



SAVN & ASSOCIATES

CHARTERED ACCOUNTANTS

TF-1008, 10th Floor, Jmd Megapolis (I.T. Park),
Tikri, Sohna Road, Gurugram-122001, Haryana, India

Email- savnassociates@gmail.com, Mobile-9017799990, 8708226338

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 Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **M/s National Energy Trading And Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 standalone 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 standalone 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, 2021;
- 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. 33** to the standalone 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 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, 2021 in the accompanying standalone financial statements.





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We conducted our audit of the standalone 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 standalone 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 standalone 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 standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone 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 standalone 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 Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone 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.





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Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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.





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- 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements for the financial year ended March 31, 2021 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.





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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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone 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, 2021 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;





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- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – **Refer Note 30 to 32** the standalone financial statements;
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 S A V N & ASSOCIATES

Chartered Accountant

FRN: 031528N

(Handwritten signature of Neeraj Jawla)



CA Neeraj Jawla

Partner

M. No. 542114

UDIN: 21542114AAAADD1007

Place: Gurugram

Date: 23-08-2021



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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 standalone Ind AS financial statements as of and for the year ended March 31, 2021.

- 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- 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.





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(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, the dues of Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods ad Service Act or Cess on account of any dispute, are as follows:

Name of Statute	Nature of the Dues	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14.60	Assessment Year 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	37.26	Assessment Year 2018-19	Commissioner of Income Tax (Appeals)

- 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 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. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and 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





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Act where applicable and the details have been disclosed in the standalone 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 as referred to in section 192 of the Act. 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 SAVN & ASSOCIATES

Chartered Accountant

FRN: 031528N

CA Neeraj Jawla
Partner

M. No. 542114

UDIN: 21542114AAAADD1007



Place: Gurugram

Date: 23-08-2021



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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 standalone Ind AS financial statements as of and for the year ended March 31, 2021.

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, 2021 in conjunction with our audit of the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating





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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 standalone 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 standalone 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 standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





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OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, 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 S A V N & ASSOCIATES

Chartered Accountant

FRN: 031528N

CA Neeraj Jawla

Partner

M. No. 542114

UDIN: 21542114AAAADD1007



Place: Gurugram

Date: 23-08-2021


National Energy Trading and Services Limited
Balance Sheet as at March 31, 2021

Particulars	Note No.	Rs. Lakhs	
		As at March 31, 2021	As at March 31, 2020
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	3	72.11	9.81
(b) Financial Assets			
(i) Investments	4	9,961.76	10,011.81
(ii) Loans	6	65.00	65.00
Total Financial Asset		10,026.76	10,076.81
(c) Deferred tax assets (net)	16	29.48	30.15
Total Non Current Assets		10,128.35	10,116.77
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	5	48.01	34.43
(ii) Loans	6	4,156.92	4,218.03
(iii) Cash and cash equivalents	9	1,000.96	161.72
(iv) Bank balances	10	209.95	515.83
(v) Other financial assets	7	281.70	6.02
Total Financial Asset		5,697.54	4,936.03
(b) Current tax assets (Net)	11	77.92	42.45
(c) Other current assets	8	13.67	24.05
Total Current Assets		5,789.13	5,002.53
Total Assets		15,917.48	15,119.30
II EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity Share Capital	12	3,652.94	3,652.94
(b) Other Equity		4,521.51	4,545.77
Total Equity		8,174.45	8,198.71
B LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables (other than MSME)	13	2,188.42	-
Total Financial Liabilities		2,188.42	-
(b) Provisions	15	50.71	48.24
Total Non Current Liabilities		2,239.13	48.24
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables (other than MSME)	13	610.37	2,602.05
(ii) Other financial liabilities	14	3,506.96	3,086.91
Total Financial Liabilities		4,117.33	5,688.96
(b) Other current liabilities	17	1,381.21	1,219.05
(c) Provisions	15	5.36	4.87
(d) Current tax liabilities (Net)	18	-	(40.53)
Total Current Liabilities		5,503.90	6,872.35
Total Equity and Liabilities		15,917.48	15,119.30

Summary of Significant Accounting Policies 2.2

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


For S A V N & Associates
Chartered Accountant
Firm Registration No. 031528N



CA Neeraj Jawla
Partner
Membership No. 542114



Place: Gurugram
Date: 23-08-2021

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


Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067


Bathala Suresh
Director
DIN - 08199068


Pradeep Kumar Verma
Chief Financial Officer


Vidya Bhusan
Company Secretary
Membership No. A60226

Place: Gurugram
Date: 23-08-2021

UDIN:-21542114 AAAA DD 1007

National Energy Trading and Services Limited
Statement of Profit and Loss for the year ended March 31, 2021

Rs. Lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from Operations	19	14,469.71	9,292.03
II Other Income	20	(22.92)	185.07
III Total Income (I + II)		14,446.79	9,477.10
IV EXPENSES			
Purchases	21	13,325.34	9,105.78
Employee benefits expenses	22	650.22	291.00
Finance cost	23	11.90	1.30
Depreciation	24	3.42	0.21
Other expenses	25	438.45	117.80
Total Expenses (IV)		14,429.33	9,516.09
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		17.46	(38.99)
VI Exceptional Items		-	(86.22)
VII Profit / (Loss) before Tax (V - VI)		17.46	47.23
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		14.22	8.90
Relating to previous periods		25.60	-
Deferred tax		0.67	(30.15)
Total Tax Expense (VIII)		40.49	(21.25)
IX Profit / (Loss) for the period from Continuing operations (VII - VIII)		(23.03)	68.48
X Other Comprehensive Income	26		
(i) Items that will not be reclassified to profit and loss		(1.23)	(1.83)
XI Total Comprehensive Income for the period (IX + X)		(24.26)	66.65
XII Earnings Per Equity Share	27		
Basic (Rs.)		(0.06)	0.19
Diluted (Rs.)		(0.06)	0.19

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

For S A V N & Associates
Chartered Accountant
Firm Registration No. 031528N

N. Jawla

CA Neeraj Jawla
Partner
Membership No. 542114

UDIN:- 21542114AAAADD1007

Place: *Gurgaon*
Date: *23-08-2021*



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

Arun Kumar Sangaraju

Arun Kumar Sangaraju
Whole Time Director
DIN - 08199067

B. Suresh

Bathala Suresh
Director
DIN - 08199068

Pradeep

Pradeep Kumar Verma
Chief Financial Officer

Vidya Bhusan

Vidya Bhusan
Company Secretary
Membership No. A60226

Place: *Gurgaon*
Date: *23-08-2021*

National Energy Trading and Services Limited
Cash Flow Statement for the year ended March 31, 2021

	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	17.46	47.23
Adjustments for:		
Depreciation and Amortization	3.42	0.22
(Profit) / Loss on Sale of Non - Current Investments	41.14	-
(Profit) / Loss on Sale/Scrap of PPE, Intangible Assets	-	0.86
Net (gain)/loss recorded in profit or loss on financial assets measured or designated as at fair value through profit or loss	-	1,205.12
Liabilities and Provisions no longer required written back	-	(1,291.35)
Interest Income	(22.68)	(179.53)
Dividend Income	-	(5.11)
Interest Expenses	-	-
Cash Generated Before Working Capital Changes	39.34	(222.56)
Movement In Working Capital		
Increase / (Decrease) in Trade Payables	196.75	(4,611.16)
Increase / (Decrease) in Provisions	1.73	6.77
Increase / (Decrease) in Other Financial Liabilities	420.05	(303.63)
Increase / (Decrease) in Other Liabilities	202.68	1,060.34
(Increase) / Decrease in Trade Receivables/Unbilled Receivable	(13.59)	3,161.66
(Increase) / Decrease in Other Financial Assets	(214.56)	104.88
(Increase) / Decrease in Other Assets	(25.09)	27.03
Cash Generated From Operations	607.31	(776.67)
Direct Taxes Paid	(39.82)	(82.20)
Net Cash Flow From / (Used in) Operating Activities	567.49	(858.87)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of PPE, Intangible Assets and Investment Property	(65.72)	(7.16)
Proceeds from Sale of PPE, Intangible Assets	-	0.03
Proceeds from disposal of Non Current Investments - Subsidiaries	8.91	-
Maturities / (Purchase) of FDs/MMDs (Net)	305.88	323.15
Dividend Income received	-	5.11
Interest Income Received	22.68	289.62
Net Cash Flow From / (Used in) Investing Activities	271.75	610.75
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Interest Paid	-	-
Net Cash Flow From / (Used in) Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	839.24	(248.12)
Cash and Cash Equivalents at the beginning of the year	161.72	409.84
Cash and Cash Equivalents at the end of the year	1,000.96	161.72
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	367.35	0.60
Balances with Banks		
-On Current Accounts	633.61	161.12
Cash and cash Equivalent (as per Note 9)	1,000.96	161.72

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

	For the year ended March 31, 2021
Interest and other Financial Charges accrued and Paid for the year	-
Total	-
Total Movement	-
Non Cash Changes :	-
Changes in Financing Cash flows	-

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 S A V N & Associates
Chartered Accountant
Firm Registration No. 031528N

CA Neeraj Jawla
Partner
Membership No. 542114

Place: Gurugram
Date: 23-08-2021

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

Place: Gurugram
Date: 23-08-2021

Bathala Suresh
Director
DIN - 08199068

Vidya Bhusan
Company Secretary
Membership No. A60226



National Energy Trading and Services Limited
Statement of Changes in Equity for the year ended March 31, 2021

Equity Attributable to the Owners of the Company

Rs. Lakhs

a. Equity Share Capital

Particulars	Number of Shares (In Lakhs)	Amount
Issued and Paid up Capital at April 1, 2019	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	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 01.04.2019	4,490.45	(11.33)	4,479.12
Profit for the year	68.48	-	68.48
Other Comprehensive Income after tax for the Period	-	(1.83)	(1.83)
Balance as at 31.03.2020	4,558.93	(13.16)	4,545.77
Current year profit	(23.03)	-	(23.03)
Other Comprehensive Income after tax for the Period	-	(1.23)	(1.23)
Balance as at 31.03.2021	4,535.90	(14.39)	4,521.51

As per our report of even date.

For S A V N & Associates
Chartered Accountant
Firm Registration No. 031528N

CA Neeraj Jawla
Partner
Membership No. 542114

UDIN:- 21542114AAADD1007

Place: Gurugram
Date: 23-08-2021



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

Place: Gurugram
Date: 23-08-2021

Bathala Suresh
Director
DIN - 08199068

Vidya Bhusan
Company Secretary
Membership No. A60226

National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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 Sand, Electricity and Raw Jute. The company holds a 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 Company has uniformly applied the accounting policies during the periods presented. The Ind AS 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 and other provisions of the Companies Act, 2013.

(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 pronouncements

MCA has issued notification dated 24th March 2021, to amend the schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for financial year starting from April 1, 2021.

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, 2021

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. 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

Leases – Ind AS 116

The company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including the anticipated renewals) and the application discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease of the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.

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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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:

Type of Asset:	Useful Life
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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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 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



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.
- 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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.

Subsequent measurement – at amortized cost

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



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

- 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.

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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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

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

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

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

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.



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.

XIV. Revenue Recognition

The company derives revenues primarily from business of Sand and 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:



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

- 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 sand

In the arrangements the company is acting as a trader, the revenue is recognized on margin basis when the sale of sand are delivered to sand procurers because this is when the company transfers control over its goods from the company to such procurers.

Trading of power

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 to 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.



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Notes and other explanatory information to financial statements for the year ended March 31, 2021

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.

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



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

- 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, 2021

3 Property, Plant and Equipment

Rs. Lakhs

Particulars	Owned Assets			TOTAL ASSETS
	Furniture and Fixtures	Vehicles	Office Equipment	
Gross Block				
As at April 01, 2019	0.82	25.22	4.49	30.53
Additions	-	6.00	1.16	7.16
Disposals	0.82	-	4.49	5.31
As at March 31, 2020	-	31.22	1.16	32.38
Additions	1.63	35.58	28.51	65.72
Disposals	-	-	-	-
As at March 31, 2021	1.63	66.80	29.67	98.10
Depreciation				
As at April 01, 2019	0.59	22.51	3.66	26.76
Charged For the Period	0.15	0.04	0.03	0.22
On Disposals	0.74	-	3.67	4.41
As at March 31, 2020	-	22.55	0.02	22.57
Charged For the Period	0.06	1.08	2.28	3.42
On Disposals	-	-	-	-
As at March 31, 2021	0.06	23.63	2.30	25.99
Net Block				
As at March 31, 2020	-	8.67	1.14	9.81
As at March 31, 2021	1.57	43.17	27.37	72.11

Note : Gross Block as on 01.04.2019 includes deemed cost (Gross Block as on 31.03.2015 less Accumulated Depreciation as on 31.03.2015) as per Ind AS 101.



National Energy Trading and Services Limited

Notes to financial statements for the year ended March 31, 2021

4 Non Current Investments

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	No. Lakhs	No. Lakhs	Rs. Lakhs	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	-	50.05
Sub Total			-	50.05
(ii) Investment in Other Companies				
a) 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)			9,961.76	10,011.81
(iii) 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 Investment At Cost (b)			1,065.00	1,065.00
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)			9,961.76	10,011.81
Total Current Investments			-	-
Aggregate amount of impairment in value of investments			-	-
Total Current Investments (Net of provision)			-	-



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2021

Rs. Lakhs

5 Trade Receivables

		Current	
		As at March 31, 2021	As at March 31, 2020
Trade Receivables			
Unsecured, Considered Good		48.01	34.43
Total		48.01	34.43

6 Loans

		Non- Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
*Security Deposit					
Unsecured, Considered Good		65.00	65.00	4,156.92	4,218.03
Doubtful [Refer note no 30 (iii)]		60.00	60.00	-	-
		125.00	125.00	4,156.92	4,218.03
Less: Provision for Bad & doubtful Security Deposit		60.00	60.00	-	-
Total Loans		65.00	65.00	4,156.92	4,218.03

*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. [Refer note no.30 (A)].

7 Other Financial Assets

		Current	
		As at March 31, 2021	As at March 31, 2020
Loans and Advances to Employees		1.86	4.29
Unbilled Revenue		62.54	1.73
Interest Accrued on Deposits		2.30	-
Others Assets		215.00	-
Total		281.70	6.02

8 Other Assets

		Current	
		As at March 31, 2021	As at March 31, 2020
Prepaid Expense		13.55	11.70
Goods and Services Tax Credit Receivables		0.12	12.35
Total		13.67	24.05

9 Cash and Cash Equivalents

		Current	
		As at March 31, 2021	As at March 31, 2020
Cash on Hand		367.35	0.60
Balances with Banks			
-On Current Accounts		633.61	161.12
		1,000.96	161.72

10 Bank Balances

		Current	
		As at March 31, 2021	As at March 31, 2020
On Deposit Accounts			
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit		209.95	515.83
Net Bank Balances		209.95	515.83

11 Tax Assets (Net)

		Current	
		As at March 31, 2021	As at March 31, 2020
Advance Tax (Net of Provision for Tax)		77.92	42.45
		77.92	42.45



12 Equity Share Capital

	Rs. Lakhs	
	As at March 31, 2021	As at March 31, 2020
Authorised		
1000 Lakhs March 31,2021, (March 31,2020 1000 Lakhs of Rs.10/- each) Equity Shares of Rs. 10/- each	10,000.00	10,000.00
	10,000.00	10,000.00
Issued, Subscribed and Paid Up		
Equity Shares		
365.29 Lakhs March 31,2021, (March 31, 2020: 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

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

	As at March 31, 2021 No. Lakhs	As at March 31, 2021 Rs. Lakhs	As at March 31, 2020 No. Lakhs	As at March 31, 2020 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 company

	As at March 31, 2021 No. Lakhs	As at March 31, 2021 Rs. Lakhs	As at March 31, 2020 No. Lakhs	As at March 31, 2020 Rs. Lakhs
Equity Shares of Rs. -10/- each fully paid up Held By holding company				
Dikon Infratech Private Limited	365.29	3,652.90	365.29	3,652.90

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

	As at March 31, 2021 No. Lakhs	As at March 31, 2021 % Holding in the class	As at March 31, 2020 No. Lakhs	As at March 31, 2020 % Holding in the class
Equity Shares of Rs. -10/- each fully paid up Held By				
Dikon Infratech Private Limited	365.29	100.00%	365.29	100.00%

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



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2021

13 Trade payables

	Non current		Rs. Lakhs Current	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
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	2,188.42	-	610.37	2,602.05
	<u>2,188.42</u>	<u>-</u>	<u>610.37</u>	<u>2,602.05</u>

14 Other financial liabilities

	Rs. Lakhs Current	
	As at	As at
	March 31, 2021	March 31, 2020
Salaries and other benefits Payable	33.81	20.76
*Other Payables	3,473.15	3,066.15
	<u>3,506.96</u>	<u>3,086.91</u>

*Other current payable include Rs.3,000 Lakhs payable to Lanco Anpara Power Limited towards security deposit as per power supply contract with TANGEDCO.

15 Provisions

	Long Term		Rs. Lakhs Short Term	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for Leave Encashment	21.69	19.24	2.24	2.02
Provision for Gratuity	29.02	29.00	3.12	2.85
	<u>50.71</u>	<u>48.24</u>	<u>5.36</u>	<u>4.87</u>

16 Deferred Tax Liability / (Asset) - Net

	Rs. Lakhs	
	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	(0.26)	(1.68)
Gross Deferred Tax Liabilities	<u>(0.26)</u>	<u>(1.68)</u>
Deferred Tax Assets		
Provision for Gratuity and Compensated Absences	14.12	13.37
Expected credit loss on Financial assets (Additional provisions required if any on Financials assets)	15.10	15.10
	<u>29.22</u>	<u>28.47</u>
Deferred Tax Liability / (Asset) - Net	<u>(29.48)</u>	<u>(30.15)</u>

17 Other liabilities

	Rs. Lakhs Current	
	As at	As at
	March 31, 2021	March 31, 2020
Advance from Customers	1,369.94	1,210.79
Taxes Payable (Other than Income Tax)	7.41	5.12
Employee Contributions Payable	3.86	3.14
	<u>1,381.21</u>	<u>1,219.05</u>

18 Tax Liabilities (Net)

	Rs. Lakhs Short Term	
	As at	As at
	March 31, 2021	March 31, 2020
Provision for Taxation (Net of Advance taxes)	-	(40.53)
	<u>-</u>	<u>(40.53)</u>



National Energy Trading and Services Limited
Notes to financial statements for the year ended March 31, 2021

19 Revenue From Operations	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products		
Electrical Energy (Refer note no.28)	1,177.82	9,292.03
Sand	13,101.21	-
Other Goods	190.68	-
	<u>14,469.71</u>	<u>9,292.03</u>
20 Other Income	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on		
Deposits and Margin money	20.42	51.74
Inter Corporate Loans	-	127.79
Others	2.26	0.03
Dividend Income on		
Current Investments	-	5.11
Net Gain on sale of		
Long Term Investments	(41.14)	-
Liabilities and Provisions no longer required written back	(5.56)	-
Miscellaneous Income	1.10	0.40
	<u>(22.92)</u>	<u>185.07</u>
21 Purchases	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Electrical Energy (Refer note no.28)	916.22	9,105.78
Sand	12,219.12	-
Other Goods	190.00	-
	<u>13,325.34</u>	<u>9,105.78</u>
22 Employee Benefits Expenses	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, allowances and benefits to employees	551.94	266.84
Contribution to provident fund and other funds	26.05	14.23
Recruitment and training	-	0.39
Employee accommodation and mess expenses	55.47	-
Staff welfare expenses	16.76	9.54
	<u>650.22</u>	<u>291.00</u>
23 Finance Cost	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest	-	-
Bank Charges	11.90	1.30
	<u>11.90</u>	<u>1.30</u>
24 Depreciation	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on PPE	3.42	0.21
	<u>3.42</u>	<u>0.21</u>
25 Other Expenses	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	50.42	1.83
Rates and taxes	15.17	41.08
Repairs and Maintenance - Others	29.59	-
Office maintenance	15.38	23.29
Insurance	0.31	0.51
Printing and stationery	7.16	1.69
Consultancy and other professional charges	8.46	21.33
Directors sitting fee	4.72	4.72
Electricity charges	7.16	-
Remuneration to auditors (As Auditor):		
Audit Fee	0.90	1.78
Travelling and conveyance	265.58	13.60
Communication expenses	2.39	1.14
Net Loss on Sale/ Write off of fixed assets	-	0.86
Business Promotion and Advertisement	1.71	0.97
Miscellaneous expenses	29.50	5.00
	<u>438.45</u>	<u>117.80</u>
26 Other Comprehensive Income	Rs. Lakhs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	(1.23)	(1.83)
	<u>(1.23)</u>	<u>(1.83)</u>



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

27 Earning Per Share (EPS)

		Rs. Lakhs	
		March 31, 2021	March 31, 2020
Total Operations for the year			
Profit / (Loss) attributable to Equity Holders	(A)	(23.03)	68.47
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)	(0.06)	0.19
Diluted	(A) / (C)	(0.06)	0.19

28 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 32,768.05 Lakhs.

29 Employee Benefits

Defined Benefit Plans

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of Rs.20 Lakhs. The plan for the same is unfunded.

		Rs. Lakhs	
		Gratuity	
		March 31, 2021	March 31, 2020
Net Employee benefit expense recognized in the employee cost in statement of profit & loss account			
Current service cost		5.57	3.49
Interest cost on benefit obligation		1.98	1.58
Sub Total		7.55	5.07
Recognised in Other Comprehensive Income			
Net actuarial (gain)/loss recognized in the year			
i. Financial Assumptions on obligation		(0.12)	4.19
ii. Experience Adjustments on obligation		1.35	(2.36)
Sub Total		1.23	1.83
Net benefit expense		8.78	6.90
Balance Sheet			
Benefit asset / liability			
Present value of defined benefit obligation		32.14	31.85
Assets / (Liability) recognized in the balance sheet		(32.14)	(31.85)
Change in the present value of the defined benefit obligation			
Opening defined benefit obligation		31.85	24.93
Benefit transferred in		-	6.32
Benefits paid		(8.49)	(6.30)
Expenses Recognised in Statement of Profit and Loss Account			
Current service cost		5.57	3.49
Interest cost on benefit obligation		1.98	1.58
Recognised in Other Comprehensive Income			
Actuarial (gain)/loss on obligation		1.23	1.83
Closing defined benefit obligation		32.14	31.85
Assumptions			
Discount Rate (%)		6.55%	6.50%
Attrition Rate%		10.00%	10.00%
Expected rate of salary increase (%)		8.00%	8.00%
Expected Average Remaining Service (years)		22.55	24.05
Expected Average Remaining Service/mortality and withdrawal (years)		4.69	5.53

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, 2021

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, 2021	32.14	(32.14)	1.35
March 31, 2020	31.85	(31.85)	(1.26)
March 31, 2019	24.93	(24.93)	3.39
March 31, 2018	35.77	(35.77)	(10.81)
March 31, 2017	21.39	(21.39)	2.12

Sensitivity analysis of the defined benefit obligation

Particulars	1% Increase		1% Decrease	
	2021	2020	2021	2020
Impact of the change in discount rate	0.15	(2.10)	0.45	2.38
Impact of the change in salary increase	0.19	1.65	0.32	(1.61)

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

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of Rs. 10.52 Lakhs (Previous year : Rs 9.16 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

30 Contingent Liabilities - Not probable and therefore not provided for

	Rs. Lakhs March 31, 2021	Rs. Lakhs March 31, 2020
i Income Tax Liability	51.86	14.60
a. Company has received Demand notice U/s 156 of the IT act, 1961 for Rs. 14.60 Lakhs for the Asst. Year 2017-18. As per the assessment proceedings U/s 143(3) expenses of Upfront fee debited to P&L was not admitted U/s 37 of the IT Act. Company has filed an appeal in CIT (Appeals) and the matter is pending before CIT (Appeals).		
b. Company has received Demand notice U/s 156 of the IT act, 1961 for Rs. 37.26 Lakhs for the Asst. Year 2018-19. As per the assessment proceedings U/s 143(3) estimated expenses on investments has disallowed U/s 14A of the IT act. Company has filed an appeal in CIT (Appeals) and the matter is pending before CIT (Appeals).		
ii Claims against the company not accepted by the company	600.00	600.00
- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards compensation		
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.		
iii 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.		
iv 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 amount from Lanco Anpara Power Limited.		
30A 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 30(iv). 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 01.08.2019 and Hon'ble Judge indicated that the same will be taken up subsequently after orders passed in the Applications for direction to the Petitioner to make payments, and the case is still pending		
31 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 has filed an application for execution of degree before the Learned Civil Judge (Senior Division), Small Causes Court, Sealdah on 28th January 2021 and the same is pending before the court.		
32 The Company had supplied the power to TANGEDCO who had invited bids in the year 2011 for procurement of power. NETS had entered Power Purchase Agreement (PPA) with TANGEDCO and supplied power during the PPA period from 2012 to 2019. TANGEDCO was delayed payment of power supply on monthly bills beyond specified timelines and as per PPA terms NETS is entitled to claim late payment surcharge. NETS has filed petition for claiming recovery of late payment surcharge of Rs.1267.27 Lakhs on 18.03.2021 against delay in payment of power supplies by TANGEDCO. The counter affidavit to our petition has been filed by the TANGEDCO, and the case is pending before the court.		
33 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, 2021 in the accompanying financial statements.		



a) Name of Related parties and description of relationship

Description of Relationship	Name
Parent Company	Dikon Infratech Private Limited (DIPL)
Fellow Subsidiaries	Mercury Projects Private Limited (MPPL)
Associate of Parent Company	Pragadisa Power Private Limited (PPPL)
Key Management Personnel	Mr. Arun Kumar Sangaraju Mr. Bathala Suresh Mr. Vinod Kumar Godavarthi Ms. Bhavya Chamarthi Ms. Priya Bandhavi Jaladi

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

Rs. Lakhs

Nature of Transaction	For the year ended March 31, 2021					
	Parent Company		Fellow Subsidiaries		Key Management Personnel	
	Party Name	Amount	Party Name	Amount	Party Name	Amount
Expense						
Managerial Remuneration					Ms. Priya Bandhavi	28.73
Payables						
Other Payables	DIPL	925.00				
Other Payables			MPPL	0.11		

Nature of Transaction	For the year ended March 31, 2020					
	Parent Company		Fellow Subsidiaries		Key Management Personnel	
	Party Name	Amount	Party Name	Amount	Party Name	Amount
Income						
Interest Received on Intercorporate 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				
Other Payables			MPPL	0.11		
* Related Party till 17.09.2019 # Related Party from 17.09.2019						



35 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 2021	60.00	60.00	-
As at 31 March 2020	60.00	60.00	-
As at 31 March 2019	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 2021		
Trade Payables & Other Financial Liabilities	1,117.34	5,188.42
Total	1,117.34	5,188.42
31 March 2020		
Trade Payables & Other Financial Liabilities	502.90	5,186.07
Total	502.90	5,186.07

c. **Financial instruments by category**

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

	Rs. Lakhs	
	March 31, 2021	Amortised Cost
Financial assets		
Investments		
Equity Shares	9,961.76	
Trade receivables and unbilled receivables	48.01	
Loans	4,221.92	
Cash and cash equivalents	1,000.96	
Bank Balances	209.95	
Other Financial Assets	281.69	
Total	15,724.29	
Financial liabilities		
Trade payables	2,798.80	
Other Financial Liabilities	3,506.96	
Total	6,305.76	
	Rs. Lakhs	
	March 31, 2020	Amortised Cost
Financial assets		
Investments		
Equity Shares	10,011.81	
Trade receivables and unbilled receivables	4,402.94	
Loans	4,388.08	
Cash and cash equivalents	409.84	
Bank Balances	838.99	
Other Financial Assets	114.21	
Total	20,165.87	
Financial liabilities		
Trade payables	8,504.56	
Other Financial Liabilities	3,390.54	
Total	11,895.10	



National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2021

36 Segment Reporting

- a) The segment report of the Company has been prepared in accordance with IND AS 108 "Operating Segments" as notified u/s 133 of the Companies Act.
b) The Company is currently focused on Two business segments: Power trading and Sand Trading.

Segment Reporting for the year ended March 31, 2021

The details of Primary Segments information for the year ended March 31, 2021 and March 31, 2020 are given below:

Business Segments	Power Trading		Sand Trading		Unallocable		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue								
External Customers	1,177.82	9,292.03	13,101.21	-	190.68	-	14,469.71	9,292.03
Inter Segment Sales	-	-	-	-	-	-	-	-
Segment Result	(93.07)	(37.70)	162.89	-	(40.46)	-	29.36	(37.70)
Unallocated Corporate Expenses								
Finance Cost	0.03	1.30	11.86	-	-	-	11.90	1.30
Exceptional Items		(86.22)						(86.22)
Profit/(Loss) Before Tax	(93.10)	47.22	151.03	-	(40.46)	-	17.46	47.22
Other Information								
Segment Assets	3,825.07	5,025.08	1,951.14	-	-	-	5,776.22	5,025.08
Segment Liabilities	6,068.70	6,961.13	1,836.89	-	-	-	7,905.59	6,961.13
Capital Expenditure	0.17	7.16	65.56	-	-	-	65.72	7.16
Depreciation and Amortisation	1.11	0.22	2.31	-	-	-	3.42	0.22
Other Non Cash Expenses	-	-	-	-	-	-	-	-

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

Based on information available with the company, no amount is due under Micro, Small and Medium Enterprises Development Act, 2006.

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

39 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 S A V N & Associates
Chartered Accountant
Firm Registration No. 031528N

CA Neeraj Jawla

CA Neeraj Jawla
Partner
Membership No. 542114

UDIN :- 21543114 AAAADD1607

Place: Gurugram
Date: 23-08-2021



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

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

Pradeep Kumar Verma
Pradeep Kumar Verma
Chief Financial Officer

Place: Gurugram
Date: 23-08-2021

Bathala Suresh
Bathala Suresh
Director
DIN - 08199068

Vidya Bhusan
Vidya Bhusan
Company Secretary
Membership No. A60226