund Note 4(c)	2,632.19	2,632.19
(ii) Alchemist (ARC of Union Bank of India erstwhile Andhra Bank)- Note 4(d)	5,555.36	5,555.36
	-	-
Total	13,535	13,535

(a) The Punjab National Bank (erstwhile Oriental Bank of Commerce) has initiated action under section 7 of the Insolvency and Bankruptcy Code, 2016 Read with Rule 4 of the Insolvency and Bankruptcy and issued notice under section 7 of the CP(IB) on 12th May 2018 before National Company Law Tribunal, Hyderabad. The total outstanding amount is treated as current maturities of long term borrowings. The Term Loan was taken for the purpose of co-generation power plant is secured by first charge on fixed assets of the company on pari-passu basis with other consortium banks. The loan is also secured against the pledge of promoter shares to the extent of 41.25 lacs and personal guarantee of three directors of the company. The loan is also further secured the limit by way of equitable mortgage of 229 acres of agricultural lands situated at Anantapur District and 24.38 acres of agricultural lands at Latchayyapeta, Bobbili, Vizianagaram District, Andhra Pradesh. Company has entered an OTS agreement with Oriental Bank of Commerce on dated 18.12.2019. The entire principal and interest due with OBC is settled to Rs 51.00 Crores. The entire OTS settled amount of Rs.51 Crores should be paid in Instalments as mentioned in OTS Agreement and entire amount will be repaid on or before 30th September,2020. However, the company has defaulted in repayment of balance amount of Rs.48.02 Crores. The company has not paid entire settlement amount on or before 30.09.2020. Bank has issued letter on dt.24.09.2020 informed the cancellation of OTS. However company has given a proposal to sell-off the exclusive charge of agricultural lands situated at Anantapur and Vizianagaram Districts and off-set the OTS Liability and balance liability will be paid on or before 31st March, 2022. The Punjab National Bank has filed an application Before National Company Law Tribunal, Hyderabad, seeking to initiate Corporate Insolvency Resolution process (CIRP) against company alleging that company had committed default in making payments to PNB by invoking Section 7 of the Insolvency and Bankrupt code, 2016, (hereinafter called I & B Code) Read with rule 4 of the Insolvency and Bankruptcy (application to Adjudicating Authority) Rules 2016. The Adjudicating Authority Admits the Petition of under section 7 of IBC, 2016, vide order dated. 24.06.2022, declaring Moratorium for the purpose referred to in Section 14 of the Code with directions and appointed Interim Resolution Professional (IRP) to carry the functions as mentioned under the IBC Code. However company has not accounted Interest, and Interest on Interest and other claims in books of account.



(b) The Indian Overseas Bank has initiated action under SARFAESI ACT and issued notice under section 13(2) of the said Act on 22th May 2014 and hence the total outstanding is treated as current maturities of long term borrowings. This term loan was taken for the purpose of acquisition of co-generation power plant is secured by first charge on block of assets of the company on pari-passu basis with other consortium banks and second charge on current assets. The loan is further secured by way of pledge of 27.40 lacs shares held by promoters and further secured by personal guarantee of the three promoter directors of the company. Company has entered an OTS agreement with Indian Overseas Bank on dated 30.12.2019. The entire principal and interest due with IOB is settled to Rs 6.68 Crores. The entire OTS settled amount of Rs.6.68 Crores should be paid in Instalments as mentioned in OTS Agreement and entire amount will be repaid on or before 31st March,2020. However, the company has defaulted an amount of Rs.5.45 Crores. Bank has issued letter on dt.20.01.2021 inf. The Company has not restored the liability outstanding before OTS and Interest, Interest on Interest and other claims are noted accounted in books of account.

6 TRADE PAYABLES

Particulars	31 March 2025	31 March 2024
Trade payables	7,416.01	7,337.85
Total	7,416.01	7,337.85

Ageing for trade payables outstanding as at 31st March 2025 is as follows

Particulars	Outstanding as on 31.03.2025 for following periods from due date of				Total
	< 1Year	1-2 Years	2-3 years	>3 years	
MSME	1.62	-	-	-	1.62
Others	122.16	36.53	4.10	7,224.54	7,387.32
Disputed dues -MSME	-	-	-	27.07	27.07
Disputed dues - Others	-	-	-	-	-
Total	123.78	36.53	4.10	7,251.60	7,416.01

Ageing for trade payables outstanding as at 31st March 2024 is as follows

Particulars	Outstanding as on 31.03.2024 for following periods from due date of				Total
	< 1Year	1-2 Years	2-3 years	>3 years	
MSME	1.62	-	-	-	1.62
Others	34.91	4.10	46.44	7,223.71	7,309.16
Disputed dues -MSME	-	-	-	27.07	27.07
Disputed dues - Others	-	-	-	-	-
Total	36.53	4.10	46.44	7,250.78	7,337.85

There are no dues to Micro and Small Enterprises determined to the extent such parties have been identified on the basis of information available with the Company, as at March 31, 2025, except has mentioned above, which require disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

* Trade payable includes amount payable to PEC as on 31.03.25 is Rs.53.13 Crores. Company has not provided interest, Interest on Interest, penal interest and other liability on PEC liability.

7 OTHER CURRENT LIABILITIES

Particulars	31 March 2025	31 March 2024
Tie-up crop loans #	414.96	414.96
Accrued benefits to employees	580.22	641.13
Statutory payables	1,065.59	1,053.14
Other payables	5,076.50	4,877.47
Funding in CIRP Process	1,202.64	669.10
Total	8,339.91	7,655.79

-1) The crop loans given by the banks to the farmers of the company are under tie-up arrangements directly to company for which corporate guarantee was given by the company. The Company has entered an OTS agreement with ICICI farmer dues, the interest waiver is treated as income. As per agreement, the company has to repay entire OTS amount of Rs.600.00 lacs on or before 31.03.17, but company has not fulfilled the OTS settlement. The outstanding OTS due amount as on 31.03.25 is Rs.412.00 lacs. The Company has not restored the liability outstanding before OTS and Interest, Interest on Interest and other claims are noted accounted in books of accounts.

2) The Company has availed Tie-up crop loan from Union Bank of India (Earlier Corporation Bank), the loan amount outstanding of Rs. 2.95 lacs.

8 SHORT TERM PROVISIONS

Particulars	31 March 2025	31 March 2024
Other provisions	-	-
Provisions for tax for current year	-	-
Provisions for tax for earlier years	12.48	12.48
Total	12.48	12.48

NCS SUGARS LIMITED
405, MINAR APARTMENTS, DECCAN TOWERS, BASHEERBAGH, HYDERABAD - 1
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

All amounts are in ₹ in lakhs, unless otherwise specified

9. Schedule - D: Property, Plant and Equipment & Intangible Assets

a) Property, Plant and Equipment- Depreciation as per schedule II of companies act 2013 under SLM Method

Nature Of Property, Plant & Equipment	Gross Block				Depreciation/ Amortisation			Net Block	
	As at 01-04-2024	Additions During The Period	Deletions During The Period	As at 31-03-2025	As at 01-04-2024	Additions During The Period	Deletions During The Period	As at 31-03-2025	As at 31-03-2024
			Rs.	Rs.		Rs.		Rs.	Rs.
Tangible Assets									
Free Hold Land	295.05	-	-	295.05	-	-	-	-	295.05
Factory Buildings	2,020.30	-	-	2,020.30	1,349.78	84.18	-	1,433.97	586.33
Nonfac Buildings	293.20	-	-	293.20	74.00	4.73	-	78.73	214.47
Plant & Machinery	11,471.62	-	-	11,471.62	9,613.58	62.32	-	9,675.89	1,795.72
Furniture & Fixtures	138.07	-	-	138.07	130.87	0.98	-	131.84	6.23
Edp Equipment	18.39	-	-	18.39	17.75	-	-	17.75	0.64
Vehicles	17.32	-	-	17.32	16.15	1.18	-	17.32	-
Equipment	15.73	-	-	15.73	7.81	1.06	-	8.87	6.86
	14,269.68	-	-	14,269.68	11,209.93	154.44	-	11,364.38	2,905.31
Intangible Assets									
ERP Software	10.00	-	-	10.00	4.76	1.27	-	6.02	3.98
	10.00	-	-	10.00	4.76	1.27	-	6.02	3.98
Total (A)	14,279.68	-	-	14,279.68	11,214.69	155.71	-	11,370.40	2,909.28
Capital work-in-progress (B)	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-
Grand Total Current Year (A+B)	14,279.68	-	-	14,279.68	11,214.69	155.71	-	11,370.40	2,909.28
Grand Total Previous Year	14,279.68	-	-	14,279.68	11,058.72	155.97	-	11,214.69	3,064.99



10 NON CURRENT INVESTMENTS

Particulars	31 March 2025	31 March 2024
Long term, unquoted and non-trade Investments Other Investments (Valued at cost)		
(a) NCS Investments Pvt Ltd (Formerly know as NCS Renewable Energy Limited)		
6000 equity shares of Rs.10/- each fully paid (PY: 6000 equity shares of Rs.10/- each fully paid up)	0.60	0.60
Total	0.60	0.60

NCS Renewal Energy Limited is merged with NCS Investments Private Limited. As per merger scheme 1 equity share of transferee company is allotted for every 100 equity shares of transferor company.

11 INVENTORIES

Particulars	31 March 2025	31 March 2024
Raw materials	1.55	1.55
Finished goods #	10.55	10.55
Work in progress	-	-
Stores and spares	197.88	197.88
Total	209.99	209.99

#Inventories are valued at lower of cost or net realisable value, unless stated otherwise

12 TRADE RECEIVABLES

Particulars	31 March 2025	31 March 2024
Unsecured, considered good Trade Receivables	315.90	315.90
Total	315.90	315.90

Ageing for trade receivables-current outstanding as at 31st March 2025

PARTICULARS	Outstanding as on 31.03.2025 for following periods from due date of					Total
	< 6 Months	6 Months -1Yr.	1- 2 Years	>2 - 3 Years	> 3Years	
(i) Undisputed Trade receivables-considered good			-	0.01	315.89	315.90
(ii) Undisputed Trade Receivables -considered doubtful			-	-	-	-
(iii) Disputed Trade Receivables considered good			-	-	-	-
(iv) Disputed Trade Receivables -considered doubtful			-	0.01	315.89	315.90
TOTAL			-	0.01	315.89	315.90

Ageing for trade receivables-current outstanding as at 31st March 2024

PARTICULARS	Outstanding as on 31.03.2024 for following periods from due date of					Total
	< 6 Months	6 Months -1Yr.	1- 2 Years	>2 - 3 Years	> 3Years	
(i) Undisputed Trade receivables-considered good			0.01		315.89	315.90
(ii) Undisputed Trade Receivables -considered doubtful			-	-	-	-
(iii) Disputed Trade Receivables considered good			-	-	-	-
(iv) Disputed Trade Receivables -considered doubtful			0.01	-	315.89	315.90
TOTAL			0.01	-	315.89	315.90

13 CASH AND CASH EQUIVALENTS

Particulars	31 March 2025	31 March 2024
Cash and cash equivalents		
Balances with banks		
On current accounts	4.46	7.04
Cash on hand	0.01	0.01
Margin Money deposits with banks	200.00	-
Total	204.47	7.05

The Bid Bond amount received from the Resolution Applicants along with the resolution plans submitted by them has been temporarily deposited in short term fixed deposits and the same shall be dealt as per the Request for Resolution Plan under the applicable provisions of the IBC.



14 SHORT TERM LOANS AND ADVANCES

Particulars	31 March 2025	31 March 2024
Deposits with Govt., local bodies, etc	40.21	39.62
Balances with Customs, Excise dept., etc	423.50	366.38
IT Receivables	3.57	2.20
Advances to suppliers, farmers and others	1,809.16	1,798.49
Advances to employees	6.96	7.26
Prepaid expenses	2.74	3.18
Total	2,286.15	2,217.12

15 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sugar		2.69
Domestic sales	-	-
Export sales	-	-
Power		-
Sale of Power	-	-
Molasses sales		-
Domestic sales	-	-
Export sales	-	-
Revenue From Operations (gross)	-	2.69
Less: GST/cess on sale of goods	-	(0.13)
Revenue from operations (net)	-	2.57

16 OTHER OPERATING INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of Scrap	26.80	1.97
Sale of Husk	-	0.50
Revenue From Operations (gross)	26.80	2.47
Less: GST/cess on sale of goods	(4.09)	(0.30)
Revenue from operations (net)	22.71	2.17

17 OTHER INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest Income	2.79	1.04
Rental income	11.28	22.10
Income Tax Liability Extinguished FY 2009-10	-	0.20
Total Income (gross)	14.07	23.34

18 CHANGES IN INVENTORIES OF FINISHED GOODS, BY-PRODUCTS AND WORK-IN-PROGRESS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening stock		12.94
Finished goods	10.55	-
Work in progress	-	-
	10.55	12.94
Closing stock		10.55
Finished goods	10.55	-
Work in progress	-	-
	10.55	10.55
(Increase) /Decrease of closing stock	-	2.39



NCS SUGARS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March '2025
 19 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	129.88	147.59
Contribution to provident funds and other funds	8.67	10.09
Staff welfare expenses	0.35	0.98
Total	138.89	158.66

20 FINANCE COSTS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expenses	-	-
Interest paid Banks	9.50	11.76
Interest paid to Others	-	-
Total	9.50	11.76

21 OTHER EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Stores, spares consumed	-	0.11
Power and fuel	10.25	19.20
Other operating charges	0.09	5.23
Repairs and maintenance		
Factory Building	0.04	1.41
Plant and machinery	-	0.76
Repairs and maintenance		
Non-Factory-Building	0.64	0.80
Vehicle maintenance	1.25	1.44
Others	0.20	0.31
Rent	-	4.46
Insurance	2.15	0.34
Rates and taxes (excluding taxes on Income)	4.23	4.55
Payment to auditors		
As auditor for statutory audit	1.50	1.50
Travelling expenses		
Travelling expenses - Directors	-	-
Travelling expenses - Others	0.06	0.11
Professional and consultancy charges	-	0.02
License Fee	1.13	1.63
Printing and Stationery	0.17	0.11
Communication expenses	0.00	0.03
Bank Charges	0.15	0.42
Expenditure incurred in connection with Corporate Insolvency Resolution Process (CIRP)		
Regulatory Fee	2.75	2.16
IRP/RP FEES	11.71	10.50
IRP/RP -Advisor Fee	66.35	51.00
Legal Charges	249.74	121.78
Professional and consultancy charges	17.42	5.78
E Voting Charges	1.19	1.26
VDR Charges	1.79	1.80
Due Diligence Charges	-	9.94
E-Auction Services	-	0.37
Publication Charges	-	12.32
Travelling Expenses-RP	11.20	2.83
Total	384.02	262.18



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

22. OTHER DISCLOSURES

22.1 Contingent Liabilities.

Particulars	(Rs. in lakhs) as on 31.03.2025	(Rs. in lakhs) as on 31.03.2024
(a) Bank Guarantees	0.00	0.00
(b) Corporate guarantee	9,500.00	9,500.00
	9,500.00	9,500.00

Note: - The Company has given Corporate Guarantee to ICICI Bank of Rs. 1,500.00 Lakhs and Rs. 8,000.00 lakhs given to P.E.C.

Claims against the Company not acknowledged as debt:

- (a) There are claims to an extent of Rs.399.32 lakhs towards availment of CENVAT credit on imported Raw Sugar Cess pending before Commissioner, GST Central, Visakhapatnam. Entry Tax of Rs. 25.93 lakhs have been pending before Hon'ble High Court of Andhra Pradesh. The company is expecting a favorable outcome in said matter; hence no provisions are made in the books of accounts.
- (b) The company is facing various cases for employment injury compensation, land dispute case, Labour Commissionerate etc., in various courts. The Company is expecting favorable outcome in said cases and hence no provision has been made.
- (c) The Company exported Molasses in the year 2010-11 and 2011-12 on which Commissioner of Prohibition and excise, Andhra Pradesh has levied Export Pass Fee of Rs. 300.00 lakhs. The Company has filed a Writ petition before the Honourable High Court of Andhra Pradesh. The Court has issued interim directions that company has to deposit 50% of the export fee and also Bank Guarantee for remaining 50% of the export fee before the Department. The Company has already paid 50% amount and also provided Bank Guarantee for the balance 50% as ordered by the Hon'ble High Court. Bank guarantee has since lapsed. In addition to that, under directions of Commissioner Prohibition and Excise, Andhra Pradesh, the Company has paid Export Pass Fee of Rs. 30.00 lakhs under protest in the financial year 2018-19 and Rs.38.75 lakhs in the financial year 2019-2020. Suitable claim filed by Commissioner Proh. & Excise has been admitted by the Resolution Professional in the CIRP.
- (d) The Company had obtained an advanced authorization bearing No. 0910055746 dated 15.04.2013 ("License") authorizing the Company to import 30,030 MT of raw sugar duty free under the EN with an Export Obligation ("EO") of 28,600 MT of white sugar. The license was registered with the Vizag customs house on 30.04.2013. The Company had executed a bond with Customs to fulfil EO as specified in the license as well as to pay the duty foregone along with interest (@15% p.a) in case of non-compliance with provisions of EN or non-fulfilment of EO. The Company imported 26,500 MT of Brazilian Raw Sugar vide BOEs dated 01.05.2013 for an assessable value of Rs. 7,458.48lakhs via PEC Limited under DEEC Scheme and availed the duty-free exemption in terms of the License including exemption from whole of customs duty, additional duty and other duties like anti-dumping duty, safeguard duty



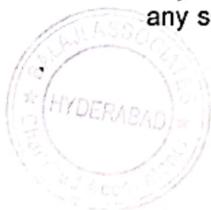
"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

etc. The Company had to manufacture white sugar to the extent of 25,238.09 MT out of 26,500 MT of actually imported raw sugar and export the same to any country within 18 months of issue of License, i.e. 15.10.2014. However, it was observed by the Customs department that the Company was domestically clearing the resultant product instead of exporting the same and hence in violation of the exemption notification No. 096/2009-Cus. Dated 11.09. 2009 ("EN") and License terms. A SCN (No.04/2015) was issued on 25.05.2015 which finally resulted in Order dated 11.03.2016 from the Office of Principal Commissioner of Customs, Visakhapatnam wherein Department raised duty demand of custom duty of Rs.1,367 lakhs, redemption fine of Rs. 750 lakhs along with penalty of Rs. 70.00 lacs, aggregating to a total demand of Rs.2,187 lakhs. As on date, the liability would be approximately Rs 35 Crores. The Order concerns with import of goods, being raw sugar, under Advance License Scheme – duty free under EN and consequent non-fulfilment of the stipulated export obligation. Pre-CIRP, the Company had applied to Policy Relaxation Committee for extension to fulfil EO pre-CIRP, but the same was not granted. a claim has been preferred by Principal Commissioner of Customs w.r.t the demand stated hereinabove as well. During CIRP, the RP has made application before PRC and an Interlocutory Application has been filed before Hon'ble NCLT for suitable directions for revival of License as per request made before PRC. Additionally, a claim has been filed by DGFT with RP and same to the extent admissible shall be included in the list of creditors subject to recommendation/advice of the Committee of Creditors and consequent orders of Adjudicating Authority under IBC. The Company has not made any provision towards this liability.

- (e) The Company has received Income tax demand of Rs.352.77 lakhs for AY 2005-06 and Rs.447.20 lakhs for AY 2006-07 and company has received favourable orders from ITAT, Hyderabad, whereas IT department has filed an appeal before Hon'ble High Court of Andhra Pradesh and Hyderabad and company is expecting favourable orders, hence liability is not provided. The company has received income tax demand of Rs. 200.73 Lakhs for the AY 2017-18 under Section 270A of Income Tax Act, 1961 and since the company has filed an appeal and expecting favorable order, no provision is made in this regard.

Income Tax Department has made a set-off of a demand of Rs.2.21 lacs pertains to assessment year 2011-12 against Income tax receivables for the assessment year 2024-25. Company is evaluating options to make rectification request with the department for this set-off.

There is an additional outstanding income tax demands for AY 2011-12 10.25 lacs, AY 2017-18 of Rs.78.59 lacs, for AY 2020-21 is Rs.45.83 lacs. The Department was duly intimated regarding initiation of Corporate Insolvency Resolution Process CIRP vide Honourable NCLT Order dated 24th June, 2022 received on 29th June, 2022 under Insolvency and Bankruptcy Code, 2016 the Code and resultant imposition of moratorium under section 14 of the Code, in accordance with which inter alia, there is a prohibition on the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority and regarding the provisions stipulated under Section 238 of the Code, by which, The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law. The dues being demanded vide the captioned Demand Notice pertains



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

to the pre CIRP period of Corporate Debtor, and therefore a claim is required to be submitted before the undersigned in a stipulated claim form within the time frame allowed in accordance with the Sub Regulation 1 of Regulation 12 of the Insolvency and Bankruptcy Board of India Insolvency Resolution Process for Corporate Persons Regulations, 2016 CIRP Regulations. Furthermore, since the RFRP has already been issued in the instant CIRP, last date of submission of Claims as per Sub Regulation 1 of Regulation 12 of the CIRP Regulations is already over. Accordingly, any claim received shall be subject to verification and collation in accordance with Sub Regulation 1B of Regulation 13 of the CIRP Regulations. In light of the above, the Resolution Professional cannot make any payment against the captioned demand notice and requests you not to take any action against the Corporate Debtor w.r.t the subject matter.

- (f) The company has imported raw sugar during the year 2012-13 through PEC Ltd., The company has processed the raw sugar and could not pay to PEC Ltd., fully. PEC Ltd. had filed a case u/s 138 of Negotiable Instruments Act, 1881 and an Arbitration Case against the company in Delhi International Arbitration Centre in the year 2016-17. The Arbitration proceedings resulted in an award dated 01.05.2018 in favor of PEC for an amount of Rs. 8,635.38 lakhs (including Rs. 52,47.20 lakhs for the loss caused and Rs. 33,88.18 lakhs towards interest at 14% per annum) and arbitration cost of Rs. 25.10 lakhs. The award is pending execution before Hon'ble High Court of Delhi. The company has also appealed and already filed a suit in Hon'ble Delhi High court, challenging the arbitration award passed in favor of PEC Ltd. Appeal and pending application were dismissed vide Delhi High Court order dated 13.03.2024. A claim is filed before the RP for Rs. 17,180.00 lakhs (including Principal, Interest and Arbitration Cost), however, the same is not admitted as the claim is not filed in the stipulated manner. PEC has filed IA 692/2024 before Hon'ble NCLT for consideration of its claim as financial creditors and the same is sub-judice. Also refer note no.22.20.

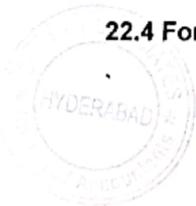
22.2 Capital commitments

Estimated amount of contracts remaining to be executed on Capital account and not provided for Rs. NIL (Previous Year Rs. NIL) other than capital commitment Rs. NIL (Previous year Rs. NIL). The company has already incurred some capital expenditure on earlier proposed projects which have been written off in previous year.

22.3 Earnings per share

Particulars	31 March 2025	31 March 2024
Profit/(Loss) after tax (Amount in lakhs)	(651.55)	(564.50)
Weighted average equity shares	2,00,00,000	2,00,00,000
Basic earnings per share in Rs.	(3.26)	(2.82)
Diluted earnings per share in Rs.	(3.26)	(2.82)
Face value of Equity Share in Rs.	10	10

22.4 Foreign Currency Transactions



"NCS SUGARS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Particulars	(Rs. in lakhs)	
	31 March 2025	31 March 2024
CIF Value of Imports		
(a) Raw Sugar/Raw Material/stores	--	-
Foreign Exchange Inflows	--	-
Foreign Exchange Outflows		
(a) Purchase of Stores & Spares	-	-
(b) Traveling Expenses-Director	-	-

22.5 Related parties' disclosure

(a) Name of the related parties and description of the related parties with whom transactions have been taken place.

Name of the Related Parties	Nature of Relationship
N. Nageswara Rao	Key Managerial Personnel (KMP)
NCS Sugars (Nellore) Limited	Company in which KMP is having significant influence
NCS Agencies	Enterprise in which Relative of KMP is Partner
N. Ramayya	Relative of KMP
NCS Charitable Trust	Trust in which KMP is Member
Hyderabad Bird Park & Gardens Pvt. Ltd.	Enterprise in which Relative of KMP is Partner
NCS Investments Private Limited	Enterprise in which Relative of KMP is Partner
Delara Tourism Corporation Limited	Enterprise in which Relative of KMP is Partner
NCS Sugars (Nellore) Pvt., Ltd., (Amalgamated into Sudlagunta Sugars)	Enterprise in which Relative of KMP is Partner
NCS Info Tech Limited	Enterprise in which Relative of KMP is Partner
NCS Renewable Energies Limited	Enterprise in which Relative of KMP is Partner
NNR Agri Industries Pvt. Ltd.	Enterprise in which Relative of KMP is Partner

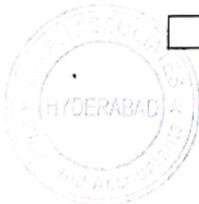
(b) Transactions with related parties: NIL (PY NIL)

(c) Balances with Related Parties 31 March 2025

Particulars	(Rs. in lakhs)			
	KMP	Relative of KMP	Enterprise over which KMP interested	Total
Investments	-	-	0.60	0.60
Loans & Advances given (net)	-	-	-	-

Balances with Related Parties 31 March 2024

Particulars	(Rs. in lakhs)			
	KMP	Relative	Enterprise	Total



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		of KMP	over which KMP interested	
Investments	-	-	0.60	0.60
Loans & Advances given (net)	-	-	-	-

22.6 Remuneration to statutory auditors

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Statutory Audit Fees	1.50	1.50
(b) Tax Audit Fees	0	0
(c) Out of Pocket Expenses	0	0
	1.50	1.50

22.7 Punjab National Bank ("PNB") had filed an application Before National Company Law Tribunal, Hyderabad Bench, seeking to initiate Corporate Insolvency Resolution process ("CIRP") against the Company alleging that it had committed default in making payments to PNB by invoking Section 7 of the Insolvency and Bankruptcy Code, 2016, (hereinafter called IBC) Read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016. The Adjudicating Authority admitted the Petition of under section 7 of IBC, vide order dated 24.06.2022 (order copy received on 29.06.2022), declaring Moratorium for the purpose referred to in Section 14 of the IBC with directions and appointed Interim Resolution Professional ("IRP") to carry the functions as mentioned under the IBC Code. IRP was subsequently confirmed as Resolution Professional ("RP") by the Committee of Creditors ("CoC"). Pending the final outcome of the CIRP proceedings, the Company's financial statements are being continued to be prepared as that of a going concern and no adjustments have been made to the carrying values of assets and liabilities as on reporting date.

The financial statements have been prepared with the assistance of the personnel of the Company and have been examined and noted by the directors of the Company constituting Board of Directors of the Company (powers of whom stand suspended in accordance with the IBC). Even though preparation of financial statements is the responsibility of management, the RP has signed the same to ensure suitable compliance.

22.8 The balances pertaining to trade receivable including non-provision for bad and doubtful receivables, bank balances, Trade payables, long term loans and advances including loans and advances to farmers and capital advances, other receivables, other payables and their set-off are subject to confirmation by and reconciliation with the respective parties.

22.9 The Company has identified some of the advances are doubtful and providing provision for bad debts from the year 2013-14. In case of outstanding receivable balance from Padmashri Dr.Vittal Rao Vikhe Patil SSK Limited, Kaij, company has filed a case for recovery process. However, company has not provided provision for bad debts for said parties.



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22.10 No provision is made in respect of Deferred Tax asset and Liability during the year. As the company has incurred heavy losses during the year and is having substantial brought forward losses and un-absorbed depreciation and as there is an uncertainty of sufficient future taxable income which may be available for its realization, the deferred tax asset with reference AS22 issued by ICAI is thus not considered as a matter of prudence.

22.11 The Company was a trading-cum-clearing member with National Spot Exchange Limited ("NSEL"). In the financial year 2012-13, company has received advances for supply of goods. Company had entered into T+2 and T+25 transactions in the commodity exchange having commercial effect of borrowing. As per the suspended management, nature of transaction with the NSEL was in the nature of a loan and amount borrowed was utilised for payment of principal/interest amount to bank or for payment of farmers due. There was certain terms of settlement between management and NSEL wherein the liability (as per books) of Rs. 4,445 lakhs was to be settled at Rs. 5,000 lakhs. But the Company failed on the terms of OTS. NSEL has invoked the arbitration proceedings and received a favorable award against the Company for Rs. 5,885.09 lakhs plus interest @ 18% w.e.f. 01.08.2013 till payment and an arbitration cost Rs. 166.77 lakhs. The additional liability on account of arbitral award over and above book outstanding of Rs. 4,445 lakhs, is not considered in the books of account. In the meanwhile, the Maharashtra Protection of Interests of Depositors Court (MPID Court) has given an interim order to pay Rs.10.00 lakhs per month, but the Company has not paid any amount in financial year 2023-24 and 2024-25. The Govt. of Maharashtra had ordered attachment of assets of the Company under MPID Act for enabling recovery to the depositors vide its gazette notification dated 22.06.2015 and 17.03.2016. Several investigating agencies like Serious Fraud Investigating Office, Economic Offence Wing, Enforcement Directorate etc., are investigating in these matters. The assets of the company are provisionally attached by Enforcement Directorate apart from Economic Offence Wing attachment. The RP has made suitable communication intimating the commencement of CIRP to these agencies. NSEL has filed a claim of Rs. 15,533.47 lakhs with RP including interest and RP has admitted Rs. 15,492.84 lakhs as a secured financial debt. The plant of the Company comprising land and building are under absolute attachment by Directorate of Enforcement under PMLA. The Govt. of Maharashtra vide the afore-mentioned gazette notification dated 22.06.2015 had attached 42.45 Acres of factory land in Bobbili for which Survey numbers were not mentioned in the said notification. RP has filed an IA No. 347/2025 with Hon'ble NCLT for protecting and preserving the factory land of the Company including 42.45 Acres attached under the provisions of the MPID Act. Pursuant to which the Hon'ble NCLT on 20.02.2025 has passed an Order to maintain "status-quo" in respect of the 'entire factory land' until further orders.

The attachment of 229 Acres of land of Company at Anantpur under MPID Act, was made absolute vide MPID Court order dated 19.04.2023, consequent to which the land has been sold to third parties by Competent Authority during the CIRP and subsistence of moratorium. RP had filed IA 308/2024 w.r.t 25.53 Acre of Anantpur land and IA 924/2024 r.w IA 976/2024 w.r.t balance Anantpur land. Hon'ble NCLT had granted interim protection in IA 308/2024 on 20.02.2024 but then closed the proceedings on 09.07.2024 stating that similar issue is before Apex Court. RP has preferred an appeal Company Appeal (AT)(CH)(Ins) 06/2025 before the Hon'ble NCLAT against the NCLT's order dated 09.07.2024 in IA 308/2024. The Hon'ble NCLAT in the said matter during the hearing on 08.01.2025 has observed that "if any alienation takes place in pursuance of the effect of the vacation of the Stay Order of 20.02.2024, that will abide by Section 52 of the Transfer of Property Act or the consequential decision, if any, is taken by the Hon'ble Apex Court



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during the pendency of this appeal". NCLT has given interim order dated 10.05.2024 r/w order dated 12.06.2024 in IA 924/2024 and the same is sub-judice. The Auction Purchasers have further resold the land parcels. The RP has filed IA No.2325 of 2024 and IA No.2396 of 2024 seeking to declare the further land sale as invalid along with a temporary injunction restraining the new purchasers from creating any third-party interest. These IAs were listed for hearing on 04.03.2025, wherein Hon'ble NCLT has ordered status quo as regards the subject land in both the IAs

Additionally, NSEL arbitration award execution is before Hon'ble Supreme Court Committee ("SCC") constituted by Apex Court vide Order dated 04.05.2022. By order dated 08.01.2024, SCC had held that assets attached pre-CIRP under MPID shall be available to SCC for realization towards enforcement of arbitral award. RP has filed objection with SCC and has filed IA 61511 of 2024 in Writ Petition (Civil) 995 of 2019 before Apex Court against the SCC Order, however, the said application was dismissed by virtue of dismissal of Writ Petition vide the Order of Hon'ble Supreme Court dated 15.05.2025. Subsequently, the RP has filed a review petition against the Order of the Hon'ble Supreme Court dated 15.05.2025 and the same is yet to be adjudicated. In the interim, NSEL has filed an application in IA No. 347/2025 for removal of stay / injunction on the land attached under MPID citing the Order of the Hon'ble Supreme Court and the matter is sub-judice.

22.12 Revenues and expenses directly attributable to segments are reported under each reportable segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. However, there are no segments during the year.

22.13 The company has entered one time settlement with ICICI bank in respect of tie-up crop loans to farmers, was settled for Rs. 600.00 lakhs. Accordingly, the entire OTS amount should be paid on or before 31.03.2017, whereas the company has defaulted in repayment of OTS amount. The outstanding liability as on 31.03.2022 of Rs. 412.00 lakhs. The Company has not restored the liability outstanding before OTS and Interest, Interest on Interest and other claims are noted accounted in books of accounts. ICICI Bank has filed a claim with the RP which is suitably admitted.

22.14 The Company has imported capital equipment for 20MW Cogen Power Plant in the financial year 2006-07 under EPCG Scheme with concessional custom duty and company has an export obligation of 8 times of duty saved. Accordingly, company has saved custom duty of Rs .363 lakhs. However, company has not fulfilled the export obligation under EPCG scheme. Subsequently the Assistant Commissioner of Customs (EPCG) Chennai, has issued a demand notice of Rs.1,367 lakhs i.e EPCG License Value and interest payable from the due date of expiry of export obligation. Though the company has made exports, EPCG number was not mentioned. Therefore, representations have been made and the matter is pending before the Custom Authorities, hence provision is not made. Additionally, DGFT has also filed a claim w.r.t EPCG and same to the extent admissible shall be included in the list of creditors subject to recommendation/advice of the Committee of Creditors..



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22.15 All the loans with Punjab National Bank (erstwhile OBC), IOB, SDF, ICICI, have become non-performing assets and due to non-payment of interest and principal dues. Company has entered OTS with Punjab National Bank (erstwhile OBC), IOB and ICICI. Whereas company has not fulfilled terms and conditions of OTS agreement. The company has not restored the original liability.

Company has not made provision for interest, interest on interest, penal interest and other charges on loans availed from Punjab National Bank (erstwhile OBC), IOB, SDF, and ICICI. In addition, no interest provision on liability with PEC Limited, Alchemist and National Spot Exchange.

22.16 The Company has supplied power to Power Trading Corporation (PTC) however PTC has raised debit note of Rs.1,058.42 lakhs in the year 2014-15 towards interrupted power supply. Company has claimed the same amount from APTRANSCO stating that the interruption is caused due to cyclone and other causes and company is hopeful to get compensation from APTRANSCO. Matter is pending with APTRANSCO Department.

22.17 Company has supplied 16,34,250 units of power value of Rs. 80.00 lakhs to APTRANSCO without NOC. Company is pursuing the issue with APEPDCL to recover the amount. Income will be recognized at the time of receipt.

22.18 There were certain dues payable to the sugarcane farmers by the Company. An auction was conducted on 09.02.2022 by the District Collector, Seethanagaram Mandal (now Parvathipuram Manyam) under Andhra Pradesh Revenue Recovery Act, 1864 (RR Act) to auction 27.61 Ac.cent land of the Company situated at Opposite to factory, Latchayyapeta Village, Seetanagaram Mandal, Parvatipuram Manyam District. Dhatri Real Estate and Developers, i.e highest bidder had submitted its bid for an amount of Rs. 2,005 lakhs. However, the sales consideration was not paid in accordance with the RR Act by the Bidder.

Pursuant to initiation of CIRP, the IRP/RP is vested with management of affairs of the Company and has taken custody and control of the assets of the Company. In view of the same, RP had sent suitable communication to the District Collector apprising of the initiation of CIRP initiation and imposition of moratorium.

However, owing to apprehension on alienation of asset of the Company and violation of moratorium imposed by Hon'ble NCLT, RP filed IA 1433/2022, wherein by order dated 05.12.2022, Hon'ble NCLT had directed relevant authorities to not proceed with the sale of the concerned land. However, the relevant authorities, as per the submissions made before NCLT, had registered the subject land in favour of Dhatri Promoters on 03.12.2022 without any intimation to the Company / RP. Further, out of Rs. 2,005 lakhs, an amount of INR 1,005 lakhs was only received post commencement of CIRP and the same was not intimated to the RP.

Hon'ble NCLT vide order dated 02.01.2024 in IA 1433/2022 and IA 410/2023 set aside the sale and directed respondents to handover subject land to RP, who had then taken physical custody of the subject land. However, the title records are yet to be rectified by concerned authorities. An execution petition was filed before Hon'ble NCLT. However, in Company Appeal(AT)(CH)(Ins) 133/2024 filed by M/s Dhatri Promoters and M/s Dhatri Real Estate and Developers before Hon'ble NCLAT, Chennai, an interim status quo order



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has been passed on 25.04.2024, and the NCLT execution petition was closed on 15.07.2024 due to this. RP had filed a Civil Appeal before the Hon'ble Supreme Court against the said interim order of Hon'ble NCLAT, Chennai but the matter was dismissed on 22.05.2024. In view of pendency of Appeal before Hon'ble NCLAT, no accounting treatment has been undertaken with respect to dues of such farmers. The subject land continues to be shown as asset of the Company.

22.19The Company is in receipt of a Summon dated 19.08.2025 from the Court of the Additional Special Judge for C.B.I Cases, Visakhapatnam regarding a case, however, the case documents are yet to be received.

22.20Over the years, the company has been incurring losses and the accumulated losses have completely eroded the net worth and further its current liabilities exceed the current assets as on date. The sugar unit all over India has been facing financial difficulties on account of lower margins and high finance costs. The company is presently under CIRP Process.

22.21 Ratios:

Ratio	Numerator	Denominator	Current Year	Previous Year	Change of Ratios (%)
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.10	0.10	-6.84
Debt Equity Ratio	Debt consists of Borrowings (Both Long Term and Short Term)	Total Equity (Shareholder Funds)	-0.58	-0.60	2.79
Debt Service Coverage Ratio	Earnings available for debt service = Net profit after tax + Non cash operating expenses + Other adjustments	Debt Service = Interest + Principal Repayments	No Repayment of Debt	No Repayment of Debt	Not Applicable
Return on Equity Ratio	Net Profit after taxes	Average Total Equity	Negative	Negative	Not Applicable
Inventory Turnover Ratio	Sales	Average Inventory	0.11	0.02	-384.28
Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Accounts Receivable	0.07	0.01	-379.67



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Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	0.02	0.00	-236.95
Net Capital Turnover Ratio (in times)	Revenue from Operations	Average Working Capital (Total Current Assets less Total Current Liabilities)	Negative	Negative	Not Applicable
Net Profit Ratio (in %)	Net Profit after taxes	Revenue from Operations	Negative	Negative	Not Applicable
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liabilities)	Negative	Negative	Not Applicable
Return on Investments	Income generated from Investment Funds	Average Invested Funds)	Not Applicable	Not Applicable	Not Applicable

Note: The Company is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016 and the plant is in shut down condition. Further, owing to moratorium, the Company is not recognizing interest expenditure. Accordingly, the analysis of ratios may not be appropriate for the stakeholders pending conclusion of the CIRP.

22.22. The Company has not done any transactions with companies stuck off under sec.248 of the Companies Act, 2013 or sec.560 of Companies Act, 1956.

22.23. No charges or satisfaction with Registrar of Companies is pending except for satisfaction of charge against the loan taken from Global Trust Bank.

22.24. During the financial year company has not borrowed any loans from banks and financial institutions except for interim finance availed to meet insolvency resolution process costs and same have been utilized for the purpose it was borrowed for.

22.25. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

22.26. The Company has been declared as a willful defaulter by certain banks as per CIBIL reports. However, the suspended management has challenged such categorization on by way of a writ petition in High Court of Telangana and an interim stay has been granted till



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adjudication of the matter. An application for vacation of stay has been filed by Respondents.

22.27. During the year, a theft was identified involving certain components of the Transformer which was capitalised in FY 2006-07. Based on the preliminary assessment, the estimated replacement cost of the stolen components is **INR 49.45 lakhs (approx.)**. The Company had filed a claim with insurance company in this regard, however, same was rejected. Aggrieved by the same, the Company had raised a grievance with ombudsman which is still under process. Owing to pendency of final outcome of grievance and in absence of relevant historical records, the Company is not in a position to quantify the exact loss and make suitable adjustments for such loss in the books of accounts.

22.28. The Company has an inventory item molasses having a carrying value of **INR 10.55 lakhs**. Based on the sample tested by *The Chemical Examiner, Regional Prohibition & Excise Laboratory, Andhra University, Visakhapatnam*, it was reported that the **"molasses was deteriorated, with a high percentage of sulphated ash indicating contamination and inorganic impurities, rendering it unfit for production of alcohol or for industrial purposes such as cattle feed"**.

Since, the report did not specify the detailed parameters or methodology on the basis of which such determination was made, on the instructions of the Committee of Creditors (CoC), the Resolution Professional requested the District Prohibition & Excise Officer (DPEO) to permit and assist in drawing fresh samples for testing by another independent accredited laboratory. However, the request was not approved, and consequently, independent expert verification could not be obtained. In the absence of any determination by an independent expert, no adjustment has been made in the carrying value of the molasses.

22.29. The Company does not hold any investments and hence provisions for compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended) are not applicable.

22.30 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

22.31 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

22.32 No Scheme of Arrangements have been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013, during the year.

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

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

22.35. Previous year figures are re-arranged and regrouped where ever necessary.

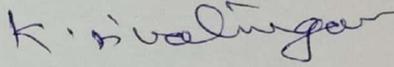
As per our report of even date

**For Balaji Associates
Chartered Accountant
Firm Reg. No. 05929S**


**K. Durga Prasad
Partner
M.No. 219807**



For and on behalf of Board


**K. Sivalingam
Resolution Professional**

**Place : Hyderabad
Date :29.09.2025
UDIN : 25219807BMMIBL7736**