



**NATIONAL ENERGY TRADING AND
SERVICES LIMITED**

20th Annual Report

2019-20

BOARD OF DIRECTORS (AS ON 14.12.2020)

- | | |
|-------------------------------|-----------------------|
| 1. Mr. Arun Kumar Sangara | - Whole-time Director |
| 2. Mr. Bathala Suresh | - Director |
| 3. Ms. Priya Bandhavi Jaladi | - Whole-time Director |
| 4. Ms. Bhavya Chamarthi | - Director |
| 5. Mr. Vinod Kumar Godavarthi | - Director |

CHIEF FINANCIAL OFFICER

Mr. Pradeep Kumar Verma

COMPANY SECRETARY

Mr. Vidya Bhusan

STATUTORY AUDITORS

M/s Neeraj Jawla & Associates.

Chartered Accountants,

House No. 191/5, Ward No. 14

Samalkha, Haryana - 132101

BANKERS

Bank of Baroda

IDBI Bank Limited

IndusInd Bank Limited

Yes Bank Limited

HDFC Bank Limited

State Bank of India

Axis Bank

South Indian Bank

REGISTERED OFFICE

Plot No.7, Bindu Sadan, 401,

Sai Chandra Residency Opp. Green Space Tulasi,

Puppalaguda, Manikonda,

Hyderabad Rangareddi

Telengana - 500089

Tel: +91-40-23118111

Fax: +91-40-23118444

CIN: U10100TG2000PLC033791

CORPORATE OFFICE

Plot No. 397, Udyog Vihar,

Phase-III, Gurugram -122016

Haryana (India)

Tel: +91- 124-6016500 Fax: +91- 124-4741074, 84

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of National Energy Trading and Services Limited will be held at Shorter Notice on Saturday the 26th Day of December, 2020 at 11:00 A.M at Plot No.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda, Manikonda, Hyderabad Rangareddi Telangana - 500089 to transact the following business/es:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company together with the report of Board of Directors and Auditors' thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon for the Financial Year ended March 31, 2020.
2. To appoint Mr. Arun Kumar Sangaraju (DIN 08199067), who retires by rotation and, being eligible, offers himself for re-appointment as a Director.
3. To appoint Mr. Bathala Suresh (DIN 08199068), who retires by rotation and, being eligible, offers himself for re-appointment as a Director.
4. To consider and, if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139 of Companies Act, 2013 ("ACT") and other applicable provisions of Act, if any and the rules framed there under, as amended from time to time (including any statutory modification or amendment thereto or enactment thereof for the time being in force) and upon recommendation of Audit Committee & Board of Directors, M/s. Neeraj Jawla & Associates, (Firm Registration No.: 031528N), be and is hereby appointed as Statutory Auditors of the Company for a term of 5 years who shall hold office from the conclusion of this Annual General Meeting to the conclusion of the 25th Annual General Meeting to be held in the year 2025, at the remuneration as may be fixed by Board of Directors of the Company in consultation with the said Auditors."

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

Place: Hyderabad
Date: December 14, 2020


Vidya Bhushan
Company Secretary
Membership No. 60226



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. Consent to hold the Meeting on shorter notice is attached herewith. Members are requested to share copy of signed consent before the meeting time.
3. 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
4. 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 authorizing their representative to attend and vote on their behalf at the Meeting.
5. All documents referred to in the Notice 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 up to 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. In terms of Section 152 of the Act, Mr. Arun Kumar Sangaraju, Director (designated as Whole-time Director & Key Managerial Personnel) and Mr. Bathala Suresh, Director, retires by rotation at the AGM and being eligible, offers themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommends their re-appointment.
8. Details of Directors seeking appointment / re-appointment in AGM pursuant to Secretarial Standard on General Meetings (SS-2) are attached as an Annexure with this Notice of AGM.
9. 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.



ANNEXURE TO NOTICE

**Details of Directors seeking re-appointment at the 20th Annual General Meeting
[In pursuance to Secretarial Standards n General Meetings (SS-2)]**

Name of the Director	Arun Kumar Sangaraju (DIN: 08199067)	Bathala Suresh (DIN:08199068)
Date of Birth/Age	19.12.1984/35 Years	10.07.1974/46 Years
Qualifications	Post-Graduation(Msc. Engineering Design)	MBA
Experience	Relevant Experience	Relevant Experience
Terms and Conditions of Appointment and re-appointment	Mr. Arun Kumar Sangaraju is a Whole-time Director and Key Managerial Personnel of the Company, liable to retire by rotation	Mr. Bathala Suresh is a Whole-time Director and Key Managerial Personnel of the Company, liable to retire by rotation
Details of Remuneration sought to be paid	Not Applicable	Not Applicable
Last Remuneration Drawn (Per Annum)	NIL	NIL
Date of first appointment on the Board	03.10.2020	03.10.2020
No. of the Shares held	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Arun Kumar Sangaraju is husband of Ms. Bhavya Chamarthi (Director)	None
No. of Board Meetings attended/held during Financial Year 2019-2020	05/13	05/13
Directorships held in other companies	i). Mercury Projects Private Limited ii). Mirach Power Limited iii). Pragdisa Power Private Limited iv).Lanco Operation and Maintenance Company Limited v). Mahatamil Mining and Thermal Energy Limited vi). Dikon Infratech Private Limited vii). KMP Infratech Private Limited	i). Mercury Projects Private Limited ii). Mirach Power Limited iii). Pragdisa Power Private Limited iv).Lanco Operation and Maintenance Company Limited v). Mahatamil Mining and Thermal Energy Limited vi). Dikon Infratech Private Limited




Chairman/ Member of the Committee of the Board of Directors of the Company	Audit Committee - Chairman Nomination and Remuneration Committee - Member Management Committee - Chairman	Audit Committee - Member Nomination and Remuneration Committee - Chairman Management Committee - Member
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By Order of the Board of Directors
For **National Energy Trading and Services Limited**

Place: Hyderabad
Date: December 14, 2020

Vidya Bhusan
Vidya Bhusan
Company Secretary
Membership No. 60226



CONSENT LETTER TO HOLD AGM AT SHORTER NOTICE

**The Companies Act, 2013
Consent by Shareholders For Shorter Notice
[Pursuant to Section 101(1)]**

To,

The Board of Directors

Plot No.7, Bindu Sadan, 401,
Sai Chandra Residency Opp. Green Space Tulasi,
Puppalaguda, Manikonda, Hyderabad
Rangareddi
Telengana - 500089

I, _____, S/o _____, R/o _____ holding _____
Equity Shares of Rs. 10/- each in the Company, being shareholder, hereby give my consent,
pursuant to Section 101(1) of the Companies Act, 2013, to hold the Annual General Meeting on
Saturday, 26 September 2020 at 11 A.M at shorter notice.

Date :

Place :

(Signature of the Shareholder)

NATIONAL ENERGY TRADING AND SERVICES LIMITED
Corporate Identity Number: U10100TG2000PLC033791
Plot No.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda,
Manikonda, Hyderabad Rangareddi Telengana - 500089

ATTENDANCE SLIP
20th Annual General Meeting - December 26, 2020

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 20th Annual General Meeting of the Company to be held at Plot No.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda, Manikonda, Hyderabad Rangareddi Telengana - 500089 at 11.00 AM on Saturday, the 26th December 2020.

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

Member's / Proxy's Signature **

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

* Applicable for Investors holding shares in Electronic Form.

** Strike out whichever is not applicable.

NATIONAL ENERGY TRADING AND SERVICES LIMITED
 Corporate Identity Number: U10100TG2000PLC033791
 Plot No.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda,
 Manikonda, Hyderabad Rangareddi Telengana - 500089

FORM NO.MGT 11
PROXY FORM
20th Annual General Meeting - December 26, 2020

(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 20th Annual General Meeting of the Company, to be held on Saturday, 26th December 2020 at 11.00 a.m. at Plot No.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda, Manikonda, Hyderabad Rangareddi Telengana - 500089 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
Ordinary Business	
1	To receive, consider and adopt the Audited Standalone Financial Statements of the Company together with the report of Board of Directors and Auditors' thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon for the Financial Year ended March 31, 2020.
2	To appoint Mr. Arun Kumar Sangaraju (DIN 08199067), who retires by rotation and, being eligible, offers himself for re-appointment as a Director.
3	To appoint Mr. Bathala Suresh (DIN 08199068), who retires by rotation and, being

	eligible, offers himself for re-appointment as a Director
4	<p>To consider and, if thought fit, pass, with or without modification(s) the following resolution as an Ordinary Resolution:</p> <p>“RESOLVED THAT pursuant to the provisions of Sections 139 of Companies Act, 2013 (“ACT”) and other applicable provisions of Act, if any and the rules framed there under, as amended from time to time (including any statutory modification or amendment thereto or enactment thereof for the time being in force) and upon recommendation of Audit Committee & Board of Directors, M/s. Neeraj Jawla & Associates, (Firm Registration No.: 031528N), be and is hereby appointed as Statutory Auditors of the Company for a term of 5 years who shall hold office from the conclusion of this Annual General Meeting to the conclusion of the 25th Annual General Meeting to be held in the year 2025, at the remuneration as may be fixed by Board of Directors of the Company in consultation with the said Auditors.”</p>

Signed thisday of, 2020

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 THE REGISTERED OFFICE :



BOARD'S REPORT

Dear Members,
National Energy Trading and Services Limited

Your Directors have pleasure in presenting the **20th 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 31st, 2020**. The consolidated performance of the Company and its subsidiaries has been referred to wherever required:

1. Financial Performance – At a Glance

		(Rs. in Lacs)			
		Standalone		Consolidated	
	PARTICULARS	F.Y. 2019-20	F.Y 2018-19	F.Y. 2019-20	F.Y 2018-19
	Million Units traded	756.52	932.42		
I	Sales (Net of Rebate) including OA	9292.03	22935.54	9805.48	22935.54
II	Purchases (Net of Rebate)	9105.78	22623.11	9105.78	22623.11
III	Income				
	a. Income from Operations (I - II)	186.25	312.43	699.7	312.43
	b. Other Income	185.07	204.24	189.06	204.24
	TOTAL	371.32	516.67	888.76	516.67
IV	Expenses				
	a. Staff Cost	291.00	231.93	440.69	231.93
	b. Interest and Financial Charges	0	1.93	0.15	1.93
	c. Other expenses	119.10	100.40	414.34	100.88
	TOTAL	410.1	334.26	855.18	334.74
V	Depreciation/Written-off	0.21	0.22	0.24	0.22
VI	Profit Before Exceptional Items & Tax (III - IV - V)	(38.99)	182.19	33.34	181.71
VII	Exceptional Items	(86.22)	986.09	(86.22)	986.09
VIII	Profit/Loss Before Tax (VI+VII)	47.23	(803.90)	119.56	(804.38)



Corporate Office : Plot # 397, Udyog Vihar, Phase-3, Gurgaon-122 016, New Delhi Region, India.

T: +91 124 601 6500 F: +91 124 6016595 E: info@netsl.net

Registered Office : Plot # 07, Bindu Sadan, 401, Sai Chandra Residency, Opp. Green Space Tulasi, Puppalaguda, Manikonda, Hyderabad Rangareddi, Telangana, India - 500089

T: +91 40 2311 8111 F: +91 40 2311 8444 E: info@netsl.net

IX	Provision for Taxes	(21.25)	125.88	(4.43)	125.88
X	Profit after Tax (VIII - IX)	68.48	(929.78)	123.99	(930.26)
XI	Other Comprehensive Income	(1.83)	(4.26)	13.80	(4.26)
XII	Total Comprehensive Income(X+ XI)	66.65	(934.04)	137.80	(934.52)
XIII	No. of Shares	36529400	36529400	36529400	36529400
XIV	EPS (Annualised)-Rs.	0.19	(2.55)	0.34	(2.55)

2. Amount, if any, which the Board proposes to carry to any reserves

During the financial year under review, your directors did not propose any amount to be transferred to any Reserve/s.

3. Dividend

Your Directors did not recommend any Dividend during the year under review.

Operational Details (2019-2020)

TRADED VOLUME

During the reporting year, your Company has traded 756.52 Million Units (MUs) of energy, against 932.41 MUs traded during the previous year.

EXCHANGE TRADING PLATFORMS

Your Company, during the year traded power on power exchanges for an aggregate volume of 666.87 MUs with a Turnover of Rs. 297.38 Lakh.

MAJOR SUPPLIERS

Lanco Anpara Power Limited supplied the maximum quantum of 420.04 MUs followed by NSL Krishnaveni Sugars at 3.71 MUs.

MAJOR BUYERS

On the other side NCL Industries was the highest purchaser of power from Company at 83.59 MUs followed by Devashree Ispat Private Limited at 70.90 MUs and Scan Energy & Power at 66.29 MUs respectively.

OPERATIONAL EFFICIENCY

The bilateral volume of 89.654 MUs, was traded almost 100% through Firm contracts and there were no Banking transactions. The balance volume of 666.87 MUs was traded through Power



Exchanges. Your Company gave an average price realization of Rs. 3.005/kWh to its customers during the FY 2019-20, the highest being Rs. 8.886/kWh and the lowest at Rs.0.834/kWh.

4. Holding, Subsidiary, Joint Ventures & Associate Companies

Your Company was subsidiary of M/s Lanco Infratech Limited as on 31.03.2019 pursuant to provisions of the Companies Act 2013. The Shares held by Lanco Infratech Limited (LITL) were transferred to Dikon Infratech Private Limited (DIPL) and Company became subsidiary of DIPL w.e.f 17th September, 2019.

As on March 31, 2020, the Company has one subsidiary i.e. Lanco Operation and Maintenance Company Limited pursuant to section 2 (87) of the Companies Act, 2013

Report on the performance and financial position of the subsidiary 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, 2020, the Paid-Up Capital of the Company and the Authorized Capital were 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

Pursuant to Section 134 and Section 92 of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for



the financial year 2019-20 in Form No. MGT-9 is provided as Annexure-A to this Board's Report and will also be made available at the website of the Company at www.netsl.net.

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.	Kanika Sukheeja	Director	-	23.04.2019
2.	Sanjay Kumar Bhardwaj	Director	31.05.2019	-
3.	Chandrasekhar Reddy Mettipalle	Director	-	01.06.2019
4.	Disha Sethi	Director	19.07.2019	-
5.	Naval Kishore	Whole-time Director	-	24.07.2019
6.	Sunny Mehta	Chief Financial Officer	-	26.09.2019
7.	Arun Kumar Sangaraju	Director	03.10.2019	-
8.	Bathala Suresh	Director	03.10.2019	-
9.	Vinod Kumar Godavarthi	Director	10.10.2019	-
10.	Anjali	Company Secretary	-	10.10.2019
11.	Bhavya Chamarthi	Director	10.10.2019	-
12.	Disha Sethi	Director	-	04.11.2019
13.	Vidya Bhusan	Company Secretary	06.11.2019	-
14.	Niharendu Sanyal	Director	-	20.11.2019
15.	Sanjay Kumar Bhardwaj	Director	-	20.11.2019
16.	Pradeep Kumar Verma	Chief Financial Officer	20.11.2019	-
17.	Vinod Kumar Godavarthi	Director	-	09.01.2020
18.	Priya Bandhavi Jaladi	Director	09.01.2020	-
19.	Arun Kumar Sangaraju	Whole-time Director	09.01.2020	-
20.	Vinod Kumar Godavarthi	Director	17.01.2020	-
21.	Priya Bandhavi Jaladi	Whole-time Director	30.01.2020	-



12. Independent Directors' Declaration

Since your Company is a Wholly Owned Subsidiary of Dikon Infratech Private Limited, it is exempted for appointment of Independent Directors under section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of directors) Rules, 2014.

13. Board of Directors & Meetings

During the financial year 2019-2020 the Board of Directors met Fourteen times on: 02.05.2019, 31.05.2019, 24.06.2019, 19.07.2019, 03.09.2019, 17.09.2019, 03.10.2019, 10.10.2019, 06.11.2019, 20.11.2019, 09.01.2020, 17.01.2020, 30.01.2020 and 18.03.2020

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.	Kanika Sukheeja	0	0	0
2.	Sanjay Kumar Bhardwaj	7	7	100
3.	Chandrasekhar Reddy Mettipalle	1	0	0
4.	Disha Sethi	4	1	25
5.	Naval Kishore	4	4	100
6.	Arun Kumar Sangaraju	7	5	71.43
7.	Bathala Suresh	7	5	71.43
8.	Vinod Kumar Godavarthi	5	4	80
9.	Niharendu Sanyal	9	9	100
10.	Priya Bandhavi Jaladi	3	2	66.67

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 2019-20 and the attendance are provided below.



* The Company's Net worth , Turnover and Net Profit during the preceding three consecutive financial year that is Financial Year 2017-2018, 2016-17 and 2015-16 were less than Rs. 500 Crore (Five Hundred Crore), Rs. 1000 Crore (One Thousand Crore) and Rs. 5 Crore (Five Crore) respectively and as per Rule 3(2) of The Companies (Corporate Social Responsibility Policy) Rules 2014 (CSR Policy), every company which ceases to be a company covered under subsection (1) of section 135 of the Act for three consecutive financial years shall not be required to:

- (a) constitute a CSR Committee; and
- (b) comply with the provisions contained in sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of section 135.

Therefore the Board is not required to constitute CSR Committee and is not required to comply with provisions of Section 135 of Companies Act, 2013 until it meets the criteria specified in sub-section (1) of Section 135

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 any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters; and
- (ix) Such other assignments as may be entrusted by the Board

The following is the composition of Audit Committee as on March 31, 2020:

S. No	Name of Director	Designation
1	Mr. Arun Kumar Sangaraju	Chairman
2	Mr. Bathala Suresh	Member
3	Mr. Vinod Kumar Godavarthi	Member

The Audit Committee has met five times during the year under review on 02.05.2019, 24.06.2019, 19.07.2019, 20.11.2019 and 18.03.2020



The details of Audit Committee meeting and its member's attendance during FY 2019-20 are given herein below:-

S. No	Name of Director	Designation	No. of meetings held during the tenure	No. of meetings attended	% of attendance
1	Naval Kishore	Member	3	2	66.67
2	Niharendu Sanyal	Chairman	4	4	100
3	Chandrashekhar Reddy Mettipalle	Member	2	0	0
4	Sanjay Kumar Bhardwaj	Member	3	3	100
5	Arun Kumar Sangaraju	Chairman	1	1	100
6	Bathala Suresh	Member	1	1	100
7	Vinod Kumar Godavarthi	Member	0	0	0
8	Priya Bandhavi Jaladi	Member	1	0	0

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, 2020:

S. No	Name of Director	Designation
1	Mr. Bathala Suresh	Chairman
2	Mr. Bhavya Chamarthi	Member
3	Mr. Vinod Kumar Godavarthi	Member



The Nomination & Remuneration Committee met ten times during the year under review on review on 31.05.2019, 19.07.2019, 03.10.2019, 10.10.2019, 06.11.2019, 20.11.2019, 09.01.2020, 17.01.2020, 30.01.2020 and 18.03.2020.

The details of Committee meeting and its member's attendance during FY 2019-20 are given herein below:-

S. No	Name of Director	Category	No. of meeting held during the tenure	No. of meetings attended	% of attendance
1.	Niharendu Sanyal	Chairman	5	5	100
2.	Naval Kishore	Member	2	1	50
3.	Chandrashekhar Reddy Mettipalle	Member	1	0	0
4.	Sanjay Kumar Bhardwaj	Chairman/Member (Was appointed by the Board as member on 31 st May 2019 and again Committee was reconstituted on 17 th September 2019 and was appointed as Chairman of the Committee)	4	4	100
5.	Disha Sethi	Member	2	1	50
6.	Arun Kumar Sangaraju	Member (Committee was reconstituted on 20 th November 2019 and was appointed as member, acted as member till 09 th January 2020)	2	1	50
7.	Bathala Suresh	Chairman/Member (Was appointed by the Board as member on 10 th October 2019 and again Committee was reconstituted on 6 th November 2019 and was appointed as	6	5	83.33



		Chairman of the Committee)			
8.	Bhavya Chamarthi	Member (Committee was reconstituted on 6 th November 2019 and was appointed as member)	5	4	80
9.	Vinod Kumar Godavarthi	Member (Committee was reconstituted on 17 th January 2020 and was appointed as member)	2	1	50
10	Priya Bandhavi Jaladi	Member (Committee was reconstituted on 9 th January 2020 and was appointed as member, acted as member till 17 th January 2020)	1	1	100

15. Auditors

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Brahmayya & Co., Chartered Accountants (Firm's Registration No. 000511S), Chartered Accountants were appointed as the Company's Statutory Auditors by the Shareholders in the 17th Annual General Meeting ("AGM") of the Company held on September 29, 2017, for a period of five years i.e. till the conclusion of 22nd AGM, to be held in year 2022.

M/s Brahmayya & Co., Chartered Accountants tendered their resignation vide their letter dated 01st March, 2020.

Your Board of Directors in terms of the provisions of Section 139(8) and on the recommendation of Audit Committee appointed new Auditors M/s. Neeraj Jawla & Associates (Firm Registration No. 031528N), Chartered Accountants on 18th March 2020 and consequently by Members at their Extra-Ordinary Meeting held on 21st March 2020 who will hold office till ensuing Annual General Meeting of the Company.

The Board of Directors on the recommendation of the Audit Committee, respectively at their meeting held on December 14, 2020, proposed, subject to approval of the shareholders, the appointment of M/s. Neeraj Jawla & Associates, Chartered Accountants, having Firm Registration No. 031528N, as the Statutory Auditors of the Company to hold office for term of



five (5) year i.e. from the conclusion of ensuing AGM till the conclusion of 25th AGM to be held in year 2025.

The Company has received certificate from the M/s. Neeraj Jawla & Associates (Firm Registration No. 031528N) to the effect that 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, 2020 does not have any qualification and is self-explanatory, hence does not call for any comment of Board.

Secretarial Auditors

The Company's Paid Up Share Capital and Turnover as per audited Balance Sheet for Year 2018-2019 was less than the prescribed threshold limit mentioned under Section 204 of the Companies Act 2013 and Rules thereunder ("the said provisions") hence the said provisions were not applicable to the Company.

The Company also does not have any loans and borrowings from banks and financial institutions.

Internal Auditors

Pursuant to Section 138 of the Companies Act 2013 and Rules made thereunder, M/s Ravi Rajan & Co., Chartered Accountants, continued to act as Internal Auditor of the Company for the Financial Year 2019-2020 and their report is reviewed by the Audit Committee from time to time.

Cost Records

The provisions of cost audit and maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, are not applicable to the Company and hence such accounts and records are not required to be maintained by the Company.

16. Risk Management Policy

The Company has developed and implemented a Risk Management Policy for identifying the risk associated with business of the Company and measures to be taken to mitigate the same. All risks are well integrated with functional and business plans and are reviewed on a regular basis by the Audit Committee. There are no risks which in the opinion of the Board threaten the existence of the Company.



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.	Priya Ranjan Jha, Vice President	47,00,000.04	PGDBM (Industrial Relations, Marketing)	1-July-2017	48	Lanco Babandh Power Limited
2.	Wasim Ahmed, Deputy General Manager	29,34,860.16	B.Tech (Electrical)	19-Apr-2007	39	AKP Automation Pvt Ltd.
3.	Vibhuti Handoo, Deputy General Manager	28,13,449.8	PG Diploma (Journalism)	01-Sept-2019	53	Torrent Power
4.	Shweta Mehrotra, Manager	13,16,635.68	M.A (Economics)	1-May-2016	40	Allied Power Solutions (I) Pvt. Ltd
5.	Renu Sharma, Deputy Manager	12,89,225.16	M. Sc (Math)	1-Apr-2018	42	Danam Infotech
6.	Pavan Kumar Basam, Deputy Manager	11,86,203.12	B.Tech- (Mechanical)	01-June-2016	32	Lanco Vidarbha Thermal Power Limited
7.	Sudarshan Singh, Asst. Manager	9,48,815.4	B.A	01-May-2016	38	Lanco Infratech Limited
8.	Pradeep Kumar Verma, Deputy	9,35,956.32	LLB	01-Feb-2010	41	BSL Casting Private



	Manager					Limited
9.	Ashish Raju Chamarthi, Assistant Manager	8,96,252.64	B.Tech (Computer Science)	01-May-2016	32	Lanco Infratech Limited
10.	Anil Kumar Yadav, Assistant Manager	8,82,993.12	MBA (Marketing)	05-Aug-2016	32	Shree Sumangal Group

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 weaknesses in the design or operation were observed.

24. Corporate Social Responsibility

The Company does not meet any of the criteria given under section 135 of the Companies Act 2013 during the Financial Years 2018-2019, 2017-2018 and 2016-2017, hence as per Companies (Corporate Social Responsibility) Rules 2014 the provisions of sub section (2) to (5) of Section 135 is not attracted.

Therefore Annual Report on CSR activities is not required to be attached with this report.

25. Particulars of Contracts or Arrangements with Related Parties

During the financial year 2019-20, 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 for the year under review 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 were 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, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

28. Compliance with Secretarial Standards

The Company is in compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

29. Vigil Mechanism

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

30. 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 FY 19-20:

- 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

31. 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, 2020, 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, 2020 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) the directors, in the case of a listed company, had 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.

32. 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.

Place: Hyderabad
Date: 14.12.2020



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


Arun Kumar Sangaraju
Whole-Time Director
DIN: 08199067


Bhavya Chamarthi
Director
DIN: 08583322

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2020
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	U10100TG2000PLC033791
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.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda, Manikonda, Hyderabad Rangareddi Telangana - 500089 Phone: +91-124-6016500, Fax: +91-124-6016595
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent	M/s Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad-500029, Telangana Phone: +91-40-2763 8111, 2763 4445, Fax:+91-40-27632184 E-Mail:info@aarthiconsultants.com Website: www.aarthiconsultants.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company is stated below:

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
01.	Trading of Electricity	-	100



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	Dikon Infratech Private Limited 3496, Sector 23 Cartarpuri Alias Daulatpur Nasirbad Gurgaon Haryana - 122017	U45209HR2018PTC07 5281	Holding	100.00	2(46)
2	Lanco Operation and Maintenance company, Plot No.4, Software Units Layout, HITEC City, Madhapur, Hyderabad- 500081, Telangana	U40300TG2009PLC06 5597	Subsidiary	100.00	2(87)(ii)

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 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central/State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corp	36528950	-	36528950	100	36528950	-	36528950	100	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-



Sub-total(A)(1):-	365289 50	-	365289 50	100	365289 50	-	365289 50	100	-
2) Foreign									
f) NRIs- Individuals	-	-	-	-	-	-	-	-	-
g) Other- Individuals	-	-	-	-	-	-	-	-	-
h) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Banks / FI	-	-	-	-	-	-	-	-	-
j) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	365289 50	-	365289 50	100	365289 50	-	365289 50	100	-
B. Public Shareholding									
1. Institutions									
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	-	450	450	0.00	-	450	450	0.00	-
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
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)	36528950	450	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 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	*Lanco Infratech	36528950	100.00	NIL	-	-	-	-



Limited #Dikon Infratech Private Limited				36528950	100	NIL	-
Total	36528950	100.00		36528950	100.00		0.00%

*Shares were held by Lanco Infratech Limited from beginning of the year till 17th September 2019

#Shares were held by Dikon Infratech Private Limited pursuant to transfer from 17th September 2019.

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

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	Kosuri Kiran Kumar	0.00	0.00	0.00	0.00



	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Transfer of 75 Shares from Dikon Infratech Private Limited	0.00	75	0.00
	At the end of the year	75	0.00	75	0.00
2	P. Lalmohanreddy At the beginning of the year	0.00	0.00	0.00	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):	Transfer of 75 Shares from Dikon Infratech Private Limited	0.00	75	0.00
	At the end of the year	75	0.00	75	0.00
3	Umamahesh Balneedi At the beginning of the year	0.00	0.00	0.00	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):	Transfer of 75 Shares from Dikon Infratech Private Limited			
	At the end of the year	75	0.00	75	0.00
4	Balineni Poornachandra Reddy At the beginning of the year	0.00	0.00	0.00	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):	Transfer of 75 Shares from Dikon Infratech Private Limited	0.00	75	0.00
	At the end of the year	75	0.00	75	0.00
5	Venu Bandi At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise Increase /	Transfer of	0.00	75	0.00



	Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	75 Shares from Dikon Infratech Private Limited			
	At the end of the year	75	0.00	75	0.00
6	Marella Suman At the beginning of the year	0.00	0.00	0.00	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):	Transfer of 75 Shares from Dikon Infratech Private Limited	0.00	75	0.00
	At the end of the year	75	0.00	75	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)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	#Mr. Naval Kishore	Ms. Priya Bandhavi Jaladi	Mr. Arun Kumar Sangaraj u	Total Amount Rs.
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,37,093. 96 per annum	2,00,000 P.M with effect from 30.1.2020	-	
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)	41,37,093. 96 per annum	2,00,000/- P.M	-	

#Resigned on 24/07/2019

B. Remuneration to other directors:

1. Independent Directors

Name of Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
	-	-	-	-
	-	-	-	-
Total (1)	-	-	-	-

2. Other Non-Executive Directors

Name of Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
Mr. Bathala Suresh	2,00,000/- [40,000 per Board Meeting (for attending 5 Board Meeting)]	-	-	2,00,000
Ms. Bhavya Chamarthi	-	-	-	-
Mr. Vinod Kumar Godavarthi	-	-	-	-
Total(2)	-	-	-	-
Total(1+2)	2,00,000/-	-	-	2,00,000/-
Ceiling as per the Act	5,00,000 (For 5 Board Meetings)			15,00,000 (For 5 Board Meetings for 3 Directors)



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		#Sunny Mehta- CFO (Annual)	*Pradeep Kumar Verma - CFO (Annual)	#Anjali- Company Secretary (Annual)	*Vidya Bhusan- Company Secretary (Annual)	Total (Annual)
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,10,869.76	9,35,956.32	4,50,000	3,50,000	#15,60,869.76 *12,85,956.32
	(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	11,10,869. 76	9,35,956. 32	4,50,000	3,50,000	#15,60,869.7 6 *12,85,956.32

#Resignation - Mr. Sunny Mehta, as CFO upto 26.09.2019 and Ms. Anjali Bali, as Company Secretary upto 10.10.2019

***Appointement** - Mr. Pradeep Kumar Verma was appointed as CFO from 20th November 2020 and Mr. Vidya Bhusan was appointed as Company Secretary from 06th November 2020.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief Description	Details of penalty/Punishment/Compounding Fees imposed	Authority (RD/NCLT/Court)	Appeal Made if any
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Hyderabad
Date: 14.12.2020



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

[Signature]
Arun Kumar Sangaraju
Whole-Time Director
DIN: 08199067

[Signature]
Bhavya Chamarthi
Director
DIN: 08583322

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 Rupees)

S.No	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	Lanco Operation and Maintenance Company Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period as that of Holding Company i.e 2019-2020
4.	Share capital	50,05,000
5.	Reserves & surplus	(4,24,788.14)
6.	Total assets	3,07,62,960.22
7.	Total Liabilities	2,46,19,461.36
8.	Investments	-
9.	Turnover	5,13,44,738.78
10.	Profit/Loss before taxation	72,34,331.06
11.	Provision for taxation	16,83,990
12.	Profit after taxation	55,50,341.06
13.	Proposed Dividend	-
14.	% of shareholding	100%

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



Place: Hyderabad
Date: 14.12.2020

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

Arun Kumar Sangaraju
Arun Kumar Sangaraju
Whole-Time Director
DIN: 08199067

Bhavya Chamarthi
Bhavya Chamarthi
Director
DIN: 08583322

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.



Place: Hyderabad
Date: 14.12.2020

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

Arun Kumar Sangaraju
Arun Kumar Sangaraju
Whole-Time Director
DIN: 08199067

Bhavya Chamarthi
Bhavya Chamarthi
Director
DIN: 08583322

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 will serve 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:

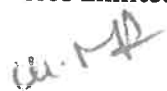
The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website if any and reference drawn thereto in the Annual Report.



Place: Hyderabad
Date: 14.12.2020

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


Arun Kumar Sangaraju
Whole-Time Director
DIN: 08199067


Bhavya Chamarthi
Director
DIN: 08583322



NEERAJ JAWLA & ASSOCIATES

CHARTERED ACCOUNTANTS

191/5, Ward No.14, Samalkha-132101, Haryana, India

Email- caneerajjawla@gmail.com, Mobile-09017799990, 08708226338

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/S NATIONAL ENERGY TRADING AND SERVICES LIMITED

**Plot No.7, Bindu Sadan, 401, Sai Chandra Residency
Opp. Green Space Tulasi, Puppalaguda, Manikonda,
Hyderabad Rangareddi Telangana - 500089, India**

I. Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of **M/s National Energy Trading And Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including the statement of other comprehensive Income), Statement of Cash Flows, Statement of Changes in Equity for the year ended and Notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for *Qualified Opinion* section of our report, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity accounting principles generally accepted in India,

- In case Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- In case of Statement of the profit & Loss, of the **profit** for the year ended on that date;
- In case of Statement of cash flows for the year ended on that date.

Basis for Qualified Opinion

- Attention is invited to **Note No. 34** to the Ind AS financial statements, which explains the uncertainties relating to recoverability of carrying value of investment of Rs.9,961.76 Lakhs in **Lanco Solar Energy Private Limited (LSEPL)**. LSEPL is under Corporate Insolvency Resolution process (CIRP) as per National Company Law Tribunal (NCLT) Order dated 14.06.2019 and Interim Resolution professional (IRP) / Resolution professional (RP) is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the Committee of Creditor (CoC) and the NCLT. The CIRP is in process. Pending outcome of resolution process, we are unable to comment on the adjustments if any that may be required towards the carrying value of Company's Investment in LSEPL amounting Rs.9,961.76 Lakhs as at March 31, 2020 in the accompanying financial statements.



We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information's required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

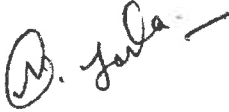
II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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, based on our audit we report that:
 - a. Except for the matters described in the basis for Qualified Opinion paragraph, We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
 - b. Except for the effects if any of the matters described in the basis for Qualified Opinion paragraph, 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 the statement of other comprehensive Income, Statement of cash Flow and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. Except for the possible effects of the matters described in the basis for Qualified Opinion paragraph, In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;
 - e. The matter described under the basis for qualified opinion paragraph above may have an adverse effect on functioning of the company.
 - f. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for Qualified opinion paragraph
 - h. With respect to the adequacy of Internal financial control over financial reporting of the company with reference to these financial statements and the operating effectiveness of such controls refer to our separate report in "Annexure B" to this report



- i. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – **Refer Note 31 to 33 the 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 has been no such fund lying with the company which is required to be transferred to the Investor Education and Protection Fund by the Company.

For NEERAJ JAWLA & ASSOCIATES
Chartered Accountant
FRN: 031528N





CA Neeraj Jawla
Partner
M. No. 542114
UDIN: 20542114AAAAEA7864

Place: Samalkha
Date: 14-12-2020

The "Annexure A" Referred to in paragraph 1, under '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, 2020.

- 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 for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in property, plant and equipment are held in the name of 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 Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore the provisions of clause 3(iv) of the Order is not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- 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 generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Service Act, Cess and Other Statutory Dues applicable to it.

(b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues outstanding of Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Service Act or Cess which have not been deposited on March 31, 2020 on account of any dispute.



- viii. The company does not have any loans or borrowing from any financial institution, bank or government or has not issued any debenture holders during the year. Accordingly the provision of clause (viii) of paragraph 3 of the order is not applicable.
- ix. In our opinion and according to the information and explanations provided by the management, the Company has not raised monies raised by way of initial public offer or further public offer including debt instruments or term loans and hence reporting under clause (ix) of paragraph 3 of the order is not applicable.
- x. According to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations provided by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations provided by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, reporting requirements under clause 3(xv) of the Order are not applicable to the Company and, not commented upon.
- xvi. According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For NEERAJ JAWLA & ASSOCIATES
Chartered Accountant

FRN: 031528N



CA Neeraj Jawla
Partner

M. No. 542114

UDIN: 20542114AAAAEA7864



Place: Samalkha

Date: 14-12-2020

The "**Annexure B**" Referred to in clause (h) of paragraph 2, under '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, 2020.

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, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent 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 with reference to these Financial Statements 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 over financial reporting with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Financial Statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Financial Statements.



MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

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

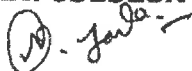
OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2020, 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.

For NEERAJ JAWLA & ASSOCIATES

Chartered Accountant

FRN: 031528N



CA Neeraj Jawla

Partner

M. No. 542114

UDIN: 20542114AAAAEA7864



Place: Samalkha

Date: 14-12-2020

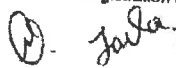
National Energy Trading and Services Limited
Balance Sheet as at March 31, 2020

Particulars	Note No.	Rs. Lakhs	
		As at March 31, 2020	As at March 31, 2019
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	9.81	3.76
(b) Financial Assets			
(i) Investments	4	10,011.81	10,011.81
(ii) Loans	6	85.00	85.00
Total Financial Asset			
(c) Deferred tax assets (net)	16	10,076.81	10,076.81
Total Non Current Assets			
		10,116.77	10,080.57
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	5	34.43	4,375.21
(ii) Unbilled receivables	6	1.73	27.73
(iii) Loans	8	4,218.03	4,323.08
(iv) Cash and cash equivalents	9	161.72	409.84
(v) Bank balances	10	515.83	838.99
(vi) Other financial assets	7	4.29	114.22
Total Financial Asset			
(b) Current tax assets (Net)	11	4,936.03	10,089.07
(c) Other current assets	8	42.45	39.03
Total Current Assets			
		5,002.53	51.08
Total Assets			
		16,119.30	20,259.75
II EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity Share Capital	12	3,852.94	3,852.94
(b) Other Equity			
Total Equity			
		4,645.77	4,479.13
B LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(b) Provisions	15	48.24	35.48
Total Non Current Liabilities			
		48.24	35.48
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables (other than MSME)	13	2,602.05	8,504.58
(ii) Other financial liabilities	14	3,086.91	3,390.54
Total Financial Liabilities			
		6,688.96	11,895.10
(b) Other current liabilities	17	1,219.05	158.72
(c) Provisions	15	4.87	9.03
(d) Current tax liabilities (Net)	18	(40.63)	29.35
Total Current Liabilities			
		6,872.35	12,092.20
Total Equity and Liabilities			
		16,119.30	20,259.75

Summary of Significant Accounting Policies


The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

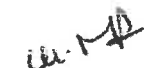
For Neeraj Jawa & Associates
Chartered Accountant
Firm Registration No. 031528N


CA Neeraj Jawa
Partner
Membership No. 542114

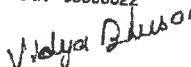


For and on behalf of the Board of Directors
National Energy Trading and Services Limited


Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067


Bhavya Chamarthi
Director
DIN - 08583322


Pradeep Kumar Verma
Chief Financial Officer


Vidya Bhusan
Company Secretary
Membership No. A60226

Place: Hyderabad
Date: December 14, 2020



UDIN :- 20542114AAAAEA7864

Place: Hyderabad
Date: December 14, 2020

National Energy Trading and Services Limited
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note No.	Rs. Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
i Revenue from Operations			
ii Other Income	19	9,292.03	22,935.54
iii Total Income (i + ii)	20	185.07	204.24
		9,477.10	23,139.78
IV EXPENSES			
Purchase of stock-in-trade	21	9,105.78	22,823.11
Employee benefits expenses	22	291.00	231.93
Finance cost	23	-	1.93
Depreciation and Amortization expense	24	0.21	0.22
Other expenses	25	119.10	100.40
Total Expenses (IV)		9,516.09	22,967.59
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		(38.99)	182.19
VI Exceptional Items	27	(86.22)	986.09
VII Profit / (Loss) before Tax (V - VI)		47.23	(803.90)
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		8.90	64.02
Deferred tax		(30.15)	61.86
Total Tax Expense (VIII)		(21.25)	126.88
IX Profit / (Loss) for the period from Continuing operations (VII - VIII)		68.48	(929.78)
X Other Comprehensive Income	26		
(i) Items that will not be reclassified to profit and loss		(1.83)	(4.26)
XI Total Comprehensive Income for the period (IX + X)		66.65	(934.04)
XII Earnings Per Equity Share	28		
Basic (Rs.)		0.19	(2.55)
Diluted (Rs.)		0.19	(2.55)

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

For Neeraj Jawla & Associates
Chartered Accountant
Firm Registration No. 031528N

CA Neeraj Jawla
Partner
Membership No. 542114

UDIN :- 20542114AAAAEA7864

Place: Hyderabad
Date: December 14, 2020

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

Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067

Bhavya Chamarthi
Director
DIN - 08583322

Pradeep Kumar Verma
Chief Financial Officer

Vidya Bhushan
Company Secretary
Membership No. A60226

Place: Hyderabad
Date: December 14, 2020



National Energy Trading and Services Limited
Cash Flow Statement for the year ended March 31, 2020

	For the year ended March 31, 2020	Rs. Lakhs For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax		
Adjustments for:		
Depreciation and Amortization	47.22	(803.89)
(Profit) / Loss on Sale/Scrap of PPE, Intangible Assets	0.22	0.22
Net (gain)/loss recorded in profit or loss on financial assets measured or designated as at fair value through profit or loss	0.88	
Liabilities and Provisions no longer required written back	1,205.12	655.59
Investment Impaired	(1,291.35)	(734.25)
Interest Income		1,065.00
Dividend Income	(179.52)	(188.29)
Interest Expenses	(5.11)	(10.68)
Cash Generated Before Working Capital Changes		1.93
Movement In Working Capital	(222.55)	(14.37)
Increase / (Decrease) in Trade Payables		
Increase / (Decrease) in Provisions	(4,611.16)	4,408.42
Increase / (Decrease) in Other Financial Liabilities	6.77	(40.89)
Increase / (Decrease) in Other Liabilities	(303.63)	3,148.04
(Increase) / Decrease in Trade Receivables/Unbilled Receivable	1,080.34	(838.08)
(Increase) / Decrease in Other Financial Assets	3,161.86	(3,978.97)
(Increase) / Decrease in Other Assets	104.88	(3,015.79)
Cash Generated From Operations	27.03	5.74
Direct Taxes Paid	(778.67)	(127.68)
Net Cash Flow From / (Used in) Operating Activities	(82.20)	(14.22)
	(858.87)	(141.90)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE, Intangible Assets and Investment Property	(7.16)	-
Proceeds from Sale of PPE, Intangible Assets	0.03	(0.05)
Purchase of Non Current Investments - Fellow Subsidiaries		(36.00)
Purchase of Non Current Investments - Subsidiaries		(0.06)
Maturities / (Purchase) of FDs/MMDs (Net)		
Dividend Income received	323.15	(82.18)
Interest Income Received	5.11	10.68
Net Cash Flow From / (Used in) Investing Activities	289.62	130.98
	610.75	23.35
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Interest Paid		
Net Cash Flow From / (Used in) Financing Activities		(1.83)
		(1.83)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(248.12)	(120.46)
Cash and Cash Equivalents at the beginning of the year	409.84	530.32
Cash and Cash Equivalents at the end of the year	161.72	409.84
Components of Cash and Cash Equivalents		
Cash and cheques on Hand		
Balances with Banks	0.60	0.19
-On Current Accounts		
Cash and cash Equivalent (as per Note 9)	161.12	409.65
	161.72	409.84

Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Interest and other Financial Charges accrued and Paid for the year
Total
Total Movement
Non Cash Changes :
Changes in Financing Cash flows

For the year ended March 31, 2020
-
-
-
-
-

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 Neeraj Jawla & Associates
Chartered Accountant
Firm Registration No. 031528N

CA Neeraj Jawla
Partner
Membership No. 542114



UBIN: 20542114 AAAAE7864

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

Arun Kumar Sangaraju
Whole Time Director
DIN - 08199087

Bhavya Chamarthi
Director
DIN - 08583322

Pradeep Kumar Verma
Chief Financial Officer

Vidya Bhusan
Company Secretary
Membership No. A60226

Place: Hyderabad
Date: December 14, 2020

Place: Hyderabad
Date: December 14, 2020



National Energy Trading and Services Limited
Statement of Changes in Equity for the year ended March 31, 2020

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, 2018	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	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 01.04.2018			
Profit for the year	5,420.24	(7.07)	5,413.17
Other Comprehensive Income after tax for the Period	(929.78)	-	(929.78)
Balance as at 31.03.2019	-	(4.26)	(4.26)
Current year profit	4,490.46	(11.33)	4,479.13
Other Comprehensive Income after tax for the Period	68.48	-	68.48
Balance as at 31.03.2020	4,558.94	(13.16)	4,545.77

As per our report of even date.

For Neeraj Jawa & Associates
Chartered Accountant
Firm Registration No. 031528N

GA Neeraj Jawa
Partner
Membership No. 542114

UDIN: 20542114AAAA5A7864

Place: Hyderabad
Date: December 14, 2020

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

Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067

Bhavya Chamarthi
Director
DIN - 08583322

Pradeep Kumar Verma
Chief Financial Officer

Vidya Bhusan
Company Secretary
Membership No. A60226

Place: Hyderabad
Date: December 14, 2020



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

1. Corporate Information

National Energy Trading and Services Limited (The Company) is a wholly owned subsidiary of Dikon Infratech Private Limited (DIPL) 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) [Companies (Indian Accounting Standards) Rules, 2015], [Companies (Indian Accounting Standards) Amendment Rules, 2016], [Companies (Indian Accounting Standards) (Amendments) Rules, 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;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and

(iii) Recent accounting pronouncement-

Adoption of new and revised standards

IND AS 116 - Ind AS 116 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. For lessors, the standards under Ind AS 116 are relatively unchanged from the prior standards. Accordingly, lessors continue to categorize leases as operating leases or finance leases. It introduces a single, on-balance sheet lease accounting model for lessees.

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.



National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

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

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 2.11, 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. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

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 Property Plant & Equipment

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

Service concession arrangements (SCA)

The analysis on whether the Appendix C of Ind AS 115 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of Appendix C of Ind AS 115 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of Appendix C of Ind AS 115, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of Appendix C of Ind AS 115 and, therefore, on the results of operations or the financial position.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

Uncertainties resulting from global pandemic COVID-19

The Company has considered internal and external sources of information including credit reports, economic forecasts and industry report up to the date of approval of the financial statements in determining the impacts on various elements of its financial statements. The Company has applied due prudence in applying judgments, estimates and assumptions including performance of sensitivity analysis based on the current estimates in assessing the recoverability.

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.

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:



National Energy Trading and Services Limited
 Notes and other explanatory information to financial statements for the year ended March 31, 2020

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

Where the Company enters into service concession arrangements under which the Company constructs, uses and operates certain assets for the provision of public services, construction revenue and costs are recognized in the profit and loss account by reference to the stage of completion at the balance sheet date while the fair value of construction service is capitalized initially as service concession assets in the balance sheet. Expenditure for the replacement and/or upgrade of the assets subject to service concession is capitalized.

Concession rights are recognized as an intangible asset to the extent that it receives a right to charge users of the service. Concession rights are stated at cost less accumulated amortization and accumulated impairment losses.

In all other intangible service concession assets, amortization is calculated by using the straight-line method over the licensing periods.

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.

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 Assets



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

(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 subsidiaries, 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.

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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

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. Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

VII. 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.

VIII. Share Capital

Equity shares are classified as equity.

IX. 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.



National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

Subsequent measurement – at amortized cost

The measurement of financial liabilities depends on their classification as follows: -

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

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

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 recognised in profit or loss.

X. 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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

XI. 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.

XII. Provisions , Contingent Liabilities and Contingent Assets

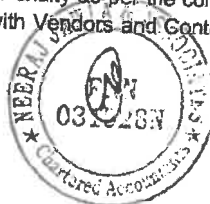
Provisions

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.



National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

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 an inflow of economic benefits is probable.

XIII. 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,

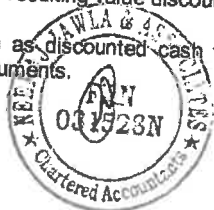
Level 3 – Inputs for the asset or liability that are not based on observable market data.

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.

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.



National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

XIV. Revenue Recognition

The company derives revenues primarily from business of Power Trading. The company collects Goods and Service Tax (GST) 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:

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

As per Ind AS 115 the Company has presented revenue from operations for certain contract with customers net of power purchase cost.

The company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

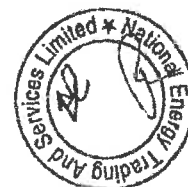
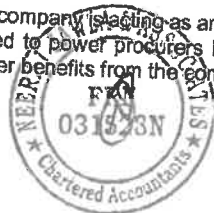
The company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs; or
- b) The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The company assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Trading of power and solar modules

In the arrangements the company is acting as an agent, the revenue is recognized on net basis when the units of electricity are delivered to power producers because this is when the company transfers control over its services and the customer benefits from the company such agency services.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

The company determines its revenue on certain contracts net of power purchase cost based on the following factors:

- a. Another party is primarily responsible for fulfilling the contract as the company does not have the ability to direct the use of power supplied or obtain benefits from supply of power.
- b. The company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.
- c. The company has no discretion in establishing the price for supply of power. The company consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

For other contract which does not qualify the conditions mentioned above, revenue is determined on gross basis.

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.

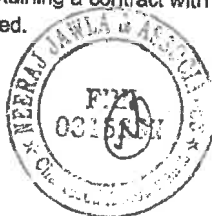
XV. Contract Balances

Contract asset: Company's right to consideration in exchange for goods or services that the company has transferred to a customer. If company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a trade receivable.

Contract liability (Advance from Customer): Company's obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer.

Trade Receivable: Company's right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due).

Pre-contract cost of obtaining a contract with a customer is recognised as an asset if those costs are expected to be recovered.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2020

XVI. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

XVII. 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.

XVIII. 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.

XIX. 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.



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2020

3 Property, Plant and Equipment

Particulars	Owned Assets			Rs. Lakhs
	Furniture and Fixtures	Vehicles	Office Equipment	TOTAL ASSETS
Gross Block				
As at April 01, 2018				
Additions	0.82	25.22	4.43	30.48
Disposals	-	-	0.05	0.05
As at March 31, 2019	0.82	25.22	4.49	30.52
Additions	-	6.00	1.16	7.16
Disposals	0.82	-	4.49	5.31
As at March 31, 2020	-	31.22	1.16	32.37
Depreciation				
As at April 01, 2018	0.45	22.44	3.66	26.56
Charged For the Period	0.15	0.07	-	0.22
On Disposals	-	-	0.01	0.01
As at March 31, 2019	0.59	22.51	3.66	26.76
Charged For the Period	0.15	0.04	0.03	0.21
On Disposals	0.74	-	3.67	4.42
As at March 31, 2020	-	22.55	0.02	22.56
Net Block				
As at March 31, 2019	0.23	2.71	0.82	3.76
As at March 31, 2020	-	8.67	1.14	9.81

Note : Gross Block as on 01.04.2018 includes deemed cost (Gross Block as on 31.03.2015 less Accumulated Depreciation as on 31.03.2015) as per IndAS 104



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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2020

4 Non Current Investments

	As at March 31, 2020 No. Lakhs	As at March 31, 2019 No. Lakhs	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 Rs. Lakhs
i Investment at Cost				
A Un-Quoted				
Investment in Equity Shares				
(i) Investment in Subsidiary Companies				
Lanco Operation and Maintenance company Limited (Equity Shares of Rs 10 each)	5.005	5.005	50.05	50.05
Sub Total			<u>50.05</u>	<u>50.05</u>
(ii) Investment in Fellow Subsidiaries Companies				
Lanco Solar Energy Private Limited (Equity Shares of Rs 10 each)	776.36	776.36	9,961.76	9,961.76
Total Equity Investment At Cost (a)			<u>10,011.81</u>	<u>10,011.81</u>
(iii) Investments in Preference Shares				
0.001% CCPS Preference Shares in Pragdisa Power Private Limited (Refer Note no. 28(a))		106.50	1,065.00	1,065.00
Total Preference Investment At Cost (b)			<u>1,065.00</u>	<u>1,065.00</u>
Less: Allowance for impairment in the value of Investments (c)			(1,065.00)	(1,065.00)
Total Non Current Investments (Net of provision) (a+b+c)			<u>10,011.81</u>	<u>10,011.81</u>
Total Current Investments				
Aggregate amount of impairment in value of Investments				
Total Current Investments (Net of provision)				



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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2020

5 Trade Receivables

Rs. Lakhs

Trade Receivables Unsecured, Considered Good	Current	
	As at March 31, 2020	As at March 31, 2019
	34.43	4,375.21
Total	34.43	4,375.21

6 Loans

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
*Security Deposit Unsecured, Considered Good Doubtful (Refer note no 31 (ii))	65.00	65.00	4,218.03	3,331.08
Less: Provision for Bad & doubtful Security Deposit	60.00	60.00	-	-
	125.00	125.00	4,218.03	3,331.08
Loans to Related Parties Unsecured, Considered Good Loans Receivable	60.00	60.00	-	-
	65.00	65.00	4,218.03	3,331.08
Total Loans	65.00	65.00	4,218.03	992.00
				4,323.08

*Current security deposit includes Rs.3,000 Lakhs as Security deposit given in lieu of bank guarantee for supply of electricity to TANGEDCO for the period April 2018 to January 2019. [Further Refer to note no.31 (A)].

7 Other Financial Assets

	Current	
	As at March 31, 2020	As at March 31, 2019
Loans and Advances to Employees	4.29	2.52
Interest Accrued on Deposits	-	110.09
Others Assets	-	1.61
Total	4.29	114.22

8 Other Assets

	Current	
	As at March 31, 2020	As at March 31, 2019
Prepaid Expense	11.70	9.14
Goods and Services Tax Credit Receivables	12.35	41.94
Total	24.05	51.08

9 Cash and Cash Equivalents

	Current	
	As at March 31, 2020	As at March 31, 2019
Cash on Hand	0.60	0.19
Balances with Banks -On Current Accounts	161.12	409.65
Total	161.72	409.84

10 Bank Balances

	Current	
	As at March 31, 2020	As at March 31, 2019
On Deposit Accounts Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	515.83	838.99
Net Bank Balances	515.83	838.99

11 Tax Assets (Net)

Advance Tax (Net of Provision for Tax)	Current	
	As at March 31, 2020	As at March 31, 2019
	42.45	39.03
Total	42.45	39.03



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2020

12 Equity Share Capital

	Rs. Lakhs	
	As at March 31, 2020	As at March 31, 2019
Authorised		
1000 Lakhs March 31,2020, (March 31,2019 1000 Lakhs 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 Lakhs March 31,2020, (March 31, 2019: 365.29 Lakhs 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>

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

	As at March 31, 2020 No. Lakhs	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 No. Lakhs	As at March 31, 2019 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>

12.2 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.

12.3 Shares held by holding company

	As at March 31, 2020 No. Lakhs	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 No. Lakhs	As at March 31, 2019 Rs. Lakhs
Equity Shares of Rs. -10/- each fully paid up Held By holding company				
Dikon Infratech Pvt Ltd (Holding Company from 17.09.2019) *	365.29	3,652.90	365.29	3,652.90

* Lanco Infratech Limited was holding Company till 17.09.2019

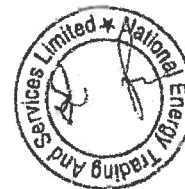
12.4 Details of Shareholder holding more than 5% shares of the company:

	As at March 31, 2020 No. Lakhs	As at March 31, 2020 % Holding in the class	As at March 31, 2019 No. Lakhs	As at March 31, 2019 % Holding in the class
Equity Shares of Rs. -10/- each fully paid up Held By Dikon Infratech Pvt Ltd	365.29	100.00%	365.29	100.00%

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



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National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2020

13 Trade payables

Trade Payables (including acceptances)
(a) total outstanding dues of micro enterprises and small enterprises
(b) total outstanding dues of creditors other than micro enterprises and small enterprises

Rs. Lakhs	
Current	
As at March 31, 2020	As at March 31, 2019
2,602.05	8,504.56
2,602.05	8,504.56

14 Other financial liabilities

Salaries and other benefits Payable
*Other Payables

Rs. Lakhs	
Current	
As at March 31, 2020	As at March 31, 2019
20.76	19.51
3,066.15	3,371.03
3,086.91	3,390.54

* Other payable include Rs.3,000 Lakhs payable to Lanco Anpara Power Limited towards power supply contract to TANGEDCO.

15 Provisions

Provision for Leave Encashment
Provision for Gratuity

Long Term	
As at March 31, 2020	As at March 31, 2019
19.24	15.35
29.00	20.13
48.24	35.48

Rs. Lakhs	
Short Term	
As at March 31, 2020	As at March 31, 2019
2.02	4.24
2.85	4.79
4.87	9.03

16 Deferred Tax Liability / (Asset) - Net

Deferred Tax Liabilities
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books
Gross Deferred Tax Liabilities

Rs. Lakhs	
As at March 31, 2020	As at March 31, 2019
(1.69)	-
(1.69)	-
13.37	-
15.10	-
28.47	-
(30.15)	-

Deferred Tax Assets
Provision for Gratuity and Compensated Absences
Expected credit loss on Financial assets (Additional provisions required if any on Financials assets)

Deferred Tax Liability / (Asset) - Net

* The Deferred Tax Assets will be recognized when it is probable that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Accordingly, no Deferred Tax Assets has been recognized.

17 Other liabilities

Advance from Customers
Taxes Payable (Other than Income Tax)
Employee Contributions Payable

Rs. Lakhs	
Current	
As at March 31, 2020	As at March 31, 2019
1,210.79	145.29
5.12	12.10
3.14	1.33
1,219.05	158.72

18 Tax Liabilities (Net)

Provision for Taxalids (Net of Advance taxes)

Rs. Lakhs	
Short Term	
As at March 31, 2020	As at March 31, 2019
(40.53)	29.35
(40.53)	29.35



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2020

		Rs. Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
19 Revenue From Operations			
Sale of Products			
Electrical Energy (Refer note no.29)			
		9,292.03	22,935.54
		<u>9,292.03</u>	<u>22,935.54</u>
20 Other Income			
Interest Income on			
Deposits and Margin money			
		51.74	60.50
		127.79	127.79
		0.03	5.17
Dividend Income on			
Current Investments			
		5.11	10.68
		0.40	0.10
		<u>185.07</u>	<u>204.24</u>
21 Purchase of stock-in-trade			
Power Purchase (Refer note no.29)			
		9,105.78	22,623.11
		<u>9,105.78</u>	<u>22,623.11</u>
22 Employee Benefits Expenses			
Salaries, allowances and benefits to employees			
		266.84	222.63
Contribution to provident fund and other funds			
		14.23	3.45
Recruitment and training			
		0.39	0.40
Staff welfare expenses			
		9.54	5.45
		<u>291.00</u>	<u>231.93</u>
23 Finance Cost			
Interest			
		-	0.06
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)			
		-	1.87
		-	<u>1.93</u>
24 Depreciation And Amortization Expense			
Depreciation on PPE			
		0.21	0.22
		<u>0.21</u>	<u>0.22</u>
25 Other Expenses			
Rent			
		1.83	5.87
Rates and taxes			
		41.08	41.11
Office maintenance			
		23.29	5.75
Insurance			
		0.51	0.22
Printing and stationery			
		1.69	0.71
Consultancy and other professional charges			
		21.33	27.51
Directors sitting fee			
		4.72	-
Net Loss on Fair valuation of Financial assets & liabilities			
		-	0.25
Remuneration to auditors (As Auditor):			
Audit Fee			
		1.78	5.90
ICFR fees			
		-	1.18
Travelling and conveyance			
		13.60	2.95
Communication expenses			
		1.14	1.34
Net Loss on Sale/ Write off of fixed assets			
		0.86	-
Business Promotion and Advertisement			
		0.97	0.10
Miscellaneous expenses			
		<u>6.30</u>	<u>7.61</u>
		<u>119.10</u>	<u>100.40</u>
26 Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans:			
		(1.83)	(4.26)
		<u>(1.83)</u>	<u>(4.26)</u>



National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

27 Exceptional Items

- a) During the current financial year, the company has assessed the recoverability of certain long outstanding financial assets and accordingly Rs.1,205.12 lakhs has been written off.
b) During the current financial year, the company has assessed the long outstanding liability, accordingly Rs.1,291.35 lakhs has been written back.

28 Earning Per Share (EPS)

		Rs. Lakhs	
		March 31, 2020	March 31, 2019
Total Operations for the year			
Profit / (Loss) attributable to Equity Holders			
Weighted average number of Equity Shares for Basic EPS	(A)	68.47	(929.78)
Weighted Average number of Equity shares for Diluted EPS	(B)	365.29	365.29
	(C)	365.29	365.29
Earning per Equity share			
Basic			
Diluted	(A) / (B)	0.19	(2.55)
	(A) / (C)	0.19	(2.55)

- 29 Ind AS 115, 'Revenue from Contracts with Customers' notified on 28 March 2018, has been made effective from 1 April 2018. The Implication of Ind AS 115 does not have any material impact on the financial statement. However in view of implementation of new standards, in regards to sale of power through exchange has been recognized as revenue by netting the cost of purchase of power as against earlier practice of full value to be included in Revenue. As result Revenue from operation and electricity purchased for trading as agent has declined by Rs 22,401.44 Lakhs.

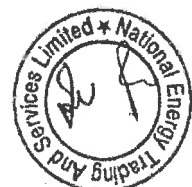
30 Employee Benefits

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.

	Rs. Lakhs	
	March 31, 2020	March 31, 2019
Gratuity		
Net Employee benefit expense recognized in the employee cost in statement of profit & loss account		
Current service cost	3.49	4.16
Interest cost on benefit obligation	1.58	2.54
Sub Total	5.07	6.70
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognized in the year		
i. Financial Assumptions on obligation		
ii. Experience Adjustments on obligation	4.19	0.87
Sub Total	(2.36)	3.39
Net benefit expense	1.83	4.26
	6.90	10.96
Balance Sheet		
Benefit asset / liability		
Present value of defined benefit obligation	31.85	24.93
Assets / (Liability) recognized in the balance sheet	(31.85)	(24.93)
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation		
Benefit transferred in	24.93	35.77
Benefits paid	6.32	
	(6.30)	(21.81)
Expenses Recognised in Statement of Profit and Loss Account		
Current service cost	3.49	4.16
Interest cost on benefit obligation	1.58	2.54
Recognised in Other Comprehensive Income		
Actuarial (gain)/loss on obligation	1.83	4.26
Closing defined benefit obligation	31.85	24.93
Assumptions		
Discount Rate (%)	6.50%	7.00%
Attrition Rate%	10.00%	20.00%
Expected rate of salary increase (%)	8.00%	8.00%
Expected Average Remaining Service (years)	24.05	23.04
Expected Average Remaining Service/mortality and withdrawal (years)	8.53	6.06

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.



National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

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, 2020			
March 31, 2019	31.85	(31.85)	(1.26)
March 31, 2018	24.93	(24.93)	3.39
March 31, 2017	35.77	(35.77)	(10.81)
March 31, 2016	21.39	(21.39)	2.12
	9.94	(9.94)	(2.35)

Sensitivity analysis of the defined benefit obligation

Particulars	1% Increase		1% Decrease	
	2020	2019	2020	2019
Impact of the change in discount rate	(2.10)	(0.87)	2.38	0.94
Impact of the change in salary increase	1.65	0.85	(1.61)	(0.84)

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. 9.16 Lakhs (Previous year : Rs 7.40 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

31 Contingent Liabilities - Not probable and therefore not provided for

Rs. Lakhs

i Claims against the company not accepted by the company

	March 31, 2020	March 31, 2019
- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards compensation*	600.00	600.00

NETS had filed a petition before TNERC against the deduction of Rs.600 Lakhs equivalent to bid bond value from the bills issued by NETS. TANGEDCO had deducted the amount due to non-disclosure of complete facts as well as participation in the bid without having sufficient fuel allocation. The matter is pending in Honorable Supreme Court adjourned for filing of counter affidavit & rejoinder affidavit, if any.

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.

iii NETS has entered into a contract on 25-01-2012 with TANGEDCO for supply of electricity under MTOA from 01-10-2012 to 30-09-2016, electricity was supplied to TANGEDCO using escalation index rate specified by CERC at that time for payment of Escalable Capacity charges and Escalable energy charges. On 08-02-2017 CERC issued various notifications for amending the original notifications issued in 2012 and 2013 revising the Annual Escalation Rate. TANGEDCO has filed writ petition with Hon'ble High Court of Delhi against CERC notification issued on 08-02-2017. Delhi High court vide its interim order dated 07-02-2018 and 25-05-2018 has stayed the operation of the notification issued by the CERC dated 08-02-2017 till the date of next hearing. If the petition is dismissed by court, NETS will be liable to pay to TANGEDCO the difference between energy charges calculated as per old escalation index and new escalation index and NETS can recover the same from Lanco Anpara Power Limited.

31A During the FY 2018-19, NETS has given Rs.3,000 Lakhs as Security deposit in lieu of bank guarantee for supply of electricity to TANGEDCO for the period April 2018 to January 2019. In May 2019, NETS vide its letter dated 28-05-2019 has requested TANGEDCO to release the Security deposit. TANGEDCO has filed writ petition with Hon'ble High Court of Delhi against CERC notification issued on 08-02-2017 as detailed in the note no 32(iii). The company is of the view that ultimate recoverability of the security amount would dependent on the final outcome of the order.

NETS had applied for Impleadment and was listed on 1.08.2019 and Hon'ble Judge indicated that the same will be taken up subsequently after orders are passed in the Applications for direction to the Petitioner to make payments, and the case is still pending

32 The Company had entered into short term power supply agreement in 2007 with Damodar Valley Corporation (DVC), however the power supplied fall short of the minimum guaranteed supply of 70% of the contract quantity, further DVC has cancelled the said agreement. Inability to supply power by DVC, company has claimed Rs.88.64 Lakhs from DVC. The court has passed the order on 28.01.2019 in favour of the company to claimed the amount with interest 18%. The respondent had an option of 3 months to appeal against the order, since, respondent did not prefer any appeal within three months of the order Company is in touch with Counsel member for execution of decree. The process will take some time, we will be accounting the same as and when the money received from the party.

33 The Company had supplied the power from Lanco Kondapalli Power Limited and M/s Sterlite Energy Limited after TANGEDCO had invited bids for a short term procurement of power. NETS has filed claim for recovery of surcharge of Rs.3,313 Lakhs on 23.05.2014 against delay in payment of energy charges by TANGEDCO. The company has filed appeal before TNERC on 28.07.2014 against which reply has been filed by TANGEDCO. The case has been adjourned for further hearings.

34 The company has made investment in M/s Lanco Solar Energy Private Limited (LSEPL). Pursuant to Initiation of Corporation Insolvency Resolution Process ("CIRP") in LSEPL, in June 2019, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the Resolution professional ("RP") is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the Committee of Creditor ("CoC") and the NCLT. The CIRP is not yet concluded and hence, the final-outcome is yet to be ascertained. Pending outcome of resolution process no adjustments has been made towards the carrying value of the Company's investment in LSEPL amounting to Rs.9,961.76 Lakhs as at March 31, 2020 in the accompanying financial statements.

35 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.



36 National Energy Trading and Services Limited
RELATED PARTY DISCLOSURE as on 31st March 2020

a) Name of Related parties and description of relationship

Description of Relationship	Name
Parent Company	Dikon Infratech Private Limited (DIPL) (From 17.09.2020) Lanco Infratech Limited (Till 17.09.2020)
Subsidiary Companies	Lanco Operation and Maintenance Limited (LOMCL)
Fellow Subsidiaries	Mercury Projects Private Limited (MPPL) Pragadisa Power Private Limited (PPPL) Lanco Solar Energy Private Limited (LSEPL) (Till 17.09.2019) Lanco Babandh Power Limited (LBPL) (Till 17.09.2019) Lanco Power Limited (LPL) (Till 17.09.2019) Lanco Vidarbha Thermal Power Limited (LVTP) (Till 17.09.2019) Lanco Mandakini Hydro Energy Pvt Ltd (LMHEPL) (Till 17.09.2019)
Key Management Personnel	Mr. Arun Kumar Sangaraju (From 03.10.2019) Mr. Bathala Suresh (From 03.10.2019) Mr. Vinod Kumar Godavarthi (From 10.10.2019) Ms. Bhavya Chamarthi (From 10.10.2019) Ms. Priya Bandhavi Jaladi (From 09.01.2020) Ms. Kanika Sukheeja (Upto 23.04.2019) Mr. MCS Reddy (Upto 01.06.2019) Mr. Naval Kishore (Upto 24.07.2019) Mr. Niharendu Sanyal (Upto 20.11.2019) Mr. Sanjay Kumar Bhardwaj (From 31.05.2019 upto 20.11.2019) Ms. Disha Sethi (From 19.07.2019 upto 04.11.2019)



37 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.

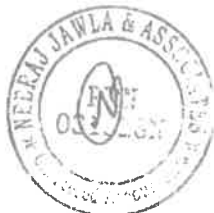
The maximum exposure for credit risk at the reporting date is the carrying value of financial assets as stated in the balance sheet.

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 2020	60.00	60.00	-
As at 31 March 2019	60.00	60.00	-
As at 31 March 2018	60.00	60.00	-

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



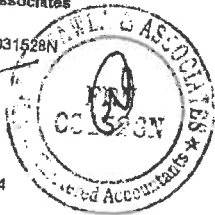
National Energy Trading and Services Limited
Notes and other explanatory information to financial statements for the year ended March 31, 2020

- 38 Disclosures required under Section 22 of MSME 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.
- 39 Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.
- 40 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 Neeraj Jawa & Associates
Chartered Accountant
Firm Registration No. 031528N

CA Neeraj Jawa
Partner
Membership No. 542114



UDIN :- 90542114AAAAEA7864

Place: Hyderabad
Date: December 14, 2020

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

Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067

Pradeep
Pradeep Kumar Verma
Chief Financial Officer

Place: Hyderabad
Date: December 14, 2020

Bhavya Chamarthi
Director
DIN - 08583322

Vidya Bhusan
Vidya Bhusan
Company Secretary
Membership No. A60226



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NEERAJ JAWLA & ASSOCIATES

CHARTERED ACCOUNTANTS

191/5, Ward No.14, Samalkha-132101, Haryana, India
Email- caneerajjawla@gmail.com, Mobile-09017799990, 08708226338

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/S NATIONAL ENERGY TRADING AND SERVICES LIMITED

**Plot No.7, Bindu Sadan, 401, Sai Chandra Residency
Opp. Green Space Tulasi, Puppalaguda, Manikonda,
Hyderabad Rangareddi Telangana - 500089, India**

I. Report on the Audit of the Consolidated Ind AS Financial Statements Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **M/s National Energy Trading And Services Limited** ("the Holding Company" or "the Company"), its subsidiary (the company and its subsidiary together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including the consolidated statement of other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. Attention is invited to Note No. 35 to the consolidated Ind AS financial statements, which explains the uncertainties relating to recoverability of carrying value of investment of Rs.9,961.76 Lakhs in **Lanco Solar Energy Private Limited (LSEPL)**. LSEPL is under Corporate Insolvency Resolution process (CIRP) as per National Company Law Tribunal (NCLT) Order dated 14.06.2019 and Interim Resolution professional (IRP) / Resolution professional (RP) is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the Committee of Creditor (CoC) and the NCLT. The CIRP is in process. Pending outcome of resolution process, we are unable to comment on the adjustments if any that may be required towards the carrying value of Company's Investment in LSEPL amounting Rs.9,961.76 Lakhs as at March 31, 2020 accompanying consolidated Ind AS financial statements.



We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Other information is not available to us at the date of this auditor's report. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Ind AS Financial Statements in term of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.



The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other



responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the financial statements of subsidiary company, whose financial statements include total assets of Rs. 307.63 Lacs as at March 31, 2020, total revenues of Rs. 517.44 Lacs and net cash inflow amounting to Rs. 14.02 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of its subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditors.

II. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) Except the matter described in the Basis for Qualified Opinion paragraph, we/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;
- (b) Except the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rules issued thereunder;
- (e) The matter described under the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding



Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "**Annexure A**" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to explanations given to us, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company to their director is in accordance with the provision of section 197 read with Schedule V of the Act;

- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 32 to 34 the consolidated Ind AS financial statements.
- (ii) The group 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 Holding Company and its subsidiary incorporated in India during the year ended March 31, 2020.

For NEERAJ JAWLA & ASSOCIATES
Chartered Accountants
FRN: 031528N

(Signature)



CA Neeraj Jawla
Partner

M. No. 542114

UDIN: 21542114AAAABI6506

Place: Samalkha

Date: 14-12-2020

The "Annexure A" Referred to in Clause II (h) 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 consolidated Ind AS financial statements as of and for the year ended March 31, 2020.

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 And Trading Services Limited** (hereinafter referred to as the "Holding Company") as of March 31, 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

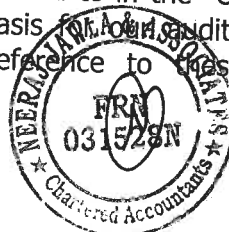
These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these -consolidated Ind AS financial statements, 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 judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.



Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 and to the best of our information and according to the explanations given to us and based on the report issued by other auditor on internal financial controls over financial reporting, the Company and its subsidiary company, in all material respects, adequate internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies 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.

For NEERAJ JAWLA & ASSOCIATES
Chartered Accountant
FRN: 031528N





CA Neeraj Jawla
Partner
M. No. 542114
UDIN: 21542114AAAABI6506

Place: Samalkha
Date: 14-12-2020


National Energy Trading and Services Limited
Consolidated Balance Sheet as at March 31, 2020

Particulars	Note No.	Rs. Lakhs	
		As at March 31, 2020	As at March 31, 2019
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	10.28	3.76
(b) Financial Assets			
(i) Investments	4	9,961.76	9,961.76
(ii) Loans	5	65.00	65.00
(iii) Other financial assets	7	52.09	52.09
Total Financial Asset		10,078.85	10,078.85
(c) Deferred tax assets (net)	16	30.15	-
Total Non Current Assets		10,119.28	10,082.61
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	6	210.95	4,375.21
(ii) Unbilled receivables		1.73	27.73
(iii) Loans	5	4,218.03	4,314.08
(iv) Cash and cash equivalents	9	176.84	410.94
(v) Bank balances	10	515.83	838.99
(vi) Other financial assets	7	38.26	114.19
Total Financial Asset		5,161.64	10,081.14
(b) Current tax assets (Net)	11	43.70	40.28
(c) Other current assets	8	52.24	51.08
Total Current Assets		5,257.58	10,172.50
Total Assets		15,376.86	20,255.11
II EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity Share Capital	12	3,652.94	3,652.94
(b) Other Equity		4,557.19	4,419.40
Equity attributable to owners of the Company (I)		8,210.13	8,072.34
Non-controlling interests (II)		-	-
Total equity (I+II)		8,210.13	8,072.34
B LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	13	4.82	4.82
(ii) Other financial liabilities	14	49.74	49.77
Total Financial Liabilities		54.56	54.59
(b) Provisions	15	66.53	35.48
(c) Other non current liabilities	17	0.23	0.23
Total Non Current Liabilities		121.32	90.30
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	13		
a. Trade payables - MSME		8.84	-
b. Trade payables - Other than MSME		2,715.31	8,504.84
(ii) Other financial liabilities	14	3,095.70	3,390.53
Total Financial Liabilities		5,819.85	11,895.37
(b) Other current liabilities	17	1,245.36	158.72
(c) Provisions	15	14.16	9.03
(d) Current tax liabilities (Net)	18	(33.96)	29.35
Total Current Liabilities		7,045.41	12,092.47
Total Equity and Liabilities		15,376.86	20,255.11

Summary of Significant Accounting Policies 2.1

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

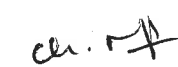
For Neeraj Jawla & Associates
Chartered Accountants
Firm Registration No. 031528N

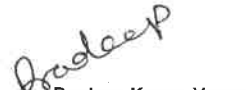

CA Neeraj Jawla
Partner
Membership No. 542114

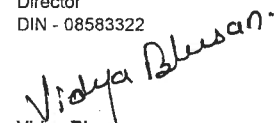


For and on behalf of the Board of Directors
National Energy Trading and Services Limited


Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067


Bhavya Chamarthi
Director
DIN - 08583322


Pradeep Kumar Verma
Chief Financial Officer


Vidya Bhusan
Company Secretary
Membership no - A60226

Place: Hyderabad
Date: December 14, 2020

Place: Hyderabad
Date: December 14, 2020




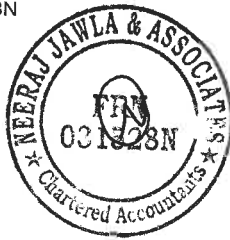
National Energy Trading and Services Limited
Statement of Consolidated Profit and Loss for the year ended March 31, 2020

Particulars	Note No.	Rs. Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	19		
II Other Income		9,805.48	22,935.54
III Total Income (I + II)	20	189.06	204.24
		<u>9,994.54</u>	<u>23,139.78</u>
IV EXPENSES			
Cost of Materials Consumed	21 (a)	7.31	
Purchase of stock-in-trade	21 (b)	9,105.78	22,623.11
Subcontract Cost		46.87	-
Construction, Transmission, Plant / Site and Mining Expenses	21 (c)	176.49	-
Employee benefits expenses	22	440.69	231.93
Finance cost	23	0.15	1.93
Depreciation and Amortization expense	24	0.24	0.22
Other expenses	25	183.67	100.88
Total Expenses (IV)		<u>9,961.20</u>	<u>22,958.07</u>
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		33.34	181.71
VI Exceptional Items	27	(86.22)	986.09
VII Profit / (Loss) before Tax (V - VI)		119.56	(804.38)
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		25.72	64.02
Deferred tax		(30.15)	61.86
Total Tax Expense (VIII)		<u>(4.43)</u>	<u>125.88</u>
IX Profit / (Loss) after Taxation before Non Controlling Interests (VII - VIII)		123.99	(930.26)
Profit/(Loss) for the period attributable to:			
Owners of the Company		123.99	(930.26)
Non controlling interests		-	-
X Other Comprehensive Income	26	13.80	(4.26)
Items that will not be reclassified to profit and loss			
XI Total Comprehensive Income for the period (XIII + XIV)		137.80	(934.52)
XII Earnings Per Equity Share	28		
Basic (Rs.)		0.34	(2.55)
Diluted (Rs.)		0.34	(2.55)


The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.


For Neeraj Jawla & Associates
Chartered Accountants
Firm Registration No. 031528N

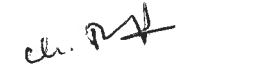

CA Neeraj Jawla
Partner
Membership No. 542114




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


Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067


Pradeep Kumar Verma
Chief Financial Officer


Bhavya Chamarthi
Director
DIN - 08583322


Vidya Bhusan
Company Secretary
Membership no - A60226

Place: Hyderabad
Date: December 14, 2020

Place: Hyderabad
Date: December 14, 2020



National Energy Trading and Services Limited
Consolidated Cash Flow Statement for the year ended March 31, 2020

	Rs. Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	119.56	(804.40)
Adjustments for:		
Depreciation and Amortization	0.24	0.22
(Profit) / Loss on Sale of PPE, Intangible Assets	0.86	-
Net (gain)/loss recorded in profit or loss on financial assets / liabilities measured or designated as at fair value through profit or loss	1,205.12	655.59
Liabilities and Provisions no longer required written back	(1,291.35)	(734.25)
Investment Impaired	-	1,065.00
Interest Income	(179.52)	(188.29)
Dividend Income	(5.11)	(10.68)
Interest Expenses	-	1.93
Cash Generated Before Working Capital Changes	(150.20)	(14.88)
Movement in Working Capital		
Increase / (Decrease) in Trade Payables	(4,489.33)	4,406.39
Increase / (Decrease) in Provisions	49.98	(90.43)
Increase / (Decrease) in Other Financial Liabilities	(294.89)	3,190.00
Increase / (Decrease) in Other Liabilities	1,093.22	(637.83)
(Increase) / Decrease in Trade Receivables	2,985.13	(3,978.97)
(Increase) / Decrease in Other Financial Assets	79.93	(3,006.77)
(Increase) / Decrease in Other Assets	(1.15)	5.51
Cash Generated From Operations	(727.31)	(126.98)
Direct Taxes Paid	(99.04)	(14.28)
Net Cash Flow From / (Used in) Operating Activities	(826.35)	(141.26)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE, Intangible Assets and Investment Property	(7.67)	-
Proceeds from Sale of PPE, Intangible Assets	0.03	(0.05)
Purchase of Non Current Investments - Fellow Subsidiaries	-	(36.00)
Purchase of Non Current Investments - Subsidiaries	-	(0.06)
Maturities / (Purchase) of FDs/MMDs (Net)	323.16	(82.18)
Dividend Income received	5.11	10.68
Interest Income Received	289.62	130.97
Net Cash Flow From / (Used in) Investing Activities	610.25	23.36
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from/(to) Short - Term Borrowings (Net)	(18.00)	-
Proceeds on account of Share Application Money	-	-
Interest Paid	-	(1.93)
Net Cash Flow From / (Used in) Financing Activities	(18.00)	(1.93)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(234.10)	(119.83)
Cash and Cash Equivalents at the beginning of the year	410.94	530.77
Cash and Cash Equivalents at the end of the year	176.84	410.94
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	3.07	0.19
Balances with Banks		
-On Current Accounts	173.77	410.75
Cash and cash Equivalent (as per Note 10)	176.84	410.94


Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest and other Financial Charges accrued and Paid for the year	-	(1.93)
Total	-	(1.93)
Total Movement	-	(1.93)
Non Cash Changes :	-	-
Changes in Financing Cash flows	-	(1.93)

Notes:

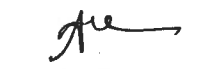
- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Cash Flow Statements.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year. As per our report of even date.

For Neeraj Jawla & Associates
Chartered Accountants
Firm Registration No. 03-528N


CA Neeraj Jawla
Partner
Membership No. 542114

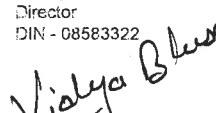


For and on behalf of the Board of Directors
National Energy Trading and Services Limited


Arun Kumar Sangaraju
Whole Time Director
DIN - 08199053


Pradeep Kumar Verma
Chief Financial Officer


Bhavya Chamarthi
Director
DIN - 08583322


Vidya Bhushan
Company Secretary
Membership no - A60226

Place: Hyderabad
Date: December 14, 2020

Place: Hyderabad
Date: December 14, 2020



National Energy Trading and Services Limited
Statement of Changes in Equity for the year ended March 31, 2020
Equity Attributable to the Owners of the Company

a. Equity share capital

Rs. Lakhs

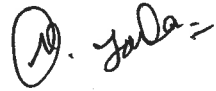
Particulars	Number of Shares (In Lakhs)	Amount
Issued and Paid up Capital at April 1, 2018	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	365.29	3,652.94

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 01.04.2018	5,361.06	(7.07)	5,353.99
Current year loss	(930.26)	-	(930.26)
Other Comprehensive Income after tax for the Period	-	(4.26)	(4.26)
Adjustment of Negative Capital Reserve	(0.07)	-	(0.07)
Balance as at 31.03.2019	4,430.73	(11.33)	4,419.40
Current year profit	123.99	-	123.99
Other Comprehensive Income after tax for the Period	-	13.80	13.80
Balance as at 31.03.2020	4,554.72	2.47	4,557.19

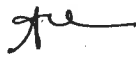
As per our report of even date.

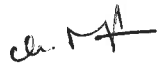
For Neeraj Jawla & Associates
Chartered Accountants
Firm Registration No. 031528N



CA Neeraj Jawla
Partner
Membership No. 542114

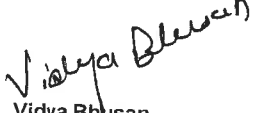


For and on behalf of the Board of Directors
National Energy Trading and Services Limited


Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067


Bhavya Chamarthi
Director
DIN - 08583322


Pradeep Kumar Verma
Chief Financial Officer


Vidya Bhusan
Company Secretary
Membership no - A60226

Place: Hyderabad
Date: December 14, 2020

Place: Hyderabad
Date: December 14, 2020



National Energy Trading and Services Limited

Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

1. Corporate Information

National Energy Trading and Services Limited is a wholly owned subsidiary of Dikon Infratech Private Limited. 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;
- Assets held for sale – measured at fair value less cost to sell; and
- Defined benefit plans – plan assets measured at fair value.

(iii) Recent accounting pronouncements (if any)

Adoption of new and revised standards

IND AS 116 - Ind AS 116 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. For lessors, the standards under Ind AS 116 are relatively unchanged from the prior standards. Accordingly, lessors continue to categorize leases as operating leases or finance leases. It introduces a single, on-balance sheet lease accounting model for lessees.

(iv) Principles of Consolidation

The financial statements have been prepared on the following basis:

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group.



National Energy Trading and Services Limited
Notes and other explanatory information to consolidated financial statements for the year ended March
31, 2020

Acquisition method of accounting

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The excess of cost to the group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as Goodwill, being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the group, it is recognized as Capital Reserve and shown under the head Reserves and surplus, in the consolidated financial statements. The Goodwill /Capital Reserve is determined separately for each subsidiary company.

Non-controlling interests in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group, in order to arrive at the income attributable to shareholders.

(b) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. The carrying amount of the equity accounted investments are tested for impairment.

(c) Changes in the Group's ownership interests in subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions: A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.



National Energy Trading and Services Limited

Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

When the Group ceases to consolidate on equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest.

(d) Uniform Accounting Policies

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances across the Group.

Following subsidiary companies and associates have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of company *	Percentage of Ownership Interest	
		As at March 31, 2020	As at March 31, 2019
	Subsidiaries		
1	Lanco Operation and Maintenance Company Limited (LOMCL)	100.00%	100.00%

* All Companies are incorporated in India.

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 group'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:

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 group 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.



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Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

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 Property Plant & Equipment

The company assesses whether property 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.

Service concession arrangements (SCA)

The analysis on whether the Appendix C of Ind AS 115 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of Appendix C of Ind AS 115 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of Appendix C of Ind AS 115, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of Appendix C of Ind AS 115 and, therefore, on the results of operations or the financial position.

Uncertainties resulting from global pandemic COVID-19

The Company has considered internal and external sources of information including credit reports, economic forecasts and industry report up to the date of approval of the financial statements in determining the impacts on various elements of its financial statements. The Company has applied due prudence in applying judgments, estimates and assumptions including performance of sensitivity analysis based on the current estimates in assessing the recoverability.

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.



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Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

II. Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

III. Common Control

A business combination involving entities or business under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method.

The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity

IV. 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.

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.



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Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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.

V. Intangible Assets

Where the Company enters into service concession arrangements under which the Company constructs, uses and operates certain assets for the provision of public services, construction revenue and costs are recognized in the profit and loss account by reference to the stage of completion at the balance sheet date while the fair value of construction service is capitalized initially as service concession assets in the balance sheet. Expenditure for the replacement and/or upgrade of the assets subject to service concession is capitalized.

Concession rights are recognized as an intangible asset to the extent that it receives a right to charge users of the service. Concession rights are stated at cost less accumulated amortization and accumulated impairment losses.

In all other intangible service concession assets, amortization is calculated by using the straight-line method over the licensing periods.

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.

VI. 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 consolidated financial statements for the year ended March 31, 2020

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 subsidiaries, 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.



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Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

(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.

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.

VII. Impairment of Non-Financial Assets

At each reporting date, the group 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.

VIII. Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

IX. 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.



National Energy Trading and Services Limited

Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

X. Share Capital

Equity shares are classified as equity.

XI. Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the group becomes a party to the contractual provisions of the financial instrument. The group 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

The measurement of financial liabilities depends on their classification as follows: -

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

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

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.

XII. 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.



National Energy Trading and Services Limited

Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

- 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.

XIII. 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.

XIV. 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.



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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 an inflow of economic benefits is probable.

XV. 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.

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;



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Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

- 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.

XVI. Revenue Recognition

The company derives revenues primarily from business of Power Trading and trading of Solar Modules. The company collects Goods and Service Tax (GST) 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:

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

As per Ind AS 115 the Company has presented revenue from operations for certain contract with customers net of power purchase cost.

The company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs; or
- b) The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The company assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.



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Trading of power and solar modules

In the arrangements the company is acting as an agent, the revenue is recognized on net basis when the units of electricity are delivered to power procurers because this is when the company transfers control over its services and the customer benefits from the company such agency services.

The company determines its revenue on certain contracts net of power purchase cost based on the following factors:

- a. Another party is primarily responsible for fulfilling the contract as the company does not have the ability to direct the use of power supplied or obtain benefits from supply of power.
- b. The company does not have inventory risk before or after the power has been delivered to customers as the power is directly supplied to customer.
- c. The company has no discretion in establishing the price for supply of power. The company consideration in these contracts is only based on the difference between sales price charged to procurer and purchase price given to supplier.

For other contract which does not qualify the conditions mentioned above, revenue is determined on gross basis.

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.

XVII. Contract Balances

Contract asset: Company's right to consideration in exchange for goods or services that the company has transferred to a customer. If company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a trade receivable.

Contract liability (Advance from Customer): Company's obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer.

Trade Receivable: Company's right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due).

Pre -contract cost of obtaining a contract with a customer is recognised as an asset if those costs are expected to be recovered.



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Notes and other explanatory information to consolidated financial statements for the year ended March 31, 2020

XVIII. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

XIX. 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.

XX. 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.

XXI. 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.



National Energy Trading and Services Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

3 Property, Plant and Equipment

Particulars	Owned Assets			Rs. Lakhs
	Furniture and Fixtures	Vehicles	Office Equipment	TOTAL ASSETS
Gross Block				
As at April 01, 2018	0.82	25.22	4.43	30.47
Additions	-	-	0.05	0.05
Disposals	-	-	-	-
As at March 31, 2019	0.82	25.22	4.48	30.52
Additions	-	6.50	1.16	7.66
Disposals	0.82	-	4.49	5.31
As at March 31, 2020	-	31.72	1.15	32.87
Depreciation				
As at April 01, 2018	0.45	22.44	3.66	26.55
Charged For the Period	0.14	0.07	-	0.21
On Disposals	-	-	-	-
As at March 31, 2019	0.59	22.51	3.66	26.76
Charged For the Period	0.15	0.06	0.03	0.24
On Disposals	0.74	-	3.67	4.41
As at March 31, 2020	-	22.57	0.02	22.59
Net Block				
As at March 31, 2019	0.23	2.71	0.82	3.76
As at March 31, 2020	-	9.15	1.13	10.28

* Note : Gross Block as on 01.04.2018 includes deemed cost (Gross Block - Accumulated Depreciation as on 31.03.2015) as per IndAS 101.



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Notes to Consolidated Financial Statements for the year ended March 31, 2020

4 Non Current Investments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	<u>No. Lakhs</u>	<u>No. Lakhs</u>	<u>Rs. Lakhs</u>	<u>Rs. Lakhs</u>
Investment at Cost				
(i) Investment in Fellow Subsidiaries Companies				
Lanco Solar Energy Private Limited (Equity Shares of Rs 10 each)	776.36	776.36	9,961.76	9,961.76
Total Equity Investment At Cost (i)			<u>9,961.76</u>	<u>9,961.76</u>
(ii) Investments in Preference Shares				
0.001% CCPS Preference Shares in Pragdisa Power Private Limited	106.50	106.50	1,065.00	1,065.00
Total Preference Investments at Cost (ii)			<u>1,065.00</u>	<u>1,065.00</u>
Less: Allowance for impairment in the value of Investments (c)			(1,065.00)	(1,065.00)
Total Non Current Investments (Net of provision) (i+ii)			<u>9,961.76</u>	<u>9,961.76</u>



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5	Loans	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Security Deposit				
	Unsecured, Considered Good	65.00	65.00	4,218.03	3,331.08
	Doubtful	60.00	60.00	-	-
	Less: Provision for Excepted Credit Loss	125.00	125.00	4,218.03	3,331.08
		60.00	60.00	-	-
	Loans to Related Parties	65.00	65.00	4,218.03	3,331.08
	Unsecured, Considered Good				
	Loans Receivable				
	Total Loans	65.00	65.00	4,218.03	983.00
					4,314.08
6	Trade Receivables	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Trade Receivables				
	Unsecured, Considered Good	-	-	210.95	4,375.21
	Total	-	-	210.95	4,375.21
7	Other Financial Assets	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Loans and Advances to Employees	-	-	4.83	2.52
	Interest Accrued on Deposits	-	-	-	110.09
	Others Assets	52.09	52.09	33.43	1.58
	Total	52.09	52.09	38.26	114.19
8	Other Assets	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Advances for services / goods	-	-	3.61	-
	Prepaid Expense	-	-	15.94	9.14
	GST / Services Tax Credit Receivables	-	-	32.69	41.94
	Total	-	-	52.24	51.08
9	Cash and Cash Equivalents	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Cash on Hand	-	-	3.07	0.19
	Balances with Banks	-	-	173.77	410.75
	-On Current Accounts	-	-	176.84	410.94
10	Bank Balances	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	On Deposit Accounts				
	Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-	515.83	838.99
	Net Bank Balances	-	-	515.83	838.99
11	Current Tax Assets (Net)	Non- Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Advance Tax (Net of Provision for Tax)	-	-	42.83	39.41
	Minimum Alternate Tax Credit Entitlement	-	-	0.87	0.87
		-	-	43.70	40.28



12 Equity Share Capital

	As at March 31, 2020	Rs. Lakhs As at March 31, 2019
Authorised 1000 Lakhs March 31,2020, (March 31,2019 1000 Lakhs of Rs.10/- each) Equity Shares of Rs. 10/- each	10,000.00	10,000.00
Issued, Subscribed and Paid Up Equity Shares 365.29 Lakhs March 31,2020,(March 31,2019 365.29 Lakhs of Rs.10/- each) Equity Shares of Rs. 10/- each, Fully Paid up	3,652.94	3,652.94
Total Equity Share Capital	3,652.94	3,652.94

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 31,2020 was 365.29 Lakhs and the value is Rs.3652.94 Lakhs.

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

	As at March 31, 2020 No. Lakhs	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 No. Lakhs	As at March 31, 2019 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	365.29	3,652.94	365.29	3,652.94

12.2 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.

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

	As at March 31, 2020 No. Lakhs	As at March 31, 2020 Rs. Lakhs	As at March 31, 2019 No. Lakhs	As at March 31, 2019 Rs. Lakhs
Equity Shares of Rs. -10/- each fully paid up Held By holding company Dikon Infratech Pvt Ltd (Holding Company from 17.09.2019) *	365.29	3,652.94	365.29	3,652.94

* Lanco Infratech Limited was holding Company till 17.09.2019

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

	As at March 31, 2020 No. Lakhs	As at March 31, 2020 % Holding in the class	As at March 31, 2019 No. Lakhs	As at March 31, 2019 % Holding in the class
Equity Shares of Rs. -10/- each fully paid up Held By Dikon Infratech Pvt Ltd	365.29	100.00%	365.29	100%

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



National Energy Trading and Services Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

13 Trade payables

	Non current		Current		Rs. Lakhs
	As at	As at	As at	As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Trade Payables (including acceptances)					
(a) total outstanding dues of micro enterprises and small enterprises	-	-	8.84	-	
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4.82	4.82	2,715.31	8,504.84	
	<u>4.82</u>	<u>4.82</u>	<u>2,724.15</u>	<u>8,504.84</u>	

14 Other financial liabilities

	Non current		Current		Rs. Lakhs
	As at	As at	As at	As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Salaries and other benefits Payable	-	-	29.55	19.50	
Other Payables	49.74	49.77	3,066.15	3,371.03	
	<u>49.74</u>	<u>49.77</u>	<u>3,095.70</u>	<u>3,390.53</u>	

15 Provisions

	Long Term		Short Term		Rs. Lakhs
	As at	As at	As at	As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Provision for Leave Encashment	27.11	15.35	5.67	4.24	
Provision for Gratuity	39.42	20.13	6.49	4.79	
Provision for Bonus	-	-	2.00	-	
	<u>66.53</u>	<u>35.48</u>	<u>14.16</u>	<u>9.03</u>	

16 Deferred Tax Asset

	As at		Rs. Lakhs
	March 31, 2020	March 31, 2019	
	Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books		(1.68)
Provision for Gratuity and Compensated Absences		13.37	-
Provision for Expected Credit Loss		15.10	-
Deferred Tax Asset		<u>(30.15)</u>	<u>-</u>

The Deferred Tax Assets will be recognized when it is probable that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Accordingly, no Deferred Tax Assets has been recognized.

17 Other liabilities

	Non current		Current		Rs. Lakhs
	As at	As at	As at	As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Advance from Customers	-	-	1,210.79	145.29	
Taxes Payable (Other than Income Tax)	-	-	30.51	12.10	
Income Taxes Payable	0.23	0.23	-	-	
Employee Contributions Payable	-	-	4.06	1.33	
	<u>0.23</u>	<u>0.23</u>	<u>1,245.36</u>	<u>158.72</u>	

18 Current Tax Liabilities (Net)

	Long Term		Short Term		Rs. Lakhs
	As at	As at	As at	As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Provision for Taxation (Net of Advance taxes)	-	-	(33.96)	29.35	
	-	-	<u>(33.96)</u>	<u>29.35</u>	



National Energy Trading and Services Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

		Rs. Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
19	Revenue From Operations		
	Sale of Services		
	Operations and Maintenance	513.45	-
	Sale of Products	513.45	-
	Electrical Energy (Refer Note no.29)	9,292.03	22,935.54
		9,805.48	22,935.54
20	Other Income		
	Interest Income on		
	Deposits and Margin money	51.73	60.50
	Inter Corporate Loans	127.79	127.79
	Others	0.03	5.17
	Dividend Income on		
	Current Investments	5.11	10.68
	Miscellaneous Income	4.40	0.10
		189.06	204.24
21 (a)	Cost of Materials Consumed		
	Construction Material Consumed	7.31	-
		7.31	-
21 (b)	Purchase of stock-in-trade		
	Power Purchase (Refer Note no.29)	9,105.78	22,623.11
		9,105.78	22,623.11
21 (c)	Construction, Transmission and Site Expenses		
	Equipment / Machinery Hire charges	0.20	-
	Repairs, Operations and Maintenance	0.45	-
	Consumption of Stores and Spares	0.48	-
	Electricity	0.15	-
	Security Charges	147.64	-
	Others	27.57	-
		176.49	-
22	Employee Benefits Expenses		
	Salaries, allowances and benefits to employees	375.79	222.63
	Contribution to provident fund and other funds	33.90	3.45
	Recruitment and training	0.42	0.40
	Staff welfare expenses	30.58	5.45
		440.69	231.93



National Energy Trading and Services Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

	For the year ended March 31, 2020	Rs. Lakhs For the year ended March 31, 2019
23 Finance Cost		
Interest	0.15	0.06
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	-	1.87
	0.15	1.93
24 Depreciation And Amortization Expense		
Depreciation on PPE	0.24	0.22
	0.24	0.22
25 Other Expenses		
Rent	1.83	5.87
Rates and taxes	42.00	41.20
Others	15.19	-
Office maintenance	33.13	5.75
Insurance	0.59	0.22
Printing and stationery	1.82	0.71
Consultancy and other professional charges	23.06	27.61
Directors sitting fee	4.72	-
Electricity charges	1.66	-
Net Loss on Fair valuation of Financial assets & liabilities	-	-
Remuneration to auditors (As Auditor):	-	0.24
Audit fees	2.07	7.38
Travelling and conveyance	47.16	2.95
Communication expenses	2.06	1.34
Net Loss on Sale/ Write off of fixed assets	0.86	-
Business Promotion and Advertisement	1.22	0.10
Miscellaneous expenses	6.30	7.51
	183.67	100.88
26 Other Comprehensive Income		
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	13.80	(4.26)
	13.80	(4.26)



National Energy Trading and Services Limited

Notes and other explanatory information to Consolidated Financial Statements for the year ended March 31, 2020

27 Exceptional items

- a) During the current financial year, the company has assessed the recoverability of certain long outstanding financial assets and accordingly Rs.1,205.12 lakhs has been written off.
- b) During the current financial year, the company has assessed the long outstanding liability, accordingly Rs.1,291.35 lakhs has been written back.

28 Earning Per Share (EPS)

		Rs. Lakhs	
		March 31, 2020	March 31, 2019
Total Operations for the year			
Profit attributable to Equity Holders	(A)	123.98	(930.26)
Weighted average number of Equity Shares for Basic EPS	(B)	365.29	365.29
Weighted Average number of Equity shares for Diluted EPS	(C)	365.29	365.29
Earning per Equity share			
Basic	(A) / (B)	0.34	(2.55)
Diluted	(A) / (C)	0.34	(2.55)

- 29 Ind AS 115, 'Revenue from Contracts with Customers' notified on 28 March 2018, has been made effective from 1 April 2018. The implication of Ind AS 115 does not have any material impact on the financial statement. However in view of implementation of new standards, in regards to sale of power through exchange has been recognized as revenue by netting the cost of purchase of power as against earlier practice of full value to be included in Revenue. As result Revenue from operation and electricity purchased for trading as agent has declined by Rs 22,401.44 Lakhs.

30 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	
		Gratuity	
		March 31, 2020	March 31, 2019
Net Employee benefit expense recognized in the employee cost in statement of profit &			
Current service cost		17.55	4.16
Past service cost		-	-
Interest cost on benefit obligation		1.58	2.54
Sub Total		19.13	6.70
Recognised in Other Comprehensive Income			
Net actuarial (gain)/loss recognized in the year			-
i. Demographic Assumptions on obligation			-
ii. Financial Assumptions on obligation		4.19	0.87
iii. Experience Adjustments on obligation		(17.99)	3.39
Sub Total		(13.80)	4.26
Net benefit expense		5.33	10.96
Balance Sheet			
Benefit asset / liability			
Present value of defined benefit obligation		45.90	24.93
Assets / (Liability) recognized in the balance sheet		(45.90)	(24.93)
Change in the present value of the defined benefit obligation			
Opening defined benefit obligation		24.93	35.78
Benefit transferred in		32.21	-
Benefits paid		(16.55)	(21.81)
Expenses Recognised in Statement of Profit and Loss Account			
Current service cost		-	-
Interest cost on benefit obligation		17.55	4.16
Past service cost		1.58	2.54
Recognised in Other Comprehensive Income			
Actuarial (gain)/loss on obligation		(13.80)	4.26
Closing defined benefit obligation		45.93	24.93
Assumptions			
Discount Rate (%)		6.50%	7.00%
Attrition Rate%		10.00%	20.00%
Expected rate of salary increase (%)		8.00%	6.00%
Expected Average Remaining Service (years)		24.05	23.84
Expected Average Remaining Service/mortality and withdrawal (years)		6.06	6.06

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.



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

	Present value of Defined benefit obligation		Surplus / (deficit)		Experience adjustments on plan liabilities	
	2020	2019	2020	2019	2020	2019
March 31, 2020						
March 31, 2019		45.90	(45.90)		(1.26)	
March 31, 2018		24.93	(24.93)		(3.39)	
March 31, 2017		35.77	(35.77)		(10.81)	
March 31, 2016		21.39	(21.39)		2.12	
		9.94	(9.94)		(2.35)	

Particulars	1% Increase		1% Decrease	
	2020	2019	2020	2019
Impact of the change in discount rate	(2.30)	(0.87)	2.58	0.94
Impact of the change in salary increase	1.85	0.85	(1.80)	(0.84)

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. 14.18 Lakhs (Previous year : Rs 7.40 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

31 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises

	Rs. In Lakhs	
	March 31, 2020	March 31, 2019
(a) Amount remaining unpaid to micro, small and medium enterprises at the end of the year		
Principal Amount		
Total	8.84	8.84

32 Contingent Liabilities - Not probable and therefore not provided for

i Claims against the company not accepted by the company

- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards penalties*
NETS had filed a petition before TNERC against the deduction of Rs.600 Lakhs equivalent to bid bond value from the bills issued by NETS. TANGEDCO had deducted the amount due to non-disclosure of complete facts as well as participation in the bid without having sufficient fuel allocation. The matter is pending in Honorable Supreme Court adjourned for filing of counter affidavit & rejoinder affidavit, if any.

	March 31, 2020	March 31, 2019
	600.00	600.00

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.

iii NETS has entered into a contract on 25-01-2012 with TANGEDCO for supply of electricity under MTOA from 01-10-2012 to 30-09-2016, electricity was supplied to TANGEDCO using escalation index rate specified by CERC at that time for payment of Escalable Capacity charges and Escalable energy charges. On 08-02-2017 CERC issued various notifications for amending the original notifications issued in 2012 and 2013 revising the Annual Escalation Rate. TANGEDCO has filed writ petition with Hon'ble High Court of Delhi against CERC notification issued on 08-02-2017. Delhi High court vide its interim order dated 07-02-2018 and 25-05-2018 has stayed the operation of the notification issued by the CERC dated 08-02-2017 till the date of next hearing. If the petition is dismissed by court, NETS will be liable to pay to TANGEDCO the difference between energy charges calculated as per old escalation index and new escalation index and NETS can recover the same from Lanco Anpara Power Limited.

32A During the FY 2018-19, NETS has given Rs.3,000 Lakhs as Security deposit in lieu of bank guarantee for supply of electricity to TANGEDCO for the period April 2018 to January 2019. In May 2019, NETS vide its letter dated 28-05-2019 has requested TANGEDCO to release the Security deposit. TANGEDCO has filed writ petition with Hon'ble High Court of Delhi against CERC notification issued on 08-02-2017 as detailed in the note no 32(iii). The company is of the view that ultimate recoverability of the security amount would depend on the final outcome of the order.

NETS had applied for impleadment and was listed on 1.08.2019 and Hon'ble Judge indicated that the same will be taken up subsequently after orders are passed in the Applications for direction to the Petitioner to make payments, and the case is still pending



National Energy Trading and Services Limited

Notes and other explanatory information to Consolidated Financial Statements for the year ended March 31,2020

- 33 The Company had entered into short term power supply agreement in 2007 with Damodar Valley Corporation (DVC), however the power supplied fall short of the minimum guaranteed supply of 70% of the contract quantity, further DVC has cancelled the said agreement. Inability to supply power by DVC, company has claimed Rs.88.64 Lakhs from DVC. The court has passed the order on 28.01.2019 in favour of the company to claimed the amount with interest 18%. The respondent had an option of 3 months to appeal against the order, since, respondent did not prefer any appeal within three months of the order Company is in touch with Counsel member for execution of decree. The process will take some time, we will be accounting
- 34 The Company had supplied the power from Lanco Kondapalli Power Limited and M/s Sterlite Energy Limited after TANGEDCO had invited bids for a short term procurement of power. NETS has filed claim for recovery of surcharge of Rs.3,313 Lakhs on 23.05.2014 against delay in payment of energy charges by TANGEDCO. The company has filed appeal before TNERC on 28.07.2014 against which reply has been filed by TANGEDCO. The case has been adjourned for further hearings.
- 35 The company has made investment in M/s Lanco Solar Energy Private Limited (LSEPL). Pursuant to initiation of Corporation Insolvency Resolution Process ("CIRP") in LSEPL, in June 2019, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the Resolution professional ("RP") is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the Committee of Creditor ("CoC") and the NCLT. The CIRP is not yet concluded and hence, the final-outcome is yet to be ascertained. Pending outcome of resolution process no adjustments has been made towards the carrying value of the Company's investment in LSEPL amounting to Rs.9,961.76 Lakhs as at March 31, 2020 in the accompanying financial statements.

36 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.

37 RELATED PARTY DISCLOSURE

a) Name of Related parties and description of relationship

Description of Relationship	Name
Parent Company	Dikon Infratech Private Limited (DIPL) (From 17.09.2020) Lanco Infratech Limited (Till 17.09.2020)
Subsidiary Companies	Lanco Operation and Maintenance Limited (LOMCL)
Fellow Subsidiaries	Mercury Projects Private Limited (MPPL) Pragadisa Power Private Limited (PPPL) Lanco Solar Energy Private Limited (LSEPL) (Till 17.09.2019) Lanco Babandh Power Limited (LBPL) (Till 17.09.2019) Lanco Power Limited (LPL) (Till 17.09.2019) Lanco Vidarbha Thermal Power Limited (LVTPL) (Till 17.09.2019) Lanco Mandakini Hydro Energy Pvt Ltd (LMHEPL) (Till 17.09.2019)
Key Management Personnel	Mr. Arun Kumar Sangaraju (From 03.10.2019) Mr. Bathala Suresh (From 03.10.2019) Mr. Vinod Kumar Godavarthi (From 10.10.2019) Ms. Bhavya Chamarthi (From 10.10.2019) Ms. Priya Bandhavi Jaladi (From 09.01.2020) Ms. Kanika Sukheeja (Upto 23.04.2019) Mr. MCS Reddy (Upto 01.06.2019) Mr. Naval Kishore (Upto 24.07.2019) Mr. Niharendu Sanyal (Upto 20.11.2019) Mr. Sanjay Kumar Bhardwaj (From 31.05.2019 upto 20.11.2019) Ms.Disha Sethi (From 19.07.2019 upto 04.11.2019)



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National Energy Trading and Services Limited
Notes and other explanatory information to Consolidated Financial Statements for the year ended March 31, 2020

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

Nature of Transaction	For the Year ended March 31, 2020										Rs. Lakhs
	Parent Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company		
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	
Income											
Interest Received on Intercompany Loans					LPL*	127.79					
Expense											
Managerial Remuneration (from 01.02.2020)							Ms. Priya Bandhavi	4.00			
Managerial Remuneration (till 17.08.2019)							Mr. Naval Kishore	16.99			
Post Employment Benefits (till 17.08.2019)							Mr. Naval Kishore	11.11			
Period End Balances											
Payables											
Other Payables	DIPL #	925.00			MPPL	0.11					

Related Party from 17.09.2019; * Related Party till 17.09.2019

Nature of Transaction	For the Year ended March 31, 2019									
	Parent Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Income										
Interest Received on Intercompany Loans					LPL	127.79				
Electricity Transmission Services									LAnPL	258.57
Commission & Brokerage									LAnPL	54.25
Liabilities no longer required written back									LAnPL	23.75
Expense										
Contract Services / Shared Services Availed	LITL	5.03								
Purchase of Goods/Power (Net of Rebate)										
Management Consultancy Charges					MPPL	17.70			LAnPL	23,424.54
Rent Paid	LITL	5.87								
Managerial Remuneration							Mr. Naval Kishore	25.71		
Short Term Employee Benefits							Mr. Naval Kishore	2.14		
Post Employment Benefits							Mr. Naval Kishore	0.59		
Bad Debts Written Off	LITL	27.94								
Other Transactions										
Purchase / (Sale) of Shares			LOMCL	0.06	DPPL	36.00				
Purchase of Printer					LAPL	0.05				
Expenditure incurred by Company on Behalf of Related Parties - Reimbursed										
Loan given during the year			LOMCL	9.00					LAnPL	2.43
Period End Balances										
Payables										
Trade Payables									LKPL	1,951.82
Trade Payables									LAnPL	4,996.85
Other Payables					MPPL	16.20				
Other Payables					LAPL	0.05				
Other Payables					LSEPL	211.21				
Security Deposit Payable									LAnPL	3,318.00
Receivables										
Loans Receivable ICD			LOMCL	9.00	LPL	983.00				
Other Receivables - Interest receivable on ICD					LPL	103.30				
Other Receivables			LOMCL	0.02	LBPL	1.50				
Other Receivables					LMHEPL	0.06				
Other Receivables					LVTPPL	0.02				
Others										
Investments									PPPL	1,065.00



38 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 2020	60.00	60.00	-
As at 31 March 2019	60.00	60.00	-
As at 31 March 2018	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.

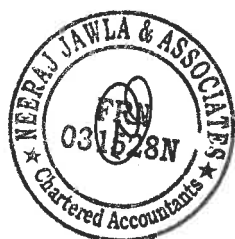
The following table details the remaining contractual maturities of the company's financial liabilities at the end of the reporting period, which are based on the contractual undiscounted cash flows and the earliest date the company is required to pay:

Particulars	Rs. Lakhs	
	Less than 1 year	More than 1 year
31 March 2020		
Borrowings	-	-
Trade Payables & Other Financial Liabilities	-	-
Total	633.82	5,240.64
	633.82	5,240.64
31 March 2019		
Trade Payables & Other Financial Liabilities	8,690.23	3,259.75
Total	8,690.23	3,259.75
	8,690.23	3,259.75

c. Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	Rs. Lakhs	
	March 31, 2020	March 31, 2019
	Amortised Cost	Amortised Cost
Financial assets		
Investments		
Equity Shares		
Preference shares	10,011.81	9,961.76
Trade receivables and unbilled receivables	-	-
Loans	212.68	4,402.94
Cash and cash equivalents	4,283.03	4,379.08
Bank Balances	176.84	410.94
Other Financial Assets	515.83	838.99
Total	90.36	166.28
	15,290.55	20,159.99
Financial liabilities		
Trade payables	2,728.97	8,509.67
Other Financial Liabilities	3,145.44	3,440.31
Total	5,874.41	11,949.98
	5,874.41	11,949.98



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National Energy Trading and Services Limited

Notes and other explanatory information to Consolidated Financial Statements for the year ended March 31, 2020

39 The company has made investment in M/s Lanco Solar Energy Private Limited (LSEPL). Pursuant to initiation of Corporation Insolvency Resolution Process ("CIRP") in LSEPL, in June 2019, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the Resolution professional ("RP") is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the Committee of Creditor ("CoC") and the NCLT. The CIRP is not yet concluded and hence, the final-outcome is yet to be ascertained. Pending outcome of resolution process no adjustments has been made towards the carrying value of the Company's investment in LSEPL amounting to Rs.9,961.76 Lakhs as at March

**40 Disclosure pursuant to Ind AS 103 "Business Combinations":
Business Combination under common control**

Lanco Operation and Maintenance Company Limited (LOMCL) was engaged in the business of contractors for construction or demolition work of any kind, acquire and develop lands, real estate agents, purchase or otherwise acquire or deal in building materials. On 18th January 2018, National Energy Trading and Services Limited (NETS) has acquired the 99.88% shares of Lanco Operation and Maintenance Company Limited (LOMCL) from "Lanco Thermal Power Limited" and settle the consideration amount against receivable from "Lanco Power Limited" (the holding company of "Lanco Thermal Power Limited") and on 25th April, 2018 NETS has further purchased 0.12% shares of Lanco Operation and Maintenance Company Limited (LOMCL) from Minority Shareholders.

Further the business combination is accounted using pooling of interest method, involving the following:

- The assets and liabilities of Lanco Operation and Maintenance Company Limited (LOMCL) are reflected at their carrying amounts.
- No adjustment is made to reflect the fair value, or recognize any new asset or liability.
- Goodwill is not recognized separately.
- The excess of amount of share capital of LOMCL over the amount of investment by the company in LOMCL is treated as Negative Capital Reserve in the company's financial statements and the same has been adjusted with the Reserve and Surplus of the company in the consolidated Balance Sheet.

41 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises

(a) Amount remaining unpaid to micro, small and medium enterprises at the end of the year

		Rs. In Lakhs	
		March 31, 2020	March 31, 2019
Principal Amount		8.84	-
Total		8.84	-

42 Additional Information, as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to

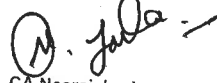
Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss
Parent National Energy Trading and Services Limited	99.86%	8,198.71	0.55
Subsidiary Lanco Operation and Maintenance Limited	0.75%	61.43	0.45
Consolidation Eliminations	-0.61%	(50.01)	-
Total	100.00%	8,210.13	100%
Less: Minority Interest		-	-
Total after minority interest		8,210.13	100%

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

44 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.


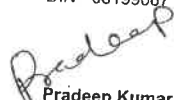
As per our report of even date.


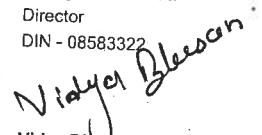
For Neeraj Jawla & Associates
Chartered Accountants
Firm Registration No. 031528N


CA Neeraj Jawla
Partner
Membership No. 542114



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


Arun Kumar Sangaraju
Whole Time Director
CIN - 08199067

Pradeep Kumar Verma
Chief Financial Officer


Bhavya Chamarthi
Director
DIN - 08583322

Vidya Bhushan
Company Secretary
Membership no - A60226

Place: Hyderabad
Date: December 14, 2020

Place: Hyderabad
Date: December 14, 2020

