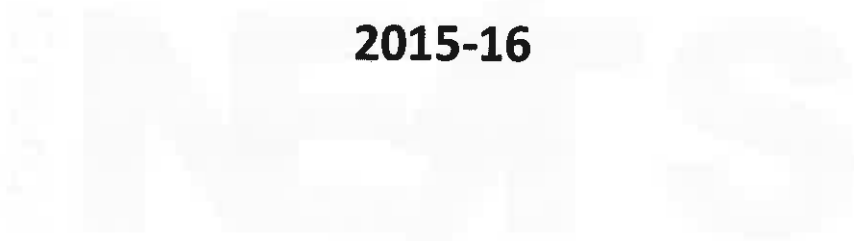




NATIONAL ENERGY TRADING AND SERVICES LIMITED

16th Annual Report

2015-16



Board of Directors

- | | |
|---------------------------------|--------------------------------------|
| 1. Shri K Raja Gopal | - Non Executive Chairman |
| 2. Shri N Narasimha Murthy Raju | - Whole Time Director |
| 3. Shri TNKS Murthy | - Non Executive Independent Director |
| 4. Shri BRK Rao | - Non Executive Independent Director |
| 5. Ms. Trina Lakhmani | - Non Executive Director |

Company Secretary

Shri Mukesh Jain

Chief Financial Officer

Shri Naval Kishore

Statutory Auditors

M/s Brahmayya & Co.
Chartered Accountants,
No.48, Masilamani Road,
Balaji Nagar, Royapettah,
Chennai-600014, Tamilnadu

Bankers

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

Registered Office

LANCO House,
Plot #4, Software Units Layout,
HITEC City, Madhapur
Hyderabad-500081, Telangana (India)
Tel: +91-40-40090400
Fax: +91-40-23116127
CIN: U40109TG2000PLC033791

Corporate Office

Lanco House, Plot No. 397, Udyog Vihar,
Phase-III, Gur
gaon -122016
Haryana (India)
Tel: +91- 124-4741000
Fax: +91- 124-4741074, 84

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of the Company will be held on Tuesday, the 27th September, 2016 at 11.50 A.M. at Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad – 500 016, Telangana, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri. N Narasimha Murty Raju (DIN: 06862293), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and fix their remuneration and in this regard 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 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."

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



Mukesh Jain
Mukesh Jain
Company Secretary

Place : Gurgaon
Date : 05.08.2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy

on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting

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



Mukesh Jain

**Mukesh Jain
Company Secretary**

Place : Gurgaon
Date : 05.08.2016

NETS



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

16th Annual General Meeting - September 27, 2016

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 16th Annual General Meeting of the Company to be held at Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad –500016, Telangana at 11:50 a.m. on Tuesday, the September 27, 2016.

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

16th Annual General Meeting - September 27, 2016

(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

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

as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on the Tuesday, September 27, 2016 at 11:50 a.m. at Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad – 500 016, Telangana 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, 2016 along with Directors' Report and Auditors' Report thereon.
2	Re-appointment of Mr. N Narasimha Murty Raju who retires by rotation.
3	Ratification of appointment of M/s. Brahmayya & Co., Chartered Accountants as Auditors of the Company

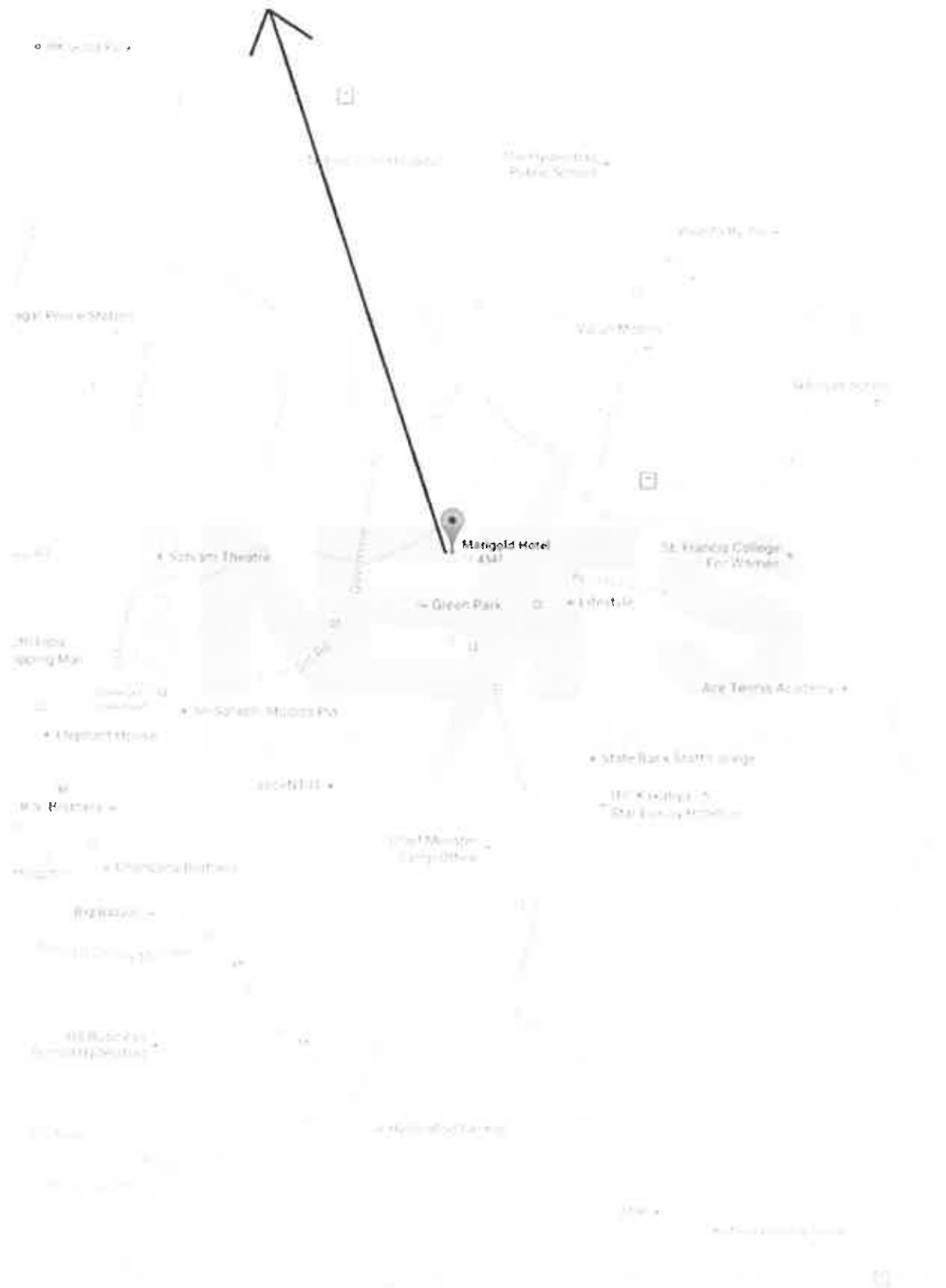
Signed thisday of, 2016

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



BOARDS' REPORT

The Members

Your Directors have pleasure in presenting the 16th Annual Report on the business and operations of the company together with the Audited Statements of Accounts for the year ended March 31, 2016:

1. PERFORMANCE – AT A GLANCE:

(Rs. in Lacs)

	PARTICULARS	F.Y 2015-16	F.Y 2014-15
	Million Units traded	1285.61	1817.49
I	Sales (Net of Rebate) incl OA	65,749.72	84,071.29
II	Purchases (Net of Rebate)	65,278.46	83,484.36
III	Income		
	a. Income from Operations (I - II)	471.26	586.93
	b. Other Income	778.04	1455.1
	TOTAL	1249.3	2,042.03
IV	Expenses		
	a. Administrative Expenses	545.23	588.31
	b. Staff Cost	183.38	236.64
	c. Interest and Financial Charges	132.21	344.56
	TOTAL	860.82	1169.51
V	Depreciation/Written-off	10.37	33.62
VI	Profit Before Exceptional Items & Tax (III - IV - V)	378.11	838.90
VII	Exceptional Items	0	131.43
VIII	Profit Before Tax (VI+VII)	378.11	970.33
IX	Provision for Taxes	169.22	199.08
X	Profit after Tax (VIII - IX)	208.89	771.25
XI	No. of Shares	36529400	36529400
XII	EPS (Annualised)-Rs.	0.57	2.11

2. Dividend & Reserves

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 2015-16.

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

3. OPERATIONAL DETAILS:

Your Company has, during the year, transacted 743.62 MUs under Long Term/ Medium Term Power contracts with various power generating companies.

4. Subsidiary, Joint Ventures & Associate Companies (Disclosure As Per Rule 8(5) Of The Companies(Accounts) Rules, 2014)

During the year under review, M/s Spica Thermal Power Private Limited ceased to be a subsidiary w.e.f. 5th December, 2015 under section 2(87) of the Companies Act, 2013. Further, as on March 31, 2016, the Company has a subsidiary i.e. Pragdisa Power Private Limited pursuant to section 2 (87) of the Companies Act, 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 attached 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.

Details on composition & terms of these committees, including the number of meetings held during Financial Year 2015-16 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
- (ix) Such other assignments as may be entrusted by the Board

The following is the composition of Audit Committee as on March 31, 2016:

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 five times during the year under review on 8th May, 2015, 15th May, 2015; 24th July, 2015; 26th October, 2015; 25th January, 2016;

The details of Audit Committee meeting and its members attendance during FY 2015-16 are given herein below:-

S. No	Name of Director	Designation	No. of meetings held during the tenure	No. of meetings attended	% of attendance
1	Shri TNKS Murty	Chairman	4	4	100%
2	Shri BRK Rao	Member	4	4	100%
3	Shri K. Raja Gopal	Member	4	4	100%

2. Nomination & Remuneration Committee

Terms of reference of Nomination and Remuneration Committee:

- To identify persons who are qualified to become Director(s) and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees and review / modify the same from time to time.

2	Shri BRK Rao	Member
3	Shri TNKS Murty	Member

The Corporate Social Responsibility Committee met twice during the year under review on 15th May, 2015 & 24th July, 2015.

The details of CSR Committee meeting and its members attendance during FY 2015-16 are given herein below:-

S. No	Name of Director	Category	No. of meeting held during the tenure	No. of meetings attended	% of attendance
1	Shri K Raja Gopal	Chairman	2	2	100
2	Shri BRK Rao	Member	2	2	100
3	Shri TNKS Murty	Member	2	2	100

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.

The Auditor's Report does not have any qualification and is self-explanatory, hence does not call for any comment of Board.

Secretarial Auditors

The Board has re-appointed Mr. G Ramachandran, a Practising Company Secretary to conduct Secretarial Audit of the Company for the financial year 2015-16 under the provisions of section 204 of the Companies Act, 2013 and rules made thereunder.

The Secretarial Audit Report for the year ended March 31, 2016 is included as "Annexure-B" and forms an integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Auditors

M/s Ravi Rajan; Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

Amit Kushwah, Executive	3,95,100	Whole time Employee	B.Com, MBA (Finance)	08-03-2013	32	Tulip Telecom Ltd.	Nil	No
Aakarsh Durbhakula, Executive	3,88,800	Whole time Employee	B Tech (EEE)	05-10-2013	24	First Employment	Nil	No

18. Policy on Directors' Appointment and Remuneration

The Board of Directors, in terms of the provisions of Section 178(3) of the Companies Act, 2013, has constituted the Nomination and Remuneration Committee (NRC) and the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company. The NRC Policy adopted by the Board is annexed herewith as "Annexure-C" to this report.

19. Statement indicating the manner in which Formal Annual Evaluation has been made by the board of its own performance, its Directors, and that of its Committees

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 (herein after referred to as "the Act") and the rules framed thereunder as amended from time to time, the performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria's such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The Performance of the committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition to that, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the meeting of the Board of Directors held thereafter. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

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

26. Details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

As your Company is engaged in the activity of trading of power and other related activities, the particulars relating to conservation of energy and technology absorption respectively are not applicable to it.

Foreign Exchange Earnings & Outgo:

There are no Foreign Exchange earnings and outgo during the year under review.

27. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

28. Vigil Mechanism

During the year under review, the vigil mechanism provisions are not attracted to the Company.

29. Disclosures under Sexual Harassment Of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants, whilst dealing with issues related to sexual harassment at the work place towards any woman associates. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers are covered under this policy.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY15-16:

- No. of complaints received: Nil
- No. of complaints disposed of: Nil
- No. of cases pending for more than 90 days: Nil
- No. of workshops on awareness program against sexual harassment carried out: Nil

30. Directors Responsibility Statement:

As required by Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards, have been followed and there are no material departures from the same;
- (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

Annexure-A**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN****AS ON FINANCIAL YEAR ENDED ON 31.03.2016****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@aarthiconsultants.com Website: www.aarthiconsultants.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	90.06

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	Pragdisa Power Private Limited Plot No.4, Software Units Layout, HITEC City, Madhapur, Hyderabad- 500081, Telangana	U40100TG2005PTC045442	Subsidiary	99.91	2(87)(ii)

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

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 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% 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
1	At the beginning of the year	36467025	99.83%	36467025	99.83%
2	Date wise increase/decrease in Promoters Shareholding during the year	There was no change during the year.			
3	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	-	-	-	-
	At the end of the year	15625	0.04	15625	0.04
2	L Madhusudhan Rao				
	At the beginning of the year	15500	0.04	15500	0.04
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year	15500	0.04	15500	0.04
3	L Sridhar				
	At the beginning of the year	15500	0.04	15500	0.04
	Date wise increase/decrease in	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Shri N N Murty Raju	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 44,88,688	Rs. 44,88,688
2.	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
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. 44,88,688	Rs. 44,88,688
	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
Shri. TNKS Murty	-	-	-	-
Shri. BRK Rao	-	-	-	-
Total (1)	-	-	-	-

2. Other Non-Executive Directors

Name of Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
Shri. K Raja Gopal (Chairman)	-	-	-	-
Smt. Trina Lakhmani	-	-	-	-
Total (2)	-	-	-	-
Total (1+2)	-	-	-	-
Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
1.	Gross salary	Shri. Naval Kishore- CFO	Shri. Mukesh Jain- Company Secretary	Total



Annexure - B

G RAMACHANDRAN & ASSOCIATES
COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

*[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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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 2016 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, 2016 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;
- (ix) The Indian Contract Act, 1982
- (x) Andhra Pradesh Value Added Tax Act, 2005 & Central Sales Tax Act, 1956

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified with effect from 1st July 2015)

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: 5th, August, 2016
Place: Chennai

Nomination and Remuneration Policy

1.0 PURPOSE

Pursuant to Section 178 of the Companies Act, 2013 (“Act”), read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”), all Companies having paid up capital of Rs. 10 Crores or more, or turnover of Rs.100 crores or more, or outstanding loan or borrowing of Rs. 50 Crore or more shall constitute Nomination and Remuneration Committee (“NRC Committee”), to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management.

2.0 APPLICABILITY

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of NATIONAL ENERGY TRADING AND SERVICES LIMITED (“Company”).

3.0 OBJECTIVES

This policy is framed with the following objectives:

I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.

III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.

IV. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.

V. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

VI. To promote and develop a high performance workforce in line with the Company strategy.

VII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.

VIII. To determine the remuneration based on the Company’s size and financial position and practices in the industry.

Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013.

The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.

The Committee members may attend the meeting physically or through Video conference or through permitted audio –visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee (s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

5.2 ROLE AND POWERS OF THE COMMITTEE:

The Role and Powers of the Committee shall be as under:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) To formulate criteria for evaluation of Independent Directors and the Board.

c) To identify persons who qualify to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.

d) To carry out evaluation of every Director's performance.

e) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks.

h) To carry out any other function as is mandated by the Board from time to time and /or enforced by the statutory notification, amendment or modification, as may be applicable.

i) To devise a policy on Board Diversity.

j) To formulate the Nomination and Remuneration policy of the Company and propose any amendments.

k) To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board, Key Managerial Personnel and to senior management.

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5.6 REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:

a. The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b. The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

c. Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

d. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

e. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

f. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

g. Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required.

h. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be prepared and signed as per applicable provisions of Companies Act and Secretarial Standard and will be circulated at the subsequent Board meeting for noting.

7.0 AMENDMENT TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

8.0 DISCLOSURE:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website if any and reference drawn thereto in the Annual Report.

For and on behalf of the Board of Directors



K Raja Gopal
Director
DIN: 00019958



N Narasimha Murty Raju
Whole Time Director
DIN: 06862293

Place: Gurgaon
Date: 05.08.2016

Annexure-D

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.
 - Supporting schools with infrastructure like benches, toilets, potable water, fans, school kits, note books etc.
 - Supporting other educational institutions.

c) Manner in which the amount spent during the financial year is detailed below:

(Rs. In Lakhs)

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 free primary Health care services with the help of one mobile van equipped with team of medical and para medical professionals.	Health Care	District Gurgaon (Haryana)	10.00	10.00	10.00	Through implementing agency - Lanco Foundation*
2	Providing safe drinking water with the objective of reducing water borne diseases.	Safe drinking water	District-Gurgaon (Haryana)	6.99	6.99	6.99	
3	To set up Artificial Limb Fitting Centre to address the mobility issue of person with loco motor disability, distributing tailor-made Aids & Appliances to persons with Disability (PWDs) by organising screening and distribution camps.	Disability	Gurgaon (Haryana) Distribution held at Jerausundar pur village. Distt. Gurgaon	0.75	0.75	0.75	
	Total			17.74	17.74	17.74	

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

- 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**
- 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 of Directors


K Raja Gopal
Director
DIN: 00019958


N Narasimha Murty Raju
Whole Time Director
DIN: 06862293

Place: Gurgaon
Date: 05.08.2016

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]

PART "A" : SUBSIDIARIES Sl. No. Subsidiary Name	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment #	Turnover	Profit Before Taxation	Provision For Taxation	(Rs. in Lakh)		% of Shareholding as per Companies Act, 2013	% of Shareholding as per Accounting Standard-21
										Profit After Taxation	Proposed Dividend		
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	1,066.28	0.28							99.91	

#Investment except investment in subsidiaries, Joint venture and associates

1. Names of subsidiaries which are yet to commence operations-NIL

2. 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 held by the company on the year end	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	Extent of Holding % *	Amount of Investment in Associates / Joint Venture (Rs. in lakhs)	Considered in Consolidation (Rs. in lakhs)	Not Consolidated in of how there is significant influence	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Profit/Loss for the year	
											Profit	Loss

NIL

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



Mukesh Jain
Company Secretary

Place: Gurgaon

Date: 23rd May, 2016



NATIONAL ENERGY TRADING AND SERVICES LTD

BALANCE SHEET

As on 31st March 2016

INDEPENDENT AUDITORS' REPORT

To the Members of National Energy Trading and Services Limited

Report on 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, 2016, 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 of 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. 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 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, 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 27 to the financial statements.



- vii. (a) The Company is regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and the explanation and information given to us, the dues of income tax or sales 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 the Statute	Nature of the Dues	Disputed Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.67	A.Y. 2010-11	The Deputy Commissioner of Income Tax

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans or borrowings from banks.
- ix. To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, the term loans availed by the Company, were, prima facie, applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V of the Act.



Annexure - A to the Independent Auditors' Report

Referred to in Clause 1 of "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, 2016

- i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no immovable properties in the name of the Company. Therefor the provisions of clause (i) (c) of the paragraph 3 of the Order is not applicable to the Company.
- ii. The Company does not hold any physical inventories. Therefore, the provision of clause (ii) of the paragraph 3 of the Order is 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 Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii), (iii) (a), (iii) (b) and (iii) (c) of the paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has not provided any loans, investments, guarantees and securities to any party covered in section 185 of the Companies Act, 2013. In respect of loans and investments made by the Company, based on the information and explanation given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013.
- 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.



- ii) The Company did not have any long term contract 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.

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



Lokesh Vasudevan
Partner

Membership number: 222320

Place: Gurgaon
Date: 23rd May 2016

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions clause (xii) of the paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties, prima facie are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934, therefore, the provision of clause (xvi) of the paragraph 3 of the Order is not applicable to the Company.

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



Lokesh Vasudevan
Partner

Membership No. 222320



Place : Gurgaon
Date : 23rd May, 2016

Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **National Energy Trading and Services Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting as issued by The Institute of Chartered Accountants of India and Standard Operating Procedures as adopted by the Company". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting as issued by The Institute of Chartered Accountants of India and Standard Operating Procedures as adopted by the Company".

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



Lokesh Vasudevan
Partner
Membership No. 222320

Place : Gurgaon
Date : 23rd May, 2016

National Energy Trading and Services Limited
Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
I EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,652.94	3,652.94
Reserves and Surplus	4	5,264.99	5,056.10
		8,917.93	8,709.04
Non Current Liabilities			
Long Term Provisions	6	18.35	31.69
		18.35	31.69
Current Liabilities			
Short Term Borrowings	7	435.00	-
Trade Payables	8	16,363.41	8,404.93
Other Current Liabilities	9	1,950.36	2,012.22
Short Term Provisions	6	44.51	59.37
		18,793.28	10,476.52
		27,729.56	19,217.25
II ASSETS			
Non Current Assets			
Tangible Assets	10	20.25	31.59
Intangible Assets	11	-	-
		20.25	31.59
Non Current Investments	12	8,611.48	1,065.00
Deferred Tax Assets (net)	5	46.22	120.04
Long Term Loans and Advances	13	65.00	65.00
		8,742.95	1,281.63
Current Assets			
Trade Receivables	14.1	14,716.66	5,424.63
Cash and Bank Balances	15	1,350.55	1,609.91
Short Term Loans and Advances	13	1,692.33	9,472.60
Other Current Assets	14.2	1,227.07	1,428.48
		18,986.61	17,935.62
		27,729.56	19,217.25

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. 000511S



Lokesh Vasudevan
Partner
Membership No. 222320



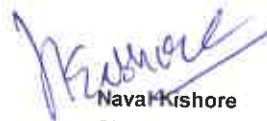
For and on behalf of the Board of Directors
National Energy Trading and Services Limited



N. Narasimha Murthy Raju
Whole time Director
DIN - 06862293



K. Raja Gopal
Director
DIN - 00019958



Nava Kishore
Chief Financial Officer



Mukesh Jain
Company Secretary

Place: Gurgaon
Date: 23rd May, 2016

Place: Gurgaon
Date: 23rd May, 2016



National Energy Trading and Services Limited
Statement of Profit and Loss for the year ended March 31, 2016

	Notes	For the year ended	For the year ended
		March 31, 2016	March 31, 2015
		Rs. Lakhs	Rs. Lakhs
I. INCOME			
Revenue from Operations	16	65,749.72	84,071.29
Other Income	17	778.04	1,455.10
Total Revenue (I)		66,527.76	85,526.39
II. EXPENSES			
Purchase of Traded Goods	18	65,278.46	83,484.36
Employee Benefits Expenses	19	183.38	236.64
Other Expenses	20	545.23	588.31
Total Expenses (II)		66,007.07	84,309.31
III. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		520.69	1,217.08
Finance Cost	21	132.21	344.56
Depreciation and Amortization Expense	22	10.37	33.62
IV. Profit / (Loss) before Exceptional, Extraordinary Items and Tax		378.11	838.90
V. Exceptional Items		-	131.43
VI. Profit / (Loss) before Extraordinary Items and Tax (IV + V)		378.11	970.33
VII. Extraordinary Items		-	-
VIII. Profit / (Loss) before Tax (VI - VII)		378.11	970.33
IX. Tax Expense			
Current Tax / Minimum Alternate Tax (MAT) Payable		105.55	193.45
Relating to Previous Periods		(10.14)	(37.01)
Deferred Tax		73.81	47.64
Total Tax Expense (IX)		169.22	199.08
X. Profit / (Loss) after Tax for the Period (VIII - IX)		208.89	771.25
(Balance Carried to Balance Sheet)			
Earnings Per Equity Share - (Face value of share Rs. 10/-)	23		
Basic (Rs.)		0.57	2.11
Diluted (Rs.)		0.57	2.11

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 Brahmaya & Co
Chartered Accountants
Firm Registration No. 000511S



Lokesh Vasudevan
Partner
Membership No. 222320



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



N. Narasimha Murthy Raju
Whole time Director
DIN - 06862293



K. Raja Gopal
Director
DIN - 0001995



Naval Kishore
Chief Financial Officer



Mukesh Jain
Company Secretary

Place: Gurgaon
Date: 23rd May, 2016

Place: Gurgaon
Date: 23rd May, 2016



National Energy Trading and Services Limited
Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016	Rs. Lakhs For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	378.11	970.33
Adjustments for:		
Depreciation and Amortization	10.37	33.62
(Profit) / Loss on Sale of Fixed Assets	0.24	0.10
Current Assets no longer required written back	-	0.05
Interest Income	(699.24)	(1,441.82)
Dividend Income	(42.58)	(12.75)
Interest Expenses	132.21	344.56
Cash Generated Before Working Capital Changes	(220.89)	(105.91)
Movement in Working Capital		
Increase / (Decrease) in Trade Payables	7,958.49	1,198.05
Increase / (Decrease) in Provisions	(17.37)	19.88
Increase / (Decrease) in Other Liabilities	(102.93)	(606.83)
(Increase) / Decrease in Trade Receivables	(9,292.06)	(1,028.80)
(Increase) / Decrease in Loan and Advances (Excluding Capital Advances)	46.06	307.32
(Increase) / Decrease in Other Assets	467.88	31.89
Cash Generated From Operations	(1,160.82)	(184.40)
Direct Taxes Paid	(108.81)	(153.22)
Net Cash Flow From / (Used in) Operating Activities	(1,269.63)	(337.62)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(0.23)	(0.52)
Proceeds from Sale of Fixed Assets	0.96	0.21
Purchase of Non Current Investments- Others	(7,546.48)	-
Inter Corporate Loans given/received	7,736.80	(534.74)
Investment in Bank Deposits	(26.99)	941.97
Dividend Income received from others	42.58	12.75
Interest Income Received	432.76	1,456.15
Net Cash Flow From / (Used in) Investing Activities	639.40	1,875.82
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from/(to) Short - Term Borrowings (Net)	435.00	(1,227.00)
Interest Paid	(91.12)	(344.56)
Net Cash Flow From / (Used in) Financing Activities	343.88	(1,571.56)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(286.35)	(33.36)
Cash and Cash Equivalents at the beginning of the year	518.19	551.55
Cash and Cash Equivalents at the end of the year	231.84	518.19
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	0.37	0.12
Balances with Banks		
-On Current Accounts	231.47	518.07
-On Deposit Accounts	-	-
Cash and cash Equivalent (as per Note 15)	231.84	518.19

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 year.

As per our report of even date.


For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S



Lokesh Vasudevan
Partner
Membership No. 222320



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


N. Narasimha Murthy Raju
Whole time Director
DIN - 06862293


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Naval Kishore
Chief Financial Officer


Mukesh Jain
Company Secretary

Place: Gurgaon
Date: 23rd May, 2016

Place: Gurgaon
Date: 23rd May, 2016



National Energy trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

1. Corporate Information

National Energy Trading and Services Limited (NETS) is a 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 except for the changes in the accounting policy discussed separately, are consistent with those used in the 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. Revenue Recognition

Revenue is recognized based on the nature of activity to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

The company collects service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

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 and on the accrual basis in accordance with the provisions of Power Purchase Agreement.



National Energy trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

- Revenue from sale of power is accounted for based on rates agreed with the customer and is inclusive of trading margin.
- (ii) **Sale of Solar Modules**
- Revenue is recognized based on the sale of Module to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.
- (iii) **Income from Services**
- Revenues from services are recognized as and when services are rendered.
- (iv) **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.
- (v) **Dividends**
- Dividend income is recognized when the company's right to receive dividend is established by the reporting date.
- (vi) **Delayed payment surcharge**
- Delayed payment surcharge for power supply are recognized when recovery is virtually certain.
- c. **Tangible fixed assets**

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

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 up to the date of deletion.



National Energy trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

e. 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 the asset can be measured reliably.

Computer Software is 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. 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.

h. 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.



National Energy trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

i. Employee Stock Option Scheme

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the company, employees of the company and its subsidiaries are granted an option to acquire equity shares of the company that may be exercised within a specified period. The company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period. ESOP has been accounted as per the SEBI guidelines and guidance note issued by ICAI.

j. 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 applicable 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognized 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.

k. Provisions

A provisions is recognized when an enterprise has a present obligation as a result of past events, 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 their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



National Energy trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

i. 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.

m. 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.

n. Measurement of EBITDA

As permitted by 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 and other explanatory information to financial statements for the year ended March 31, 2016

3 Share Capital

		As at March 31, 2016	As at March 31, 2015
		Rs. Lakhs	Rs. Lakhs
Authorised	No. Lakhs		
1000 (March 31, 2015: 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	No. Lakhs		
Equity Shares			
365.29 (March 31, 2015: 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

	As at March 31, 2016		As at March 31, 2015	
	No. Lakhs	Rs. Lakhs	No. Lakhs	Rs. Lakhs
Equity Shares of Rs. 10/- Each, Fully paid up				
At the Beginning	365.29	3,652.94	365.29	3,652.94
At the end	<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 / ultimate holding and / or their subsidiary / associates

	As at March 31, 2016		As at March 31, 2015	
	No. Lakhs	Rs. Lakhs	No. Lakhs	Rs. 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:

	As at March 31, 2016		As at March 31, 2015	
	No. Lakhs	% Holding in the Class	No. Lakhs	% Holding in the Class
Equity Shares of Rs. 10/- each Held By				
Lanco Infratech Limited	364.67	99.83%	364.67	99.83%

4 Reserves and Surplus

	As at March 31, 2016	As at March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Surplus / (deficit) in the Statement of Profit and Loss		
As at the commencement of the year	5,056.10	4,291.04
Add / Less:- Profit / (Loss) for the year	208.89	771.25
Less : Appropriations		
Depreciation adjustment		6.19
Total Appropriations		<u>6.19</u>
Net Surplus in the Statement of Profit and Loss	<u>5,264.99</u>	<u>5,056.10</u>
	<u>5,264.99</u>	<u>5,056.10</u>



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5 Deferred Tax Liability / (Asset) - Net

	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Deferred Tax Liabilities		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	(18.35)	(20.31)
Gross Deferred Tax Liabilities	(18.35)	(20.31)
Deferred Tax Assets		
Provision for Gratuity and Compensated Absences	27.87	99.73
Gross Deferred Tax Assets	27.87	99.73
Deferred Tax Liability / (Asset) - Net	(46.22)	(120.04)

6 Provisions

	Long Term		Short Term	
	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Provision for Leave Encashment	10.49	17.67	3.87	6.53
Provision for Gratuity	7.86	14.02	2.08	3.46
Provision for Taxation (Net of Advance taxes)	-	-	38.56	49.38
	18.35	31.69	44.51	59.37

7 Short Term Borrowings

	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Other Loans and Advances		
Secured		
Loan against Fixed Deposits	435.00	-
	435.00	-

8 Trade Payables

	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Trade Payables (including acceptances)		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16,363.41	8,404.93
	16,363.41	8,404.93

9 Other Current Liabilities

	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Interest accrued but not due on borrowings	41.09	-
Advance from Customers	1,406.84	907.20
Taxes Payable	33.42	111.52
Salaries & Other Employee benefits Payable	0.50	0.62
Other Payables	468.51	992.88
	1,950.36	2,012.22



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

10 Tangible Assets

Rs. lakhs

Particulars	Owned Assets			Total
	Furniture and Fixtures	Vehicles	Office Equipment	
Gross Block				
As at April 01, 2014	1.27	54.12	29.21	84.60
Additions	-	-	0.52	0.52
Disposals	-	-	1.64	1.64
As at March 31, 2015	1.27	54.12	28.09	83.48
Additions	-	-	0.23	0.23
Disposals	-	-	12.36	12.36
As at March 31, 2016	1.27	54.12	15.96	71.35
Depreciation				
As at April 01, 2014	0.30	21.10	12.59	33.99
For the Period	0.15	7.80	5.10	13.05
On Disposals	-	-	1.34	1.34
- Other (Depreciation charged to Opening Reserves)	-	-	6.19	6.19
As at March 31, 2015	0.45	28.90	22.54	51.89
For the Period	0.15	7.82	2.40	10.37
On Disposals	-	-	11.16	11.16
As at March 31, 2016	0.60	36.72	13.78	51.10
Net Block				
As at March 31, 2015	0.82	25.22	5.55	31.59
As at March 31, 2016	0.67	17.40	2.18	20.25

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National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

11 Intangible Assets

Rs. lakhs

Particulars	Computer Software	Total
<u>Gross Block</u>		
As at April 01, 2014	96.97	96.97
Additions	-	-
Disposals	7.00	7.00
As at March 31, 2015	89.97	89.97
Additions	-	-
As at March 31, 2016	89.97	89.97
<u>Depreciation</u>		
As at April 01, 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
For the Period	-	-
As at March 31, 2016	89.97	89.97
<u>Net Block</u>		
As at March 31, 2015	-	-
As at March 31, 2016	-	-

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National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

12 Non Current Investments

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

	As at March 31, 2016 No. Lakhs	As at March 31, 2015 No. Lakhs	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
III Non Trade Investments				
(a) Investment in fellow subsidiary-Equity Shares				
Lanco Solar Energy Private Limited (Equity Shares of Rs 10 each)	621.63	-	7,546.48	-
(b) Investment in Preference Shares				
(i) 0.001% OCCR Preference Shares in Pragdisa Power Private Limited	106.50	106.50	1,065.00	1,065.00
Sub Total			<u>1,065.00</u>	<u>1,065.00</u>
Total Non Trade investment			<u>8,611.48</u>	<u>1,065.00</u>
Total Non Current Investments			<u>8,611.48</u>	<u>1,065.00</u>

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National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

13 Loans and Advances

	Non- Current		Current	
	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Security Deposit				
Unsecured, Considered Good	65.00	65.00	3.15	88.99
Doubtful	60.00	60.00	-	-
	125.00	125.00	3.15	88.99
Less: Provision for Bad & doubtful Security Deposit	60.00	60.00	-	-
	65.00	65.00	3.15	88.99
Loans & Advances to Related Party				
Unsecured, Considered Good				
Loans Receivable	-	-	1,500.00	2,210.75
Non Current Investments	-	-	-	-
	-	-	1,500.00	2,210.75
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	-	-	76.97	74.38
Prepaid Expense	-	-	23.80	11.61
Cenvat / Vat / Service Tax Credit Receivable	-	-	60.07	54.48
Loans Receivable	-	-	-	-
Unsecured, Considered Good	-	-	-	7,026.05
Advances Recoverable in Cash or in kind	-	-	-	-
Unsecured, Considered Good	-	-	28.34	6.34
	-	-	189.18	7,172.86
	65.00	65.00	1,692.33	9,472.60

14 Trade Receivables and Other Assets

	Non- Current		Current	
	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
14.1 Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered Good			1,295.77	696.77
			1,295.77	696.77
Other Receivable				
Unsecured, Considered Good			13,420.89	4,727.86
			13,420.89	4,727.86
Sub Total (A)			14,716.66	5,424.63
14.2 Other Assets				
Unbilled Revenue			435.94	903.83
Interest Accrued on Deposits			791.13	524.65
Sub Total (B)			1,227.07	1,428.48
Total (A + B)			15,943.73	6,853.11

15 Cash and Bank Balance

	Non- Current		Current	
	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs	As at March 31, 2016 Rs. Lakhs	As at March 31, 2015 Rs. Lakhs
Cash and Cash Equivalents				
Balances with Banks				
-On Current Accounts			231.47	518.07
Cash on Hand			0.37	0.12
			231.84	518.19
Other Bank Balances				
On Deposit Accounts				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit			1,118.71	1,091.72
			1,118.71	1,091.72
			1,350.55	1,609.91



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

16 Revenue From Operations

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Sale of Products		
Electrical Energy	59,916.86	84,071.29
Solar Modules	5,832.86	-
Net Revenue from Operations	65,749.72	84,071.29

17 Other Income

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Interest Income on		
Deposits and Margin money	104.78	142.68
Loans Receivable and Inter Corporate Loans	594.46	1,299.14
Dividend Income on		
Current Investments	42.58	12.75
Other Non-Operating Income (Net of expenses directly attributable to such Income)		
Liabilities and Provisions no longer required written back	33.43	-
Net Profit on Sale of Assets	-	-
Miscellaneous Income	2.79	0.53
	778.04	1,455.10

18 Purchase Of Traded Goods

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Power Purchase	59,460.55	83,484.36
Solar Modules	5,817.91	-
	65,278.46	83,484.36

19 Employee Benefits Expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Salaries, allowances and benefits to employees	172.03	222.10
Contribution to provident fund and other funds	8.88	8.38
Employee Stock Option Charge	(1.92)	1.38
Recruitment and training	0.11	0.11
Staff welfare expenses	4.28	4.67
	183.38	236.64



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

20 Other Expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Rent	22.89	30.64
Rates and taxes	41.18	40.34
Donations	17.74	12.75
Office maintenance	23.41	27.95
Insurance	0.31	0.42
Printing and stationery	0.85	2.18
Consultancy and other professional charges	404.93	423.81
Directors sitting fee	-	3.94
Electricity charges	-	0.02
Remuneration to auditors (As Auditor):		
Audit Fee	5.43	4.32
Tax audit fees	0.55	0.56
Travelling and conveyance	11.87	14.42
Communication expenses	1.95	4.53
Net Loss on Sale/ Write off of fixed assets	0.24	0.10
Business Promotion and Advertisement	0.42	1.30
Miscellaneous expenses	13.46	21.03
	545.23	588.31

21 Finance Cost

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Interest	47.85	58.67
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	84.36	285.89
	132.21	344.56

22 Depreciation And Amortization Expense

	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs. Lakhs	Rs. Lakhs
Depreciation on Tangible Assets	10.37	13.04
Amortization on Intangible Assets	-	20.58
	10.37	33.62

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National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

23 Earning Per Share (EPS)

		March 31, 2016 Rs. Lakhs	March 31, 2015 Rs. Lakhs
<u>Total Operations for the year</u>			
Profit/(Loss) after tax		208.89	771.25
Net Profit/(Loss) for calculation of basic EPS	(A)	208.89	771.25
Net Profit as above		208.89	771.25
Net Profit/(Loss) for calculation of diluted EPS	(B)	208.89	771.25
<u>Continuing Operations</u>			
Profit/(Loss) after tax		208.89	771.25
Net Profit/(Loss) for calculation of basic EPS	(C)	208.89	771.25
Net Profit as above		208.89	771.25
Net Profit/(Loss) for calculation of diluted EPS	(D)	208.89	771.25
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)	0.57	2.11
Basic EPS on the basis of Continuing Operations	(C) / (E)	0.57	2.11
Diluted EPS on the basis of Total Operations	(B) / (F)	0.57	2.11
Diluted EPS on the basis of Continuing Operations	(D) / (F)	0.57	2.11

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 a maximum of Rs.15 Lakhs. The plan for the same is unfunded.

	Gratuity	
	March 31, 2016 Rs. Lakhs	March 31, 2015 Rs. Lakhs
<u>Net Employee benefit expense recognized in the employee cost</u>		
Current service cost	1.76	2.69
Interest cost on benefit obligation	1.40	0.58
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	2.58	1.38
Net benefit expense	5.74	4.65
<u>Actual Return on the plan assets</u>		
<u>Balance Sheet</u>		
<u>Benefit asset/liability</u>		
Present value of defined benefit obligation	9.94	17.48
Fair value of plan assets		
Plan asset / (liability)	(9.94)	(17.48)
(Assets) / Liability recognized in the balance sheet		



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

Change in the present value of the defined benefit obligation

Opening defined benefit obligation	17.48	6.62
Current service cost	1.76	2.69
Interest cost	1.40	0.58
Actuarial (gain) / loss on obligation	2.58	1.39
Benefit transferred in	-	7.68
Benefit transferred Out	(11.45)	-
Benefits paid	(1.83)	(1.48)
Closing defined benefit obligation	9.94	17.48

Assumptions

Discount Rate (%)	7.50%	8.00%
Estimated Rate of Return on Plan Assets	-	-
Attrition Rate	19.00%	19.00%
Expected rate of salary increase (%)	6.00%	6.00%
Expected Average Remaining Service (years)	26.50	23.90

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.

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of Rs. 2.93 lakhs (Previous year : Rs. 3.43 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

iii) Other Employee Benefits

During the year the Company has (reversed)/provided retention bonus of Rs. 2.93 Lakhs (Previous Year: (Rs. 20.18 Lakhs)).

The provision for compensated absences as per actuarial valuation as at March 31, 2016 is Rs. 14.37 Lakhs (Previous year : Rs. 24.20 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 Related Party Transactions

- a) Names of Related Parties and description of relationship
- b) Summary of transactions with related parties are as follows:

27 Contingent Liabilities - Not provided for

	March 31, 2016 Rs. Lakhs	March 31, 2015 Rs. Lakhs
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Claims against the Company not acknowledged as debts.

- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards penalties* 600.00 600.00

* 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.

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 2016 to micro, small and medium enterprises on account of principal amount together with interest is Rs Nil Lakhs (Previous Year - Rs Nil Lakhs).



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

a) Name of Related parties and description of relationship

Description of Relationship	
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) 5. Lanco Solar Energy Private Limited (LSEPL)
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
Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	1. Pragadisa Power Private Limited (PPPL)

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

Rs. in lakhs

Nature of Transaction	For the year Ended March 31, 2016							
	Holding Company or group of individuals having control or significant influence over the company and relatives of such individuals		Fellow Subsidiaries		Key Management Personnel		Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Income								
Sales of Solar Modules			LSEPL	5,982.42				
Interest Income	LITL	284.98	LSEPL	3.66				
Expense								
Purchase of Goods/Power			LAnPL	39,443.36				
Management Consultancy Services Availed	LITL	360.00						
Contract Services/ Shared Services Availed	LITL	22.02						
Interest Paid								
Dividend Paid								
Rent Paid	LITL	20.70						
Donations given								
Sitting Fees								
Managerial Remuneration					Mr. N. Narasimha Murthy Raju	44.89		
Insurance	LITL	0.56						
TOP Cost	LITL	(1.92)						
Other Transactions								
Purchase of Fixed Assets			LSEPL	0.14				
Sale of Fixed Assets								
Purchase of Shares	LITL	5,546.48	LSEPL	2,000.00				
Other Advances Given	LITL	4,000.00						
Other Advances Received back	LITL	4,000.00						
Loans ICD Received During The Period			LSEPL	500.00				
Loans ICD Paid During The Period			LSEPL	500.00				
Period End Balances								
Payables								
Trade Payables			LAnPL	11,850.60				
Trade Payables			LKPL	1,956.82				
Receivables								
Loans Receivable (ICD)	LITL	1,500.00						
Trade Receivables			LSEPL	1,746.90				
Investments							PPPL	1,065.00



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

Nature of Transaction	For the year Ended March 31, 2015							
	Holding Company or group of individuals having control or significant influence over the company and relatives of such individuals		Fellow Subsidiaries		Key Management Person (Managing Director, Whole Time Director, manager and other managerial personnel)		Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Income								
Interest Income	LITL	363.03						
Expense								
Purchase of Goods/Power			LAnPL	42,186.07				
Purchase of Goods/Power			LBHPL	2,326.43				
Work Contract Expenses								
Management Consultancy Services Availed	LITL	395.02						
Rent Paid	LITL	30.38						
Managerial Remuneration					Mr.Anwar Ahmed Khan	31.54		
Managerial Remuneration					Mr. N.Narasimha Murthy	48.49		
Managerial Remuneration					Raju Mr Rohit Bajaj	7.66		
ESOP Cost	LITL	1.38						
BG Commission	LITL	247.67						
Office maintenance - common facilities	LITL	27.32						
Other Transactions								
Purchase of Fixed Assets			LAnPL	0.47				
Loans (ICD) Refunded During The Period	LITL	930.31						
Loans (ICD) Given During The Period	LITL	714.00						
Period End Balances								
Payables								
Trade Payables			LKPL	1,956.82				
Trade Payables			LAnPL	3,468.43				
Trade Payables			LBHPL	160.59				
Trade Payables			LAnPL	428.17				
Receivables								
Loans Receivable	LITL	2,210.75						
Other Advances Receivables	LITL	8.46						
Investments							PPPL	1,065.00

Note:- Transaction with Lanco Budhil Hydro Power Limited (LBHPL) are disclosed until 15th June, 2014.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2016

29 Exceptional items,

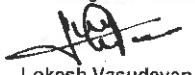
During the Last year, the company reversed a sum of amount of Rs 131.43 Lakhs towards provision for incentive and retention bonus made upto 31st March 2015.

30 Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.

31 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. 000511S



Lokesh Vasudevan
Partner
Membership No. 222320



For and on behalf of the Board of Directors
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



Mukesh Jain
Company Secretary

Place: Gurgaon
Date: 23rd May, 2016

Place: Gurgaon
Date: 23rd May, 2016

