



NATIONAL ENERGY TRADING AND SERVICES LIMITED

15th Annual Report

2014-15

Board of Directors

- | | |
|--------------------------------|---|
| 1. Shri K Raja Gopal | -Non Executive Chairman |
| 2. Shri Rohit Bajaj | -Whole Time Director (upto 09.05.2014) |
| 3. Shri N Narasimha Murty Raju | -Whole Time Director (w.e.f. 09.05.2014) |
| 4. Shri A A Khan | -Executive Chairman(up to 11.02.2015) |
| 5. Dr. Uddesh Kumar Kholi | -Non Executive Independent Director (upto 25.03.2015) |
| 6. Shri Pawan Chopra | -Non Executive Independent Director (upto 27.03.2015) |
| 7. Shri TNKS Murty | -Non Executive Independent Director (w.e.f.28.03.2015) |
| 8. Shri BRK Rao | -Non Executive Independent Director (w.e.f. 28.03.2015) |
| 9. Ms. Trina Lakhmani | -Non Executive Director (w.e.f. 24.07.2015) |

Company Secretary

Shri K. Venkat Reddy (upto 01.06.2015)
Shri Mukesh Jain (w.e.f. 20.07.2015)

Chief Financial Officer

Shri Naval Kishore

Statutory Auditors

M/s Brahmayya & Co.
Chartered Accountants,
48, Masilamani Road,
Balaji Nagar, Royapettah,
Chennai-600014 (India)

Bankers

Bank of Baroda
IDBI Limited
IndusInd Bank Limited
Yes Bank Limited
HDFC Bank Limited

Registered Office

LANCO House,
Plot # 4, Software Units Layout,
HITEC City, Madhapur,
Hyderabad - 500 081, Telangana (India)
Tel: +91-40-40090400
Fax: +91-40-23116127
CIN-U40109TG2000PLC033791

Corporate Office

LANCO House, Plot No.397,
Udyog Vihar, Phase - III
Gurgaon - 122 016, Haryana (India)
Tel :+91-124-4741000
Fax: +91-124-4741074, 84

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Monday, the 28th September, 2015 at 12.20 P.M. at the Registered Office of the Company at LANCO House, Plot # 4, Software Units Layout, HITEC City, Madhapur, Hyderabad - 500 081, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2015 along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri. K. Raja Gopal (DIN: 00019958), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of Companies Act, 2013 and rules made thereunder and resolution passed by the members in their 14th AGM held on September 26, 2014, the appointment of M/s. Brahmayya & Co., Chartered Accountants, Chennai (Firm Registration Number 000511S), as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 on such remuneration as may be determined by the Audit Committee/Board of Directors of the Company, be and is hereby ratified."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri. Nagakrishna Satyanarayana Murty Tetali (DIN: 07095241) who was appointed by the Board of Directors as an Additional Director in the category of Independent Director of the Company with effect from 28th March, 2015 and who holds office upto the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of three years i.e. upto 27th March, 2018, who is not liable to retire by rotation.

RESOLVED FURTHER THAT Directors and Company Secretary of the Company be and are hereby severally authorised to take all actions, as may be necessary in this regard and to file necessary forms, applications, documents and other papers with the concerned Registrar of the Companies and other Statutory Authorities and to do all such acts, deeds, matters and things as are required and are ancillary or incidental thereto."

RESOLVED FURTHER THAT Directors and Company Secretary of the Company be and is hereby severally authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution.”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder, the consent of the Company be and is hereby accorded to create mortgage and/or charge on all or any of the movable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, upfront fee, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered /to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT Directors and Company Secretary of the Company be and is hereby severally authorised to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

By Order of the Board
For National Energy Trading And Services Limited



Mukesh Jain
Mukesh Jain
Company Secretary
M. No. 28959

Place : Gurgaon
Date : 24.07.2015

Corporate Office:
'Lanco House' Plot No. 397
Udyog Vihar, Phase-III,
Gurgaon – 122016, Haryana
CIN: U40109TG2000PLC033791
Tel: +91-124-4741000
Fax: +91-124-4741074/84
www.lancogroup.com
E-mail: mukesh.jain@lancogroup.com

section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In view of vast experience, expertise and knowledge possessed by the proposed director, it is in the interest of the Company that Shri TNKS Murty be appointed as Director of the Company.

Further, in the opinion of the Board, Shri TNKS Murty fulfils the criteria and the conditions as prescribed under the Companies Act, 2013 and rules made thereunder for the appointment of Independent Director, therefore, your Directors recommend the resolution proposed at Item No. 4 for the approval of shareholders of the Company.

No director, Key Managerial Personnel or their relatives, except Shri TNKS Murty, to whom the resolution relates, is interested in the said resolution.

Item No. 5

The Board of Directors has appointed Shri BRK Rao (DIN: 07140221) as an Additional Director under the category of Independent Director w.e.f. March 28, 2015, pursuant to section 149 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri BRK Rao will hold office up to the date of ensuing Annual General Meeting.

The Company has received a written notice from a member under section 160 of the Companies Act, 2013 along with requisite deposit proposing the candidature of Shri BRK Rao for the office Independent Director of the Company.

The Company has also received intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014 to the effect that the said Director are not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolutions seeks the approval of members for the appointment of Shri BRK Rao as Independent Director of the Company for a period of 3 years i.e. up to 27th March, 2018 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In view of vast experience, expertise and knowledge possessed by the proposed director, it is in the interest of the Company that Shri BRK Rao be appointed as Director of the Company.

Further, in the opinion of the Board, Shri BRK Rao fulfils the criteria and the conditions as prescribed under the Companies Act, 2013 and rules made thereunder for the appointment of Independent Director, therefore, your Directors recommend the resolution proposed at Item No. 5 for the approval of shareholders of the Company.

No director, Key Managerial Personnel or their relatives, except Shri BRK Rao, to whom the resolution relates, is interested in the said resolution.

Therefore, the approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

The Directors recommend the resolutions proposed at Item Nos.7 and 8 for approval of the shareholders of the Company.

No director, Key Managerial Personnel or their relatives, is concerned or interested in the passing of the Resolutions at Item Nos. 7 and 8.

By Order of the Board
For National Energy Trading And Services Limited



Mukesh Jain

Mukesh Jain
Company Secretary
M. No. 28959

Place : Gurgaon
Date : 24.07.2015

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www.lancogroup.com
E-mail: mukesh.jain@lancogroup.com

Annexure - A

Information of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting

Brief Profile of Directors

Particulars	TNKS Murthy	BRK Rao	Trina Lakhmani
DOB	01/08/1962	18/09/1954	11/07/1991
Qualification & Experience	Mr. TNKS Murthy is a qualified Chartered Accountant having over 23 years of experience in the area of finance and accounts functions.	Mr. BRK Rao is a Banking and Finance Professional. He has rich experience and varied experience in the areas of Management, Foreign Exchange and Credit. He is also having experience in the fields of Finance, Legal and Secretarial matters. He holds academic and professional qualifications of Masters in Commerce, CAIIB, AICWA, ACS and CISA.	Ms. Trina Lakhmani holds academic and professional qualifications of B.B.A., LL.B from Symbiosis Law School, Pune BBA. She is a vast experience in the field of legal functions.
Directorship held in other companies	<ol style="list-style-type: none"> 1. Lanco Horizon Properties Private Limited 2. Lanco Hills Technology Park Private Limited 3. Lanco Teesta Hydro Power Limited 4. Newton Solar Private Limited 5. Himavat Power Limited 6. Lanco Hoskote Highway Limited 7. Lanco Devihalli Highways Limited 8. Belinda Properties Private Limited 9. Ananke Properties Private Limited 	<ol style="list-style-type: none"> 1. Khaya Solar Projects Private Limited 2. Uranus Projects Private Limited 3. Tethys Properties Private Limited 4. Bianca Properties Private Limited 5. Himavat Power Limited 6. Vainateya Power Private Limited 7. Charon Trading Private Limited 	NIL

NATIONAL ENERGY TRADING AND SERVICES LIMITED

Corporate Identity Number: U40109TG2000PLC033791

Regd. Office: Plot # 4, Software Units Layout,HITEC City, Madhapur, Hyderabad, Telangana - 500081

ATTENDANCE SLIP

15th Annual General Meeting - September 28, 2015

DP ID*	
Client ID*	

Regd. Folio No.....

I certify that I am a Member/Proxy for the Member of the Company. I hereby record my presence at the 15th Annual General Meeting of the Company to be held at Plot # 4, Software Units Layout, HITEC City, Madhapur, Hyderabad, Telangana - 500081 at 12:20 p.m. on Monday, the September 28, 2015.

Member's / Proxy's Name in Block Letters **

Member's / Proxy's Signature **

Note: Member / Proxy must bring the signed Attendance Slip to the Meeting and hand it over at the registration counter.

* Applicable for Investors holding shares in Electronic Form. ** Strike out whichever is not applicable.

NATIONAL ENERGY TRADING AND SERVICES LIMITED

Corporate Identity Number: U40109TG2000PLC033791

Regd. Office: Plot # 4, Software Units Layout, HITEC City, Madhapur, Hyderabad, Telangana - 500081

FORM NO.MGT 11

Proxy FORM

15th Annual General Meeting - September 28, 2015

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management & Administration) Rules, 2014)

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. / Client ID :

DP ID :

I/We, being the member(s) ofShares of National Energy Trading And Services Limited, hereby appoint

1) Name:Address :
 Email ID:..... Signature :, or failing him

2) Name:Address :
 Email ID:..... Signature :, or failing him

3) Name:Address :
 Email ID:..... Signature :

as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 15th Annual General Meeting of the Company, to be held on the Monday, September 28, 2015 at 12:20 p.m. at Plot # 4, Software Units Layout, HITEC City, Madhapur, Hyderabad, Telangana - 500081 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
Ordinary Business	
1	Adoption of the Audited Financial Statements for the financial year ended 31st March, 2015 along with Directors' Report and Auditors' Report thereon.
2	Re-appointment of Mr. K Raja Gopal who retires by rotation.
3	Ratification of appointment of M/s. Brahmayya & Co., Chartered Accountants as Auditors.
Special Business	
4	Appointment of Shri TNKS Murty as Independent Director of the Company.
5	Appointment of Shri BRK Rao as Independent Director of the Company
6	Appointment of Ms. Trina Lakhmani as Director of the Company.
7	Borrowing limits of the Company.
8	Creation of mortgage/charge on the assets of the Company.

Signed thisday of, 2015

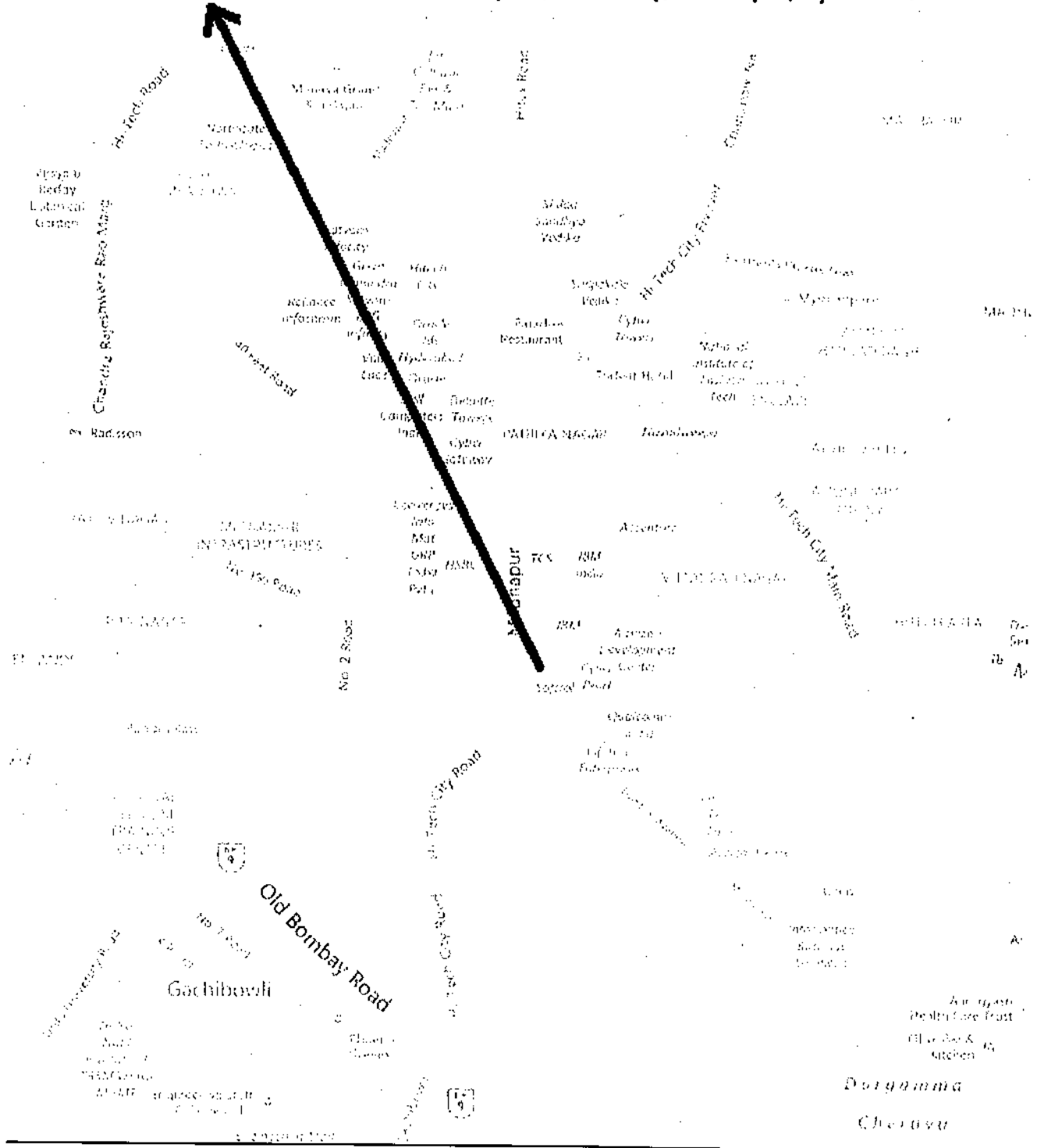
Signature of Member.....

Signature of Proxy 1)..... Proxy 2)..... Proxy 3).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ROUTE MAP OF ANNUAL GENERAL MEETING VENUE

Venue of AGM : Plot # 4, Software Units Layout, HITEC City, Madhapur, Hyderabad



Landmark: Mindspace Building

BOARDS' REPORT

The Members

Your Directors have pleasure in presenting the 15th Annual Report on the business and operations of the company together with the Audited Statements of Accounts for the year ended March 31, 2015:

1. PERFORMANCE – AT A GLANCE:

		(Rs. in Lacs)	
	PARTICULARS	F.Y 2014-15	F.Y 2013-14
	Million Units traded	1817.49	2088.81
I	Sales (Net of Rebate) incl OA	84,071.29	91217.12
II	Purchases (Net of Rebate)	83,484.36	90303.87
III	Income - (I - II)		
	a. Income from Operations	586.93	913.25
	b. Other Income	1455.10	2447.50
	TOTAL	2,042.03	3360.75
IV	Expenses		
	a. Administrative Expenses	588.31	1969.44
	b. Staff Cost	236.64	302.47
	c. Interest and Financial Charges	344.56	102.44
	TOTAL	1169.51	2374.35
V	Depreciation/Written-off	33.62	45.06
VI	Profit Before Exceptional Items & Tax (III - IV - V)	838.90	941.34
VII	Exceptional Items	131.43	-
VIII	Profit Before Tax (VI+VII)	970.33	941.34
IX	Provision for Taxes	199.08	289.34
X	Profit after Tax (VIII - IX)	771.25	652.00
XI	No. of Shares	36529400	36529400
XII	EPS (Annualised)-Rs.	2.11	1.78

2. DIVIDEND & RESERVE

The Board has decided to retain the profits generated during the financial year for future growth and requirements. Consequently your directors do not recommend any dividend for the financial year 2014-15.

During the year under review, no amount was transferred to General Reserve.

3. OPERATIONAL DETAILS:

Traded Volume

During the reporting year, your Company has traded 1817.49 Million Units (MUs) of energy, against 2088.81 MUs traded during the previous year. Low Trading was mainly due to end of Medium Term

Contracts and State Utilities purchasing power either directly on power exchanges or floating tenders. Further due to shortage of availability of fuel, the generation from the Companies of Lanco Group, available for trading, could not be achieved for the target level.

2013. However, the Company is not required to prepare consolidated financial statements as the above subsidiaries are not considered in the consolidation as per the applicable accounting standards.

Report on the performance and financial position of each of the subsidiaries has been provided in Form AOC-1.

5. CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in nature of business of the Company during the year under review.

6. CAPITAL STRUCTURE

During the year there were no changes in the Capital Structure of the Company.

7. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS SECTION 43 (RULE 4(4) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014)

Your Company has not issued any Equity Shares with Differential Rights to existing members or any other persons.

8. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

Your Company has not offered any securities as the Employee Stock Option to the employees or directors of the Company.

9. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

Your Company has not issued sweat equity shares during the year under review.

10. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "Annexure-A" to this Report.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, the following are the details of directors who were appointed or have resigned from the Company.

Name of Director	Date of Change	Nature of Change
Shri Rohit Bajaj	9 th May, 2014	Resigned as Whole Time Director.
Shri N N Murty Raju	9 th May, 2014	Appointed as Whole Time Director
Shri A A Khan	11 th February, 2015	Resigned as Director (Executive Chairman).
Dr. Uddesh Kumar Kholi	25 th March, 2015	Resigned as Independent Director
Shri Pawan Chopra	27 th March, 2015	Resigned as Independent Director
Smt. Sandhya Verma	26 th March, 2015	Appointed as Additional Woman Director
Shri TNKS Murty	28 th March, 2015	Appointed as Independent Director
Shri BRK Rao	28 th March, 2015	Appointed as Independent Director

In terms of Section 203 of the Act, the following were designated/appointed as Key Managerial Personnel of your Company by the Board:

Name of KMP	Designation	Date of Appointment
Shri N N Murty Raju	Whole Time Director	5 th August, 2014

***** Smt. Sandhya Verma was appointed as woman Director of the Company w.e.f. 26th March, 2015.

*****Shri TNKS Murty has been appointed as an Independent Director of the Company w.e.f. 28th March, 2015.

*****Shri BRK Rao has been appointed as an Independent Director of the Company w.e.f. 28th March, 2015.

14. COMMITTEES OF BOARD

The Committees of the Board focus on certain specific areas and make informed decision in line with delegated authority. The following substantive Committees constituted by the Board. Accordingly their respective roles are defined.

- Audit Committee.
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

Details on composition & terms of these committees, including the number of meetings held during Financial Year 2014-15 and the attendance are provided below.

1. Audit Committee

The terms of the reference of Audit Committee is in line with the requirement of Section 177 of the Companies Act, 2013 and Rules made thereunder.

The terms of reference of the Committee inter alia, include the following:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters; and

During the financial year 2014-15, due to the resignation of Dr. Uddesh Kumar Kohli and Mr. Pawan Chopra on March 25, 2015 and March 27, 2015 respectively, the Audit Committee was reconstituted.

The following is the composition of Audit Committee as on March 31, 2015:

S. No	Name of Director	Designation
1	Shri TNKS Murty	Chairman
2	Shri K. Raja Gopal	Member
3	Shri BRK Rao	Member

The Audit Committee has met four times during the year under review on 9th May, 2014; 5th August, 2014; 30th October, 2014; 22nd January, 2015;

1	Shri TNKS Murty (w.e.f. 28.03.2015)	Chairman	0	NA	NA
2	Shri BRK Rao(w.e.f.28.03.2015)	Member	0	NA	NA
3	Shri K. Raja Gopal	Member	1	1	100
4	Dr. Uddesh Kumar Kohli (up to 25.03.2015)	Chairman	1	1	100
5	Shri Pawan Chopra(upto 27.03.2015)	Member	1	1	100

3. Corporate Social Responsibility Committee

In accordance with the requirements laid down in Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The terms of reference of Corporate Social Responsibility Committee:

- To prepare the CSR Policy and to recommend the Board for its approval;
- To recommend the CSR activities to be undertaken by the Company as prescribed under Schedule VII of the Companies Act, 2013;
- To recommend on CSR activities to be undertaken by the Company on its own or in collaboration with Lanco Foundation or any registered trust / society / Company permitted under the law;
- To ensure that the activities as are included in CSR Policy of the Company are implemented by the Company with a transparent monitoring mechanism;
- To report periodically on the CSR activities of the Company to the Board and in the Board's report;
- To seek expert advice on CSR activities of the Company that may be appropriate to discharge its responsibilities; and
- To take up any other roles and responsibilities delegated by the Board from time to time.

The following is the composition of Corporate Social Responsibility Committee of the Company as on March 31, 2015:

S. No	Name of Director	Designation
1	Shri K Raja Gopal	Chairman
2	Shri BRK Rao	Member
3	Shri TNKS Murty	Member

15. AUDITORS

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Brahmayya & Co., Chartered Accountants were appointed as the Company's Statutory Auditors by the shareholders in the 14th AGM held on September 26, 2014, for a period of three years i.e. till the conclusion of 17th AGM.

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of M/s Brahmayya & Co., Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members in the ensuing AGM. The Company has received certificate from the Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

21. DEPOSITS

During the year under review, the Company has neither invited nor received any deposits from the Public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

23. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The internal control system comprises of exercising control at various stages and is established in order to provide reasonable assurance for:

- Safeguarding assets and their usage.
- Maintenance of proper accounting records and
- Adequacy and reliability of information used for carrying on business operations.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

24. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the Board of Directors has approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014; on the recommendations of the CSR Committee. The CSR Policy outlines the CSR vision of your Company which is based on embedded tenets of trust, fairness and care.

During the financial year 2014-15, the CSR initiatives are undertaken through Lanco Foundation. Lanco Foundation, established in 2000, is a multi-disciplined Public Charitable organization in service of society. Lanco Foundation is involved in welfare activities in the key areas of providing free education, free medical support, free drinking water and free disability assistance.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out herewith as "Annexure-D" to this Report

25. RELATED PARTY TRANSACTIONS

During the financial year 2014-15, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis. All such contracts or agreements have been approved by the Audit Committee under the

- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit and loss of the Company for the financial year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

31. ACKNOWLEDGEMENT AND APPRECIATION:

Your Directors express their sincere thanks to the Hon'ble Central Electricity Regulatory Commission, various State Electricity Regulatory Commissions, Ministries of the Central and State Governments, State Electricity Boards, Electricity Utilities, Captive Power Plants, Banks and Officials of the Government of India, State Governments and Customers for their continued support to the Company.

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

Your Directors thank the shareholders for the confidence reposed in the Company and for the continued support and cooperation extended by them.

Place: Gurgaon
Date: 24.07.2015



For and on behalf of the Board


K RAJA GOPAL
CHAIRMAN

DIN: 00019958

Annexure-A

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	U40109TG2000PLC033791
ii	Registration Date	06.03.2000
iii	Name of the Company	National Energy Trading And Services Limited
iv	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Plot No.4, Software Units Layout, Hitec City, Madhapur, Hyderabad-500081, Telangana Phone: +91-40-40090400, Fax: +91-40-23116127
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent	M/s Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad-500029, Telangana Phone: +91-40-2763 8111, 2763 4445, Fax : +91-40-27632184 E-Mail: info@arthiconsultants.com Website: www.arthiconsultants.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Trading of Electricity	Not Applicable	98.30

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Lanco Infratech Limited Plot No.4, Software Units Layout, HITEC City, Madhapur, Hyderabad-500081, Telangana	L45200TG1993PLC015545	Holding	99.83	2(46)
2	Pragdisha Power Private Limited Plot No.4, Software Units Layout, HITEC City, Madhapur, Hyderabad-500081, Telangana	U40100TG2005PTC045442	Subsidiary	99.91	2(87)(ii)
3	Spica Thermal Power Private Limited Plot No 107, Prashanti Nagar Kukatpally, Hyderabad-500072, Telangana	U40102TG2010PTC069521	Subsidiary	99.67	2(87)- Explanation(a)

b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	250	250	0.00	-	250	250	0.00	-
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	62125	62125	0.17	-	62125	62125	0.17	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	62375	62375	0.17	-	62375	62375	0.17	-
Total Public shareholding (B)=(B)(1)+(B)(2)	-	62375	62375	0.17	-	62375	62375	0.17	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36467025	62375	36529400	100	36467025	62375	36529400	100	-

ii. Shareholding of Promoters

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year (As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Lanco Infratech Limited	36467025	99.83	NIL	36467025	99.83	NIL	There was no change during the year
	Total	36467025	99.83		36467025	99.83		

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

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	36467025	99.83%	36467025	99.83%
	Date wise increase/decrease in Promoters Shareholding during the year	There was no change during the year.			
	At the end of the year	36467025	99.83%	36467025	99.83%

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

Sl. No	Name of the Shareholder	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	L Rajagopal				
	At the beginning of the year	15625	0.04	15625	0.04
	Date wise increase/decrease	-	-	-	-

Change in indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	12,27,00,000	-	-	12,27,00,000
Net Change	(12,27,00,000)	-	-	(12,27,00,000)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of WTD			Name of Executive Chairman	Total Amount
		Shri Rohit Bajaj (up to 9 th May, 2014)	Shri N N Murty Raju (w.e.f. 9 th May, 2014)	Shri A A Khan (up to 11 th Feb, 2015)		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 7,65,815	Rs. 48,48,958	Rs. 31,17,857	Rs. 87,32,630	
2.	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	Rs. 36,300	Rs. 36,300	
3.	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-	
4.	Stock Option	-	-	-	-	
5.	Sweat Equity	-	-	-	-	
6.	Commission - as % of profit - others, specify	-	-	-	-	
7.	Others, please specify	-	-	-	-	
8.	Total(A)	Rs. 7,65,815	Rs. 48,48,958	Rs. 31,54,157	Rs. 87,68,930	
	Ceiling as per the Act					

B. Remuneration to other directors:

1. Independent Directors

Name of Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
Dr. Uddesh Kumar Kholi (up to 25 th March, 2015)	1,80,000	-	-	1,80,000
Shri. Pawan Chopra (up to 27 th March, 2015)	1,80,000	-	-	1,80,000
Shri. TNKS Murty (w.e.f. 28 th March, 2015)	-	-	-	-
Shri. BRK Rao (w.e.f. 28 th March, 2015)	-	-	-	-
Total (1)				3,60,000



Annexure - B

G RAMACHANDRAN & ASSOCIATES
COMPANY SECRETARIES

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
National Energy Trading and Services Limited
CIN # U40109TG2000PLC033791
Plot No.4, Software Units Layout,
HITEC City, Madhapur
Hyderabad - 500081

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. National Energy Trading and Services Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. National Energy Trading and Services Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



Page 1 of 3

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vi) Payment of Gratuity Act, 1972;
- (vii) Income Tax Act, 1961 and Indirect tax Laws;
- (viii) The Electricity Act, 2003;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (They were notified with effect from 1st July 2015, hence not applicable to the Company for the period under review)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.



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

For G RAMACHANDRAN & ASSOCIATES
Company Secretaries



A handwritten signature in black ink, appearing to read "G. Ramachandran".

G. RAMACHANDRAN
Proprietor
ACS No.9865 CoP. No.3056

Date: 24th July, 2015
Place: Chennai

Company's Policy on Directors Appointment and Remuneration and other Criteria

APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- c) Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013.

TERM / TENURE

a. Managerial Personnel:

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and Disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

RETIREMENT:

- i. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS:

a. Remuneration / Profit Linked Commission:

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

b. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c. Limit of Remuneration /Profit Linked Commission:

Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3% of the net profits of the Company respectively.

d. Stock Options:

Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee shall be entitled to any Employee Stock Options (ESOPs) of the Company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

- a) The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.
- b) The details of such familiarization programs shall be disclosed on the Company's website, if any and a web link thereto shall also be given in the Annual Report.

For and on behalf of the Board


K RAJA GOPAL
CHAIRMAN

Place: Gurgaon
Date: 24.07.2015

ANNUAL REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to section 135 of the Companies Act, 2013 & Rules made thereunder]

1. Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken

The Board of Directors has approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee has identified the following thrust areas around which your Company shall be focusing its CSR initiatives:

1. Eradicating hunger, poverty and malnutrition
 - Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society.
 - Promoting sanitation, making available safe drinking water
2. Promoting Health care including Preventive Health care through awareness programmes, health check-ups, provision of medicine & treatment facilities , providing pre-natal & post-natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity. Providing artificial limbs and Fitment of tailor made artificial limb/appliance free of cost to physically disabled
3. Ensuring environmental sustainability and ecological balance through :
 - Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
 - Reviving endangered plants, promoting agro-forestry;
 - Protection of flora & fauna;
 - conservation of natural resources
 - Maintaining quality of soil, air & water.
 - Adoption of wastelands to cultivate plants;
4. Employment and livelihood enhancing vocational skills and projects including tailoring, beautician, mehendi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects.
5. Promotion of education especially among children, women, elderly and the differently abled including:
 - Non-formal education programmes.

3. Average Net Profit of the company for the last 3 financial years: Rs.638 lacs
4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): Rs.12.75 Lacs

5. Details of CSR Spent during the year:

- a) Total amount spent for the financial year: Rs. 12.75 Lacs
- b) Amount unspent, if any: NIL
- c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken: State (Local Area/ District)	Amount outlay (budget) Project / Program wise (Rs. in lakhs)	Amount Spent on the Projects or Programs (Rs. in lakhs)	Cumulative Expenditure Up to the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency
1	Providing health care services with the help of one mobile van equipped with teams of medical and para medical professionals.	Health Care	District Gurgaon (Haryana)	6.63	6.63	6.63	Through implementing agency - Lanco Foundation*
2	Providing safe drinking water with the objective of reducing water borne diseases.	Safe drinking water	District- Gurgaon (Haryana)	6.12	6.12	6.12	
	Total			12.75	12.75	12.75	

*Details of Lanco Foundation: Lanco House, Plot No.397, Phase - 3, Udyog Vihar, Gurgaon-122016, Haryana

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report- **Not Applicable**
7. The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board


K RAJA GOPAL
CHAIRMAN

Place: Gurgaon
Date: 24.07.2015



NATIONAL ENERGY TRADING AND SERVICES LTD

BALANCE SHEET

As on 31st March 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of National Energy Trading and Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **National Energy Trading and Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2015 ("the Order"), issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements.



- ii. The Company didn't have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Gurgaon
Date: May 15, 2015

For Brahmayya & Co.,
Chartered Accountants
Firm's Regn No. 000511S

N. Venkata Suneel

N. Venkata Suneel
Partner

Membership No. 223688



Annexure to Independent Auditor's Report

Referred to *Report on Other Legal and Regulatory Requirements* Paragraph of the Independent Auditor's Report of even date to the members of **National Energy Trading and Services Limited** on the financial statements as of and for the year ended March 31, 2015

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii. The Company does not have any inventory. Therefore, the provisions of clause (ii) (a), (ii) (b) and (ii) (c) of paragraph 3 of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii), (iii) (a) and (iii) (b) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of energy and fixed assets and for sale of energy. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation give to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in internal control system.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the activities of the company.
- vii. (a) Undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, the dues outstanding of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of dispute, are as follows:

Name of statute	Nature of dues	Amount (Rs in Lakhs)	Period to which it relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	3.67	A.Y 2010-11	The Deputy Commissioner of Income Tax

- (c) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year and immediately preceding financial year.
- ix. As per the books and records maintained by the Company and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to a bank. The Company has not taken any loan from a financial institution nor has issued any debentures.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
- xi. According to the information and explanations given to us, the Company has not availed any term loans during the year and hence the provision of clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Gurgaon
Date: May 15, 2015

For Brahmayya & Co.
Chartered Accountants
Firm's Regn No: 000511S

N. Venkata Suneel
N. Venkata Suneel
Partner
Membership No: 223688



National Energy Trading and Services Limited
Balance Sheet as at March 31, 2015

	Notes	As at	As at
		March 31, 2015	March 31, 2014
		Rs. in Lakhs	Rs. in Lakhs
I EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,652.94	3,652.94
Reserves and Surplus	4	5,056.10	4,291.04
		<u>8,709.04</u>	<u>7,943.98</u>
Non Current Liabilities			
Long Term Provisions	6	31.69	16.77
		<u>31.69</u>	<u>16.77</u>
Current Liabilities			
Short Term Borrowings	7	-	1,227.00
Trade Payables	8	8,404.93	7,206.88
Other Current Liabilities	9	2,012.22	2,619.03
Short Term Provisions	6	59.37	26.20
		<u>10,476.52</u>	<u>11,079.11</u>
TOTAL		<u><u>19,217.25</u></u>	<u><u>19,039.86</u></u>
II ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	31.59	50.60
Intangible Assets	11	-	20.58
		<u>31.59</u>	<u>71.18</u>
Non Current Investments	12	1,065.00	-
Deferred Tax Assets (net)	5	120.04	162.68
Long Term Loans and Advances	13	65.00	65.42
		<u>1,281.63</u>	<u>299.28</u>
Current Assets			
Trade Receivables	14.1	5,424.63	4,395.79
Cash and Bank Balances	15	1,609.91	2,585.25
Short Term Loans and Advances	13	9,472.60	10,284.85
Other Current Assets	14.2	1,428.48	1,474.69
		<u>17,935.62</u>	<u>18,740.58</u>
TOTAL		<u><u>19,217.25</u></u>	<u><u>19,039.86</u></u>

Summary of Significant Accounting Policies

2.1

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 005115

N. Venkata Suresh
per N. Venkata Suresh
Partner
Membership No. 223688



For and on behalf of the Board of Directors of
National Energy Trading and Services Limited

N. Narasimha Murthy Raju
Whole Time Director
DIN - 06862293

K. Raja Gopal
Director
DIN - 00019958

Naval Kishore
Chief Financial Officer

K. Venkat Reddy
Company Secretary



Place: Gurgaon
Date: 15th May, 2015

Place: Gurgaon
Date: 15th May, 2015

National Energy Trading and Services Limited
Statement of Profit and Loss for the year ended March 31, 2015

	Notes	For the year ended	For the year ended
		March 31, 2015	March 31, 2014
		Rs. in Lakhs	Rs. in Lakhs
I. INCOME			
Revenue from Operations	16	84,071.29	91,217.12
Other Income	17	1,455.10	2,447.50
Total Revenue (I)		85,526.39	93,664.62
II. EXPENSES			
Purchase of Traded Goods	18	83,484.36	90,303.87
Employee Benefits Expenses	19	236.64	302.47
Other Expenses	20	588.31	1,969.44
Total Expenses (II)		84,309.31	92,575.78
III. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		1,217.08	1,088.84
Finance Cost	21	344.56	102.44
Depreciation and Amortization Expense	22	33.62	45.06
IV. Profit / (Loss) before Exceptional, Extraordinary Items and Tax		838.90	941.34
V. Exceptional Items		131.43	-
VI. Profit / (Loss) before Extraordinary Items and Tax (IV + V)		970.33	941.34
VII. Tax Expense			
Current Tax / Minimum Alternate Tax (MAT) Payable		193.45	297.26
Relating to Previous Periods		(37.01)	-
Deferred Tax		42.64	(7.92)
Total Tax Expense - (VII)		199.08	289.34
VIII. Profit / (Loss) after Tax for the Period (VI - VII)		771.25	652.00
(Balance Carried to Balance Sheet)			
Earnings Per Equity Share - (Face value of share Rs. 10/-)	23		
Basic (Rs.)		2.11	1.78
Diluted (Rs.)		2.11	1.78

Summary of Significant Accounting Policies


2.1

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.

For **Brahmayya & Co**
Chartered Accountants
Firm Registration No. 00511S

N. Venkata Suneel
per **N. Venkata Suneel**
Partner
Membership No. 223688



For and on behalf of the Board of Directors of
National Energy Trading and Services Limited

N. Narasimha Murthy Raju
N. Narasimha Murthy Raju
Whole Time Director
DIN - 06862293

K. Raja Gopal
K. Raja Gopal
Director
DIN - 00019958

Naval Kishore
Naval Kishore
Chief Financial Officer

K. Venkat Reddy
K. Venkat Reddy
Company Secretary

Place: Gurgaon
Date: 15th May, 2015

Place: Gurgaon
Date: 15th May, 2015



National Energy Trading and Services Limited
Cash Flow Statement for the year ended March 31, 2015

Rs. in Lakhs

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	970.33	941.34
Adjustments for:		
Depreciation and Amortization	33.62	45.06
(Profit) / Loss on Sale of Fixed Assets	0.10	(0.94)
Current Assets no longer required written back	0.05	-
Provision for Advances / Claims / Debts	-	1.10
Interest Income	(1,441.82)	(1,429.85)
Dividend Income	(12.75)	(49.05)
Interest Expenses	344.56	102.44
Cash Generated Before Working Capital Changes	(105.91)	(389.90)
Movement in Working Capital		
Increase / (Decrease) in Trade Payables	1,198.05	(15,562.89)
Increase / (Decrease) in Provisions	19.88	6.37
Increase / (Decrease) in Other Liabilities	(606.83)	(625.42)
(Increase) / Decrease in Trade Receivables	(1,028.80)	13,109.03
(Increase) / Decrease in Loan and Advances (Excluding Capital Advances)	307.32	(137.52)
(Increase) / Decrease in Other Current Assets	31.89	-
Cash Generated From Operations	(184.40)	(3,600.33)
Direct Taxes Paid	(153.22)	(346.45)
Net Cash Flow From / (Used in) Operating Activities	(337.62)	(3,946.78)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(0.52)	(5.23)
Proceeds from Sale of Fixed Assets	0.21	6.50
Sale / (Purchase) of Current Investments (Net)	-	500.11
Inter Corporate Deposits given	(534.74)	(2,716.06)
Investment in Bank Deposits	941.97	55.25
Dividend Income received from others	12.75	49.05
Interest Income Received	1,456.15	890.93
Net Cash Flow From / (Used In) Investing Activities	1,875.82	(1,219.45)
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from/(Repayment of) Short - Term Borrowings (Net)	(1,227.00)	1,227.00
Interest Paid	(344.56)	(102.44)
Net Cash Flow From / (Used In) Financing Activities	(1,571.56)	1,124.56
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C) (33.36)	(4,041.67)
Cash and Cash Equivalents at the beginning of the Period	551.55	4,593.22
Cash and Cash Equivalents at the end of the Period	518.19	551.55
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	0.12	0.30
Balances with Banks		
-On Current Accounts	518.07	551.25
Cash and cash Equivalent as per Note 15	518.19	551.55

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.
- Previous year's figures have been regrouped and reclassified, to conform to those of the current period.

As per our report of even date.

For **Brahmayya & Co**
Chartered Accountants
Firm Registration No. 00511S

N. Venkata Suneel
per **N. Venkata Suneel**
Partner
Membership No. 223688

For and on behalf of the Board of Directors of
National Energy Trading and Services Limited

N. Narasimha Murty Raju
N. Narasimha Murty Raju
Whole Time Director
DIN - 06862293

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Naval Kishore
Naval Kishore
Chief Financial Officer

K. Venkat Reddy
K. Venkat Reddy
Company Secretary



Place: Gurgaon
Date: 15th May, 2015

Place: Gurgaon
Date: 15th May, 2015

National Energy Trading and Services Ltd
Notes to financial statements for the year ended March 31, 2015

1. Corporate Information

National Energy Trading and Services Limited (NETS) is a wholly owned subsidiary of Lanco Infratech Limited (LITL). The company is engaged in the business of trading of energy. The company holds a Category-I Power Trading License issued by the Hon'ble Central Electricity Regulatory Commission. It sources power from Generators (both internal and external), Distribution Companies, Public and Private sector power utilities and supplies to Public/Private sector Electric utilities, Distribution Companies, Industrial consumers and State Electricity Boards among others. The Company also trades power on the Indian Energy Exchange and Power Exchange of India Limited.

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



National Energy Trading and Services Ltd
Notes to financial statements for the year ended March 31, 2015

c) Intangible fixed assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably.

d) Depreciation on tangible fixed assets

Depreciation is provided as per the useful life as stated under schedule II of the Companies Act, 2013.

In respect of additions / deletions of the fixed assets, depreciation is charged from the date the asset is ready to use upto the date of deletion.

e) Intangible assets

Software License

Costs relating to software license are amortized on a straight-line basis over an estimated useful life of 4 years.

f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Revenue recognition

Revenue is recognized on the nature of activity to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i) Sale of Energy

- Revenue from sale of power is recognized when all the significant risks and rewards of ownership of the power have been passed to the buyer.
- Revenue from sale of power is accounted for based on rates agreed with the customer and is inclusive of trading margin.

ii) Income from Services

Revenues from services are recognized as and when services are rendered.



National Energy Trading and Services Ltd
Notes to financial statements for the year ended March 31, 2015

iii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

iv) Dividend

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

v) Delayed payment surcharge

Delayed payment surcharge for power supply are recognized when recovery is virtually certain.

h) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The Company has a defined benefit gratuity plan for its employees. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

i) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted, at the reporting date.



National Energy Trading and Services Ltd

Notes to financial statements for the year ended March 31, 2015

Deferred tax liabilities are recognized for all taxable timing difference. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

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

j) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line method.

k) Earnings per share

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

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

l) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



National Energy Trading and Services Ltd

Notes to financial statements for the year ended March 31, 2015

m) Contingent liabilities

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

n) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o) Measurement of EBITDA

As permitted under the Schedule III to the Companies Act, 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

3 Share Capital

		As at March 31, 2015	As at March 31, 2014
		Rs. in Lakhs	Rs. in Lakhs
Authorised	No. in Lakhs		
1000 (March 31, 2014: 1000 of Rs. 10/- each) Equity Shares of Rs. 10/- each		10,000.00	10,000.00
		<u>10,000.00</u>	<u>10,000.00</u>
Issued, Subscribed and Paid Up Equity Shares	No. in Lakhs		
365.29 (March 31, 2014: 365.29 of Rs. 10/- each) Equity Shares of Rs. 10/- each, Fully Paid Up		3,652.94	3,652.94
		<u>3,652.94</u>	<u>3,652.94</u>

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of Rs 10/- Each, Fully paid up	As at March 31, 2015		As at March 31, 2014	
	No. in Lakhs	Rs. in Lakhs	No. in Lakhs	Rs. in Lakhs
At the Beginning of the year	365.29	3,652.94	365.29	3,652.94
At the end of the year	<u>365.29</u>	<u>3,652.94</u>	<u>365.29</u>	<u>3,652.94</u>

3.2 Terms / Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 10/- per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

3.3 Shares held by holding company

	As at March 31, 2015		As at March 31, 2014	
	No. in Lakhs	Rs. in Lakhs	No. in Lakhs	Rs. in Lakhs
Equity Shares of Rs. 10/- each fully paid up Held By Lanco Infratech Limited	364.67	3,646.70	364.67	3,646.70

3.4 Details of Shareholder holding more than 5% shares of the company:

Equity Shares of Rs. 10/- each Held By	As at March 31, 2015		As at March 31, 2014	
	No. in Lakhs	% Holding in the Class	No. in Lakhs	% Holding in the Class
Lanco Infratech Limited	364.67	99.83%	364.67	99.83%

4 Reserves and Surplus

	As at March 31, 2015	As at March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Surplus / (deficit) in the Statement of Profit and Loss		
As at the commencement of the year		4,291.04
Add / Less:- Profit / (Loss) for the year	771.25	652.00
Less : Appropriations		
Depreciation adjustment (Refer Note no 31)	6.19	-
Total Appropriations	6.19	-
	<u>5,056.10</u>	<u>4,291.04</u>

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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

5 Deferred Tax Liability / (Asset) - Net

	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Deferred Tax Liabilities		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	(20.31)	(14.99)
Gross Deferred Tax Liabilities	<u>(20.31)</u>	<u>(14.99)</u>
Deferred Tax Assets		
- On Provisions	99.73	147.69
Gross Deferred Tax Assets	<u>99.73</u>	<u>147.69</u>
Deferred Tax Liability / (Asset) - Net	<u><u>(120.04)</u></u>	<u><u>(162.68)</u></u>

6 Provisions

	Long Term		Short Term	
	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Provision for Leave Encashment	17.67	11.33	6.53	3.85
Provision for Gratuity	14.02	5.44	3.46	1.18
Provision for Taxation (Net of Advance taxes)	-	-	49.38	21.17
	<u>31.69</u>	<u>16.77</u>	<u>59.37</u>	<u>26.20</u>

7 Short Term Borrowings

	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Other Loans and Advances		
Secured		
Loan against Fixed Deposits	-	1,227.00
	<u>-</u>	<u>1,227.00</u>

During the previous year Rs 1,227 Lakhs of Short term Loan availed against fixed deposits from Banks carries interest at 12% p.a (i.e applicable fixed deposit rate plus 2%). This loan is repayable on or before the maturity date of the fixed deposit. The company has repaid the total outstanding amount alongwith interest during the year.

8 Trade Payables

	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Trade Payables (including acceptances)	8,404.93	7,206.88
	<u>8,404.93</u>	<u>7,206.88</u>

9 Other Current Liabilities

	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Advance from Customers	907.20	1,084.65
Taxes Payable	111.52	97.95
Salaries & Other Employee benefits Payable	0.62	147.91
Other Payables	992.88	1,288.52
	<u>2,012.22</u>	<u>2,619.03</u>



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

10 Tangible Assets

Rs. in Lakhs

Particulars	Owned Assets			Total
	Furniture and Fixtures	Vehicles	Office Equipment	
Gross Block				
As at April 01, 2013	1.27	54.12	41.40	96.79
Additions	-	5.15	0.07	5.23
Disposals	-	5.15	12.26	17.43
As at March 31, 2014	1.27	54.12	29.21	84.59
Additions	-	-	0.52	0.52
Disposals	-	-	1.64	1.64
As at March 31, 2015	1.27	54.12	28.09	83.47
Depreciation				
As at April 01, 2013	0.22	15.96	20.70	36.88
For the Period	0.08	5.39	3.52	8.98
On Disposals	-	0.25	11.63	11.87
As at March 31, 2014	0.30	21.10	12.59	33.99
For the Period	0.15	7.80	5.10	13.04
On Disposals	-	-	1.34	1.34
- Other (Refer Note no 31)	-	-	6.19	6.19
As at March 31, 2015	0.45	28.90	22.54	51.88
Net Block				
As at March 31, 2014	0.97	33.02	16.62	50.60
As at March 31, 2015	0.82	25.22	5.55	31.59

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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

11 Intangible Assets

Rs. in Lakhs

Particulars	Computer Software	Total
<u>Gross Block</u>		
As at April 01, 2013	149.89	149.89
Additions	-	-
Disposals	52.92	52.92
As at March 31, 2014	96.97	96.97
Additions	-	-
Disposals	7.00	7.00
As at March 31, 2015	89.97	89.97
<u>Depreciation</u>		
As at April 01, 2013	93.23	93.23
For the Period	36.08	36.08
On Disposals	52.92	52.92
As at March 31, 2014	76.39	76.39
For the Period	20.58	20.58
On Disposals	7.00	7.00
As at March 31, 2015	89.97	89.97
<u>Net Block</u>		
As at March 31, 2014	20.58	20.58
As at March 31, 2015	-	-

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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

12 Non Current Investments

(At Cost Less Provision for other than temporary diminution unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	<u>No. in Lakhs</u>	<u>No. in Lakhs</u>	<u>Rs. in Lakhs</u>	<u>Rs. in Lakhs</u>
Non Trade Investments				
Investment in Preference Shares				
0.001% OCCR Preference Shares in Pragdisa Power Private Limited	108.50	-	1,065.00	-
Total Non Current Investments			<u>1,065.00</u>	<u>-</u>

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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

13 Loans and Advances

	Non- Current		Current	
	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Security Deposit				
Unsecured, Considered Good	65.00	65.42	88.99	51.00
Doubtful	60.00	60.00	-	-
	125.00	125.42	88.99	51.00
Less: Provision for Bad & doubtful Security Deposit	60.00	60.00	-	-
	65.00	65.42	88.99	51.00
Loans & Advances to Related Party (Refer Note No. 27)				
Unsecured, Considered Good				
Advances for Investment	-	-	-	1,065.00
Loans Receivable	-	-	2,210.75	2,427.06
	-	-	2,210.75	3,492.06
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	-	-	74.38	49.45
Loans and Advances to Employees	-	-	-	0.73
Prepaid Expense	-	-	11.61	11.00
Service Tax Credit Receivable	-	-	54.48	51.40
Loans Receivable	-	-	-	-
Unsecured, Considered Good	-	-	7,026.05	6,275.00
Advances Recoverable in Cash or in kind	-	-	-	-
Unsecured, Considered Good	-	-	6.34	354.21
	-	-	7,172.86	6,741.79
	65.00	65.42	9,472.60	10,284.85

	Non- Current		Current	
	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
14.1 Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered Good	-	-	696.77	970.33
	-	-	696.77	970.33
Other Receivable				
Unsecured, Considered Good	-	-	4,727.86	3,425.46
Doubtful	-	241.99	-	-
	-	241.99	4,727.86	3,425.46
Less : Allowance for bad & doubtful debts	-	241.99	-	-
	-	-	4,727.86	3,425.46
Sub Total (A)	-	-	5,424.63	4,395.79
14.2 Other Assets				
Unbilled Revenue	-	-	903.83	935.71
Interest Accrued on Loans and Deposits	-	-	524.65	538.98
Sub Total (B)	-	-	1,428.48	1,474.69
Total (A + B)	-	-	6,853.11	5,870.48

15 Cash and Bank Balance

	Non- Current		Current	
	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs	As at March 31, 2015 Rs. in Lakhs	As at March 31, 2014 Rs. in Lakhs
Cash and Cash Equivalents				
Balances with Banks				
-On Current Accounts	-	-	518.07	551.25
Cash on Hand	-	-	0.12	0.30
	-	-	518.19	551.55
Other Bank Balances				
On Deposit Accounts				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-	1,091.72	2,033.70
	-	-	1,091.72	2,033.70
	-	-	1,609.91	2,585.25



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

16 Revenue From Operations

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Sale of Products		
Sale of Power	84,071.29	91,217.12
Net Revenue from Operations	84,071.29	91,217.12

17 Other Income
(Net of expenses directly attributable to such Income)

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Interest Income on		
Deposits and Margin money	142.68	287.51
Loans Receivable and Inter Corporate Deposits	1,299.14	1,142.34
Amounts overdue from customers*	-	918.89
Dividend Income on		
Current Investments	12.75	49.05
Other Non-Operating Income		
Net Profit on Sale of Assets	-	0.94
Miscellaneous Income	0.53	48.77
	1,455.10	2,447.50

*** Details of Expenses netted off against Amounts overdue from customers**

<i>Delayed payment surcharge expense</i>	-	518.68
	-	518.68

18 Purchase Of Traded Goods

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Purchase of Power	83,484.36	90,303.87
	83,484.36	90,303.87

19 Employee Benefits Expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Salaries, allowances and benefits to employees	222.10	283.18
Contribution to provident fund and other funds	8.38	10.04
Employee Stock Option Charge	1.38	3.69
Recruitment and training	0.11	0.31
Staff welfare expenses	4.67	5.25
	236.64	302.47



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

20 Other Expenses

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Rent	30.64	30.58
Rates and taxes	40.34	40.32
Donations	12.75	-
Office maintenance	27.95	25.41
Insurance	0.42	0.54
Printing and stationery	2.18	2.31
Consultancy and other professional charges	424.37	898.64
Directors sitting fee	3.94	4.79
Electricity charges	0.02	0.06
Remuneration to auditors (As Auditor):		
Audit Fee	4.32	4.14
Travelling and conveyance	14.42	38.62
Communication expenses	4.53	5.41
Net Loss on Sale/ Write off of fixed assets	0.10	-
Provision for Advances / claims / debts	-	1.10
Business Promotion and Advertisement	1.30	3.05
Compensation (Refer Note no 29)	-	906.00
Miscellaneous expenses	21.03	8.47
	588.31	1,969.44

21 Finance Cost

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Interest	58.67	56.04
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	285.89	46.40
	344.56	102.44

22 Depreciation And Amortization Expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rs. in Lakhs	Rs. in Lakhs
Depreciation on Tangible Assets	13.04	8.98
Amortization on Intangible Assets	20.58	36.08
	33.62	45.06



23 Earning Per Share (EPS)

		March 31, 2015 Rs. in Lakhs	March 31, 2014 Rs. in Lakhs
<u>Total Operations for the year</u>		771.25	652.00
Profit/(Loss) after tax	(A)	771.25	652.00
Net Profit/(Loss) for calculation of basic EPS		771.25	652.00
Net Profit as above	(B)	771.25	652.00
Net Profit/(Loss) for calculation of diluted EPS			
<u>Continuing Operations</u>		771.25	652.00
Profit/(Loss) after tax	(C)	771.25	652.00
Net Profit/(Loss) for calculation of basic EPS		771.25	652.00
Net Profit as above	(D)	771.25	652.00
Net Profit/(Loss) for calculation of diluted EPS			
Weighted average number of Equity Shares for Basic EPS	(E)	365.29	365.29
Weighted Average number of Equity shares for Diluted EPS	(F)	365.29	365.29
Basic EPS on the basis of Total Operations	(A) / (E)	2.11	1.78
Basic EPS on the basis of Continuing Operations	(C) / (E)	2.11	1.78
Diluted EPS on the basis of Total Operations	(B) / (F)	2.11	1.78
Diluted EPS on the basis of Continuing Operations	(D) / (F)	2.11	1.78

24 Employee Benefits

i) Defined Benefit Plans

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to maximum of Rs 15 Lakhs. The plan for the same is unfunded.

	Gratuity	
	March 31, 2015 Rs. in Lakhs	March 31, 2014 Rs. in Lakhs
Net Employee benefit expense recognized in the employee cost		
Current service cost	2.69	1.65
Interest cost on benefit obligation	0.58	0.38
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	1.38	1.98
Net benefit expense	4.65	4.01

Actual Return on the plan assets

Balance Sheet

	March 31, 2015 Rs. in Lakhs	March 31, 2014 Rs. in Lakhs
Benefit asset/liability		
Present value of defined benefit obligation	17.48	6.62
Fair value of plan assets	-	-
Plan asset / (liability)	(17.48)	(6.62)

(Assets) / Liability recognized in the balance sheet

Change in the present value of the defined benefit obligation

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	6.62	4.67
Current service cost	2.69	1.65
Interest cost	0.58	0.38
Actuarial (gain) / loss on obligation	1.38	1.98
Benefit transferred in / (out)	7.68	(2.06)
Benefits paid	(1.48)	-
Closing defined benefit obligation	17.47	6.62

Assumptions

Discount Rate (%)	8.00%	8.79%
Estimated Rate of Return on Plan Assets	0.00%	0.00%
Attrition Rate	19.00%	19.00%



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

Expected rate of salary increase (%)	6.00%	6.00%
Expected Average Remaining Service (years)	23.90	25.70

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

II) Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of Rs. 3.43 Lakhs (Previous year : Rs 5.52 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss

III) Other Employee Benefits

In respect of the Labour Welfare Fund, an amount of Rs Nil (Previous year : Rs 0.001 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss

During the year the Company has (reversed)/provided retention bonus of (Rs.20.18 Lakhs) (Previous Year: Rs. 3.07 Lakhs).

The provision for compensated absences as per actuarial valuation as at March 31, 2015 is Rs. 24.20 Lakhs (Previous year : 15.18 Lakhs)

25 Segment Reporting

As the Company's business activity falls within a single primary business segment, the disclosure requirements of Accounting Standard (AS-17) Segment Reporting" issued under Companies (Accounting Standard) Rules, 2006 is not applicable. The Company operates primarily in India and there is no other significant geographical segment.

26 Contingent Liabilities - Not provided for

Claims against the Company not acknowledged as debts

- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards penalties*

* The management of the Company, based on its internal assessment and / or legal opinion, is confident that this matter will be decided in its favour.

	March 31, 2015 Rs. in Lakhs	March 31, 2014 Rs. in Lakhs
	600.00	600.00

27 Related Party Transactions

a) Names of Related Parties and description of relationship.

b) Summary of transactions with related parties are as follows:

(This space is left intentionally blank)



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2015

27 a) Name of Related parties and description of relationship

Description of Relationship	Name
Holding Company or group of individuals having control or significant influence over the company and relatives of such individuals	1. Lanco Infratech Limited (LITL)
Fellow Subsidiaries	1. Lanco Kondapalli Power Limited (LKPL) 2. Lanco Anpara Power Limited (LANPL) 3. Lanco Budhil Hydro Power Limited (LBHPL) (until 15.06.2014) 4. Lanco Amarkantak Power Ltd (LAPL)
Key Management Personnel	1. Mr. Anwar Ahmed Khan as Executive Chairman & Whole Time Director upto 11th February 2015 2. Mr Rohit Bajaj as Whole Time Director upto 9th May 2014 3. Mr. N. Narasimha Murty Raju from 9th May 2014 to till date as Whole Time Director 4. Mr. Venkata Sudheer Babu Kothapalli from 1st February 2013 to 31st January 2014 as Whole Time Director
Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	1. Pragadisa Power Pvt Ltd (PPPL)

(This space is left blank intentionally)




- 28 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises**
The identification of micro, small and medium enterprises suppliers as defined under "The Micro Small and Medium Enterprises Development Act, 2006" is based on information available with the management. As certified by the management, amounts overdue as on 31st March 2015 to micro, small and medium enterprises on account of principal amount together with interest is Rs Nil Lakhs (Previous Year - Rs Nil Lakhs).
- 29** During the year 2010-11, the Company (NETS) had contracted with Madhya Pradesh Power Trading Company Ltd (MPPTCL), a supplier for purchase of power from May 2010 to March 2011 at pre determined prices. Due to the drastic fall in power demand arising out of widespread monsoons and change in law due to new UI Regulations (falling under the force majeure clause of the tender document) and consequential significant reduction in prices, the Company could not schedule the sale of power onwards at the contracted price, after June, 2010. The Company had accordingly suspended the contract in November 2010 and also proposed the customer to off-take power at the average prevailing market price and to extend the contract period beyond 31st March, 2011 if the contracted power could not be sold by then. The supplier had not responded to the proposal, but has raised bills for compensation charges amounting to Rs. 8,655 lakhs which has not been accepted by the company.
- During the year 2011-12, the supplier encashed the Letter of Credit of Rs. 500 lakhs given by the Company and has not refunded earnest money deposit of Rs. 25 Lakhs. The supplier also filed a petition before the Madhya Pradesh Electricity Regulatory Commission (MPERC) under section 86(1)(f) of the Electricity Act, 2003, for adjudication of dispute with the Company. By order dated October 1, 2011, MPERC held that it has jurisdiction to adjudicate the dispute between licensees. The Company filed an Appeal against the aforesaid order before the Appellate Tribunal of Electricity ("APTEL"). The Appeal was admitted on 13th February, 2012 and further proceeding before the MPERC was stayed pending the appeal in APTEL.
- Further, NETS filed I.A. 359 of 2012 on 26th October, 2012 for dispose of the present Appeal. The Hon'ble APTEL on 8th November, 2012, dismissed the appeal and vacated the interim stay order granted by it with a liberty to approach the Commission (MPERC) seeking appropriate relief according to law. The Hon'ble Commission (MPERC) heard both the parties and obtained written submissions from both the parties. The Hon'ble Commission (MPERC) passed an Order on 31st December, 2013, stating that Madhya Pradesh Power Management Company Ltd (MPPMCL) (erstwhile Madhya Pradesh Power Trading Company Ltd) is entitled to receive reasonable compensation (Rs. 1,406 lakhs as calculated by the MPERC).
- MPPMCL has raised an invoice dated 12th March, 2014 for an amount of Rs. 906 lakhs (i.e. after adjusting an amount of Rs. 500 lakhs LC encashed by it, earlier), the Company has paid the invoice amount of Rs. 906 lakhs. Accordingly the matter has been settled.
- 30** During the year management reassessed the remaining useful life of assets as required under Schedule - II to the Companies Act, 2013 with effect from 1st April, 2014. Consequently, depreciation for the year ended 31st March, 2015 is higher and profit before tax is lower to the extent of Rs. 3.94 Lakhs.
- 31** Pursuant to the enactment of Companies Act, 2013 (the Act), the company has applied the estimated useful lives as specified in Schedule II of the Act. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April, 2014 have been adjusted, in the Reserves and Surplus amounting to Rs. 6.19 Lakhs.
- 32 Exceptional Item**
During the year, the company reversed a sum of amount of Rs 131.43 Lakhs towards provision for incentive and retention bonus made upto 31st March 2015.
- 33** Previous year's figures have been regrouped/reclassified wherever necessary, to conform to those of the current year.
- 34** As allowed under Schedule III of the Companies Act, 2013, financials are prepared in lakhs and rounded off to two decimals. The amounts below thousand are appearing as zero.


As per our report of even date.

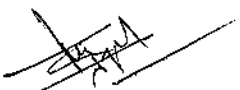
For Brahmayya & Co
Chartered Accountants
Firm Registration No. 005115

N. Venkata
per N. Venkata Sundar
Partner
Membership No. 223688



For and on behalf of the Board of Directors of
National Energy Trading and Services Limited


N. Narasimha Murthy Raju
Whole Time Director
DIN - 06862293


K. Raja Gopal
Director
DIN - 00019958


Naval Kishore
Chief Financial Officer


K. Venkat Reddy
Company Secretary

Place: Gurgaon
Date: 15th May, 2015

Place: Gurgaon
Date: 15th May, 2015



Form AOC-1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013
 Pursuant to First proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014
 (Rs. in Lakhs)

Sl. No./Subsidiary Name	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment #	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding as per Companies Act, 2013	% of Shareholding as per Accounting Standard-21
Entities becoming as Subsidiaries as per Companies Act, 2013 which are not considered in the consolidation as per the Accounting Standards													
1	INR	1,066.00	-	1,066.23	0.23	-	-	-	-	-	-	99.91	-
2	INR	304.20	-	308.90	4.70	-	-	-	-	-	-	99.67	-

#Investment except investment in subsidiaries, Joint venture and associates

- Names of subsidiaries which are yet to commence operations-NIL
- Names of Subsidiaries which have been liquidated or sold during the year -NIL

PART "B" : ASSOCIATES

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

Sl. No.	Name of Associates	Latest audited Balance Sheet Date	Shares of Associate/Joint ventures No.	Amount of Investment in Associate/Joint Ventures (Rs. in lakhs)	Extent of Holding % *	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	Profit/Loss for the year	Reason why the associate/joint venture is not consolidated	
							Considered in Consolidation (Rs. in lakhs)	Not Consolidated in Consolidation (Rs. in lakhs)	Reason why the associate/joint venture is not consolidated

NIL

For and on behalf of the Board of Directors of
 National Energy Trading And Services Limited

[Signature]
 N.Narasimha Murthy Raju
 Whole Time Director
 DIN - 06862293

[Signature]
 K. Raja Gopal
 Director
 DIN - 00019958

[Signature]
 Naval Kishore
 Chief Financial Officer

[Signature]
 K. Venkatesh Reddy
 Company Secretary

Place: Gurgaon
 Date: 15th May, 2015