

# SAVN & ASSOCIATES

CHARTERED ACCOUNTANTS

TF-1008, 10<sup>th</sup> Floor, JMD Megapolis (I.T. Park),

Tikri, Sohna Road, Gurugram-122001, Haryana, India

Email- [savnassociates@gmail.com](mailto: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 Financial Statements**

#### **Opinion**

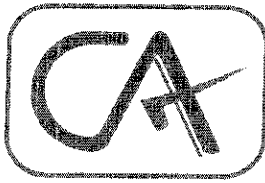
We have audited the accompanying financial statements of **M/s National Energy Trading And Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including other Comprehensive income, the Statement of Changes in Equity, the Statement of cash flows for the year then ended, notes to the financial statements, and 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, the 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 with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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.





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### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

### **Information other than the financial statements and auditors' report thereon**

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

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

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

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

### **Management's Responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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

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

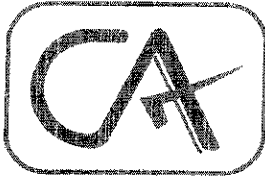
### **Auditor's Responsibilities for the Audit of financial statements**

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

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

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





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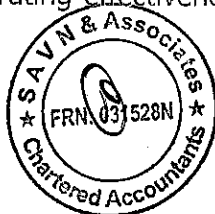
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Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of the work; and (ii) to evaluate the effect of any identified misstatements in the financial statements. 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.

## II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, to the extent applicable.
2. As required by section 143 (3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder;
  - e. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**";





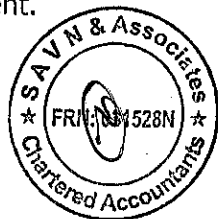
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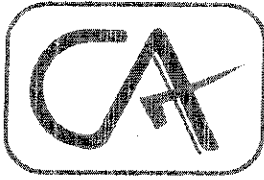
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- g. In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 32, 32A, 34 & 35 to the financial statements;
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no such fund lying with the company which is required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(s), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.





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v. The company has not declared or paid any dividend during the year.

**For S A V N & ASSOCIATES**

**Chartered Accountant**

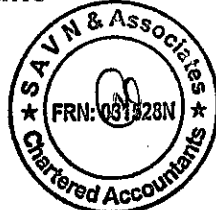
**FRN: 031528N**

*N. Jawla*  
**CA Neeraj Jawla**

**Partner**

**M. No. 542114**

**UDIN: 22542114AWZCSP7766**



**Place: Gurugram**

**Date: 02-09-2022**



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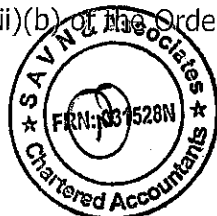
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The "Annexure A" Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' Paragraph of the Independent Auditor's Report of even date to the members of **M/s National Energy Trading And Services Limited** on financial statements as of and for the year ended March 31, 2022.

In terms of the information and explanation sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) A. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment. All the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not having any immovable property. Therefore, the provisions of Clause (i)(c)(B) of paragraph 3 of the order are not applicable to the company.
- (d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals which in our opinion, is reasonable having regard to the size of the Company and the nature of its inventory and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of clause 3(ii)(b) of the Order is not applicable to the company.





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- (iii) In our opinion and based on the verification and explanation given to us the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii), (iii) (a), (iii) (b), (iii) (c), (iii) (d) (iii) (e) and (iii) (f) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The company has not provided any loans, investments, guarantees, and security to any party covered in the section 185 and 186 of the Companies Act, 2013. Therefore, the provision of clause (iv) of paragraph 3 of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of sections 73 to 76 of the Companies Act, 2013 therefore reporting under this clause is not applicable.
- (vi) According to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company therefore reporting under this clause is not required.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing statutory dues as applicable; with the appropriate authorities except there have been certain delays in payment of ESIC & Provident Fund due to website error maintenance. There are no statutory dues that are outstanding as of March 31, 2022, for a period of more than six months.
- (b) According to the records of the Company, there are no dues outstanding of income tax or goods and service tax or duty of customs or cess have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of 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)







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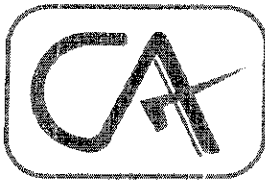
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- (viii) In our opinion and according to the information and explanations given to us, there is no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the records of the Company examined by us and the information and explanation given to us the Company has not default in repayments of loans other borrowings or in the payment of interest thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such cases by the management during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.





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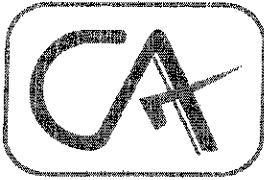
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- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) Since the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of the Act to the extent applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- (xv) According to the information and explanations given to us based on our examination of the record of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore the provisions of clause 3(xv) of the order are not applicable
- (xvi) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As per the information and explanations received, the group does not have any CIC as part of the group.
- (xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.





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- (xx) There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.
- (xxi) The company has not made investments in the subsidiary company. Therefore, the company does not require to prepare a consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

**For S A V N & ASSOCIATES**

**Chartered Accountant**

**FRN: 031528N**

*N. Jawa*



**CA Neeraj Jawa**  
**Partner**

**M. No. 542114**

**UDIN: 22542114AWZCSP7766**

**Place: Gurugram**

**Date: 02-09-2022**



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The **Annexure B**, referred to in Clause (f) 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 **M/s National Energy Trading And Services Limited** on the financial statements as of and for the year ended March 31, 2022

### **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 **M/s National Energy Trading And Services Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

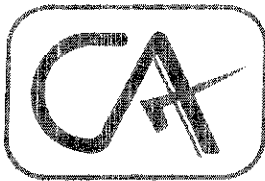
#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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





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

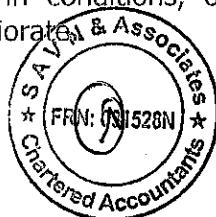
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

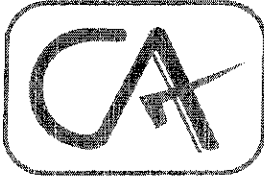
### **Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

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





# S A V N & ASSOCIATES

## CHARTERED ACCOUNTANTS

TF-1008, 10<sup>th</sup> Floor, JMD Megapolis (I.T. Park),  
Tikri, Sohna Road, Gurugram-122001, Haryana, India

Email- [savnassociates@gmail.com](mailto:savnassociates@gmail.com), Mobile-9017799990, 8708226338

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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: 22542114AWZCSP7766**

**Place: Gurugram**

**Date: 02-09-2022**

**National Energy Trading and Services Limited**  
Balance Sheet as at March 31, 2022

Particulars	Note No.	Rs. Lakhs	
		As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	247.20	72.11
(b) Financial Assets			
(i) Investments	4	-	9,961.76
(ii) Loans	6	65.00	65.00
<b>Total Financial Asset</b>		<b>65.00</b>	<b>10,026.76</b>
(c) Deferred tax assets (net)	17	20.75	29.48
<b>Total Non Current Assets</b>		<b>332.95</b>	<b>10,128.35</b>
<b>(2) Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	5	1,831.77	48.01
(ii) Loans	6	4,168.55	4,156.92
(iii) Cash and cash equivalents	9	1,145.62	1,000.96
(iv) Bank balances	10	400.00	209.95
(v) Other financial assets	7	11,739.53	281.70
<b>Total Financial Asset</b>		<b>19,285.47</b>	<b>5,697.54</b>
(b) Current tax assets (Net)	11	83.59	77.92
(c) Other current assets	8	51.67	13.67
<b>Total Current Assets</b>		<b>19,420.73</b>	<b>5,789.13</b>
<b>Total Assets</b>		<b>19,753.68</b>	<b>15,917.48</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>A EQUITY</b>			
(a) Equity Share Capital	12	3,652.94	3,652.94
(b) Other Equity		4,567.43	4,521.51
<b>Total Equity</b>		<b>8,220.37</b>	<b>8,174.45</b>
<b>B LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	18.11	-
(ii) Trade payables (other than MSME)	14	1,964.47	2,188.42
<b>Total Financial Liabilities</b>		<b>1,982.58</b>	<b>2,188.42</b>
(b) Provisions	16	19.98	50.71
<b>Total Non Current Liabilities</b>		<b>2,002.56</b>	<b>2,239.13</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	380.05	-
(ii) Trade payables (other than MSME)	14	3,684.66	610.37
(iii) Other financial liabilities	15	4,266.99	3,506.96
<b>Total Financial Liabilities</b>		<b>8,331.70</b>	<b>4,117.33</b>
(b) Other current liabilities	18	1,177.02	1,381.21
(c) Provisions	16	5.03	5.36
(d) Current tax liabilities (Net)	20	17.00	-
<b>Total Current Liabilities</b>		<b>9,530.75</b>	<b>5,503.90</b>
<b>Total Equity and Liabilities</b>		<b>19,753.68</b>	<b>15,917.48</b>

Summary of Significant Accounting Policies 2.1

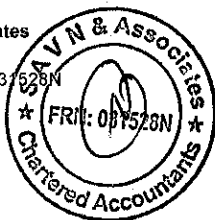
The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
As per our report of even date.

For S A V N & Associates  
Chartered Accountant  
Firm Registration No. 031628N

*CA Neeraj Jawa*

CA Neeraj Jawa  
Partner  
Membership No. 542114

UDIN:- 22542114AWZCSP7766



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

*Bathala Suresh*  
Bathala Suresh  
Director  
DIN - 08199068

*Pradeep Kumar Verma*  
Pradeep Kumar Verma  
Chief Financial Officer

*Neeraj Girdhar*  
Neeraj Girdhar  
Company Secretary  
Membership No. A51772

Place: Gurugram  
Date: 02-09-2022



Place: Gurugram  
Date: 02-09-2022

**National Energy Trading and Services Limited**  
**Statement of Profit and Loss for the year ended March 31, 2022**

Rs. Lakhs

Particulars	Note No.	For the year ended March	For the year ended
		31, 2022	March 31, 2021
I Revenue from Operations	21	35,175.42	14,469.71
II Other Income	22	1,736.83	(22.92)
III Total Income (I + II)		36,912.25	14,446.79
<b>IV EXPENSES</b>			
Purchases	23	35,316.87	13,325.34
Employee benefits expenses	24	775.82	650.22
Finance cost	25	36.63	11.90
Depreciation	26	36.08	3.42
Other expenses	27	612.44	438.45
<b>Total Expenses (IV)</b>		<b>36,777.84</b>	<b>14,429.33</b>
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		134.41	17.46
VI Exceptional Items		-	-
VII Profit / (Loss) before Tax (V - VI)		134.41	17.46
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		80.41	14.22
Relating to previous periods		-	25.60
Deferred tax		8.73	0.67
<b>Total Tax Expense (VIII)</b>		<b>89.14</b>	<b>40.49</b>
IX Profit / (Loss) for the period from Continuing operations (VII - VIII)		45.27	(23.03)
X Other Comprehensive Income	28		
(i) Items that will not be reclassified to profit and loss		0.65	(1.23)
XI Total Comprehensive Income for the period (IX + X)		45.92	(24.26)
XII Earnings Per Equity Share	29		
Basic (Rs.)		0.12	(0.06)
Diluted (Rs.)		0.12	(0.06)

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

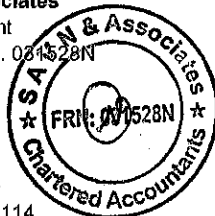
Chartered Accountant  
Firm Registration No. 081528N

*M. Jawla*

CA Neeraj Jawla  
Partner

Membership No. 542114

UDIN: 22542114 AWZCSP 7766



Place: Gurugram  
Date: 02-09-2022

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

*Bathala Suresh*

Bathala Suresh  
Director  
DIN - 08199068

*Pradeep Kumar Verma*

Pradeep Kumar Verma  
Chief Financial Officer

*Neeraj Girdhar*

Neeraj Girdhar  
Company Secretary  
Membership No. A51772

Place: Gurugram  
Date: 02-09-2022



National Energy Trading and Services Limited  
Cash Flow Statement for the year ended March 31, 2022

	Rs. Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	134.42	17.46
<b>Adjustments for:</b>		
Depreciation and Amortization	36.08	3.42
(Profit) / Loss on Sale of Non - Current Investments	153.17	41.14
Liabilities and Provisions no longer required written back	(235.97)	-
Interest Income	(27.00)	(22.68)
Interest Expenses	6.23	-
<b>Cash Generated Before Working Capital Changes</b>	<b>66.93</b>	<b>39.34</b>
<b>Movement In Working Capital</b>		
Increase / (Decrease) in Trade Payables	3,086.32	196.75
Increase / (Decrease) in Provisions	(30.42)	1.73
Increase / (Decrease) in Other Financial Liabilities	760.03	420.05
Increase / (Decrease) in Other Liabilities	(187.19)	202.68
(Increase) / Decrease in Trade Receivables/Unbilled Receivable	(1,783.76)	(13.59)
(Increase) / Decrease in Other Financial Assets	(11,469.47)	(214.56)
(Increase) / Decrease in Other Assets	(43.67)	(25.09)
<b>Cash Generated From Operations</b>	<b>(9,601.23)</b>	<b>607.31</b>
Direct Taxes Paid	(80.41)	(39.82)
<b>Net Cash Flow From / (Used in) Operating Activities</b>	<b>(9,681.64)</b>	<b>567.49</b>
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of PPE, Intangible Assets and Investment Property	(213.32)	(65.72)
Proceeds from Sale of PPE, Intangible Assets	2.15	-
Purchase of Non Current Investments - Fellow Subsidiaries	9,961.76	-
Proceeds from disposal of Non Current Investments - Subsidiaries	(153.17)	8.91
Maturities / (Purchase) of FDs/MMDs (Net)	(294.54)	305.88
Interest Income Received	27.00	22.68
<b>Net Cash Flow From / (Used in) Investing Activities</b>	<b>9,329.88</b>	<b>271.75</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from/(to) Short - Term Borrowings (Net)	380.05	-
Proceeds from Long Term Borrowings	18.11	-
Interest Paid	(6.23)	-
<b>Net Cash Flow From / (Used in) Financing Activities</b>	<b>391.93</b>	<b>-</b>
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	40.17	839.24
Cash and Cash Equivalents at the beginning of the year	1,000.96	161.72
Cash and Cash Equivalents at the end of the year	<b>1,041.13</b>	<b>1,000.96</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	155.73	367.35
Balances with Banks		
-On Current Accounts	885.40	633.61
<b>Cash and cash Equivalent (as per Note 9)</b>	<b>1,041.13</b>	<b>1,000.96</b>
<b>D. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.</b>		
	For the year ended March 31, 2022	For the year ended March 31, 2021
Long Term & Short Term Borrowings	398.16	-
Interest and other Financial Charges accrued and Paid for the year	(6.23)	-
<b>Total</b>	<b>391.93</b>	<b>-</b>
<b>Total Movement</b>	<b>391.93</b>	<b>-</b>

**Notes:**

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

CA Neeraj Jawla  
Partner  
Membership No. 542114

UDIN:- 22542114AWZCSP7766

Place: Gurugram  
Date: 02-09-2022



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: 02-09-2022

*Bathala Suresh*  
Bathala Suresh  
Director  
DIN - 08199068

*Neeraj Girdhar*  
Neeraj Girdhar  
Company Secretary  
Membership No. A51772

National Energy Trading and Services Limited  
Statement of Changes in Equity for the year ended March 31, 2022

Equity Attributable to the Owners of the Company

A. Equity Share Capital

Rs. Lakhs

Particulars	Number of Shares ( In Lakhs)	Amount
Issued and Paid up Capital at April 1, 2020	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	365.29	3,652.94
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	365.29	3,652.94

B. Other Equity

1 As on 31st March, 2022

Rs. Lakhs

Particulars	Reserves and Surplus	Items of Other comprehensive Income	Total
	Retained earnings	Remeasurement of Defined Benefit Plans	
Balance at the beginning of the reporting period	4,535.90	(14.39)	4,521.51
Profit / (Loss) for the year	45.27		45.27
Other Comprehensive Income after tax for the Period	-	0.65	0.65
Balance at the end of the reporting period	4,581.17	(13.74)	4,567.43

2 As on 31st March, 2021

Rs. Lakhs

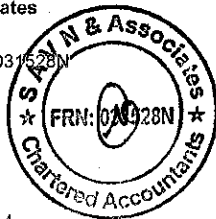
Particulars	Reserves and Surplus	Items of Other comprehensive Income	Total
	Retained earnings	Remeasurement of Defined Benefit Plans	
Balance at the beginning of the reporting period	4,558.93	(13.16)	4,545.77
Profit / (Loss) for the year	(23.03)		(23.03)
Other Comprehensive Income after tax for the Period	-	(1.23)	(1.23)
Balance at the end of the reporting period	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*

CA Neeraj Jawla  
Partner  
Membership No. 542114



UDIN :- 22542114AWZCSP7766

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

*Bathala Suresh*

Bathala Suresh  
Director  
DIN - 08199068

*Pradeep Kumar Verma*

Pradeep Kumar Verma  
Chief Financial Officer

*Neeraj Girdhar*

Neeraj Girdhar  
Company Secretary  
Membership No. A51772

Place: Gurugram  
Date: 02-09-2022



Place: Gurugram  
Date: 02-09-2022

## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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

#### (ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and

#### (iii) Recent accounting 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, 2022

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

Key estimates related to long-lived assets (property, plant and equipment, intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of property, plant and equipment and intangible assets are applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

#### Employee Benefits- Measurement of Defined Benefit Obligation

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

### **Critical judgments made in applying accounting policies**

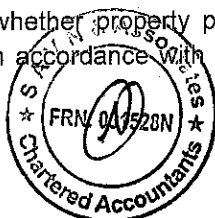
#### Leases classifications

At the inception of an arrangement entered into for the use of property, plant and equipment (PPE), the Company determines whether such an arrangement is, or contains, a lease. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of (i) whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and (ii) the arrangement conveys a right to use the asset(s).

Lease transactions where substantially all risks and rewards incident to ownership are transferred from the lessor to the lessee are accounted for as finance leases. All other leases are accounted for as operating leases.

#### 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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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.

## II. Property, Plant and Equipment

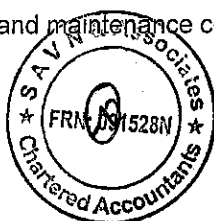
All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

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

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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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
Plant & Machinery	15
Furniture & fixtures	10
Vehicles	8
Office equipment	5

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

### **III. Intangible Assets**

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

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

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

#### **Other Intangible assets**

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

### **IV. Financial Assets**



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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.

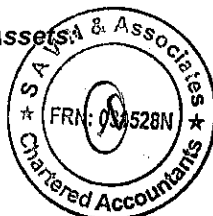
Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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.

## 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.





## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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.

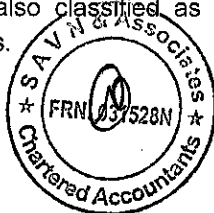
All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

#### *Subsequent measurement – at amortized cost*

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

#### *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.



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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.

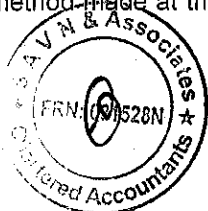
## **X. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

## **XI. 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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

### XII. 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.

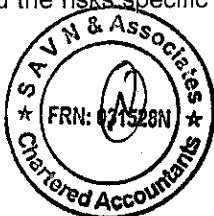
Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset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

### XIII. 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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

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

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

### **Contingent Liabilities**

Contingent liability is disclosed in case of

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

### **Contingent Assets**

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

## **XIV. Fair Value Measurements**

Company uses the following hierarchy when determining fair values:

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

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

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

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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

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

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

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

### XV. 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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

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

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

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

### Trading of 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.

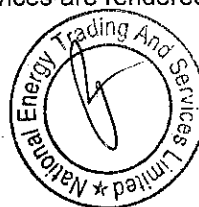
The company determines its revenue on certain contracts net of power purchase cost based on the following factors:

- 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.



## **National Energy Trading and Services Limited**

Notes and other explanatory information to financial statements for the year ended March 31, 2022

### ***Interest***

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

### ***Dividends***

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

## **XVI. Foreign Currency Transactions**

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the financial statement.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

## **XVII. Contract Balances**

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

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

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

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

## **XVIII. Minimum Alternative Tax (MAT)**

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



## National Energy Trading and Services Limited

Notes and other explanatory information to financial statements for the year ended March 31, 2022

convincing evidence to the effect that company will pay normal Income Tax during the specified period.

### XIX. Earnings per Share

Basic earnings per share are calculated by dividing:

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

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

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

### XX. Segmental Reporting

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

### XXI. Rounding of amounts

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





National Energy Trading and Services Limited  
Notes to financial statements for the year ended March 31, 2022

3 Property, Plant and Equipment

Rs. Lakhs

Particulars	Owned Assets				TOTAL ASSETS
	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	
<b>Gross Block</b>					
As at April 01, 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
Additions	131.61	0.89	65.02	15.80	213.32
Disposals	-	-	14.10	-	14.10
As at March 31, 2022	131.61	2.52	117.72	45.47	297.32
<b>Depreciation</b>					
As at April 01, 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
Charged For the Period	18.63	0.21	8.55	8.69	36.08
On Disposals	-	-	11.95	-	11.95
As at March 31, 2022	18.63	0.27	20.23	10.99	50.12
<b>Net Block</b>					
As at March 31, 2021	-	1.57	43.17	27.37	72.11
As at March 31, 2022	112.98	2.25	97.49	34.48	247.20

Note : Gross Block as on 01.04.2020 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, 2022

4 Non Current Investments

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No. Lakhs	No. Lakhs	Rs. Lakhs	Rs. Lakhs
I Investment at Cost				
A Un-Quoted				
Investment in Equity Shares				
(i) Investment in Other Companies				
a) Lanco Solar Energy Private Limited (Equity Shares of Rs 10 each)	-	776.36	-	9,961.76
<b>Total Equity Investment At Cost (a)</b>			<b>-</b>	<b>9,961.76</b>
(ii) Investments in Preference Shares				
0.001% CCPS Preference Shares in Pragdisa Power Private Limited	106.50	106.50	1,065.00	1,065.00
<b>Total Preference Investment At Cost (b)</b>			<b>1,065.00</b>	<b>1,065.00</b>
Less: Allowance for impairment in the value of Investments (c)			(1,065.00)	(1,065.00)
<b>Total Non Current Investments (Net of provision) (a+b+c)</b>			<b>-</b>	<b>9,961.76</b>
<b>Total Current Investments</b>			<b>-</b>	<b>-</b>
Aggregate amount of impairment in value of investments			-	-
<b>Total Current Investments (Net of provision)</b>			<b>-</b>	<b>-</b>



5 Trade Receivables

	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Trade Receivables		
Unsecured, Considered Good	1,831.77	48.01
<b>Total</b>	<b>1,831.77</b>	<b>48.01</b>

Ageing for Trade payable outstanding as at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables-Considered good	1,831.77	-	-	-	1,831.77
(ii) Undisputed Trade Receivables-Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables-Considered good	-	-	-	-	-
(iv) Disputed Trade Receivables-Considered doubtful	-	-	-	-	-

Ageing for Trade payable outstanding as at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables-Considered good	48.01	-	-	-	48.01
(ii) Undisputed Trade Receivables-Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables-Considered good	-	-	-	-	-
(iv) Disputed Trade Receivables-Considered doubtful	-	-	-	-	-

6 Loans

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>*Security Deposit</b>				
Unsecured, Considered Good	65.00	65.00	4,168.55	4,156.92
Doubtful [Refer note no 30 (iii)]	60.00	60.00	-	-
	125.00	125.00	4,168.55	4,156.92
Less: Provision for Bad & doubtful Security Deposit	60.00	60.00	-	-
<b>Total Loans</b>	<b>65.00</b>	<b>65.00</b>	<b>4,168.55</b>	<b>4,156.92</b>

\*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.32 (A)].

7 Other Financial Assets

	Rs. Lakhs	
	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Loans and Advances to Employees	38.08	1.86
Unbilled Revenue	-	62.54
Interest Accrued on Deposits	10.15	2.30
*Others Assets	11,691.30	215.00
<b>Total</b>	<b>11,739.53</b>	<b>291.70</b>

8 Other Assets

	Rs. Lakhs	
	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Prepaid Expense	14.76	13.55
Goods and Services Tax Credit Receivables	36.91	0.12
<b>Total</b>	<b>51.67</b>	<b>13.67</b>

9 Cash and Cash Equivalents

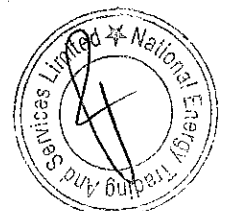
	Rs. Lakhs	
	As at	As at
	March 31, 2022	March 31, 2021
Cash on Hand	155.73	367.35
Balances with Banks		
-On Current Accounts	885.40	633.61
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)	104.49	-
<b>Total</b>	<b>1,145.62</b>	<b>1,000.96</b>

10 Bank Balances

	Rs. Lakhs	
	Current	
	As at	As at
	March 31, 2022	March 31, 2021
On Deposit Accounts		
Having Maturity Less than 3 Months	104.49	-
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	400.00	209.95
<b>Net Bank Balances</b>	<b>400.00</b>	<b>209.95</b>

11 Tax Assets (Net)

	Rs. Lakhs	
	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Advance Tax (Net of Provision for Tax)	83.59	77.92
<b>Total</b>	<b>83.59</b>	<b>77.92</b>



**National Energy Trading and Services Limited**  
**Notes to financial statements for the year ended March 31, 2022**

**12 Equity Share Capital**

Rs. Lakhs

	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
1000 Lakhs March 31, 2022, (March 31, 2021 1000 Lakhs of Rs.10/- each ) Equity Shares of Rs. 10/- each	10,000.00	10,000.00
	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, Subscribed and Paid Up</b>		
<b>Equity Shares</b>		
365.29 Lakhs March 31, 2022, (March 31, 2021: 365.29 Lakhs of Rs.10/- each ) Equity Shares of Rs. 10/- each, Fully Paid up	3,652.94	3,652.94
<b>Total Equity Share Capital</b>	<b>3,652.94</b>	<b>3,652.94</b>

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

	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	No. Lakhs	Rs. Lakhs	No. Lakhs	Rs. Lakhs
<b>Equity Shares of Rs. 10/- Each, Fully paid up</b>				
At the Beginning	365.29	3,652.94	365.29	3,652.94
At the end	<b>365.29</b>	<b>3,652.94</b>	<b>365.29</b>	<b>3,652.94</b>

**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, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	No. Lakhs	Rs. Lakhs	No. Lakhs	Rs. Lakhs
<b>Equity Shares of Rs. -10/- each fully paid up Held By holding company</b>				
Dikon Infratech Private Limited	365.29	3,652.90	365.29	3,652.90

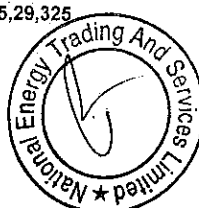
**12.4 Details of Shareholder holding more than 5% shares of the company:**

	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	No. Lakhs	% Holding in the class	No. Lakhs	% Holding in the class
<b>Equity Shares of Rs. -10/- each fully paid up Held By Dikon Infratech Private Limited</b>	365.29	100.00%	365.29	100.00%

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

**12.5 Shares held by promoters at the end of the year**

Promoter name	As at March 31, 2022 Nos	% of total no of shares	As at March 31, 2021 Nos	% of total no of shares
Balineni Poomachandra Reddy	75	0%	75	0%
Kosuri Kiran Kumar	75	0%	75	0%
Marella Suman	75	0%	75	0%
Umamahesh Balneedi	75	0%	75	0%
Venu Bandi	75	0%	75	0%
Dikon Infratech Private Limited	3,65,28,950	100%	3,65,28,950	100%
	<b>3,65,29,325</b>	<b>100%</b>	<b>3,65,29,325</b>	<b>100%</b>



13 Long Term Borrowings

	Non Current Portion		Current Maturities	
	As at	As at	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Hypothecation Loans - Secured				
From Others	18.11	-	10.95	-
	18.11	-	10.95	-
Amount disclosed under the head "Other financial liabilities"			(10.95)	-
<b>Net Amount</b>	<b>18.11</b>	<b>-</b>	<b>-</b>	<b>-</b>

14 Trade payables

	Non current		Current	
	As at	As at	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
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	1,964.47	2,188.42	3,684.66	610.37
	<b>1,964.47</b>	<b>2,188.42</b>	<b>3,684.66</b>	<b>610.37</b>

Ageing for Trade payable outstanding as at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Payables-Considered good	3,677.21	-	-	1,971.92	5,649.13
(ii) Undisputed Trade Payables-Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Payables-Considered good	-	-	-	-	-
(iv) Disputed Trade Payables-Considered doubtful	-	-	-	-	-

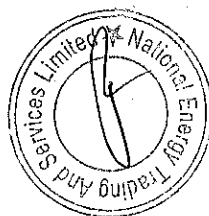
Ageing for Trade payable outstanding as at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Payables-Considered good	590.26	-	-	2,208.53	2,798.79
(ii) Undisputed Trade Payables-Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Payables-Considered good	-	-	-	-	-
(iv) Disputed Trade Payables-Considered doubtful	-	-	-	-	-

15 Other financial liabilities

	Current	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current maturities of finance lease obligations	10.95	-
Salaries and other benefits Payable	24.93	33.81
*Other Payables	4,231.11	3,473.15
	<b>4,266.99</b>	<b>3,506.96</b>

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



16 Provisions

	Long Term		Short Term	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for Leave Encashment	14.28	21.69	5.03	2.24
Provision for Gratuity	5.70	29.02	-	3.12
	<u>19.98</u>	<u>50.71</u>	<u>5.03</u>	<u>5.36</u>

17 Deferred Tax Liability / (Asset) - Net

	Rs. Lakhs	
	As at	As at
	March 31, 2022	March 31, 2021
<b>Deferred Tax Liabilities</b>		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	0.64	(0.26)
Gross Deferred Tax Liabilities	<u>0.64</u>	<u>(0.26)</u>
<b>Deferred Tax Assets</b>		
Provision for Gratuity and Compensated Absences	6.29	14.12
Expected credit loss on Financial assets (Additional provisions required if any on Financials assets)	15.10	15.10
	<u>21.39</u>	<u>29.22</u>
<b>Deferred Tax Liability / (Asset) - Net</b>	<u>(20.75)</u>	<u>(29.48)</u>

18 Other liabilities

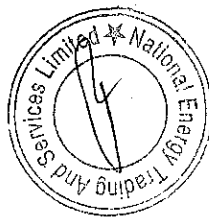
	Rs. Lakhs	
	Current	
	As at	As at
	March 31, 2022	March 31, 2021
Advance from Customers	1,154.74	1,369.94
Advance received against proposed sale of Investor	-	-
Taxes Payable (Other than Income Tax)	18.93	7.41
Employee Contributions Payable	3.35	3.86
	<u>1,177.02</u>	<u>1,381.21</u>

19 Short Term Borrowings

	Rs. Lakhs	
	As at	As at
	March 31, 2022	March 31, 2021
Cash Credits and Working Capital Demand Loan from Banks (Secured)	380.05	-
	<u>380.05</u>	<u>-</u>

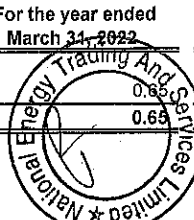
20 Tax Liabilities (Net)

	Rs. Lakhs	
	Short Term	
	As at	As at
	March 31, 2022	March 31, 2021
Provision for Taxation (Net of Advance taxes)	17.00	-
	<u>17.00</u>	<u>-</u>



**National Energy Trading and Services Limited**  
**Notes to financial statements for the year ended March 31, 2022**

	For the year ended March 31, 2022	Rs. Lakhs For the year ended March 31, 2021
<b>21 Revenue From Operations</b>		
<b>Sale of Products</b>		
Electrical Energy (Refer note no.30)	15,757.10	1,177.82
Sand	18,659.24	13,101.21
Other Goods	2.33	190.68
<b>Sale of Services</b>		
Operations and Maintenance	756.75	-
	<b>35,175.42</b>	<b>14,469.71</b>
<b>22 Other Income</b>		
<b>Interest Income on</b>		
Deposits and Margin money	22.98	20.42
Others	4.02	2.26
<b>Net Gain on sale of</b>		
Long Term Investments	(153.17)	(41.14)
Liabilities and Provisions no longer required written back	235.97	(5.56)
Miscellaneous Income	1,627.03	1.10
	<b>1,736.83</b>	<b>(22.92)</b>
<b>23 Purchases</b>		
Electrical Energy (Refer note no.30)	15,422.80	916.22
Sand	19,892.07	12,219.12
Other Goods	2.00	190.00
	<b>35,316.87</b>	<b>13,325.34</b>
<b>24 Employee Benefits Expenses</b>		
Salaries, allowances and benefits to employees	692.02	551.94
Contribution to provident fund and other funds	31.75	26.05
Employee accommodation and mess expenses	36.06	55.47
Staff welfare expenses	15.99	16.76
	<b>775.82</b>	<b>650.22</b>
<b>25 Finance Cost</b>		
Interest	6.23	-
Bank Charges	30.40	11.90
	<b>36.63</b>	<b>11.90</b>
<b>26 Depreciation</b>		
Depreciation on PPE	36.08	3.42
	<b>36.08</b>	<b>3.42</b>
<b>27 Other Expenses</b>		
Rent	59.37	50.42
Rates and taxes	11.61	15.17
Repairs and Maintenance - Others	5.90	29.59
Office maintenance	14.26	15.38
Insurance	0.47	0.31
Printing and stationery	6.04	7.16
Consultancy and other professional charges	81.34	8.46
Directors sitting fee	1.60	4.72
Electricity charges	4.34	7.16
Net Loss on Foreign Exchange Fluctuations	0.05	-
Remuneration to auditors:		
Audit Fee	1.20	0.90
Travelling and conveyance	389.32	265.58
Communication expenses	1.97	2.39
Business Promotion and Advertisement	0.46	1.71
Miscellaneous expenses	34.51	29.50
	<b>612.44</b>	<b>438.45</b>
<b>28 Other Comprehensive Income</b>		
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	0.65	(1.23)
	<b>0.65</b>	<b>(1.23)</b>



**National Energy Trading and Services Limited**  
**Notes and other explanatory information to financial statements for the year ended March 31, 2022**

**29 Earning Per Share (EPS)**

		Rs. Lakhs	
		March 31, 2022	March 31, 2021
<b>Total Operations for the year</b>			
Profit / (Loss) attributable to Equity Holders	(A)	45.28	(23.03)
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
<b>Earning per Equity share</b>			
Basic	(A) / (B)	0.12	(0.06)
Diluted	(A) / (C)	0.12	(0.06)

30 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 20,822.90 Lakhs.

**31 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 funded.

		Rs. Lakhs	
		Gratuity	
		March 31, 2022	March 31, 2021
<b>Net Employee benefit expense recognized in the employee cost in statement of profit &amp; loss account</b>			
Current service cost		7.11	5.57
Interest cost on benefit obligation		2.00	1.98
<b>Sub Total</b>		<b>9.11</b>	<b>7.55</b>
<b>Recognised in Other Comprehensive Income</b>			
Net actuarial (gain)/loss recognized in the year			
i. Financial Assumptions on obligation		(1.20)	(0.12)
ii. Experience Adjustments on obligation		0.55	1.35
<b>Sub Total</b>		<b>(0.65)</b>	<b>1.23</b>
<b>Net benefit expense</b>		<b>8.46</b>	<b>8.78</b>
<b>Balance Sheet</b>			
<b>Benefit asset / liability</b>			
Present value of defined benefit obligation		40.60	32.14
<b>Assets / (Liability) recognized in the balance sheet</b>		<b>(40.60)</b>	<b>(32.14)</b>
<b>Change in the present value of the defined benefit obligation</b>			
Opening defined benefit obligation		32.14	31.85
Benefits paid		-	(8.49)
<b>Expenses Recognised In Statement of Profit and Loss Account</b>			
Current service cost		7.11	5.57
Interest cost on benefit obligation		2.00	1.98
<b>Recognised in Other Comprehensive Income</b>			
Actuarial (gain)/loss on obligation		(0.65)	1.23
<b>Closing defined benefit obligation</b>		<b>40.60</b>	<b>32.14</b>
<b>Assumptions</b>			
Discount Rate (%)		6.95%	6.55%
Attrition Rate%		10.00%	10.00%
Expected rate of salary increase (%)		8.00%	8.00%
Expected Average Remaining Service (years)		21.55	22.55
Expected Average Remaining Service/mortality and withdrawal (years)		5.69	4.69

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

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

	Present value of Defined benefit obligation	Surplus / (deficit)	Rs. Lakhs Experience adjustments on plan liabilities
March 31, 2022	40.60	(40.60)	0.55
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)





**National Energy Trading and Services Limited**

Notes and other explanatory information to financial statements for the year ended March 31, 2022

**Sensitivity analysis of the defined benefit obligation**

Particulars	1% Increase		1% Decrease	
	2022	2021	2022	2021
Impact of the change in discount rate	7.94	0.15	9.05	0.45
Impact of the change in salary increase	8.58	0.19	7.93	0.32

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. 20.05 Lakhs (Previous year : Rs 10.52 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

**32 Contingent Liabilities - Not probable and therefore not provided for**

	Rs. Lakhs	
	March 31, 2022	March 31, 2021
<b>i Income Tax Liability</b>	<b>51.86</b>	<b>51.86</b>

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).

	Rs. Lakhs	
	March 31, 2022	March 31, 2021
<b>ii Claims against the company not accepted by the company</b>	<b>600.00</b>	<b>600.00</b>

- 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.

32A During the FY 2018-19, NETS has given Rs.3,000 Lakhs as Security deposit in lieu of bank guarantee for supply of electricity to TANGEDCO for the period April 2018 to January 2019. In May 2019, NETS vide its letter dated 28-05-2019 has requested TANGEDCO to release the Security deposit. TANGEDCO has filed writ petition with Hon'ble High Court of Delhi against CERC notification issued on 08-02-2017 as detailed in the note no 31(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 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 pending before the Court.

33 The Company has sold its investments held in Lanco Solar Energy Private Limited during the year. Part consideration is received during the year and the remaining consideration is yet to be received.

34 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 decree before the Learned Civil Judge (Senior Division), Small Causes Court, Sealdah on 28th January 2021 and the same is pending before the court. DVC has filed an appeal in the Hon'ble Calcutta High Court for granting stay in execution of decree and the same is granted by Hon'ble Court, the case is pending before the High court

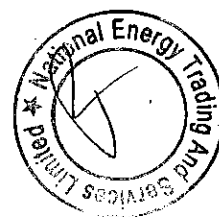
35 The Company had supplied the power to TANGEDCO who had invited bids in the year 2011 for procurement of power. NETS had entered Power Purchase Agreement (PPA) with TANGEDCO and supplied power during the PPA period from 2012 to 2019. TANGEDCO was delayed payment of power supply on monthly bills beyond 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 case is pending before the court.



35A Details of Key Financial Ratio

Sr No	Denominator	Numerator	Ratio	in times / %	As at March 31, 2022	As at March 31, 2021	% Variance	Comments
1	Current liability excluding current maturities of long term borrowings	Current Asset	Current ratio	In times	2.12	1.05	102%	During the year the company has sold investments in equity shares and the same is receivable
2	Total Equity	Non Current borrowing + Current borrowings	Debt Equity Ratio	In times	0.05	-	100%	During the year Company has obtained Loan for vehicle
3	Debt service	Earnings available for Debt Service	Debt Service Coverage Ratio	In times	1.42	-	100%	During the year Company has obtained bank Loan for the business
4	Average Shareholders Equity	Net Profit after taxes	Return on Equity Ratio	In %	0.55	(0.28)	296%	During the year Company made a profit vis a vis preceeding year loss
5	Average Inventory	Revenue from Operations	Inventory Turnover Ratio	In times	-	-	-	
6	Average Trade Receivables	Revenue from Operation	Trade Receivables Turnover Ratio	In times	37.43	351.04	-89%	During the year the Revenue has grown more than twice. Average debtors due have reduced
7	Average Trade Payables	Operating Expenses	Trade Payables Turnover Ratio	In times	8.36	3.55	136%	During the year the Turnover has grown more than twice. Average creditors due have increased
8	Current Assets less Current Liabilities	Revenue from Operation	Net Capital Turnover ratio	In times	3.56	50.73	-93%	During the year the company has sold investments in equity shares and the same is receivable
9	Revenue from Operations	Net Profit after tax	Net profit Ratio	In %	0.13	(0.16)	181%	During the year Company made a profit vis a vis preceeding year loss
10	Capital employed	Earning before Interest and Tax	Return on Capital Employed	In %	1.67	0.28	493%	During the year Company made a profit vis a vis preceeding year loss
11	Debt + Equity	Profit Before Tax + Finance cost	Return on Investment	In %	1.98	0.36	453%	During the year Company has obtained bank Loan for the business

- 35B i) **Title deeds of Immovable Property not held in name of the Company** - There are no immovable properties which are not held in the name of the company.
- ii) **Details of Benami Property and its proceedings** - No proceedings has been initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- iii) **Willful Defaulter** - The Company was not declared a willful defaulter by any Bank or Financial Institution or other lenders during the financials year.
- iv) **Compliance with number of layers of companies** - The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- v) **Compliance with approved Scheme(s) of Arrangements** - The Company has no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- vi) **Details of Crypto Currency or Virtual Currency** - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vii) The Company does not have any transaction that was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- viii) **Registration of Charges** - There are no charges or satisfaction of charges which is yet to be registered with the Registrar of Companies beyond the statutory period.
- ix) The Company does not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- x) As per section 248 of the Companies Act, 2013, the Company does not have any transactions or outstanding balances with struck off companies as on the balance sheet date.



## a) Name of Related parties and description of relationship

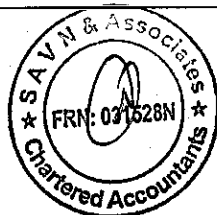
Description of Relationship	Name
Parent Company	Dikon Infratech Private Limited (DIPL)
Fellow Subsidiaries	Mercury Projects Private Limited (MPPL)
Associate of Parent Company	Pragadisa Power Private Limited (PPPL)
Key Management Personnel	Mr. Arun Kumar Sangaraju Mr. Bathala Suresh Mr. Vinod Kumar Godavarthi Mr. D Lakshmi Prasad (from 23.08.2021) Ms. Bhavya Chamarthi (till 25.08.2021) Ms. Priya Bandhavi Jaladi (till 01.09.2021)

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

Rs. Lakhs

Nature of Transaction	For the year ended March 31, 2022					
	Parent Company		Fellow Subsidiaries		Key Management Personnel	
	Party Name	Amount	Party Name	Amount	Party Name	Amount
<b>Expense</b>						
Managerial Remuneration					Ms. Priya Bandhavi Mr. Vinod Kumar	12.89 4.20
<b>Payables</b>						
Other Payables	DIPL	925.00				
Other Payables			MPPL	0.11		

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
<b>Expense</b>						
Managerial Remuneration					Ms. Priya Bandhavi	28.73
<b>Period End Balances</b>						
<b>Payables</b>						
Other Payables	DIPL	925.00				
Other Payables			MPPL	0.11		



### 37 Financial Risk Management Objectives and Policies

#### a. Capital Management

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

#### b. Financial Risk Management Framework

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

#### Risk Exposures and Responses

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

#### i. Credit risk

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

#### Credit risk management

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

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

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

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

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

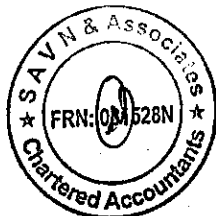
The maximum exposure for credit risk at the reporting date is the carrying value of financial assets as stated in the balance sheet.

#### Provision for expected credit losses

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

Reporting period	Gross carrying amount at default	Expected credit losses	Rs. Lakhs Net Carrying amount
As at March 31, 2022	60.00	60.00	-
As at March 31, 2021	60.00	60.00	-
As at March 31, 2020	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
<b>March 31, 2022</b>		
Borrowings	390.99	18.11
Trade Payables & Other Financial Liabilities	7,940.72	1,964.47
<b>Total</b>	<b>8,331.71</b>	<b>1,982.58</b>
<b>March 31, 2021</b>		
Borrowings		
Trade Payables & Other Financial Liabilities	1,117.33	5,188.42
<b>Total</b>	<b>1,117.33</b>	<b>5,188.42</b>

**c. Financial instruments by category**

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

	Rs. Lakhs	
	March 31, 2022	
	Amortised Cost	
<b>Financial assets</b>		
Investments		
Equity Shares		
Trade receivables and unbilled receivables		1,831.77
Loans		4,233.55
Cash and cash equivalents		1,145.62
Bank Balances		400.00
Other Financial Assets		11,739.54
<b>Total</b>		<b>19,350.48</b>
<b>Financial liabilities</b>		
Borrowings		390.99
Trade payables		5,649.14
Other Financial Liabilities		4,266.99
<b>Total</b>		<b>10,307.12</b>
	Rs. Lakhs	
	March 31, 2021	
	Amortised Cost	
<b>Financial assets</b>		
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
<b>Total</b>		<b>15,724.29</b>
<b>Financial liabilities</b>		
Borrowings		
Trade payables		2,798.80
Other Financial Liabilities		3,506.96
<b>Total</b>		<b>6,305.76</b>



**National Energy Trading and Services Limited**  
Notes and other explanatory information to financial statements for the year ended March 31, 2022

**38 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 period ended March 31, 2022

The details of Primary Segments information for the period ended March 31, 2022 and March 31, 2021 are given below:

Business Segments	Power Trading		Sand Trading		Unallocable		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Revenue</b>								
External Customers	15,757.10	1,177.82	18,859.24	13,101.21	759.08	190.68	35,175.42	14,469.71
Inter Segment Sales	-	-	-	-	-	-	-	-
<b>Segment Result</b>	<b>1,704.25</b>	<b>(93.07)</b>	<b>(2,085.52)</b>	<b>162.89</b>	<b>552.30</b>	<b>(40.46)</b>	<b>171.06</b>	<b>29.36</b>
Unallocated Corporate Expenses								
Finance Cost	0.02	0.03	36.61	11.86	-	-	36.62	11.90
Exceptional Items								
<b>Profit(Loss) Before Tax</b>	<b>1,704.24</b>	<b>(93.10)</b>	<b>(2,122.12)</b>	<b>151.03</b>	<b>552.30</b>	<b>(40.46)</b>	<b>134.44</b>	<b>17.46</b>
<b>Other Information</b>								
Segment Assets	13,584.51	3,825.07	5,713.14	1,951.14	-	-	19,297.65	5,776.22
Segment Liabilities	6,136.85	6,068.70	4,981.30	1,836.89	-	-	11,118.15	7,905.59
Capital Expenditure	5.99	0.17	207.33	65.56	-	-	213.32	65.72
Depreciation and Amortisation	2.05	1.11	34.03	2.31	-	-	36.08	3.42
Other Non Cash Expenses	-	-	-	-	-	-	-	-

**39 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.

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

**41 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

*A. Jawla*

CA Neeraj Jawla  
Partner  
Membership No. 542114



UDIN: 22542114AWZCSP7766

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

*Bathala Suresh*

Bathala Suresh  
Director  
DIN - 08199068

*Pradeep Kumar Verma*

Pradeep Kumar Verma  
Chief Financial Officer  
Place: Gurugram  
Date: 02-09-2022

*Neeraj Girdhar*

Neeraj Girdhar  
Company Secretary  
Membership No. A51772

Place: Gurugram  
Date: 02-09-2022

