



**NATIONAL ENERGY TRADING AND
SERVICES LIMITED**

18th Annual Report

2017-18

BOARD OF DIRECTORS (AS ON 28.08.2017)

- | | |
|--|------------------------|
| 1. Shri Chandrasekhar Reddy Mettipalle | - Director |
| 2. Shri Naval Kishore | - Whole Time Director |
| 3. Shri BRK Rao | - Independent Director |
| 4. Ms. Kanika Sukheeja | - Director |

CHIEF FINANCIAL OFFICER

Mr. Sunny Mehta

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, Gurugram -122016
Haryana (India)
Tel: +91- 124-4741000
Fax: +91- 124-4741074, 84

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of National Energy Trading And Services Limited will be held on Friday, the 21st September, 2018 at 1.00 P.M. at its registered office situated at Plot No.4, Software Units Layout, Hitec City, Madhapur, Hyderabad-500081, Telangana, India, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 along with Board's Report and Auditors' Report thereon.
2. To appoint a Director in place of Chandrasekhar Reddy Mettipalle, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Kanika Sukheeja as Director of the company.

To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Kanika Sukheeja (DIN: 7971372) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 16th April, 2018 and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose office is liable to be retire by rotation.

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

Corporate Office: Lanco House, Plot # 397, Udyog Vihar, Phase-3, Gurgaon-122 016, New Delhi Region, India.
T: +91 124 474 1000 F: +91 124 4741074/84

Registered Office: Lanco House, Plot No. 4, Software Units Layout, HITEC City, Madhapur, Hyderabad-500 081, Telangana, India.
T: +91 40 4009 0400 F: +91 40 2311 6127
www.lancogroup.com

Corporate Identity Number: U40109TG2000PLC033791

4. **Appointment of Mr. Naval Kishore as Director of the Company**

To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT Mr. Naval Kishore (DIN 08183351) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 26.07.2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from the said Director under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director, liable to retire by rotation, of the Company.”

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

5. **Appointment of Mr. Naval Kishore as the Whole Time Director of the Company**

To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED UNANIMOUSLY THAT pursuant to the provisions of Sections 178, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), (including any statutory modification(s) or re-enactment thereof for the time being in force), as amended from time to time and as recommended by the Nomination and Remuneration Committee and Other approvals if any, and all other consents, permissions, if any, approval of the Members be and is hereby accorded for appointment of Mr. Naval Kishore as Whole-time Director and Whole-time Key Managerial Personnel of the Company for a period of 3 (three) years with effect from 26.07.2018 with the following terms of appointment and remuneration:

Terms of Appointment:

Mr. Naval Kishore shall discharge his duties, functions and responsibilities as per the authorization given by the Board of Directors from time to time.

Remuneration:

I.	(A) Basic Salary:	Rs. 13,74,345/ per annum
II.	(B) House Rent Allowance:	Rs. 6,87,173/- per annum
	(C) Other Allowances:	Rs. 6,87,173/- per annum
	(D) Location Allowance:	Rs. 4,12,304/- per annum
	(E) Vehicle Allowance:	Rs. 6,60,000/- per annum
III.	Life and Personal accident insurance:	As per the policy of the company
IV.	Gratuity and other benefits:	As per the policy of the company

“RESOLVED FURTHER THAT no Sitting Fees shall be paid to Mr. Naval Kishore, Whole-time Director, for attending Meetings of the Board of Directors or any Committee(s) thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, during the term of office of Mr. Naval Kishore, the remuneration payable to him shall not exceed the limits prescribed in Schedule V and other applicable provisions of the Act.

RESOLVED FURTHER THAT Mr. Naval Kishore will be a Director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director of the Company.

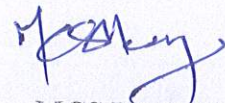
RESOLVED FURTHER THAT the permission of the Board of Directors be and is accorded to Mr. Naval Kishore, Whole Time Director and Key Managerial Personnel of the Company for appointment as Director in any other Company(s), subject to the limits of Directorships prescribed under Section 165 and other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things, as may be required or considered necessary, including entering into such agreement(s), deed(s) or any other document, as may be required or considered necessary, in order to give effect to this resolution or otherwise considered by the Board of Directors in the interest of the Company and as may be agreed to by the Board of Directors and Mr. Naval Kishore.

RESOLVED FURTHER THAT the Board of Directors of the Company and Company Secretary of the Company be and are hereby severally authorized to file necessary forms with the office of the Registrar of Companies, Hyderabad, Central Government as may be required, in the prescribed form(s), and to do all such acts, deeds and things as may be required in this regard, for giving effect to this resolution.”

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

**Place: Gurugram
Date: 28.08.2018**



**MCS REDDY
DIRECTOR
DIN: 02811755**

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/HERSELF 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/authorization letter authorising their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of special business under Item Nos. 3, 4 and 5 of the Notice, is annexed hereto.
5. All documents referred to in the Notice and Explanatory Statement attached thereto shall be open for inspection at the Registered Office of the Company between 10:00 a.m. to 6:00 p.m. on working days upto the date of ensuing Annual General Meeting of the Company. The Register of Directors & Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, shall be open for inspection for the members during business hours and shall be accessible to any person(s) attending the Meeting.
6. Attendance Slip and Proxy Form are annexed hereto. Members or their Proxy are requested to carry duly filled in and signed Attendance Slip and duly filled in, stamped and signed Proxy Form. The proxy holder shall prove his/her identity at the time of attending the Meeting.
7. Route Map for venue of AGM along with prominent landmarks has been annexed hereto for easy location as prescribed under the Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 THE COMPANIES
ACT, 2013

Item No. 3

As recommended by the Nomination and Remuneration Committee and to take the benefit of experience of Ms. Kanika Sukheeja, the Board of Directors has appointed Ms. Kanika Sukheeja on April 16, 2018 as an Additional Director of the Company on the terms and conditions as detailed in the resolution.

Ms. Kanika Sukheeja did LLB from Rajasthan University and is an Associate Member of the Institute of Company Secretaries of India.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Kanika Sukheeja will hold office upto the conclusion of the ensuing Annual General Meeting.

The Company has received from Ms. Kanika Sukheeja (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Declaration in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014 to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Kanika Sukheeja as Director of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder. She is liable to retire by rotation.

No director, Key Managerial Personnel or their relatives are interested in the resolution except Ms. Kanika Sukheeja.

Ms. Kanika Sukheeja does not hold any shares in the Company and he is not related to the other Directors or Key Managerial Persons of the Company. Ms. Kanika Sukheeja holds directorship in the following companies:

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Registered Office: Lanco House, Plot No. 4, Software Units Layout,HITEC City, Madhapur, Hyderabad-500 081, Telangana, India.
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Corporate Identity Number: U40109TG2000PLC033791

S. No.	Name of companies	Directorship	Committee membership/ chairmanship
1.	Lanco Teesta Hydro Power Limited	Director	-
2.	National Energy Trading and Services Limited	Director	Member in the Management Committee
3.	Lanco Anpara Power Limited	Director	-
4.	Lanco Tanjore Power Company Limited	Director	-
5.	Lanco Solar Energy Private Limited	Director	-
6.	Lanco Hydro Power Limited	Director	-

The Board recommends the resolution set forth in item no. 3 for approval of the members.

Item No. 4

The Board of Directors has appointed Shri Naval Kishore on 26th July, 2018 as Additional Director of the Company pursuant to section 161 of the Companies Act, 2013.

Shri Naval Kishore is a B. Com Graduate from Agra University and a Chartered Accountant by profession having an experience of more than 25 years. He passed his Chartered Accountancy in 1994. His area of Expertise lies in Corporate Finance, taxation and Accounts.

Shri Naval Kishore does not hold any shares in the Company and he is not related to the other Directors or Key Managerial Persons of the Company.

The Board recommends the resolution set forth in item no. 4 for approval of the members

Item No. 5

The Board of Directors has appointed Shri Naval Kishore on 26th July, 2018 as the Whole Time Director of the Company pursuant to section 161 of the Companies Act, 2013 with effect from the said date on the existing terms and conditions.

Shri Naval Kishore is a B. Com Graduate from Agra University and a Chartered Accountant by profession having an experience of more than 25 years. He passed his Chartered Accountancy in 1994. His area of Expertise lies in Corporate Finance, taxation and Accounts.

The details of terms of appointment and remuneration of Shri Naval Kishore are available in the proposed resolution.

Information about the appointee:

<u>S.No</u>	<u>Particulars</u>	<u>Details</u>
01	Name:	Naval Kishore
02	Age	57 years
03	Designation:	Whole Time Director
04	Remuneration details:	Remuneration proposed to be paid to Shri Naval Kishore has been specified in the Resolution.
05	Past Remuneration:	Prior to appointment to this post, he was holding the post of CFO and was drawing a total salary of Rs. 34,12,139 plus he was eligible for the other benefits like incentive, gratuity, insurances, perquisites etc.
06	Qualification & Experience	Shri Naval Kishore is a B. Com Graduate from Agra University and a Chartered Accountant by profession having an experience of more than 25 years. He passed his Chartered Accountancy in 1994. His area of Expertise lies in Corporate Finance, taxation and Accounts.
07	Date of commencement of Directorship	26 th of July 2018
08	The number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards,	Sh. Naval Kishore does not hold any directorship in any other company.
09	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial	Shri Naval Kishore does not hold any shares in the Company and he is not related to the other Directors or Key

personnel, if any:

Managerial Persons of the Company,
other than drawing his remuneration in
the capacity as Whole-time Director
of the Company.

The Board recommends the resolution set forth in item no. 5 for approval of the members

By Order of the Board of Directors
For National Energy Trading and Services Limited

Place: Gurugram

Date: 28.08.2018



MCS REDDY

DIRECTOR

DIN: 02811755

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

18th Annual General Meeting – September 21, 2018

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 18th Annual General Meeting of the Company to be held at Lanco House, Plot No.4, Software Units Layout, Hitec City, Madhapur, Hyderabad-500081, Telangana, India at 01.00 PM on Friday, the 21st September 2018.

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

Member's / Proxy's

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

18th Annual General Meeting - September 21, 2018

(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 18th
Annual General Meeting of the Company, to be held on the Friday, 21st September 2018 at
1.00 p.m. at Plot No.4, Software Units Layout, Hitec City, Madhapur, Hyderabad-500081,
Telangana, India 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, 2018 along with Directors' Report and Auditors' Report thereon.
2	Re-appointment of Mr. MCS Reddy who retires by rotation.
Special Business	
3	To appoint Ms. Kanika Sukheeja as Director of the Company.
4	To appoint Mr. Naval Kishore as Director of the Company.
5	To appoint Mr. Naval Kishore as Whole Time Director of the Company.

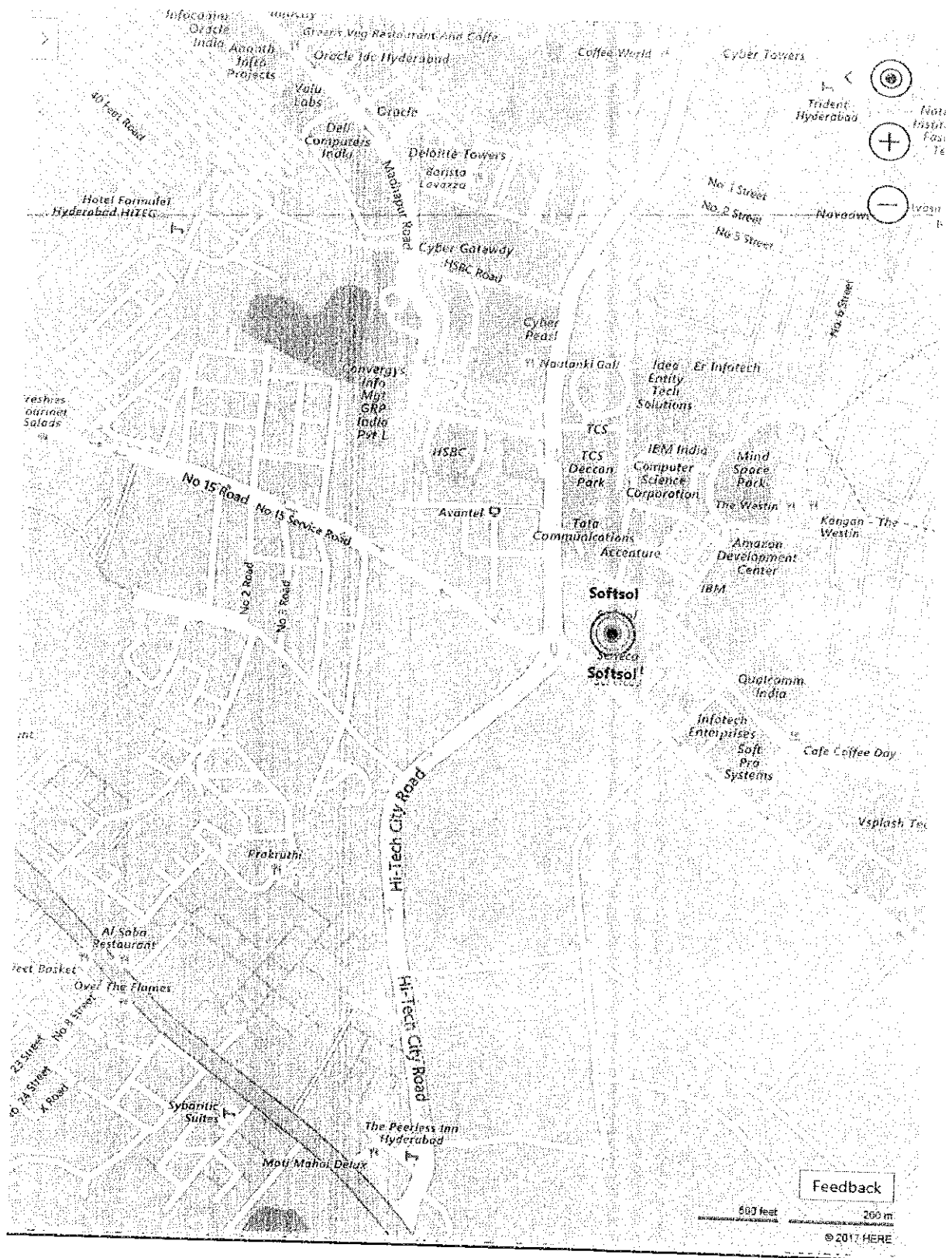
Signed thisday of, 2018

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



Landmark: Softsol Building

BOARD'S REPORT

The Members,
National Energy Trading and Services Limited

Your Directors have pleasure in presenting the 18th Annual Report of National Energy Trading And Services Limited (hereinafter referred to as "Company") on the business and operations of the Company together with the Audited Statements of Accounts for the year ended March 31, 2018, The consolidated performance of the Company and its subsidiaries has been referred to wherever required:

I. Performance – At a Glance

		(Rs. in Lacs)			
		Standalone		Consolidated	
	PARTICULARS	F.Y 2017-18	F.Y 2016-17	F.Y 2017-18	F.Y 2016-17
	Million Units traded	902.83	1094.40	902.83	-
I	Sales (Net of Rebate) including OA	37349.03	58927.38	37349.03	-
II	Purchases (Net of Rebate)	37010.58	58423.83	37010.57	-
III	Income				-
	a. Income from Operations (I - II)	338.45	503.55	338.46	-
	b. Other Income	322.92	504.82	322.98	-
	TOTAL	661.37	1008.37	661.44	-
IV	Expenses				-
	a. Administrative Expenses	169.07	346.74	169.49	-
	b. Staff Cost	325.94	217.51	349.76	-
	c. Interest and Financial Charges	85.09	298.61	85.09	-
	TOTAL	580.10	862.86	604.34	-
V	Depreciation/Written-off	7.00	9.28	7.00	-

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VI	Profit Before Exceptional Items & Tax (III - IV - V)	74.27	136.23	50.10	-
VII	Exceptional Items	0	0	0	0
VIII	Profit Before Tax (VI+VII)	74.27	136.23	50.10	-
IX	Provision for Taxes	18.36	36.22	18.36	-
X	Profit after Tax (VIII - IX)	55.91	100.01	31.74	-
XI	Other Comprehensive Income	(9.40)	1.71	(9.40)	-
XII	Total Comprehensive Income(X+ XI)	46.51	101.72	22.34	-
XIII	No. of Shares	36529400	36529400	36529400	-
XIV	EPS (Annualised)-Rs.	0.15	0.27	0.09	-

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 2017-18.

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

3. Operational Details

TRADED VOLUME

During the reporting year, your Company has traded 902.83 Million Units (MUs) of energy, against 1094.40 MUs traded during the previous year.

EXCHANGE TRADING PLATFORMS

Your Company, during the year traded power on power exchanges for an aggregate volume of 761.36 MUs with a Turnover of Rs. 256.15 crores.

MAJOR SUPPLIERS

Lanco Anpara Power Ltd supplied the maximum quantum of 553.37 MUs followed by SBQ Steel and Kesoram Cements at 7.12 MUs and 6.56 MUs, respectively.

MAJOR BUYERS

On the other side, RIMJHIM Ispat Limited was the highest purchaser of power from Company at 107.12 MUs followed by NCL Industries at 104.15 MUs and Devashree Ispat at 72.90 MUs respectively.

OPERATIONAL EFFICIENCY

Your Company carried out congestion management by re-routing of energy supplies to various utilities through different corridors so as to trade the contracted volumes, thereby facilitating more power flows. The bilateral volume of 141.47 MUs, was traded almost 100% through Firm contracts and there were no Banking transactions. The balance volume of 761.36 MUs was traded through Power Exchanges. Your Company gave an average price realization of Rs.3.00/kWh to its customers during the FY 2017-18, the highest being Rs.7.55/kWh and the lowest at Rs.1.03/kWh.

CHANGING MARKET SCENARIO

Power Exchanges viz., Indian Energy Exchange and Power Exchange of India Ltd. have become more aggressively operational; with a result bilateral trade is taking a hit. This is more because of the transparent and convenient operations. A third Power Exchange has also obtained License from CERC but is unlikely to start operations. With greater transparency in price discovery, suppliers are opting for trades through Power Exchanges. Your Company has traded power on power exchanges from April 2017 to March 2018 for volume of 761.36 MUs.

TRADING OF SOLAR POWER EQUIPMENTS

During the financial year 2017-18, the Company has achieved a turnover of around Rs. 52.09 crores as compared to Rs. 209.17 crores during the previous year in the business of trading of solar power equipment's including solar panels, inverters, transformers and allied parts & accessories

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

As on March 31, 2018, the Company has two subsidiaries i.e. Pragdisa Power Private Limited and Lanco Operation and Maintenance company Limited pursuant to section 2 (87) of the Companies Act, 2013

However, the Company is not required to prepare consolidated financial statements in respect of one of the subsidiary i.e. Pragdisa Power Private Limited as this subsidiary is 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 as Annexure-C**.

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 Share Capital of the Company.

As on March 31, 2018, the paid up share capital of the Company and the Authorized capital were remain at Rs. 36,52,94,000/- and 100,00,00,000/- respectively.

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, following changes have been taken place

S.No	Name Of The Director/Kmp	Designation	Date Of Appointment	Date Of Cessation
1.	Krotthapalli Raja Gopal	Director	21/05/2010	17/07/2017
2.	Chandrasekhar Reddy Mettipalle	Director	24/07/2017	-
3.	Mukesh Jain	Company Secretary	20/07/2015	04/10/2017
4.	Veerendra Kumar Achanta	Company Secretary	05/10/2017	17/06/2018
5.	Narasimha Murthy Raju Nadimpalli	Whole-Time Director	09/05/2014	31/01/2018

Additionally, till the date of AGM, following changes were taken place in the directorships and KMPs

- Ms. Kanikha Sukheeja was appointed as the Additional Director on 16/04/2018,
- Mr. Nagakrishna Satyanarayana Murty Tetali resigned from the designation of director on 30/04/2018,
- Ms. Trina Lakhmani resigned from the designation of director on 14/05/2018,
- Mr. Veerendra Kumar Achanta, Company Secretary resigned on 17.06.2018.
- The designation of Mr. Naval Kishore was changed from CFO to whole time director w.e.f 26.07.2018,
- Mr. Sunny Mehta was appointed as the Chief Financial Officer of the Company on 26.07.2018,

12. Independent Directors' Declaration

Since your Company is a Wholly Owned Subsidiary of Lanco Infratech Limited, the rule for appointment of Independent Directors does not apply.

13. Board of Directors & Meetings

During the financial year 2017-18 the Board of Directors met five times on: 17th May, 2017; 2nd August, 2017, 5th October, 2017, 31st October, 2017 and 5th February, 2018. The names of the Directors on the Board and their attendance at Board Meetings held during the year are given herein below:

S. No.	Name of Director	No. of meetings held during the tenure	No. of meeting attended	% of attendance
--------	------------------	--	-------------------------	-----------------

1.	Mr. Chandrasekhar Reddy Mettipalle	4	4	100
2.	Mr. Nagakrishna Satyanarayana Murthy Tetali	5	5	100
3.	Ms Trina Lakhmani	5	2	40
	Mr. Ramakrishna Bandaru Rao	5	5	100
4.	Mr. Krotthapalli Raja Gopal	1	1	100
5.	Mr. Narasimha Murthy Raju Nadimpalli	4	4	100

14. Committees of Board

In compliance with the provision of the Companies Act, 2013, the Board has set up the following Committees assigning specific roles and responsibilities to the said committees:

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

Details on composition & terms of these committees, including the number of meetings held during Financial Year 2017-18 and the attendance are provided below.

A. 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 an By 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, 2018:

S. No	Name of Director	Designation
1	Mr. Nagakrishna Satyanarayana Murty Tetali	Chairman
2	Mr. Chandrasekhar Reddy Mettipalle	Member
3	Mr. Ramakrishna Bandaru Rao	Member

The Audit Committee has met four times during the year under review on 17th May, 2017, 2nd August, 2017; 31st October, 2017 and 5th February, 2018.

The details of Audit Committee meeting and its member's attendance during FY 2017-18 are given herein below:-

S. No	Name of Director	Designation	No. of meetings held during the tenure	No. of meetings attended	% of attendance
1	Mr. Nagakrishna Satyanarayana Murty Tetali	Chairman	4	4	100
2	Mr. Chandrasekhar Reddy Mettipalle	Member	3	3	100
3	Mr. Ramakrishna Bandaru Rao	Member	4	4	100

B. Nomination & Remuneration Committee

Terms of reference of Nomination and Remuneration Committee:

- (i) 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.
- (ii) 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.

- (iii) To develop and recommend to the Board for its approval on annual evaluation process for Independent Directors.
- (iv) To devise a Policy on Board diversity.
- (v) To consider and disclose information pertaining to Director/ Key Managerial Personnel, to Shareholders of the Company under the Companies Act, 2013 and
- (vi) To take up any other roles and responsibilities delegated by the Board from time to time.

The following is the composition of Nomination & Remuneration Committee as on March 31, 2018:

S. No	Name of Director	Designation
1	Mr. Ramakrishna Bandaru Rao	Chairman
2	Mr. Chandrasekhar Reddy Mettipalle	Member
3	Shri Nagakrishna Satyanarayana Murty Tetali	Member

The Nomination & Remuneration Committee met twice during the year under review on 5th October, 2017 & 5th February, 2018.

The details of Committee meeting and its member's attendance during FY 2017-18 are given herein below:-

S. No	Name of Director	Category	No. of meeting held during the tenure	No. of meetings attended	% of attendance
1	Mr. Ramakrishna Bandaru Rao	Chairman	2	2	100%
2	Mr. Chandrasekhar Reddy Mettipalle	Member	2	2	100%
3	Mr. Nagakrishna Satyanarayana Murty Tetali	Member	2	2	100%

C. Corporate Social Responsibility Committee

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

- (i) To prepare the CSR Policy and to recommend the Board for its approval;

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

The following is the composition of Corporate Social Responsibility Committee of the Company as on March 31, 2018:

S. No	Name of Director	Designation
1	*Mr. Chandrasekhar Reddy Mettipalle	Chairman
2	Mr. Ramakrishna Bandaru Rao	Member
3	Shri Nagakrishna Satyanarayana Murty Tetali	Member

* Due to the resignation of Mr. K. Raja Gopal, The CSR committee was reconstituted on 2nd August 2017 with Mr. Chandrasekhar Reddy Mettipalle as Chairman and Mr. Ramakrishna Bandaru Rao and Shri Nagakrishna Satyanarayana Murty Tetali as other members.

The Corporate Social Responsibility Committee met once during the year under review on 17th May, 2017.

The details of CSR Committee meeting and its member's attendance during FY 2017-18 are given herein below:-

S. No	Name of Director	Category	No. of meeting held during the tenure	No. of meetings attended	% of attendance
1	*Mr. K. Raja Gopal	Chairman	1	1	100%
2	Mr. Ramakrishna Bandaru Rao	Member	1	1	100%

3	Shri Nagakrishna Satyanarayana Murty Tetali	Member	1	1	100%
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*The Corporate Social Responsibility Committee met once during the year under review on 17th May, 2017 and Mr. K. Raja Gopal was the Chairman of the committee during the said period.

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 17th AGM held on September 27, 2017, for a period of five years i.e. till the conclusion of 22nd AGM, the auditors shall hold office from 2017-18 to 2021-22.

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 Reports for the Standalone Statement and Consolidated financial statement for the financial year ended March 31, 2018 does not have any qualification and is self-explanatory, hence does not call for any comment of Board.

Secretarial Auditors

The Board has appointed M/s GRNK & ASSOCIATES, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2017-18 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, 2018 are included as "**Annexure-B**" and forms an integral part of this Report.

The Secretarial Audit Report contains the following qualification, reservation or adverse remarks as follows:

The Company did not file e-form MGT 14 for the appointment of Company Secretary on 5th October, 2017.

Management's Reply:

As regards to non-filing of e-form MGT-14 with ROC for the appointment of Company Secretary on 5th October, 2017, the management would like to state that during the Financial year 2017-18 there were frequent transformations happened regarding the designation of Company Secretary and consequently due to such transformations the said filing was unintentionally got overlooked. However, now the company and the management came to know about such default and are in process of taking effective measures for making the default good and shall ensure that such delays are avoided in future.

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.

16. Risk Management Policy

The Lanco Group as whole has adopted voluntarily risk management mechanism to follow the companies within the Group for the implementation of the risk management including identification of elements of risk and risk mitigation plans for the identified risk. The risk register is prepared and is being reviewed by the Audit Committee in every quarterly meeting while reviewing the un-audited/audited financial statements, even before the new Companies Act, 2013. The Audit Committee reviews from time to time to identify the risk and to rate the risk identified as high risk, low risk or medium risk and accordingly the mitigation plans are suggested.

17. Particulars of Employees and Related Disclosures

No employee of the Company was in receipt of the remuneration which exceeds the limits as prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Statement of Particulars of Top ten employees pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S.No	Name & Designation	Remuneration received (CTC per annum) (Amt. in Rs.)	Qualification & Experience	Date of Commencement of employment	Age (Yrs.)	Particulars of last employment held

1.	Veerendra Kumar Achanta, Vice President	50,00,000	FCS, BBM, LLB	28-02-2005	45	Lanco Infratech Limited
2.	Rohit Kumar General Manager	43,40,520	PGDM (MBA)	01-05-2016	41	Lanco Infratech Limited
3.	Naval Kishore, CFO	35,79,417	B.Com, C.A.	17-06-2011	56	Monnet Ispat and Energy Limited
4	Priya Ranjan Jha, General Manager	25,67,286	MBA, Marketing	01-09-2016	46	Isolux Corsan Engineering and Consultants Private Limited
5	Wasim Ahmed, Asst. General Manager	25,59,851	B. Tech- Electrical	19-04-2007	36	AKP Automation Pvt. Ltd
6	Shweta Mehrotra, Deputy Manager	9,90,741	Certified Diploma in E- Commerce, M.A.	01-05-2016	37	Lanco Infratech Limited
7	Sunny Mehta, Deputy Manager	9,34,997	B.Com, C.A.	04-01-2016	35	M/s Brahmayya & Co.
8	Ravinder Rana, Assistant Manager	8,97,411	MBA in Power Management	08-09-2016	31	GMR Trading Limited
9	Pavan Kumar Basam, Assistant Manager	7,54,937	B.Tech, Mechanical	01-04-2011	30	First Employment
10	Sudarshan Singh Asst. Manager	6,05,000	12 th	01-05-2016	36	Lanco Infratech Limited

Notes:

- Nature of employment is permanent for all employees.
- None of the employee holds any Equity shares in the Company.
- None of these employees are related to any Director of the Company.

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-D" 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 has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees, and they found it satisfactory.

20. Significant and material orders passed by the regulations or Courts

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

21. Deposits

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

22. Particulars of Loans, Guarantees and Investments Under Section 186 (Disclosure U/s 134(3))

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

23. Statement in respect of adequacy of Internal Financial Control with reference to the financial statements:

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

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

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

24. Corporate Social Responsibility

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

During the financial year 2017-18, the CSR initiatives are undertaken through Lanco Foundation. Lanco Foundation, established in 2000, is a multi-disciplined Public Charitable organization in service of society. Lanco Foundation is involved in welfare activities in the key areas of providing free education, free medical support, free drinking water and free disability assistance.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out herewith as "Annexure-E" to this Report. The Detailed CSR Policy is attached as "Annexure-F", forming part of this annual report.

25. Particulars of Contracts or Arrangements with Related Parties

During the financial year 2015-16, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis. All such contracts or agreements have been approved by the Audit Committee under the provisions of section 177 of the Companies Act, 2013, wherever required. No material contracts or arrangements with related parties were entered during the year under review. Accordingly, no transactions are being reported in Form No.AOC-2. Hence, Form No.AOC-2 is not required to be annexed to this report.

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 & solar modules 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.

However, a petition has been filed before Hon'ble National Company Law Tribunal, Hyderabad by IDBI Bank Limited against M/s Lanco Infratech Limited (LITL), a Holding Company, for seeking to initiate a Corporate Insolvency Resolution Process against LITL. The matter is subjudice before Hon'ble National Company Law Tribunal, Hyderabad and no further communication has been received.

27. Vigil Mechanism

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

28. 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 FY16-17:

- 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

29. 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, 2017, 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 of the state of affairs of your Company as at 31st March, 2017 and of the profit of the Company for the financial year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

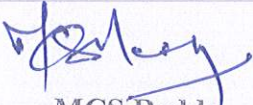
30. Acknowledgement

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

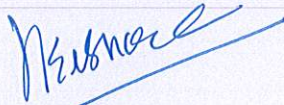
Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

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

For and on behalf of the Board of Directors



MCS Reddy
Director
DIN: 02811755



Naval Kishore
Whole Time Director
DIN: 08183351



Place: Gurugram
Date: 26.07.2018

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2018
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
vi i	Name, Address & contact details of the Registrar & Transfer Agent	M/s Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad-500029, Telangana Phone: +91-40-2763 8111, 2763 4445, Fax : +91-40-27632184 E-Mail: info@arthiconsultants.com Website: www.arthiconsultants.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall stated..05

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Trading of Electricity	-	86.05%

2	Trading of Solar Modules	-	13.95%
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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	100.00	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)(i)
3	Lanco Operation and Maintenance company, Plot No.4, Software Units Layout, HITEC City, Madhapur, Hyderabad-500081, Telangana	U40300TG2009PLC065597	Subsidiary	99.88	2(87)(i)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total Shares	

				Shar es					
A. Promoter									
<i>1) Indian</i>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central/Sta te Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corp	364670 25	6192 5	365289 50	100	365289 50	-	365289 50	100	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub- total(A)(1):-	364670 25	6192 5	365289 50	100	365289 50	-	365289 50	100	-
<i>2) Foreign</i>									
f) NRIs- Individuals	-	-	-	-	-	-	-	-	-
g) Other- Individuals	-	-	-	-	-	-	-	-	-
h) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Banks / FI	-	-	-	-	-	-	-	-	-
j) Any Other	-	-	-	-	-	-	-	-	-
Sub- total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholdin g of Promoter (A)= (A)(1)+(A)(2)	364670 25	6192 5	365289 50	100	365289 50	-	365289 50	100	-
B. Public Shareholdi ng									
<i>1. Institution s</i>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

c) Central/State Govt.	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FII's	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	450	450	0.00	-	450	450	0.00	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-

Sub-total(B)(2)	-	450	450	0.00	-	450	450	0.00	-
Total Public shareholding (B)=(B)(1)+(B)(2)	-	450	450	0.00	-	450	450	0.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36467025	62375	36529400	100	36528950	450	36529400	100	-

ii. Shareholding of Promoters

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the	% of Shares Pledged/encumber	No. of Shares	% of total Shares of the	% of Shares Pledged / encumber	
1	Lanco Infratech Limited	36528950	100.00	NIL	36528950	100.00	NIL	0.00%
	Total	36528950	100.00		36528950	100.00		0.00%

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	36528950	100.00%	36528950	100.00%
2	Date wise Increase / Decrease in Shareholding	-	-	-	-

	during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
3	At the end of the year	36528950	100.00%	36528950	100.00%

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	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	100	0.00	100	0.00
2	L Madhusudhan Rao At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	100	0.00	100	0.00
3	L Sridhar At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding	-	-	-	-

	during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the end of the year	100	0.00	100	0.00
4	G Bhaskara Rao				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	100	0.00	100	0.00
5	L Padma				
	At the beginning of the year	25	0.00	25	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	25	0.00	25	0.00
6	G Padmavathi				
	At the beginning of the year	25	0.00	25	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	25	0.00	25	0.00

v. Shareholding of Directors & KMP

Sl. No	Shareholding at the end of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	For Each of the Directors & KMP	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors & KMP of the Company holds any equity shares in the Company.	
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		
	At the end of the year		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				

Total (i+ii+iii)				
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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 M Murty Raju	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
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)	-	-
	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

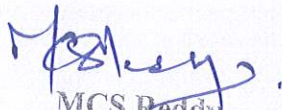
Name of Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
Shri. K Raja Gopal (Chairman)	-	-	-	-
Smt. Trina Lakhmani	-	-	-	-
Total(2)	-	-	-	-
Total(1+2)	-	-	-	-
Ceiling as per the Act				

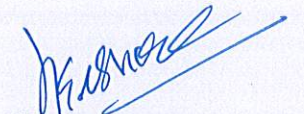
C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Naval Kishore-CFO	Mukesh Jain-Company Secretary	Veerendra Kumar Achanta-Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 3,412,139	Rs. 360,847	Rs. 2,290,391	Rs 6,063,377
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-

4.	Commission - as% of profit -others, specify	-		-	-
5.	others, specify	-		-	-
	Total	Rs. 3,412,139	Rs. 360,847	Rs. 2,290,391	Rs. 6,063,377

For and on behalf of the Board of Directors


MCS Reddy
Director
DIN: 02811755


Naval Kishore
Whole Time Director
DIN: 08183351

Place: Gurugram
Date: 26.07.2018



GRNK & ASSOCIATES
COMPANY SECRETARIES

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018
[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 2018 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, 2018 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;



- (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
- (xi) Chapter V of Finance Act, 1994 (Relating to Service Tax and Service Tax Rules, 1994)
- (xii) Chhattisgarh Value Added Tax Act, 2005
- (xiii) The Indian Stamp Act, 1999
- (xiv) Minimum Wages Act, 1948
- (xv) Negotiable Instruments Act, 1881
- (xvi) Payment of Bonus Act, 1965
- (xvii) Payment of Wages Act, 1936 and other applicable laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

1. The Company had entered into a medium term agreement dated 25th January, 2012 with related parties for purchase of power and sale of goods (solar modules) through purchase order during the year. We relied upon the certificate issued by the company in determining the arms' length of the related party transactions.
2. *The Company did not file e-form MGT 14 for the appointment of Company Secretary on 5th October, 2017.*

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 GRNK & ASSOCIATES
Company Secretaries

N.KUMAR
Partner

ACS No.9419 CoP. No.18013

Date: 26th July, 2018

Place: Chennai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

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

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We followed a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

For GRNK & ASSOCIATES
Company Secretaries



N.KUMAR
Partner

ACS No.9419 CoP. No.18013

Date: 26th July, 2018
Place: Chennai

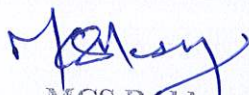
FORM NO. AOC.1

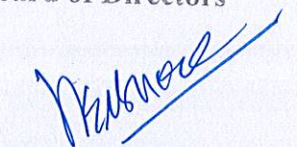
Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rs)

S.No	Particulars	Details	Details
1.	Sl. No.	1	2
2.	Name of the subsidiary	Pragdisa Power Private Limited	Lanco Operation and Maintenance company Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2017-18	2017-18
4.	Share capital	10,66,00,000	50,05,000
5.	Reserves & surplus	7,56,61,139.48	(59,25,801)
6.	Total assets	7,58,19,445.48	53,56,121
7.	Total Liabilities	58,306	62,76,922
8.	Investments	-	-
9.	Turnover	-	1,47,350
10.	Profit/Loss before taxation	66,373.34	(53,08,920)
11.	Provision for taxation	-	-
12.	Profit after taxation	66,373.34	(53,08,920)
13.	Proposed Dividend	-	-
14.	% of shareholding	99.91%	99.88%

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

For and on behalf of the Board of Directors


MCS Reddy
Director
DIN: 02811755


Naval Kishore
Whole Time Director
DIN: 08183351

Place: Gurugram
Date: 26.07.2018

Part "B": Associates and Joint Ventures

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

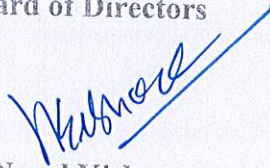
Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extent of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in consolidation	
ii. Not considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors



MCS Reddy
Director
DIN: 02811755



Naval Kishore
Whole Time Director
DIN: 08183351

Place: Gurugram
Date: 26.07.2018

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.

4.0 DEFINITIONS

I. **"Act"** means Companies Act, 2013 and rules framed thereunder as amended from time to time.

II. **"Board of Directors"** or **Board**, in relation to the company, means the collective body of the Directors of the Company.

III. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

IV. **"Company"** means **"NATIONAL ENERGY TRADING AND SERVICES LIMITED"**.

V. **"Managerial Personnel"** means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013.

VI. **"Policy"** or **"This policy"** means Nomination and Remuneration Policy.

VII. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

VIII. **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

IX. **"Key Managerial Personnel" (KMP)** means

- a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;
- b. The Company Secretary and
- c. The Chief Financial Officer

X. **"Senior Management"** mean personnel of the company who are members of its core management team, excluding Board of Directors.

5.0 POLICY

5.1 CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

This Policy envisages the role and responsibility of the Independent Directors, Constitution of the Nomination and Remuneration Committee, term of appointment of Managerial Personnel, Directors, KMPs, Senior Management, remuneration of the Managerial Personnel, KMPs, Senior Management, Independent Directors, Stock Options to Managerial Personnel, KMPs, Senior Management, other employees, evaluation of Managerial Personnel, Independent Directors, etc.

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that 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.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.

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

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

5.4 TERM / TENURE

a. Managerial Personnel:

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

b. Independent Director:

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

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

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

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

5.5 RETIREMENT:

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

5.7 REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS:

a. Remuneration / Profit Linked Commission:

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

b. Sitting Fees:

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

c. Limit of Remuneration /Profit Linked Commission:

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

d. Stock Options:

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

6.0 MONITORING, EVALUATION AND REMOVAL:

I. Evaluation:

The Committee shall carry out evaluation of performance of every Managerial Personnel and Director on yearly basis.

II. Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

III. Minutes of Committee Meeting:

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

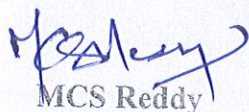
The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

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.

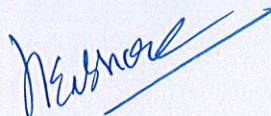
8.0 DISCLOSURE:

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



MCS Reddy
Director
DIN: 02811755



Naval Kishore
Whole Time Director
DIN: 08183351

Place: Gurugram
Date: 26.07.2018

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 Company's thrust areas for undertaking CSR activities are in line with the key sectors specified in Schedule VII of Section 135, of the Companies Act, 2013, and changes therein from time to time. The Detailed CSR Policy is attached as Annexure-E forming part of the Annual Report.

2. Composition of the CSR Committee

The Composition of the CSR Committee as on 31st March, 2018 is as follows:

Name of Member	Nature of Directorship
*Mr. Chandrasekhar Reddy Mettipalle	Chairman
Mr. Ramakrishna Bandaru Rao	Member
Shri Nagakrishna Satyanarayana Murty Tetali	Member

3. Average Net Profit of the company for the last 3 financial years: Rs.495.45 lacs

4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): Rs.9.91 Lacs

5. Details of CSR Spent during the year:

6. Total amount spent for the financial year: Rs. 9.91 Lacs

a) Amount unspent, if any: NIL

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

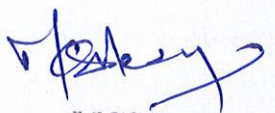
S. No	CSR projects / Activities	Sector in which the Project is	Location where project is undertaken:	Amount outlay (budget)	Amount Spent on the Projects or Progra	Cumulative Expenditure Up to the reporting	Amount spent: Direct or through implementi ng
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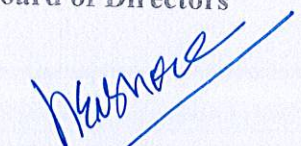
		covered	State (Local Area/ District)	Project / Program wise (Rs. in lakhs)	ms (Rs. in lakhs)	period (Rs. in lakhs)	agency
1	Providing free primary Health care services with the help of one mobile van equipped with team of medical and para medical professionals.	Health Care	District Gurgaon (Haryana)	9.91	9.91	9.91	Through implementing agency - Lanco Foundation*
	Total			9.91	9.91	9.91	

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

7. 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**
8. 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


MCS Reddy
Director
DIN: 02811755


Naval Kishore
Whole Time Director
DIN: 08183351

Place: Gurugram
Date: 26.07.2018

Corporate Social Responsibility Policy

1.0 **PREAMBLE:**

Lanco is deeply committed to fulfilling its responsibility as a corporate citizen. It believes in proactively involving communities and those deprived of fruits of development to be equal stakeholders in growth and development in locations that are close to its operations. It is for this reason that Corporate Social Responsibility (CSR) is integrated into the group's core business strategy and the Lanconians are encouraged to internalize this concept and use it in day-to-day work.

2.0 **PURPOSE:**

Pursuant to Section 135 of the Companies Act, 2013 ("Act"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), all Companies having networth of Rs.500 Crores or more or turnover of Rs.1000 Crores or more or net profit of Rs.5 Crores or more during any financial year shall constitute Corporate Social Responsibility Committee ("CSR Committee").

The CSR Policy will meet the statutory requirements as per Clause 135 of the Companies Act 2013 and the Rules framed to implement various social development activities. Besides doing so, the Policy will also covers various broad activities, approaches, methods to be considered in taking forward CSR of Lanco Group in all the four widely recognised domains affecting and impacting– Workplace (employees and their families), Marketplace (clients, customers, contractors, shareholders, secondary stakeholders) Community (neighbourhood communities and society at large) and Environment (sustainable climate change adaptation measures).

3.0 **CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Company / Board constituted a Corporate Social Responsibility Committee ("CSR Committee") comprising of minimum three (3) Directors with at least one Independent Director in the said CSR Committee.

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

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

4.0 CSR ACTIVITIES:

The list of activities to be undertaken by the Company shall be as specified in Schedule VII of the Companies Act, 2013 and amendments thereto from time to time.

In line with the activities prescribed under Schedule VII, some of the focus areas by the Company are as under:

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.
 - Improving educational facilities in general.
 - Supporting children for higher education through scholarships
6. Promoting gender equality and empowering women including:
- Adult literacy for women.
 - Promoting and providing credit support to women's self-help and joint liability groups.
 - Training in vocations pursued by women.
 - Setting up homes for women & orphans;
 - Setting up old-age homes & other facilities for senior citizens
 - Setting up hostels for working and student women, day care centers for kids of working women
7. Contribution or funds provided to technology incubators located within academic insitutions which are approved by the Central Government.
8. Rural Development Projects.
9. Other Activities:
- Promotion of Sports with special focus on training for rural sports, nationally recognised sports, Paralympic sports, Olympic sports.
 - Welfare for differently disabled persons
 - Setting up public libraries
 - Reducing inequalities faced by the socially and economically backward groups
 - Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
 - Welfare of armed forces personnel, war widows and their dependents
 - Swatch Bharat
 - Ganga Cleaning
 - Slum Area Development
10. Such other activities as may be prescribed from time to time.

5.0 IMPLEMENTATION:

The implementation of CSR activities by the Company shall be as under:

- i. CSR activities may be implemented by the Company on its own, or/and
- ii. CSR activities may be implemented by the Company through Lanco Foundation, CSR arm of the Lanco Group (and other Trusts, Foundations and Section 8 companies that may be established by Lanco Group from time to time) or/and
- iii. CSR activities may be implemented through an external trust/society.

6.0 GOVERNANCE STRUCTURE:

CSR Committee is constituted for governance and to oversee the implementation of our CSR Policy and CSR plan.

In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations or as required by the Board.

The total budget for the CSR projects will be decided by the CSR Committee.

Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.

The CSR Committee shall review the implementation of the CSR Programmes at regular intervals and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.

7.0 CSR EXPENDITURE:

In compliance of the Act & Rules and with the approval of the Board of Directors, the CSR Committee shall endeavour to spend at least 2% of the average net profits of the three immediately preceding financial years of the Company on CSR Activities as per the Policy.

In the event of non-availability of profits in any financial year, with the prior approval of the Board of Directors, the CSR Committee shall also endeavour to spend any amount on voluntary basis on CSR Activities as per the Policy.

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

The following activities shall not form part of the CSR Activities of the Company:-

1. The activities undertaken in pursuance of normal course of business of a company.
2. CSR projects/programs or activities that benefit only the employees of the Company and their families.
3. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
4. Any CSR projects/programs or activities undertaken outside India.

8.0 AMENDMENT TO THE POLICY:

The Board of Directors on the recommendations of CSR Committee can amend this Policy, as and when deemed fit.

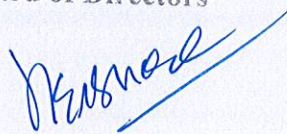
9.0 DISCLOSURE:

The details of this Policy shall be disclosed in the Annual Report as part of Board's Report therein and the same shall be put up on the Company's website, if any.

For and on behalf of the Board of Directors



MCS Reddy
Director
DIN: 02811755



Naval Kishore
Whole Time Director
DIN: 08183351

Place: Gurugram
Date: 26.07.2018

INDEPENDENT AUDITOR'S REPORT

To the Members of National Energy Trading and Services Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **National Energy Trading and Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other comprehensive income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Ind AS Financials Statements).

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity 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 Paragraphs 3 and 4 of the Order:
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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".
 - 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 Ind AS financial statements – Refer Note no 30 to the Ind AS financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Gurugram
Date: April 16, 2018

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

N. Venkata Suneel

N.VenkataSuneel
Partner

Membership No. 223688



The "Annexure A" 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 Ind AS financial statements as of and for the year ended March 31, 2018.

- 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. Therefore the provision 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 during the year. 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 security to any party covered in section 185 and 186 of the Companies Act, 2013. Therefore, the provision of clause (iv) of the paragraph 3 of the order is not applicable to the Company.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the activities of the Company.
- vii. (a) 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, Goods and Service Tax, cess, and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and other statutory dues with the appropriate authorities which were outstanding on the last day of the financial year concerned for a period of more than six months from the date they became payable

- (b) According to the records of the Company, there are no dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or Goods and Service Tax or cess which have not been deposited on account of any dispute.
- 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 re-payment of any loans or borrowings from banks
- ix. The company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision of clause (ix) of paragraph 3 of the order is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management during the course of our audit.
- xi. According to the records of the Company examined by us and based on our examination of the records of the Company, the managerial remuneration has not paid or provided. Accordingly the provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provision of clause (xii) of 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 are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or 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, the provision of clause (xv) of paragraph 3 of the Order is not applicable.



- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934, therefore the provision of clause (xvi) of paragraph 3 of the order is not applicable to the company

Place: Gurugram
Date: April 16, 2018

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

N. Venkata

N. VenkataSuneel

Partner

Membership No. 223688



The **Annexure B**, referred to in Clause 2 (f) 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 Ind AS financial statements as of and for the year ended March 31, 2018

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, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Gurugram
Date: April 16, 2018

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

N. VenkataSuneel

N. VenkataSuneel
Partner

Membership No. 223688



National Energy Trading and Services Limited
Balance Sheet as at March 31, 2018

Particulars	Note No.	Rs. Lakhs	
		As at March 31, 2018	As at March 31, 2017
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	3.92	10.90
(b) Other Intangible assets	4	-	-
(c) Financial Assets			
(i) Investments	5	11,040.75	8,611.48
(ii) Loans	6	65.35	65.35
Total Financial Asset		11,106.10	8,676.83
(d) Deferred tax assets (net)	17	61.86	53.27
Total Non Current Assets		11,171.88	8,741.00
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	7	860.51	7,396.13
(ii) Loans	6	1,306.72	2,483.74
(iii) Cash and cash equivalents	10	530.32	1,028.50
(iv) Bank balances	11	756.81	771.09
(v) Other financial assets	8	276.16	908.91
Total Financial Asset		3,730.52	12,588.37
(b) Current tax assets (Net)	12	59.48	101.39
(c) Other current assets	9	56.83	97.63
Total Current Assets		3,846.83	12,787.39
Total Assets		15,018.71	21,528.39
II EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity Share Capital	13	3,652.94	3,652.94
(b) Other Equity		5,413.17	5,366.66
Total Equity		9,066.11	9,019.60
B LIABILITIES			
(1) Non Current Liabilities			
(a) Provisions	16	62.40	39.25
Total Non Current Liabilities		62.40	39.25
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	14	4,832.38	11,515.12
(ii) Other financial liabilities	15	242.50	48.95
Total Financial Liabilities		5,074.88	11,564.07
(b) Other current liabilities	18	796.78	890.34
(c) Provisions	16	18.54	11.40
(d) Current tax liabilities (Net)	19	-	3.73
Total Current Liabilities		5,890.20	12,469.54
Total Equity and Liabilities		15,018.71	21,528.39

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

N.Venkata Suneel
Partner
Membership No. 223688



Place: Gurugram
Date: 16th April, 2018

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

MCS Reddy
Director
DIN - 02811755

Naval Kishore
Chief Financial Officer

Place: Gurugram
Date: 16th April, 2018

BRK Rao
Director
DIN - 07140221

A.Veerendra Kumar
Company Secretary




National Energy Trading and Services Limited
Statement of Profit and Loss for the year ended March 31, 2018

Rs. Lakhs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from Operations			
II Other Income	20	37,349.03	58,927.38
III Total Income (I + II)	21	37,671.95	59,432.20
IV EXPENSES			
Purchase of stock-in-trade			
Employee benefits expenses	22	37,010.58	58,423.83
Finance cost	23	325.94	217.51
Depreciation and Amortization expense	24	85.09	298.61
Other expenses	25	7.00	9.28
Total Expenses (IV)	26	169.07	346.74
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		37,597.68	59,295.97
VI Exceptional Items		74.27	136.23
VII Profit / (Loss) before Tax (V - VI)		-	-
VIII Tax Expense		74.27	136.23
Current tax / Minimum alternate tax (MAT) payable			
Deferred tax		26.95	43.26
Total Tax Expense (VIII)		(8.59)	(7.04)
IX Profit / (Loss) for the period (VII - VIII)		18.36	36.22
X Other Comprehensive Income		55.91	100.01
Items that will not be reclassified to profit and loss	27		
XI Total Comprehensive Income for the period (XIII + XIV)		(9.40)	1.71
XII Earnings Per Equity Share		46.51	101.72
Basic (Rs.)	28		
Diluted (Rs.)		0.15	0.27
		0.15	0.27

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


N.Venkata Suneel
Partner
Membership No. 223688



Place: Gurugram
Date: 16th April, 2018

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


MCS Reddy
Director
DIN - 02811755


BRK Rao
Director
DIN - 07140221


Naval Kishore
Chief Financial Officer


A.Veerendra Kumar
Company Secretary

Place: Gurugram
Date: 16th April, 2018



National Energy Trading and Services Limited
Statement of Changes in Equity for the year ended March 31, 2018
Equity Attributable to the Owners of the Company

a. Equity share capital Rs. Lakhs

Particulars	Number of Shares (In Lakhs)	Amount
Issued and Paid up Capital at April 1, 2016		
Changes in equity share capital during the year	365.29	3,652.94
Balance at March 31, 2017	-	-
Changes in equity share capital during the year	365.29	3,652.94
Balance at March 31, 2018	-	-
	365.29	3,652.94

b. Other Equity

Particulars	Reserves and Surplus	Items of Other comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Defined Benefit Plans	
Balance as at 01.04.2016			
Other Comprehensive Income after tax	5,264.32	0.62	5,264.94
Profit for the year profit		1.71	1.71
Balance as at 31.03.2017	100.01		100.01
Current year profit	5,364.33	2.33	5,366.66
Other Comprehensive Income after tax for the Period	55.91		55.91
Balance as at 31.03.2018	5,420.24	(9.40)	(9.40)
		(7.07)	5,413.17

As per our report of even date.

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

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



Place: Gurugram
Date: 16th April, 2018

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

MCS Reddy
MCS Reddy
Director
DIN - 02811755

Naval Kishore
Naval Kishore
Chief Financial Officer

Place: Gurugram
Date: 16th April, 2018

BRK Rao
BRK Rao
Director
DIN - 07140221

A.Veerendra Kumar
A.Veerendra Kumar
Company Secretary



	For the year ended March 31, 2018	Rs. Lakhs For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax		
Adjustments for:		
Depreciation and Amortization	74.27	136.23
(Profit) / Loss on Sale of PPE, Intangible Assets	7.00	9.28
Liabilities and Provisions no longer required written back	(0.01)	0.01
Interest Income	(52.60)	(58.10)
Dividend Income	(240.56)	(432.77)
Interest Expenses	(17.45)	(7.38)
Cash Generated Before Working Capital Changes	85.08	298.61
Movement In Working Capital	(144.27)	(54.12)
Increase / (Decrease) in Trade Payables		
Increase / (Decrease) in Provisions	(6,630.14)	(4,790.20)
Increase / (Decrease) in Other Financial Liabilities	20.88	26.35
Increase / (Decrease) in Other Liabilities	193.55	(397.40)
(Increase) / Decrease in Trade Receivables	(93.56)	(570.88)
(Increase) / Decrease in Other Financial Assets	6,534.39	7,320.50
(Increase) / Decrease in Other Assets	(545.82)	451.21
Cash Generated From Operations	40.81	(13.76)
Direct Taxes Paid	(624.16)	1,971.70
Net Cash Flow From / (Used in) Operating Activities	12.45	(87.96)
	(611.71)	1,883.74
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Proceeds from Sale of PPE, Intangible Assets		
Purchase of Non Current Investments - Fellow Subsidiaries	0.01	0.06
Inter Corporate Loans given / (refunded)	(929.27)	-
Maturities / (Purchase) of FDs/MMDs (Net)	-	(983.00)
Dividend Income received	14.28	347.63
Interest Income Received	17.45	7.38
Net Cash Flow From / (Used in) Investing Activities	1,096.14	315.55
	198.61	(312.38)
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from/(to) Short - Term Borrowings (Net)		
Interest Paid		(435.00)
Net Cash Flow From / (Used in) Financing Activities	(85.08)	(339.70)
	(85.08)	(774.70)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(498.18)	796.66
Cash and Cash Equivalents at the beginning of the year	1,028.50	231.84
Cash and Cash Equivalents at the end of the year	530.32	1,028.50
Components of Cash and Cash Equivalents		
Cash and cheques on Hand		
Balances with Banks	0.15	0.27
-On Current Accounts		
-On Deposit Accounts	530.17	1,028.23
Cheques, Drafts on hand	-	-
Cash and cash Equivalent (as per Note 10)	530.32	1,028.50
Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.		
	As at	
	March 31, 2018	
Interest and other Financial Charges accrued and Paid for the year	(85.08)	
Total	(85.08)	
Total Movement	(85.08)	
Non Cash Changes :	(85.08)	
(a) Changes arising from obtaining or losing control of subsidiaries or other businesses	-	
(b) The effect of changes in foreign exchange rates	-	
(c) Changes in fair values	-	
(d) Other changes	-	
Changes in Financing Cash flows	(85.08)	

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 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

N. Venkata

N.Venkata Suneel

Partner

Membership No. 223688



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

MCS Reddy

MCS Reddy
Director
DIN - 02811755

BRK Rao

BRK Rao
Director
DIN - 07140221

Naval Kishore

Naval Kishore
Chief Financial Officer

A.Veerendra Kumar

A.Veerendra Kumar
Company Secretary

Place: Gurugram

Date: 16th April, 2018

Place: Gurugram

Date: 16th April, 2018



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

1. Corporate Information

National Energy Trading and Services Limited (NETS) is a wholly owned subsidiary of Lanco Infratech Limited (LITL). The company is engaged in the business of trading of energy and solar panels and related material. 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

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and
- Defined benefit plans – plan assets measured at fair value.

(iii) Recent accounting pronouncements (if any)

a. In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notified IND AS 115 'Revenue from Contracts with Customers' and its impact on other IND AS Standards, which shall come into force from April 01, 2018. The company is evaluating the requirement of standard and its implications on the financial statements.

b. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the Ind AS financial statements and the impact is not material.

2.1 Summary of significant accounting policies

I. Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

Use of estimation and assumptions

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognized in the financial statements.

Income tax

The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations.

As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is disclosed in Note 2.II, and useful lives is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information.

Employee Benefits- Measurement of Defined Benefit Obligation

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits.

Critical judgments made in applying accounting policies

Impairment of plant & equipment and Intangible assets

The company assesses whether plant & equipment and intangible assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant & equipment and intangible asset have been determined based on value-in-use calculations. These calculations require the use of judgment and estimates.

Expected credit loss

Expected credit losses of the company are based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

II. **Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognized in the profit or loss in the year the asset is derecognized.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives in years are as under:

Computers and equipment	3
Furniture & fixtures	10
Vehicles	8
Office equipment	5

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

III. Intangible Assets

Other Intangible 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.

The company amortizes Computer software using the straight-line method over the period of 4 years.

IV. Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

Subsequent Measurement:

(i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortized cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI.

Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognized in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. All fair value changes are recognized in the statement of profit and loss.

(iv) Investment in Fellow subsidiaries are carried at cost in the separate financial statements.

Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

(i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

De-recognition of financial assets

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- The contractual right to receive cash flows from financial asset is expired or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

V. Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

VI. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

VII. Share Capital

Equity shares are classified as equity.

VIII. Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

Subsequent measurement – at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are de recognized, and through the amortization process.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

De recognition

A financial liability is de recognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

IX. Employee Benefits

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects.
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognized, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.
- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

X. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

XI. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognized at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising 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 where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when as inflow of economic benefits is probable.

XII. Fair Value Measurements

Company uses the following hierarchy when determining fair values:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and,

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs.

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

XIII. Revenue Recognition

The company collects service tax, sales taxes (GST) 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:

Sale of Energy

Revenue from sale of power is accounted for based on rates agreed with the customer and is inclusive of trading margin.

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.

Income from Services

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

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.

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2018

XIV. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XV. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

XVI. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.



3 Property, Plant and Equipment

Rs. Lakhs

Particulars	Owned Assets			TOTAL ASSETS
	Furniture and Fixtures	Vehicles	Office Equipment	
Gross Block				
As at April 01, 2016*	0.82	25.22	4.58	30.62
Additions	-	-	-	-
Disposals	-	-	0.12	0.12
As at March 31, 2017	<u>0.82</u>	<u>25.22</u>	<u>4.46</u>	<u>30.50</u>
Additions	-	-	-	-
Disposals	-	-	0.03	0.03
As at March 31, 2018	<u>0.82</u>	<u>25.22</u>	<u>4.43</u>	<u>30.47</u>
Depreciation				
As at April 01, 2016	0.15	7.81	2.40	10.36
Charged For the Period	0.15	7.80	1.34	9.29
On Disposals	-	-	0.05	0.05
As at March 31, 2017	<u>0.30</u>	<u>15.61</u>	<u>3.69</u>	<u>19.60</u>
Charged For the Period	0.15	6.83	-	6.98
On Disposals	-	-	0.03	0.03
As at March 31, 2018	<u>0.45</u>	<u>22.44</u>	<u>3.66</u>	<u>26.55</u>
Net Block				
As at March 31, 2017	<u>0.52</u>	<u>9.61</u>	<u>0.77</u>	<u>10.90</u>
As at March 31, 2018	<u>0.37</u>	<u>2.78</u>	<u>0.77</u>	<u>3.92</u>

* Note : Gross Block as on 01.04.2016 includes deemed cost (Gross Block - Accumulated Depreciation as on 31.03.2015) as per IndAS 101.

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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2018

4 Other Intangible Assets

Rs. Lakhs

Particulars	Owned Assets
	Computer Software
Gross Block	
As at April 01, 2016	
Additions	-
Disposals	-
As at March 31, 2017	-
Additions	-
Disposals	-
As at March 31, 2018	-
Amortisation	
As at April 01, 2016	
Amortised For the Period	-
On Disposals	-
As at March 31, 2017	-
Amortised For the Period	-
On Disposals	-
As at March 31, 2018	-
Net Block	
As at March 31, 2017	-
As at March 31, 2018	-

* Note : Gross Block as on 01.04.2016 includes deemed cost (Gross Block - Accumulated Depreciation) as per IndAS 101.

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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2018

5 Non Current Investments

	As at March 31, 2018 <u>No. Lakhs</u>	As at March 31, 2017 <u>No. Lakhs</u>	As at March 31, 2018 <u>Rs. Lakhs</u>	As at March 31, 2017 <u>Rs. Lakhs</u>
Investment at Cost				
(i) Investment in Fellow Subsidiaries Companies				
Lanco Solar Energy Private Limited (Equity Shares of Rs 10 each)	773.82	621.63	9,925.76	7,546.48
Lanco Operation and Maintenance company Limited (Equity Shares of Rs 10 each)	4 999	-	49.99	-
Total Equity Investment At Cost (i)			<u>9,975.75</u>	<u>7,546.48</u>
(ii) Investments in Preference Shares				
0.001% CCPS Preference Shares in Pragdisa Power Private Limited (Refer Note no. 33)	106.50	106.50	1,065.00	1,065.00
Total Un-Quoted Investments at Cost (ii)			<u>1,065.00</u>	<u>1,065.00</u>
Total Non Current investments (i+ii)			<u>11,040.75</u>	<u>8,611.48</u>

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		Rs. Lakhs			
		Non- Current		Current	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
7	Trade Receivables				
	Trade Receivables	-	-	860.51	7,396.13
	Unsecured, Considered Good	-	-	860.51	7,396.13
	Total				
6	Loans				
	Security Deposit				
	Secured, Considered Good	65.35	65.35	323.72	0.74
	Unsecured, Considered Good	60.00	60.00	-	-
	Doubtful	125.35	125.35	323.72	0.74
	Less: Provision for Excepted Credit Loss (Refer Note no. 33. (i))	60.00	60.00	-	-
		65.35	65.35	323.72	0.74
	Loans to Related Parties				
	Unsecured, Considered Good	-	-	983.00	2,483.00
	Loans Receivable (Refer Note no. 32)	-	-	-	-
		65.35	65.35	1,306.72	2,483.74
	Total Loans				
8	Other Financial Assets				
	Loans and Advances to Employees	-	-	0.52	0.54
	Unbilled Revenue	-	-	219.05	-
	Interest Accrued on Deposits	-	-	52.77	908.35
	Others Assets	-	-	3.82	0.02
	Total			276.16	908.91
9	Other Assets				
	Prepaid Expense	-	-	10.57	37.64
	GST / Services Tax Credit Receivables	-	-	46.26	59.99
	Total			56.83	97.63
10	Cash and Cash Equivalents				
	Cash on Hand			0.15	0.27
	Balances with Banks			530.17	1,028.23
	-On Current Accounts			530.32	1,028.50
11	Bank Balances				
	On Deposit Accounts				
	Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit			756.81	771.09
	Net Bank Balances			756.81	771.09
12	Tax Assets (Net)				
	Advance Tax (Net of Provision for Tax)			44.92	86.83
	Income Tax Refund			14.56	14.56
				59.48	101.39



13 Equity Share Capital	Rs. Lakhs	
	As at March 31, 2018	As at March 31, 2017
Authorised 1000 March 31,2018, (March 31,2017 1000 of Rs.10/- each) Equity Shares of Rs. 10/- each	10,000.00	10,000.00
	<u>10,000.00</u>	<u>10,000.00</u>
Issued, Subscribed and Paid Up Equity Shares 365.29 March 31,2018,(March 31,2017 365.29 of Rs.10/- each) Equity Shares of Rs. 10/- each, Fully Paid up	3,652.94	3,652.94
Total Equity Share Capital	<u>3,652.94</u>	<u>3,652.94</u>

Number of shares outstanding at the beginning of the year was 365.29 Lakhs and the value is Rs.3652.94 Lakhs. Number of shares outstanding at the end of the year March 31,2018 was 365.29 Lakhs and the value is Rs.3652.94 Lakhs.

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

	As at March 31, 2018 No. Lakhs	As at March 31, 2018 Rs. Lakhs	As at March 31, 2017 No. Lakhs	As at March 31, 2017 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>

13.2 Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

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.

13.3 Shares held by holding / ultimate holding and / or their subsidiary / associates

	As at March 31, 2018 No. Lakhs	As at March 31, 2018 Rs. Lakhs	As at March 31, 2017 No. Lakhs	As at March 31, 2017 Rs. Lakhs
Equity Shares of Rs. -10/- each fully paid up Held By holding company				
Lanco Infratech Limited (Refer Note no. 34)	365.29	3,652.94	365.29	3,652.94

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

	As at March 31, 2018 No. Lakhs	As at March 31, 2018 % Holding in the class	As at March 31, 2017 No. Lakhs	As at March 31, 2017 % Holding in the class
Equity Shares of Rs. -10/- each fully paid up Held By Lanco Infratech Limited	365.29	100.00%	365.29	100.00%

The above information is as per register of share holders / members.

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Rs. Lakhs

14 Trade payables

	Non current		Current	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Trade Payables (including acceptances)	-	-	-	-
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note no. 35)	-	-	4,832.38	11,515.12
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	4,832.38	11,515.12

15 Other financial liabilities

	Non current		Current	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Salaries and other benefits Payable	-	-	4.13	0.75
Other Payables	-	-	238.37	48.20
	-	-	242.50	48.95

16 Provisions

	Long Term		Short Term	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for Leave Encashment	34.65	21.93	10.52	7.33
Provision for Gratuity	27.75	17.32	8.02	4.07
	62.40	39.25	18.54	11.40

17 Deferred Tax Liability / (Asset) - Net

	Rs. Lakhs	
	As at	As at
	March 31, 2018	March 31, 2017
Deferred Tax Liabilities		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	(15.26)	(16.69)
Gross Deferred Tax Liabilities	(15.26)	(16.69)
Deferred Tax Assets		
Provision for Gratuity and Compensated Absences	26.76	16.74
Provision for Expected Credit Loss	19.84	19.84
Gross Deferred Tax Assets	46.60	36.58
Deferred Tax Liability / (Asset) - Net	(61.86)	(53.27)

18 Other liabilities

	Non current		Current	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Advance from Customers	-	-	783.97	864.44
Taxes Payable (Other than Income Tax)	-	-	11.01	24.62
Employee Contributions Payable	-	-	1.80	1.28
	-	-	796.78	890.34

19 Tax Liabilities (Net)

	Long Term		Short Term	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for Taxation (Net of Advance taxes)	-	-	-	3.73
	-	-	-	3.73



	Rs. Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
20 Revenue From Operations		
Sale of Products	32,140.04	38,010.59
Electrical Energy	5,208.99	20,916.79
Solar Modules	<u>37,349.03</u>	<u>58,927.38</u>
21 Other Income		
Interest Income on		
Deposits and Margin money	50.80	81.76
Inter Corporate Loans (Refer Note no. 32)	189.76	351.01
Dividend Income on		
Current Investments	17.45	7.38
Liabilities and Provisions no longer required written back	52.60	58.10
Net Profit on Sale of Assets	0.01	-
Miscellaneous Income	12.30	6.57
	<u>322.92</u>	<u>504.82</u>
22 Purchase of stock-in-trade		
Power Purchase	31,901.41	37,799.05
Purchases - Trading Materials	5,109.17	20,624.78
	<u>37,010.58</u>	<u>58,423.83</u>
23 Employee Benefits Expenses		
Salaries, allowances and benefits to employees	305.65	201.90
Contribution to provident fund and other funds	15.58	11.14
Recruitment and training	0.09	0.02
Staff welfare expenses	4.62	4.45
	<u>325.94</u>	<u>217.51</u>
24 Finance Cost		
Interest	0.12	11.81
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	84.97	286.80
	<u>85.09</u>	<u>298.61</u>
25 Depreciation And Amortization Expense		
Depreciation on PPE	7.00	9.28
	<u>7.00</u>	<u>9.28</u>



26 Other Expenses

Rs. Lakhs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	11.73	17.71
Rates and taxes	40.44	43.01
Donations	9.91	15.27
Office maintenance	14.79	26.29
Insurance	0.21	0.20
Printing and stationery	0.73	1.19
Consultancy and other professional charges	67.27	218.22
Remuneration to auditors (As Auditor):		
Audit fees	5.75	5.70
ICFR fees	1.18	1.15
Travelling and conveyance	7.04	6.55
Communication expenses	2.05	2.44
Net Loss on Sale/ Write off of fixed assets	-	0.01
Business Promotion and Advertisement	0.03	0.37
Miscellaneous expenses	7.94	8.63
	169.07	346.74

27 Other Comprehensive Income

Rs. Lakhs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	(9.40)	1.71
	(9.40)	1.71

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28 Earning Per Share (EPS)		Rs. Lakhs	
		March 31, 2018	March 31, 2017
	Total Operations for the year	(A)	100.01
	Profit attributable to Equity Holders	(B)	365.29
	Weighted average number of Equity Shares for Basic EPS	(C)	365.29
	Weighted Average number of Equity shares for Diluted EPS		
	Earning per Equity share		
	Basic	(A) / (B)	0.27
	Diluted	(A) / (C)	0.15

29 Employee Benefits

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.20 Lakhs. The plan for the same is unfunded / funded.

	Rs. Lakhs	
	March 31, 2018	March 31, 2017
	Gratuity	
Net Employee benefit expense recognized in the employee cost in statement of profit & loss account	2.65	3.04
Current service cost	0.47	-
Past service cost	1.50	0.75
Interest cost on benefit obligation	4.62	3.79
Sub Total		
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognized in the year	-	-
i. Demographic Assumptions on obligation	(1.41)	0.41
ii. Financial Assumptions on obligation	10.81	(2.12)
iii. Experience Adjustments on obligation	9.40	(1.71)
Sub Total	14.02	2.08
Net benefit expense		
Balance Sheet		
Benefit asset / liability	35.77	21.39
Present value of defined benefit obligation	(35.77)	(21.39)
Assets / (Liability) recognized in the balance sheet		
Change in the present value of the defined benefit obligation	21.40	9.94
Opening defined benefit obligation	2.39	10.74
Benefit transferred in	-	-
Benefit transferred Out	(2.03)	(1.36)
Benefits paid		
Expenses Recognised in Statement of Profit and Loss Account	2.65	3.04
Current service cost	1.50	0.75
Interest cost on benefit obligation	0.47	-
Past service cost		
Recognised in Other Comprehensive Income	9.40	(1.71)
Actuarial (gain)/loss on obligation	35.78	21.40
Closing defined benefit obligation		
Assumptions	8.00%	7.00%
Discount Rate (%)	20.00%	19.00%
Attrition Rate%	6.00%	6.00%
Expected rate of salary increase (%)	23.67	26.73
Expected Average Remaining Service (years)	6.17	4.58
Expected Average Remaining Service/mortality and withdrawal (years)		

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.

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Amounts of Defined benefit plan for the current and previous four periods are as follows

	Present value of Defined benefit obligation	Surplus / (deficit)	Rs. Lakhs Experience adjustments on plan liabilities
March 31, 2018	35.77	(35.77)	(10.81)
March 31, 2017	21.39	(21.39)	2.12
March 31, 2016	9.94	(9.94)	(2.35)
March 31, 2015	17.48	(17.48)	(0.74)
March 31, 2014	6.62	(6.62)	(2.22)

Sensitivity analysis of the defined benefit obligation Particulars	0.5% Increase		0.5% Decrease	
	2018	2017	2018	2017
Impact of the change in discount rate	(0.72)	(0.42)	0.75	0.44
Impact of the change in salary increase	0.67	0.44	(0.67)	(0.42)

*Note: Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated.

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of Rs. 10.40 Lakhs (Previous year: Rs 6.87 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

30 Contingent Liabilities - Not probable and therefore not provided for

	Rs. Lakhs	
	March 31, 2018	March 31, 2017
i Claims against the company not accepted by the company	600.00	600.00
- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards penalties*		

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

ii Rajasthan Discoms Power Procurement Centre (RDPPC) has raised compensation bills amounting Rs. 168 lakhs for short supply of power for the months of Feb 2011, April 2011 & May 2011. Against that RDPPC has adjusted EMD Rs.60 lakhs and also filed a petition before Rajasthan Electricity Regulatory Commission (RERC) for recovery of balance amount of Rs. 108 lakhs. On 14.12.2016, RERC passed order against the Company. The Company filed an appeal before APTEL against RERC order, the same has been admitted and APTEL granted the stay on the RERC order for payment of sum of Rs. 108 lakhs. The matter is pending for further hearing. Further the Management based on the legal opinion is confident that above matter will be decided in its favour.

31 Segment Reporting

The Company's operations fall into a single business segment "Trading" and operate mainly in a single geographical segment; hence the Ind AS financial statements of the enterprise represents segmental reporting.

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a) Name of Related parties and description of relationship

Description of Relationship	Name
Parent Company	Lanco Infratech Limited (LITL) Refer Note no 34
Fellow Subsidiaries	Lanco Kondapalli Power Limited (LKPL)* Lanco Anpara Power Limited (LAnPL) Lanco Solar Energy Private Limited (LSEPL) Lanco Solar Power Limited (LSPL) Lanco Babandh Power Limited (LBPL) Lanco Hydro Power Limited (LHPL) Lanco Power Limited (LPL) Lanco Thermal Power Limited (LTPL) Lanco Operation and Maintenance Limited (LOMPL)
Key Management Personnel	Mr. MCS Reddy. Mr. TNKS Murty. Mr. BRK Rao. Ms. Trina Lakhmani
Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	Pragadisa Power Private Limited (PPPL) Lanco Teesta Hydro Power Limited (LTHPL) Lanco Kondapalli Power Limited (LKPL) (from 21st November, 2017).

* Lanco Kondapalli Power Limited (LKPL) is fellow subsidiary till 21st November, 2017.

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b) Summary of transactions with related parties are as follows:						Rs. Lakhs
Nature of Transaction	For the Year ended March 31, 2018					
	Parent Company		Fellow Subsidiaries		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
<u>Income</u>						
Sales of Goods / Power			LSEPL	5,208.99		
Sales of Goods / Power					LKPL	1.18
Interest Received on Intercompany Loans	LITL	61.97	LPL	127.79		
<u>Expense</u>						
Contract Services / Shared Services Availed	LITL	12.70				
Purchase of Goods/Power			LAnPL	19,722.92		
Consultancy Charges			LBPL	55.84		
Travelling Domestic			LBPL	3.50		
Rent Paid	LITL	11.73				
<u>Other Transactions</u>						
Purchase / (Sale) of Shares			LOMCL	49.99		
Expenditure incurred by Company on Behalf of Related Parties - Reimbursed			LAnPL	43.87		
<u>Period End Balances</u>						
<u>Payables</u>						
Balance Payables at the year end			LAnPL	1,294.91	LKPL	1,951.82
Others Payables			LBPL	12.28		
<u>Receivables</u>						
Balance Receivable at the year end - Inter Corporate Loans			LPL	983.00		
Balance Receivable at the year end - Interest Receivable on Inter Corporate Loans	LITL	5.35	LPL	40.53		
Balance Receivables at year end - Others Receivables	LITL	1.19	LHPL	0.05		
Balance Receivables at year end - Others Receivables					LTHPL	3.66
Balance Receivables at year end - Others Receivables			LTPL	0.02		
Balance Receivables at year end - Others Receivables			LOMCL	0.02		
Balance Receivables at year end - Trade Receivables			LSEPL	178.88		
<u>Others</u>						
Investments					PPPL	1,065.00



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

Rs. Lakhs

Nature of Transaction	For the Year ended March 31, 2017					
	Parent Company		Fellow Subsidiaries		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
<u>Income</u>						
Sales of Solar Modules			LSPL	10,061.93		
Sales of Solar Modules			LSEPL	10,854.86		
Interest Received on Intercorporate Loans	LITL	216.99	LPL	134.01		
<u>Expense</u>						
Management Consultancy Services Availed	LITL	180.00				
Contract Services / Shared Services Availed	LITL	24.10				
Rent Paid	LITL	17.71				
Computer Maintenance			LPL	0.73		
Purchase of Goods/Power			LKPL	176.69		
Purchase of Goods/Power			LAnPL	14,888.99		
<u>Other Transactions</u>						
Inter Corporate Loans given during the year	LITL	520.00	LPL	2,400.00		
Inter Corporate Loans repaid back during the year	LITL	520.00	LPL	1,417.00		
Expenditure incurred by Company on Behalf of Related Parties - Reimbursed			LAnPL	49.51		
<u>Period End Balances</u>						
<u>Payables</u>						
Balance Payables at the year end			LKPL	1,956.62		
Balance Payables at the year end			LAnPL	765.52		
Other Payables	LITL	222.97				
<u>Receivables</u>						
Balance Receivable at the year end - Inter Corporate Loans	LITL	1,500.00	LPL	983.00		
Balance Receivables at year end - Trade Receivables			LSPL	3,202.43		
Balance Receivables at year end - Trade Receivables			LSEPL	2,412.49		
Balance Receivables at year end - Others Receivables	LITL	195.30	LPL	119.88		
<u>Others</u>						
Investments					PPPL	1,065.00



33 Financial Risk Management Objectives and Policies

a. Capital Management

The objective of the Company's capital management structure is to ensure sufficient liquidity to support its business and provide adequate return to shareholders. As part of this monitoring, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets. The funding requirement is met through a combination of equity, internal accruals, borrowings or undertake other restructuring activities as appropriate.

b. Financial Risk Management Framework

The Company's principal financial liabilities comprise trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Risk Exposures and Responses

The Company is exposed to credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assesses the credit risk for each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The risk parameters are same for all financial assets for all periods presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Trade Receivables: The company has exposure to credit risk from trade receivables on trading of energy and other materials. In respect of trading of energy the company trades with public/private sector electric utilities, distribution company, industrial consumers and state electricity board, the company trades power on the Indian energy exchange, Power exchange of India, where the potential risk of default is considered low. In respect of trading of other materials the transaction are between the group companies, therefore the potential risk of default is considered low.

Bank Deposits: The credit risk is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other Financial Assets: The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The credit worthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly.

The maximum exposure for credit risk at the reporting date is the carrying value of financial assets as stated in the balance sheet.

Provision for expected credit losses

Loans: The Company provides for expected credit loss based on general approach (lifetime) expected credit loss mechanism as mentioned below

Reporting period	Gross carrying amount at default	Expected credit losses	Rs. Lakhs Net Carrying amount
As at 31 March 2018	60.00	60.00	-
As at 31 March 2017	60.00	60.00	-
As at 31 March 2016	60.00	60.00	-

Trade Receivables : The company provides for expected credit loss under simplified approach

ii. Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The company monitors its risk to a shortage of funds

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities, and borrowings. The company has reviewed the borrowings maturing within 12 months and has secured adequate funding to meet these obligations.



The following table details the remaining contractual maturities of the company's financial liabilities at the end of the reporting period, which are based on the contractual undiscounted cash flows and the earliest date the company is required to pay:

Particulars	Weighted average interest rate (%)	Rs. Lakhs	
		Less than 1 year	More than 1 year
31 March 2018			
Trade Payables & Other Financial Liabilities		1,196.58	3,878.30
Total		1,196.58	3,878.30
31 March 2017			
Trade Payables & Other Financial Liabilities		8,024.45	3,539.62
Total		8,024.45	3,539.62

- c. **Financial instruments by category**
For amortised cost instruments, carrying value represents the best estimate of fair value.

	Rs. Lakhs	
	March 31, 2018	March 31, 2017
	<u>Amortised Cost</u>	
Financial assets		
Trade receivables	860.51	1,372.07
Loans	530.32	530.32
Cash and cash equivalents	756.81	756.81
Bank Balances	276.16	276.16
Other Financial Assets	<u>3,795.87</u>	<u>3,795.87</u>
Total		
Financial liabilities		
Trade payables	4,832.38	4,832.38
Other Financial Liabilities	242.50	242.50
Total	<u>5,074.88</u>	<u>5,074.88</u>
	<u>Amortised Cost</u>	
Financial assets		
Trade receivables	7,396.13	7,396.13
Loans	2,549.09	2,549.09
Cash and cash equivalents	1,028.50	1,028.50
Bank Balances	771.09	771.09
Other Financial Assets	908.91	908.91
Total	<u>12,653.72</u>	<u>12,653.72</u>
Financial liabilities		
Trade payables	11,515.12	11,515.12
Other Financial Liabilities	48.95	48.95
Total	<u>11,564.07</u>	<u>11,564.07</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, 2018

- 34 Vide Order Dated 07-08-2017 of National Company Law Tribunal(NCLT), the Holding company i.e., M/s Lanco Infratech Limited (LITL) is under CIRP Process.
- 35 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises
Based on information available with the company, no amount is due under Micro, Small and Medium Enterprises Development Act, 2006.
- 36 Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.
- 37 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



N.Venkata Suneel
Partner
Membership No. 223688



Place: Gurugram
Date: 16th April, 2018

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



MCS Reddy
Director
DIN - 02811755



Naval Kishore
Chief Financial Officer

Place: Gurugram
Date: 16th April, 2018



BRK Rao
Director
DIN - 07140221



A.Veerendra Kumar
Company Secretary

