



केन्द्रीय विद्युत विनियामक आयोग  
Central Electricity Regulatory Commission



### Diary Acknowledgement

<b>Reference No.</b>	32/2021	<b>Reference Date</b>	08/02/2021
<b>Diary No.</b>	28/2021	<b>Diary Date</b>	Feb 8, 2021, 7:09 PM
<b>Petition Type</b>	Application for Grant of Trading License	<b>Region</b>	Not Applicable
<b>Subject Keyword</b>			
<b>Subject</b>	Application for downgradation of Licence		
<b>Status</b>	Preliminary Scrutiny Before Registration		

Petitioner Details		
<b>Name</b>	<b>Mobile</b>	<b>Email</b>
NATIONAL ENERGY TRADING AND SERVICES LIMITED NETS	8448945881	trading@netsl.net

Respondent Details			
<b>S. No.</b>	<b>Name</b>	<b>Mobile</b>	<b>Email</b>
1	Main Respondent 'Not Registered'		efiling@cercind.gov.in

Dear Sir / Madam,

Your petition has been submitted successfully. Kindly refer the above mentioned diary number for future correspondence.

For CENTRAL ELECTRICITY REGULATORY COMMISSION

Feb 8, 2021, 7:09 PM

**BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY  
COMMISSION AT ITS OFFICE ON THE 3<sup>rd</sup> & 4<sup>th</sup> FLOOR, CHANDERLOK  
BUILDING, 36, JANPATH, NEW DELHI**

PETITION No.:

**IN THE MATTER OF:**

Application for downgradation of Licence under Regulations 9(4) and 15(3)(a) of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020

**IN THE MATTER OF:**

**M/s NATIONAL ENERGY TRADING AND SERVICES LIMITED**

**Plot No. 397, Udyog Vihar Phase – III, Gurgaon – 122016, Haryana**

**Trading License No. 7/Trading/CERC dated 23<sup>rd</sup> July, 2004**

...Petitioner

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Place: Gurgaon

Date: 08/02/2021

For National Energy Trading And Services Limited

*Vidya Bhushan*

Authorised Signatory

To,

The Hon'ble Chairman and Members of the Central Electricity Regulatory Commission, New Delhi

1. That Petitioner i.e National Energy Trading and Services Limited [hereinafter referred to as "Petitioner/NETS"], a Company registered under the Companies Act, 1956 is making the present application under Regulations 9(4) and 15(3(a) of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 amended from time to time; for down gradation of its Inter-State Trading Licence from Category I to Category III.
2. That the Petitioner is a Public Limited Company incorporated and registered under the provisions of the Companies Act, 1956. Mr. Vidya Bhusan, Company Secretary of the Petitioner has been duly authorised by the Board of Directors at their meeting held on 14<sup>th</sup> December, 2020 to file the present petition before the Hon'ble Commission. A Certified True Copy is annexed herewith and marked as Annexure V.
3. That this petition is being filed by the petitioner for down gradation of Inter-State Trading Licence from Category I to Category III.
4. That by order dated 23<sup>rd</sup> July 2004, National Energy Trading and Services Limited was granted Category "A" electricity trader for trading in whole of India, except Jammu and Kashmir subject to terms and conditions contained in the Licence. Subsequently, on the request of the Licensee, the Licence was upgraded as Category "F" vide letter dated 25.01.2006. Consequent to the notification of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009, the Category F licence was re-categorised as Category – I licence.
5. That the Petitioner submits that in view of the change in trading licence categories and looking at the future business potential of trading, NETS is seeking to downgrade its trading licence as per Regulation 15 of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 from Category I to Category III and is desirous to trade upto 4000MUs in a year.
6. That the Petitioner pursuant to Central Electricity Regulatory Commission (Payment of Fees) (Second Amendment) Regulations, 2020 have already paid Rs. 15,00,000/- (Rupees Fifteen Lakh) for Financial Year 2020-2021, whereas the Annual Licence Fee for Category III as per Central Electricity Regulatory Commission (Payment of Fees) (Second Amendment) Regulations, 2020 is Rs. 6,00,000/- (Rupees Six Lakh).

For National Energy Trading And Services Limited

Vidya Bhusan.

Authorised Signatory 2

7. That fourth Provision of Regulation 9 of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020, provides as under:

“The Trading Licensee shall make an appropriate application accompanied by prescribed fees for up-gradation of its licence to a higher category or down-gradation of its licence to a lower category in order to fulfil the conditions of these regulations in accordance with the procedure specified in Regulation 15 of these regulations”

8. That as per Regulation 15(3) of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020, provides as under:

*“(a) The Trading Licensee may file an application to the Commission for downgradation of its licence to a lower category at any time: Provided that the Trading Licensee shall not be allowed to apply for upgradation of licence within the same Year.*

**(b) The Trading Licensee shall be required to upload the audited special balance sheet to support the compliance of Net Worth requirement for lower category licence.**

*(c) While applying for downgradation of licence, the Trading Licensee shall be required to pay the licence fee applicable for the category of licence for which the application is being submitted.”*

9. That due to outbreak of COVID 19 pandemic and lockdown in the country the supporting documents as required under Regulation 15(3)(b) of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 i.e Audited Balance Sheet was delayed for finalisation. However an endeavour was made to complete the audit process within due time in compliance of Companies Act 2013 and accordingly the Audited Balance Sheet was completed on 14<sup>th</sup> of December 2020.

10. That on consideration of the above facts, it is submitted that the Commission would find satisfactory that the petitioner meets the net worth, current ratio and liquidity ratio requirements specified by the Commission for grant of Category III licence.

#### PRAYER

In the premises it is respectfully prayed that this Hon'ble Commission would be pleased to:-

- A. Approve the downgradation of the Trading Licence of National Energy Trading and Services Limited from Category I to Category III with effect from 1<sup>st</sup> April, 2020.

For National Energy Trading And Services Limited

Vidya Ghossein.

Authorised Signatory <sup>3</sup>

- B. Adjust the excess amount of Rs. 9 Lakh (Rs. 15 Lakh minus Rs. 6 Lakh) Annual Licence Fees paid during financial year 2020 – 2021 with Annual Licence Fees to be paid in subsequent years.
- C. Pass such order the Hon'ble Commission deem fit in the circumstances of the case.

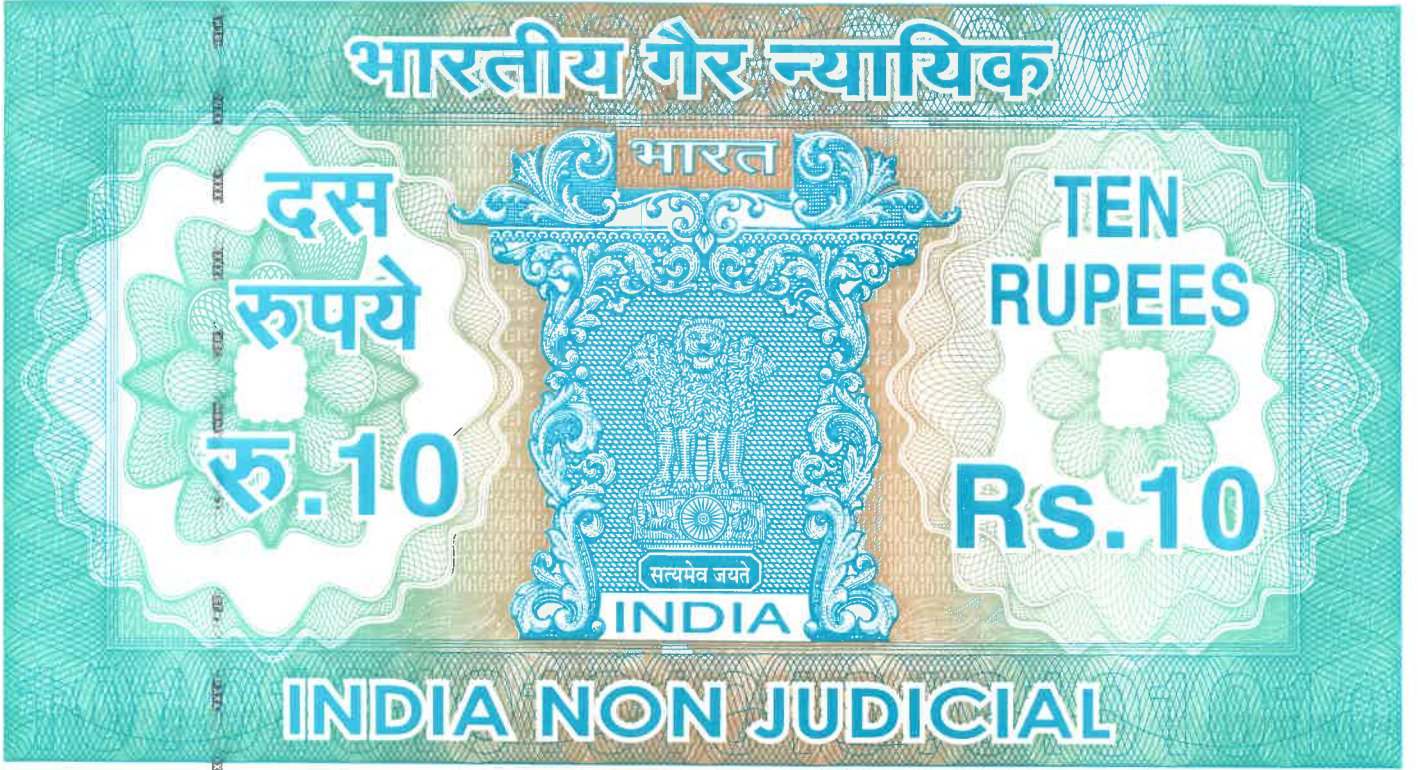
**For National Energy Trading and Services Limited**

Place: Gurgaon  
Date: 08/02/2021

  
Vidya Bhushan  
Company Secretary

For National Energy Trading And Services Limited

*Vidya Bhushan*  
Authorised Signatory



हरियाणा HARYANA

51AA 758468

BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY  
COMMISSION, NEW DELHI

PETITION No.:

M/s National Energy Trading and Services Limited

.....Petitioner

**AFFIDAVIT IN SUPPORT OF PETITION**

I, Vidya Bhusan, S/o – Indra Chand Prasad aged 31 Years Resident of House No. 186,  
Near Kuki Shop, Sultanpur – 110030 do solemnly affirm and state as under:

1. That I am the Company Secretary in the Petitioner Company, and I am duly authorised by the said company to file this petition on its behalf.
2. That I have gone through and fully understood the averments made in the annexed Petition.
3. That the factual contents of the petition are true to my knowledge derived from the record of the Petitioner.

For National Energy Trading And Services Limited

Vidya Bhusan  
Authorised Signatory



ATTESTED

RAM NIWAS MALIK, ADVOCATE  
NOTARY, GURUGRAM (HR.) INDIA

DEPONENT

51AA 758468

**VERIFICATION**

I, the above deponent, do hereby verify that the contents of Paras No. 1 to 3 of my above affidavit are true and correct. Nothing material has been concealed therein and no part of it is false.

For National Energy Trading And Services Limited

*Nishu Bhasin*  
Authorised Signatory

DEPONENT



ATTESTED

*[Signature]*  
RAM NIWAS MALIK, ADVOCATE  
NOTARY, GURUGRAM (HR.) INDIA

08 FEB 2021

**FORM I**  
**Application form for grant of Licence for Inter-State Trading**

1. Name of the Applicant : **National Energy Trading and Services Limited**
2. (a) Registered Office Address : **Plot No.7, Bindu Sadan, 401, Sai Chandra Residency Opp. Green Space Tulasi, Puppalaguda, Manikonda, Hyderabad Rangareddi Telangana – 500089**
- (b) Address for correspondence : **Plot No. 397, Udyog Vihar, Phase – III, Gurgaon, Haryana – 122016**
- (c) Website Address : **www.netsl.net**
3. Name, Designation and Address of the Contact Person: **Mr. Vidya Bhusan  
Company Secretary  
Plot No. 397, Udyog Vihar  
Phase – III, Gurgaon  
Haryana**
4. Contact Number : **0124-6016500**
5. Fax No. : **0124-6016595**
6. Email ID : **Vidya.bhusan@netsl.net**
7. Status of the Applicant : **A Company incorporated under the Companies Act 1956. Company is a Public Limited Company.**
8. Place of Incorporation /Registration : **Hyderabad**
9. Year of Incorporation/Registration : **06<sup>th</sup> March 2000**
10. Clause of Memorandum of Association which authorises undertaking interstate trading in electricity (Extract of the relevant portion):

**Clause 3 (a) (1) : To carry on the business in power, coal, gas, diesel, solar panels, solar cells, solar wafers, solar modules/devices, solar module mounting structures, invertors, cables, all types of equipments and machineries including by-products, spares or accessories and other materials required in generation of**



renewable and non-renewable energy, hydrocarbon sources of energy and other fuels as, Trader, distributor, accumulator, supplier, purchaser/buyer, seller, reseller, transmitter, liaisoner, consultant, advisor, agent, sub agent, contractor, sub-contractor, broker, shipper, franchiser, collaborator, stockist, producer, generator, developer, importer, exporter, transporter, dealer within India and/or with other countries and energy generated either by Hydro, Thermal using oils, gases, coal, coal rejects, fuel oil, naptha, Liquefied Natural Gas, raw petroleum stock or any other fuel, solid, liquid or gas whether found in natural state or obtained by processing from other substances and renewable energy sources, its transmission, distribution and to supply to Central/State Governments/ Corporate Bodies/ Electricity Boards/ Statutory Bodies/ Local Authorities/ Industries, Societies, groups, individuals or consumers and to do all incidental acts, things and deeds as may be necessary for attainment of the forgoing objects.

Clause 3 (a) (3) : To carry on the business for the purpose of sale, purchase, trade, consumption, import, export, transport, deal, develop, exchange or on lease, hire or otherwise acquire lands, mines, factory, buildings, mills, houses, cottages, shops, depots, warehouses, machinery, plant, stock, stock-in-trade, mining rights/ licenses in India or elsewhere in the World and to takeover, merge, amalgamate, acquire, hold, or to provide technical, financial assistance/support for all types of power or energy based companies including companies operating in Engineering, procurement & construction, Operation & Maintenance, import of fuels, coal mine/ coalfield, mining of coal and to facilitate transportation by sea or land, loading & unloading of coal etc., for the purpose of entering into Energy purchase agreements and for trading of all types of Energy, along with Generation, Transmission and Distribution of such Energy and to do all incidental acts, things and deeds as may be necessary for attainment of the forgoing objects.

11. Whether the Memorandum of Association authorises undertaking transmission of electricity. If so, the extract of the relevant portion:

Clause 3 (a) (3) : To carry on the business for the purpose of sale, purchase, trade, consumption, import, export, transport, deal, develop, exchange or on lease, hire or otherwise acquire lands, mines, factory, buildings, mills, houses, cottages, shops, depots, warehouses, machinery, plant, stock, stock-in-trade, mining rights/ licenses in India or elsewhere in the World and to takeover, merge, amalgamate, acquire, hold, or to provide technical, financial assistance/support for all types of power or energy based companies including companies operating in Engineering, procurement & construction, Operation & Maintenance, import of fuels, coal mine/ coalfield, mining of coal and to facilitate transportation by sea or land, loading & unloading of coal etc., for the purpose of entering into Energy purchase agreements and for trading of all types of Energy, along with Generation, Transmission and Distribution of such Energy

For National Energy Trading And Services Limited

*Jibyo Ghose*

Authorised Signatory

**and to do all incidental acts, things and deeds as may be necessary for attainment of the forgoing objects.**

12. (a) Authorised Share Capital : Rs. 100,00,00,000  
(b) Issued Share Capital : Rs. 36,52,94,000  
(c) Subscribed Share Capital : Rs. 36,52,94,000  
(d) Paid Up Capital : Rs. 36,52,94,000

13. Category of licence applied for : Category III

14. Volume of power intended to be traded : Upto 4000MUs

15. Area of Trading : Across India

16. (i) Net worth as per last year's audited accounts prior to the date of application :  
**Rs. 8198.71 Lakhs** – As at 31<sup>st</sup> March 2020

(ii) Net worth on the date of preparation of the special balance sheet accompanying the application: **Rs. 8198.71 Lakhs** – As at 31<sup>st</sup> March 2020

17. (i) Current Ratio as per the last year's audited accounts prior to the date of application : 0.73 – FY 2019-20

(ii) Current Ratio on the date of preparation of the special balance sheet accompanying the application: 0.73 - FY 2019-20

18. (i) Liquidity Ratio as per the last year's audited accounts prior to the date of application : 0.73 – FY 2019-20

(ii) Liquidity Ratio on the date of preparation of the special balance sheet accompanying the application: 0.73 – FY 2019-20

19. Details of shareholding as on the date of making application:

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY

For National Energy Trading And Services Limited

*Vidya Bhasin*

Authorised Signatory 9

S. No.	Name of the Shareholders	Citizenship	Residential Status	Number of the Shares held as on 31.03.2020	% of total Paid-Up Equity Share Capital
01	Dikon Infratech Private Limited	Indian	Indian Body Corporate	36528950	99.9987%

20. (i) Turnover as per the last year's audited accounts prior to the date of application :  
**Rs. 9292.03 Lakhs – FY 2019-20**

(ii) Turnover on the date of preparation of the special balance sheet accompanying the application: Rs. 9292.03 Lakhs – FY 2019-20

21. Organisational and Managerial capability of the Applicant: **As per Annexures Enclosed**

22. Approach and Methodology: Including but not limited to participation in various tenders floated by Government Utilities/Discoms of India and Cross Border, tenders floated by private Discoms and participating in Banking Transaction and/or by participating in trading activities performed in various power exchanges of India.

23. Other Information:

(a) Whether the Applicant or any of his Associates, or partners, or promoters, or Directors has been declared insolvent: **NA**

(b) Details of cases resulting in conviction for moral turpitude, fraud of economic offences of the Applicant, any of his Associates, or partners, or promoters, or Directors during the year of making the application and three years immediately preceding the year of making application and the date of release of the above person from imprisonment, if any, consequent to such conviction: **NA**

(c) Whether the Applicant or any of his Associates, or partners, or promoters, or Directors was ever refused licence: **NA**

(d) Whether the applicant holds a transmission licence: **NA**

(e) Whether an order cancelling the licence of the Applicant or any of his Associates, or partners, or promoters, or Directors was ever passed by the Commission: **NA**

For National Energy Trading And Services Limited

*Vidya Bhasan*  
Authorised Signatory

(f) Whether the Applicant or any of his Associates, or partners, or promoter, or Directors was ever found guilty of contravention of any of the provisions of the Act or the rules or the regulations made there under or an order made by the Appropriate Commission, in any proceedings: **NA**

24. List of Documents enclosed : Name of the Document

- (a) Certificate of Incorporation
- (b) Memorandum and Articles of Associations
- (c) Board Resolution dated 14<sup>th</sup> December 2020 to commit the Application
- (d) Certified Copy of Audited Balance Sheet for Financial Year ending 31<sup>st</sup> March 2020.
- (e) Curriculum Vitae of Executives

**For National Energy Trading and Services Limited**

Place: Gurgaon  
Date: 08/02/2021



Vidya Bhushan  
Company Secretary  
Membership No. 60226

**AMIT KUSHWAH**

E-Mail: amitkushait@gmail.com ~ Mobile: +91-7042709555

**Middle Management Professional: Over 10 years of experience  
Accounting and Taxation**

**PROFILE SUMMARY**

- Excellence in preparing financial statements including trial balance, reconciliation reports, profit & loss account, age-wise accounts payables & receivables statements and balance sheets
- Expertise in formulating tax plans and filing of direct & indirect tax returns, Goods And Service Tax (GST) in compliance with statutory tax acts;
- Skilled in streamlining working procedures, formulating cost effective solutions for enhancing accounting operations; directed financial analysis; internal and regulatory reporting; commercial; budgeting; forecasting that led to long-term improvements in cost savings, profitability and productivity
- Proficiency in providing timely, relevant / accurate reports and analysis of the organisation's performance to facilitate decision-making towards achievement of the budget and strategic plan
- An enterprising leader with excellent negotiation, problem-solving & interpersonal skills

**SKILL SET**

~ Finance & Accounts	~ Taxation	~ Statutory Compliance
~ Budgeting & Cost Optimization	~ Customer Management	~ Auditing
~ Commercial	~ Cross-functional Coordination	~ Reports Development

**WORK EXPERIENCE**

**Since Feb18 : National Energy Trading Services Limited, Guru Gram as Asst. Manager**

**July16 - Feb18 : GMR Group, New Delhi as Executive**

**Mar13 -Jul16 : National Energy Trading Services Limited, Guru Gram as Executive**

**Aug09 -Mar13 : Tulip Telecom Limited, New Delhi as Executive Account**

**Key Result Areas:**

- Managing:
  - Accounts closing on a monthly, quarterly, half yearly and annual basis, general ledger reconciliation, balance sheet reconciliation, preparing financial/audit statements, preparing work for audits supplemented by Tally, SAP & MS-Excel applications
  - Monthly sale invoice for renewable and solar power generation
  - Customer receipt & bill wise adjustments
  - Vendor, Customer & General Ledger reconciliation regarding payment and TDS deduction
- Study & Understand PPA, Contracts, LOI, Offers and carry out commercial work like various billings (energy bill, open access bill, compensation, surcharge, trading margin bill, REA bill, Open Access refunds), calculations, for MTOA,STOA accordingly.
- Prepare and communicate internally MIS - Containing Daily / Monthly / Quarterly / Annual figures of Volume / Turnover / Profit / Average price of each transaction, together with REC Obligations for Clients on Exchange
- Preparation of reports in the form of PPTs for meetings at the group level - Delivered Price, Price Ex-Bus and Exchange Prices; Market Monitoring through CERC Data
- Preparation of Tender Documents with consultation of Generators, uploading the same on E-Tender sites, BG/LC - To coordinate with banks for preparing BGs & LCs. To Follow-up Return of them as per timeline
- Prepare Monthly & Yearly FORM-IV and weekly reports for Honourable CERC
- Co-Ordinating with RLDCs to ensure the Volume matches at all the RLDCs involved - with the Scheduled Quantum
- Preparation & filling of GST returns.
- Timely deposit of TDS, GST liability, Quarterly E-TDS, Issue/ Checks of E-Way bills
- Reconciliation and coordination with the generator, buyers, RLDC's, RPC's, Power Grid etc
- Prepare Exchange Bills for parties and NOPAs( for the payment of sellers)
- Developing monthly/yearly expenses budget

- Reporting monthly/yearly expenses statement to the whole time Director
- Conducting analysis of branch Impress expenses
- Dealing with vendor payment, customer refund & employee reimbursement
- Creating and maintaining TRA, OD/OCC A/c, Loan A/c & Mercantile A/c with reconciliation statements and drawing Power Statement (DP) details
- Developing TDS E-Return and TDS certificate, monitoring all types of tax payment, proper working mechanism of TDS deduction from vendor payments
- Preparing:
  - Daily report related to energy exchange bid working customer status
  - Monthly & weekly & Daily MIS reports related to debtors and creditors
  - Daily management report related to Energy exchange bid working customer fund status
- Ensuring statutory compliances with Taxation Department & CERC within set timelines
- Issuing debit & credit notes to the parties and doing entry of the same
- Providing information through SAP regarding annual sales sheet according to sale figure shown in Sale Tax Department /GST of various states
- Coordinating with auditors on all routine matters

#### **Accomplishments:**

- Automated the preparation of 7 reports using SAP, Excel and Webtel that had previously required 7 hours of effort per week
- Accelerated the monthly reconciliation process from a 1-day to a 31-day task
- Recorded all accounting entries in SAP
- Acted as a part of the team to establish Payment and Direct Taxation processes, controls & systems to ensure operational excellence and reduce risk by 1%/amount

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#### **EDUCATION**

- **MBA (Finance)** from AIT, Gurgaon
- **M.Com.** from Kanpur University
- **B.Com.** from Kanpur University

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#### **IT SKILLS**

Accounting: SAP (FI), Tally 9 ERP & ERP (Navision)  
 Taxation: IT Ret & E-TDS, WEBTEL, Comp-TAX, Saral Pay Pack  
 Package: MS-Office

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#### **PERSONAL DETAILS**

Date of Birth: 5<sup>th</sup> Oct 1983  
 Languages Known: English and Hindi  
 Address: Flat No. - 186, Radhika Apartment, Sector -14, Dwarka, New Delhi

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## Pavan Kumar Basam

+91-9560016405

### Profile:

Deputy Manager – Power Trading Operations

Reporting : Head Operations

### Software Skills:

- ❖ Good Knowledge on IEX trading platform
- ❖ MS Office
- ❖ Basics in AutoCAD
- ❖ Good Presentation skills

### Education:

- ❖ **B. Tech**  
(Mechanical Engineering) from PBR Vishvodaya Institute of Technology & Sciences, Kavali (2005-2009)
- ❖ **XII<sup>th</sup>** Nalanda Jr College, Nellore with Mathematics, Physics and Chemistry

### Competencies:

- ❖ Good team player
- ❖ Maintain congenial relationship
- ❖ Strong acumen to make things moving in any environment
- ❖ Development of subordinates
- ❖ Work as a team rather than as an individual in achieving the goals of the company

### Languages Known:

English, Hindi, & Telugu  
(to read, write & Speak)

### Extra Curricular Activities:

- ❖ Won many prizes at School, college and employer level in sports.

### Executive Summary

- ❑ 10 years of diversified experience in power sales, bidding, business development, trading and regulatory aspects of open access.
- ❑ Proficient in PPA management, trading operations & scheduling, power sales business development, MIS, project management
- ❑ A Quick Learner & Team player, excellent in relationship management, and coordinating actively with all stakeholders.

### Professional Experience

Joined in, **M/s. Lanco Infratech Limited in Power Division** as a **Graduate Engineer Trainee** in June 2010 and elevated to **Deputy Manager**.

### National Energy Trading & Services Ltd (June 2016-till date)

#### Responsibilities

#### Exchange Operations:

- ❑ Daily exchange operations in DAM, TAM, REC & ESCert Bidding
- ❑ Taking necessary steps in ensuring smooth functioning for exchange related terminals
- ❑ Interacting with clients (consumers & generators) to obtain daily power quantum for bidding purpose in Power Exchange
- ❑ Analyze the daily exchange prices and suggest clients with the prices to quote in their exchange bids for the power they sell/buy
- ❑ Business development activities through client additions and competitive bidding for sale of electricity.

#### Bilateral Transactions:

- ❑ Negotiating with consumers/ generators for finalizing techno-commercial terms and conditions of agreement
- ❑ Scheduling and revision activities pertaining to STOA / MTOA
- ❑ Follow-up with respective SLDC for open access concurrence for bilateral contracts and exchange sales
- ❑ Timely executing the open access related activities till the contractual conditions are full-filled for all the relevant LOIs / LOA's / PPA's
- ❑ Energy Bill Analysis for Industrial consumer and explore the best possible solution for the client through collective or bilateral purchase

❖ Can Play Cricket, Volleyball, and Table Tennis.

❖ Having good athletic skills

**Personal Data:**

DOB :01/07/1988  
Sex : Male  
Nationality : Indian  
Marital Status : Married  
Father's Name :Sreenivasulu

**Correspondence Address:**

Plot No 397,  
Udyog Vihar Phase 3,  
Gurgaon,  
Haryana-122001

**Permanent Address:**

Pavan Kumar Basam,  
S/o B. Sreenivasulu  
Chenchulakshmipuram, Bitragunta,  
Nellore District,  
Andhra Pradesh-524 142

**Emoluments:**

- ❖ Present – 12 L PA + Free Medical Insurance for self & dependents
- ❖ Expected – Negotiable
- ❖ Notice Period – 1 Month

- Open access market analysis such as demand supply scenario of various states, daily exchange price analysis, available corridor positions and using the information for business development activities
- Daily tender monitoring on channels like DEEP portal and Distribution company's website
- Arrange to dispatch power sales bills to buyers on the basis of implemented schedules

**Regulatory affairs:**

- Monitoring and analyzing new orders/regulations of Regulatory Commissions related to power procurement and their implications
- Analysis of ARR of various states to study where open access potential is available

**Lanco Power Ltd. (Jun 2013 - May 2016)**

**Responsibilities**

- Projects coordinator (CEO's team) for power plants in North India
- Monitoring Regulatory changes and coordinating with project development teams for evaluating the impact of changes on project implementation
- Compiling the objections/modifications suggested by the project teams in the draft regulations and advancing it to competent authorities
- Preparing presentations and MIS reports on project progress
- Scheduling & conducting weekly and fortnightly project monitoring meetings chaired by CEO.

**Lanco Himavat Power Ltd. (June 2010 - May 2013)**

**Responsibilities**

- Played an important role in land acquisition of the project.
- Facilitated in timely obtaining of major project clearances like Environmental Clearance & AAI Clearance, Land, Water, etc.,
- Coordinating with EPC engineering team in project development



<b>FORM 1</b>	
<b>Particulars</b>	
1. Name of the Petitioner/Applicant	National Energy Trading and Services Limited
2. Address of the Petitioner/Applicant	Plot. No. 397, Udyog Vihar , Phase III, Gurgaon-122016(Haryana)
3. Subject Matter	Payment of Annual Licence Fee for the year 2020-21
4. Petition No., if any	NA
5. Details of generation assets (a) generating station/units (b) Capacity in MW (c) Date of commercial operation (d) Period for which fee paid (e) Amount of fee paid (f) Surcharge, if any	NA
6. Details of transmission assets (a) Transmission line and sub-stations (b) Date of commercial operation (c) Period for which fee paid (d) Amount of fee paid (g) Surcharge, if any	NA
7. Fee paid for Adoption of tariff for (a) Generation asset (b) Transmission asset	NA
8. Application fee for licence (a) Trading licence (b) Transmission licence (c) Period for which paid (d) Amount of fee paid	
9. Fees paid for Miscellaneous Application	NA
10. Fees paid for Interlocutory Application	NA
11. Fee paid for Regulatory Compliance petition	NA
12. Fee paid for Review Application	NA
13. Licence fee for inter-State Trading (a) Category (b) Period (c) Amount of fee paid (d) Surcharge, if any	Category-II 2020-2021 Rs.15,00,000/- (Rupees Fifteen Lakh Only) NIL
14. Licence fee for inter-State Transmission (a) Expected/Actual transmission charge (b) Period (c) Amount of fee calculated as a percentage of transmission charge. (d) Surcharge, if any	NA
15. Annual Registration Charge for Power Exchange (a) Period	NA



(b) Amount of turnover (c) Fee paid (d) Surcharge, if any	
16. Details of fee remitted (a) UTR No.  (b) Date of remittance  (c) Amount remitted <b>Note: While Sl. Nos. 1 to 3 and 16 are compulsory, the rest may be filled up as applicable</b>	IBKLR92020042800074538  April 28, 2020  Rs 15, 00,000/- (Rupees Fifteen Lakh Only)
<b>Signature of the authorized signatory with date</b>	For National Energy Trading And Services Limited Vidya Ghoshan Date: 29/04/2020. Authorised Signatory

<b>FORM 1</b>	
<b>Particulars</b>	
1. Name of the Petitioner/Applicant	National Energy Trading and Services Limited
2. Address of the Petitioner/Applicant	Plot. No. 397, Udyog Vihar , Phase III, Gurgaon-122016(Haryana)
3. Subject Matter	Payment for filing Petition/Application for Downgradation of Licence
4. Petition No., if any	
5. Details of generation assets (a) generating station/units (b) Capacity in MW (c) Date of commercial operation (d) Period for which fee paid (e) Amount of fee paid (f) Surcharge, if any	NA
6. Details of transmission assets (a) Transmission line and sub-stations (b) Date of commercial operation (c) Period for which fee paid (d) Amount of fee paid (g) Surcharge, if any	NA
7. Fee paid for Adoption of tariff for (a) Generation asset (b) Transmission asset	NA
8. Application fee for licence (a) Trading licence (b) Transmission licence (c) Period for which paid (d) Amount of fee paid	Trading Licence - 2020 - 2021 Rs. 1,00,000/- (Rupees One Lakh Only)
9. Fees paid for Miscellaneous Application	NA
10. Fees paid for Interlocutory Application	NA
11. Fee paid for Regulatory Compliance petition	NA
12. Fee paid for Review Application	NA
13. Licence fee for inter-State Trading (a) Category (b) Period (c) Amount of fee paid (d) Surcharge, if any	NA
14. Licence fee for inter-State Transmission (a) Expected/Actual transmission charge (b) Period (c) Amount of fee calculated as a percentage of transmission charge. (d) Surcharge, if any	NA
15. Annual Registration Charge for Power Exchange (a) Period	NA



(b) Amount of turnover (c) Fee paid (d) Surcharge, if any	
16. Details of fee remitted (a) UTR No./Ref. No.  (b) Date of remittance  (c) Amount remitted <b>Note: While Sl. Nos. 1 to 3 and 16 are compulsory, the rest may be filled up as applicable</b>	NEFT/000319508450  February 08, 2021  Rs 1, 00,000/- (Rupees One Lakh Only)
<b>Signature of the authorized signatory with date</b>	For National Energy Trading And Services Limited Vidya Bhasin Date: 08/02/2021. Authorised Signatory



# NEERAJ JAWLA & ASSOCIATES

## CHARTERED ACCOUNTANTS

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

Email- [caneerajjawla@gmail.com](mailto:caneerajjawla@gmail.com), Mobile-09017799990, 08708226338

### INDEPENDENT AUDITOR'S REPORT

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

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

#### **I. Report on the Audit of the Financial Statements**

##### **Qualified Opinion**

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

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

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

##### **Basis for Qualified Opinion**

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



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For National Energy Trading And Services Limited

*Vidya Bhushan*

Authorised Signatory

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

### **Key Audit Matters**

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

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

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

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

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

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

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

### **Management's Responsibility for the Financial Statements**

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



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For National Energy Trading And Services Limited

*Nidya Bhawan*

Authorised Signatory

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

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

### **Auditor's Responsibilities for the Audit of Financial Statements**

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

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

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

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



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For National Energy Trading And Services Limited

*Vishya Shree*  
Authorised Signatory

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

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

## II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, based on our audit we report that:
  - a. Except for the matters described in the basis for Qualified Opinion paragraph, We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. Except for the effects if any of the matters described in the basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including the statement of other comprehensive Income, Statement of cash Flow and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. Except for the possible effects of the matters described in the basis for Qualified Opinion paragraph, In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;
  - e. The matter described under the basis for qualified opinion paragraph above may have an adverse effect on functioning of the company.
  - f. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for Qualified opinion paragraph
  - h. With respect to the adequacy of Internal financial control over financial reporting of the company with reference to these financial statements and the operating effectiveness of such controls refer to our separate report in "Annexure B" to this report



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For National Energy Trading And Services Limited

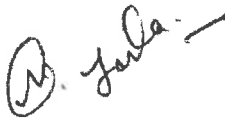
*Vidya Bhushan*

Authorised Signatory



- i. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – **Refer Note 31 to 33 the Financial Statements;**
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no such fund lying with the company which is required to be transferred to the Investor Education and Protection Fund by the Company.

**For NEERAJ JAWLA & ASSOCIATES**  
**Chartered Accountant**  
**FRN: 031528N**





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

**Place: Samalkha**  
**Date: 14-12-2020**

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**For National Energy Trading And Services Limited**

  
**Authorised Signatory**

The "Annexure A" Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' Paragraph of the Independent Auditor's Report of even date to the members of **National Energy Trading and Services Limited** on the Ind AS financial statements as of and for the year ended March 31, 2020.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. The company does not hold any physical inventories during the year. Therefore the provision of clause (ii) of the paragraph 3 of the order is not applicable to the company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore the provisions of clause 3(iv) of the Order is not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the activities of the company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Service Act, Cess and Other Statutory Dues applicable to it.  
  
(b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
(c) According to the records of the Company, there are no dues outstanding of Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Service Act or Cess which have not been deposited on March 31, 2020 on account of any dispute.



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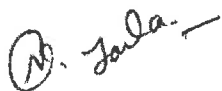
For National Energy Trading And Services Limited

*Nidya Ghuman*

Authorised Signatory

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

**For NEERAJ JAWLA & ASSOCIATES**  
**Chartered Accountant**  
**FRN: 031528N**



**CA Neeraj Jawla**  
**Partner**

**M. No. 542114**

**UDIN: 20542114AAAAEA7864**

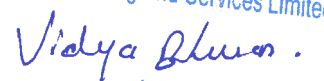
**Place: Samalkha**

**Date: 14-12-2020**



**Certified True Copy**

**For National Energy Trading And Services Limited**

  
**Authorised Signatory**

The "Annexure B" Referred to in clause (h) of paragraph 2, under 'Report on Other Legal and Regulatory Requirements' Paragraph of the Independent Auditor's Report of even date to the members of **National Energy Trading and Services Limited** on the Ind AS financial statements as of and for the year ended March 31, 2020.

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of National Energy Trading and Services Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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



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For National Energy Trading And Services Limited

*Vijaya Bhuvan*

Authorised Signatory

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

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

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

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

## **OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NEERAJ JAWLA & ASSOCIATES**

**Chartered Accountant**

**FRN: 031528N**



**CA Neeraj Jawla**

**Partner**

**M. No. 542114**

**UDIN: 20542114AAAAEA7864**

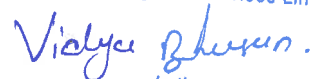
**Place: Samalkha**

**Date: 14-12-2020**



**Certified True Copy**

**For National Energy Trading And Services Limited**



**Authorised Signatory**

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

Particulars	Note No.	Rs. Lakhs	
		As at March 31, 2020	As at March 31, 2019
<b>I ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	9.81	3.78
(b) Financial Assets			
(i) Investments	4	10,011.81	10,011.81
(ii) Loans	6	65.00	65.00
<b>Total Financial Asset</b>		<b>10,076.81</b>	<b>10,076.81</b>
(d) Deferred tax assets (net)	16	30.16	-
<b>Total Non Current Assets</b>		<b>10,116.77</b>	<b>10,080.57</b>
<b>(2) Current assets</b>			
<b>(a) Financial Assets</b>			
(i) Trade receivables	5	34.43	4,375.21
(ii) Unbilled receivables		1.73	27.73
(iii) Loans	6	4,218.03	4,323.08
(iv) Cash and cash equivalents	9	161.72	409.84
(v) Bank balances	10	515.83	838.99
(vi) Other financial assets	7	4.29	114.22
<b>Total Financial Asset</b>		<b>4,836.03</b>	<b>10,089.07</b>
(b) Current tax assets (Net)	11	42.45	39.03
(c) Other current assets	8	24.05	51.08
<b>Total Current Assets</b>		<b>5,002.63</b>	<b>10,178.18</b>
<b>Total Assets</b>		<b>16,119.30</b>	<b>20,269.75</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		4,546.77	4,479.13
<b>Total Equity</b>		<b>8,198.71</b>	<b>8,132.07</b>
<b>B LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(b) Provisions	15	48.24	35.48
<b>Total Non Current Liabilities</b>		<b>48.24</b>	<b>35.48</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Trade payables (other than MSME)	13	2,602.05	8,504.58
(ii) Other financial liabilities	14	3,086.91	3,380.54
<b>Total Financial Liabilities</b>		<b>5,688.96</b>	<b>11,885.10</b>
(b) Other current liabilities	17	1,219.05	158.72
(c) Provisions	15	4.87	9.03
(d) Current tax liabilities (Net)	18	(40.53)	29.35
<b>Total Current Liabilities</b>		<b>6,872.35</b>	<b>12,082.20</b>
<b>Total Equity and Liabilities</b>		<b>16,119.30</b>	<b>20,269.75</b>

Summary of Significant Accounting Policies 2.2

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

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

CA Neeraj Jawla  
Partner  
Membership No. 542114



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

Arun Kumar Sangaraju  
Whole Time Director  
DIN - 08199067

Bhavya Chamarthi  
Director  
DIN - 08583322

UDIN:- 20542114 AAAAEA7864

Pradeep Kumar Verma  
Chief Financial Officer

Vidya Bhusan  
Company Secretary  
Membership No. A60226

Place: Hyderabad  
Date: December 14, 2020

Place: Hyderabad  
Date: December 14, 2020

For National Energy Trading And Services Limited  
Certified True Copy

Vidya Bhusan  
Authorised Signatory



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

Particulars	Note No.	Rs. Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	19	9,282.03	22,935.54
II Other Income	20	185.07	204.24
III Total Income (I + II)		9,477.10	23,139.78
<b>IV EXPENSES</b>			
Purchase of stock-in-trade	21	9,105.78	22,823.11
Employee benefits expenses	22	291.00	231.93
Finance cost	23	-	1.93
Depreciation and Amortization expense	24	0.21	0.22
Other expenses	25	119.10	100.40
Total Expenses (IV)		9,516.09	22,957.59
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		(38.99)	182.19
VI Exceptional Items	27	(86.22)	986.09
VII Profit / (Loss) before Tax (V - VI)		47.23	(803.90)
VIII Tax Expense			
Current tax / Minimum alternate tax (MAT) payable		8.90	64.02
Deferred tax		(30.15)	61.86
Total Tax Expense (VIII)		(21.25)	125.88
IX Profit / (Loss) for the period from Continuing operations (VII - VIII)		88.48	(929.78)
X Other Comprehensive Income	26		
(i) Items that will not be reclassified to profit and loss		(1.83)	(4.26)
XI Total Comprehensive Income for the period (IX + X)		66.65	(934.04)
XII Earnings Per Equity Share	28		
Basic (Rs.)		0.19	(2.55)
Diluted (Rs.)		0.19	(2.55)

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

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

CA Neeraj Jawla  
Partner  
Membership No. 542114

UDIN :- 20542114AAAAEA7864

Place: Hyderabad  
Date: December 14, 2020

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

Arun Kumar Sangaraju  
Whole Time Director  
DIN - 08199087

Bhavya Chamarthi  
Director  
DIN - 08583322

Pradeep Kumar Verma  
Chief Financial Officer

Vidya Bhusan  
Company Secretary  
Membership No. A60226

Place: Hyderabad  
Date: December 14, 2020

Certified True Copy

For National Energy Trading And Services Limited

Vidya Bhusan  
Authorised Signatory



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

	Rs. Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	47.22	(803.89)
<b>Adjustments for:</b>		
Depreciation and Amortization	0.22	0.22
(Profit) / Loss on Sale/Scrap of PPE, Intangible Assets	0.88	
Net (gain)/loss recorded in profit or loss on financial assets measured or designated as at fair value through profit or loss	1,205.12	655.59
Liabilities and Provisions no longer required written back	(1,291.35)	(734.25)
Investment Impaired		1,065.00
Interest Income	(179.52)	(188.29)
Dividend Income	(5.11)	(10.68)
Interest Expenses	-	1.93
<b>Cash Generated Before Working Capital Changes</b>	<b>(222.56)</b>	<b>(14.37)</b>
<b>Movement In Working Capital</b>		
Increase / (Decrease) in Trade Payables	(4,611.16)	4,406.42
Increase / (Decrease) in Provisions	6.77	(40.89)
Increase / (Decrease) in Other Financial Liabilities	(303.63)	3,148.04
Increase / (Decrease) in Other Liabilities	1,080.34	(638.08)
(Increase) / Decrease in Trade Receivables/Unbilled Receivable	3,161.66	(3,978.97)
(Increase) / Decrease in Other Financial Assets	104.88	(3,015.79)
(Increase) / Decrease in Other Assets	27.03	5.74
<b>Cash Generated From Operations</b>	<b>(776.67)</b>	<b>(127.68)</b>
Direct Taxes Paid	(82.20)	(14.22)
<b>Net Cash Flow From / (Used In) Operating Activities</b>	<b>(858.87)</b>	<b>(141.90)</b>
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of PPE, Intangible Assets and Investment Property	(7.16)	-
Proceeds from Sale of PPE, Intangible Assets	0.03	(0.05)
Purchase of Non Current Investments - Fellow Subsidiaries	-	(38.00)
Purchase of Non Current Investments - Subsidiaries	-	(0.08)
Maturities / (Purchase) of FDs/MMDs (Net)	323.15	(82.18)
Dividend Income received	5.11	10.68
Interest Income Received	289.62	130.88
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>610.75</b>	<b>23.35</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Interest Paid	-	(1.93)
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>-</b>	<b>(1.93)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(248.12)</b>	<b>(120.48)</b>
Cash and Cash Equivalents at the beginning of the year	409.84	530.32
Cash and Cash Equivalents at the end of the year	<b>161.72</b>	<b>409.84</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	0.60	0.19
Balances with Banks		
-On Current Accounts	161.12	409.65
<b>Cash and cash Equivalent (as per Note 9)</b>	<b>161.72</b>	<b>409.84</b>

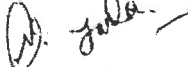
Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.  
For the year ended March 31, 2020

Interest and other Financial Charges accrued and Paid for the year	-
<b>Total</b>	-
<b>Total Movement</b>	-
<b>Non Cash Changes :</b>	-
<b>Changes in Financing Cash flows</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 Statements.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.  
For Neeraj Jawa & Associates  
Chartered Accountant  
Firm Registration No. 031528N

  
CA Neeraj Jawa  
Partner  
Membership No. 542114

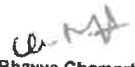


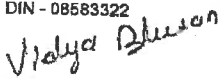
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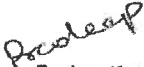
Place: Hyderabad  
Date: December 14, 2020

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

  
Arun Kumar Sangaraju  
Whole Time Director  
DIN - 08199067

  
Bhavya Chamarthi  
Director  
DIN - 08583322

  
Vidya Bhusan  
Company Secretary  
Membership No. A60226

  
Pradeep Kumar Verma  
Chief Financial Officer

Place: Hyderabad  
Date: December 14, 2020

Certified True Copy  
For National Energy Trading And Services Limited

  
Vidya Bhusan  
Authorised Signatory





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

Equity Attributable to the Owners of the Company

Rs. Lakhs

a. Equity Share Capital

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

b. Other Equity

Particulars	Reserves and Surplus	Items of Other comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Defined Benefit Plans	
Balance as at 01.04.2018	5,420.24	(7.07)	5,413.17
Profit for the year	(929.78)	-	(929.78)
Other Comprehensive Income after tax for the Period	-	(4.26)	(4.26)
Balance as at 31.03.2019	4,490.46	(11.33)	4,479.13
Current year profit	68.48	-	68.48
Other Comprehensive Income after tax for the Period	-	(1.83)	(1.83)
Balance as at 31.03.2020	4,558.94	(13.18)	4,545.77

As per our report of even date.

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

GA Neeraj Jawla  
Partner  
Membership No. 542114

UDIN :- 20542114AAAA7864

Place: Hyderabad  
Date: December 14, 2020

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

Arun Kumar Sangaraju  
Whole Time Director  
DIN - 08199067

Bhavya Chamarthi  
Director  
DIN - 08583322

Pradeep Kumar Verma  
Chief Financial Officer

Vidya Bhusan  
Company Secretary  
Membership No. A60226

Place: Hyderabad  
Date: December 14, 2020

Certified True Copy

For National Energy Trading And Services Limited

Vidya Bhusan  
Authorised Signatory



## National Energy Trading and Services Limited

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

### 1. Corporate Information

National Energy Trading and Services Limited (The Company) is a wholly owned subsidiary of Dikon Infratech Private Limited (DIPL) is engaged in the business of trading of energy and solar panels and related material. The company holds a Category-I Power Trading License issued by the Hon'ble Central Electricity Regulatory Commission. It sources power from Generators (both internal and external), Distribution Companies, Public and Private sector power utilities and supplies to Public/Private sector Electric utilities, Distribution Companies, Industrial consumers and State Electricity Boards among others. The Company also trades power on the Indian Energy Exchange and Power Exchange of India Limited.

### 2. Basis of preparation

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

#### (i) Compliance with Ind AS

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

#### (ii) Historical cost convention

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

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

#### (iii) Recent accounting pronouncement-

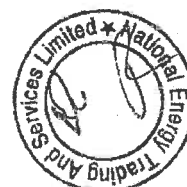
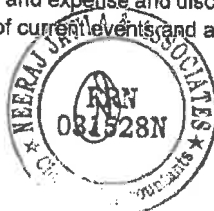
##### Adoption of new and revised standards

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

### 2.1 Summary of significant accounting policies

#### i. Significant Accounting Estimates and Judgments

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



## National Energy Trading and Services Limited

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

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

### ***Use of estimation and assumptions***

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

### ***Income tax***

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

### ***Property, plant and equipment & Intangible Assets***

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

As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is disclosed in Note 2.11, and useful lives is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

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

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

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

#### ***Impairment of Property Plant & Equipment***

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

#### ***Service concession arrangements (SCA)***

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

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

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



## National Energy Trading and Services Limited

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

### Uncertainties resulting from global pandemic COVID-19

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

### Expected credit loss

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

## II. **Property, Plant and Equipment**

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

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

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

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

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

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

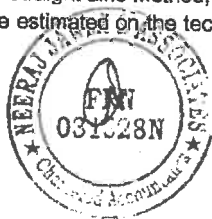
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

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

### **Depreciation**

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



## National Energy Trading and Services Limited

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

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

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

### III. Intangible Assets

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

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

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

#### *Other Intangible assets*

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

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

### IV. Financial Assets

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

#### *Initial recognition:*

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

#### *Subsequent Measurement:*

##### **(i) Financial assets measured at amortised cost:**

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

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

- Trade receivable
- Cash and cash equivalents
- Other Financial Assets



## National Energy Trading and Services Limited

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

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

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

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

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

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

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

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

### Impairment of Financial Assets:

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

#### (i) Trade Receivables

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

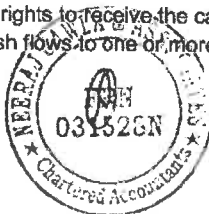
#### (ii) Other financial assets

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

### De-recognition of financial assets

A financial asset is derecognized only when:

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



## National Energy Trading and Services Limited

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

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

### V. Impairment of Non-Financial Assets

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

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

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

### VI. Inventories

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

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

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

### VII. Cash and Cash equivalents

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

### VIII. Share Capital

Equity shares are classified as equity.

### IX. Financial Liabilities

#### *Initial recognition and measurement*

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

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



## National Energy Trading and Services Limited

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

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

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

#### **Financial liabilities at fair value through profit or loss**

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

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

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

#### **Other financial liabilities**

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

#### **De recognition**

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

## **X. Employee Benefits**

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





## National Energy Trading and Services Limited

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

### XI. Income Taxes

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

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

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

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

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

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

### XII. Provisions , Contingent Liabilities and Contingent Assets

#### *Provisions*

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

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

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

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



**National Energy Trading and Services Limited**

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

**Contingent Liabilities**

Contingent liability is disclosed in case of

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

**Contingent Assets**

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

**XIII. Fair Value Measurements**

Company uses the following hierarchy when determining fair values:

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

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

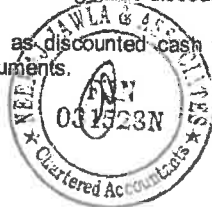
Level 3 – Inputs for the asset or liability that are not based on observable market data.

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

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

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

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



## National Energy Trading and Services Limited

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

### XIV. Revenue Recognition

The company derives revenues primarily from business of Power Trading. The company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

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

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

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

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

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

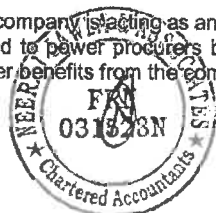
The company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

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

### Trading of power and solar modules

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



**National Energy Trading and Services Limited**

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

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

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

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

**Income from Services**

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

**Interest**

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

**Dividends**

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

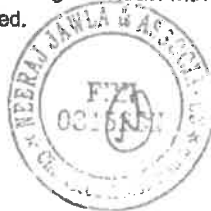
**XV. Contract Balances**

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

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

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

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



## National Energy Trading and Services Limited

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

### XVI. Minimum Alternative Tax (MAT)

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

### XVII. Earnings per Share

Basic earnings per share are calculated by dividing:

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

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

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

### XVIII. Segmental Reporting

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

### XIX. Rounding of amounts

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



3 Property, Plant and Equipment

Rs. Lakhs

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

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



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

4 Non Current Investments

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	<u>No. Lakhs</u>	<u>No. Lakhs</u>	<u>Rs. Lakhs</u>	<u>Rs. Lakhs</u>
I Investment at Cost				
A Un-Quoted				
Investment in Equity Shares				
(i) Investment in Subsidiary Companies				
Lanco Operation and Maintenance company Limited (Equity Shares of Rs 10 each)	5.005	5.005	50.05	50.05
Sub Total			50.05	50.05
(ii) Investment in Fellow Subsidiaries Companies				
Lanco Solar Energy Private Limited (Equity Shares of Rs 10 each)	776.36	776.36	9,981.76	9,981.76
Total Equity Investment At Cost (a)			10,011.81	10,011.81
(iii) Investments in Preference Shares				
0.001% CCPS Preference Shares in Pragdisa Power Private Limited (Refer Note no. 28(a))		106.50	1,065.00	1,065.00
Total Preference Investment At Cost (b)			1,065.00	1,065.00
Less: Allowance for impairment in the value of Investments (c)			(1,065.00)	(1,065.00)
Total Non Current Investments (Net of provision) (a+b+c)			10,011.81	10,011.81
Total Current Investments			-	-
Aggregate amount of impairment in value of Investments			-	-
Total Current Investments (Net of provision)			-	-



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5 Trade Receivables

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

6 Loans

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

7 Other Financial Assets

		Rs. Lakhs Current	
		As at March 31, 2020	As at March 31, 2019
Loans and Advances to Employees		4.29	2.52
Interest Accrued on Deposits		-	110.09
Others Assets		-	1.61
<b>Total</b>		<b>4.29</b>	<b>114.22</b>

8 Other Assets

		Rs. Lakhs Current	
		As at March 31, 2020	As at March 31, 2019
Prepaid Expense		11.70	9.14
Goods and Services Tax Credit Receivables		12.35	41.94
<b>Total</b>		<b>24.05</b>	<b>51.08</b>

9 Cash and Cash Equivalents

		Rs. Lakhs	
		As at March 31, 2020	As at March 31, 2019
Cash on Hand		0.60	0.19
Balances with Banks			
-On Current Accounts		161.12	409.65
		<b>161.72</b>	<b>409.84</b>

10 Bank Balances

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

11 Tax Assets (Net)

		Rs. Lakhs Current	
		As at March 31, 2020	As at March 31, 2019
Advance Tax (Net of Provision for Tax)		42.45	39.03
		<b>42.45</b>	<b>39.03</b>





12 Equity Share Capital

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

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

	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	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	<u>365.29</u>	<u>3,652.94</u>	<u>365.29</u>	<u>3,652.94</u>

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

The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

12.3 Shares held by holding company

	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	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 Pvt Ltd (Holding Company from 17.09.2019) *	365.29	3,652.90	365.29	3,652.90

\* Lanco Infratech Limited was holding Company till 17.09.2019

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

	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	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 Pvt Ltd</b>	365.29	100.00%	365.29	100.00%

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



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

13 Trade payables

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

Rs. Lakhs	
Current	
As at March 31, 2020	As at March 31, 2019
2,602.05	8,504.56
<b>2,602.05</b>	<b>8,504.56</b>

14 Other financial liabilities

Salaries and other benefits Payable  
\*Other Payables

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

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

15 Provisions

	Long Term	
	As at March 31, 2020	As at March 31, 2019
Provision for Leave Encashment	19.24	15.35
Provision for Gratuity	29.00	20.13
	<b>48.24</b>	<b>35.48</b>

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

16 Deferred Tax Liability / (Asset) - Net

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

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

Deferred Tax Liability / (Asset) - Net

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

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

17 Other liabilities

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

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

18 Tax Liabilities (Net)

Provision for Taxation (Net of Advance taxes)

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



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

19 Revenue From Operations	Rs. Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of Products</b>		
Electrical Energy (Refer note no.29)	9,292.03	22,935.54
	<u>9,292.03</u>	<u>22,935.54</u>
<b>20 Other Income</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest Income on</b>		
Deposits and Margin money	51.74	60.50
Inter Corporate Loans	127.79	127.79
Others	0.03	5.17
<b>Dividend Income on</b>		
Current Investments	5.11	10.68
Miscellaneous Income	0.40	0.10
	<u>185.07</u>	<u>204.24</u>
<b>21 Purchase of stock-in-trade</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
Power Purchase (Refer note no.29)	9,105.78	22,623.11
	<u>9,105.78</u>	<u>22,623.11</u>
<b>22 Employee Benefits Expenses</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, allowances and benefits to employees	266.84	222.63
Contribution to provident fund and other funds	14.23	3.45
Recruitment and training	0.39	0.40
Staff welfare expenses	9.54	5.45
	<u>291.00</u>	<u>231.93</u>
<b>23 Finance Cost</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	-	0.06
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	-	1.87
	<u>-</u>	<u>1.93</u>
<b>24 Depreciation And Amortization Expense</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on PPE	0.21	0.22
	<u>0.21</u>	<u>0.22</u>
<b>25 Other Expenses</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	1.83	5.87
Rates and taxes	41.08	41.11
Office maintenance	23.29	5.75
Insurance	0.51	0.22
Printing and stationery	1.69	0.71
Consultancy and other professional charges	21.33	27.51
Directors sitting fee	4.72	-
Net Loss on Fair valuation of Financial assets & liabilities	-	0.25
Remuneration to auditors (As Auditor):		
Audit Fee	1.78	5.90
ICFR fees	-	1.18
Travelling and conveyance	13.60	2.95
Communication expenses	1.14	1.34
Net Loss on Sale/ Write off of fixed assets	0.86	-
Business Promotion and Advertisement	0.97	0.10
Miscellaneous expenses	6.30	7.51
	<u>119.10</u>	<u>100.40</u>
<b>26 Other Comprehensive Income</b>		
		Rs. Lakhs
	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans:	(1.83)	(4.26)
	<u>(1.83)</u>	<u>(4.26)</u>



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

27 Exceptional Items

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

28 Earning Per Share (EPS)

		Rs. Lakhs	
		March 31, 2020	March 31, 2019
<b>Total Operations for the year</b>			
Profit / (Loss) attributable to Equity Holders	(A)	68.47	(929.78)
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)	0.19	(2.65)
Diluted	(A) / (C)	0.19	(2.55)

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

30 Employee Benefits

Defined Benefit Plans

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

		Rs. Lakhs	
		Gratuity	
		March 31, 2020	March 31, 2019
<b>Net Employee benefit expense recognized in the employee cost in statement of profit &amp; loss account</b>			
Current service cost		3.49	4.16
Interest cost on benefit obligation		1.58	2.54
Sub Total		5.07	6.70
<b>Recognised in Other Comprehensive Income</b>			
Net actuarial (gain)/loss recognized in the year			
i. Financial Assumptions on obligation			
ii. Experience Adjustments on obligation		4.19	0.87
Sub Total		(2.36)	3.39
Net benefit expense		1.83	4.26
		6.90	10.96
<b>Balance Sheet</b>			
<b>Benefit asset / liability</b>			
Present value of defined benefit obligation			
Assets / (Liability) recognized in the balance sheet		31.85	24.93
		(31.85)	(24.93)
<b>Change in the present value of the defined benefit obligation</b>			
Opening defined benefit obligation			
Benefit transferred in		24.93	35.77
Benefits paid		6.32	
		(8.30)	(21.81)
<b>Expenses Recognised in Statement of Profit and Loss Account</b>			
Current service cost		3.49	4.16
Interest cost on benefit obligation		1.58	2.54
Recognised In Other Comprehensive Income			
Actuarial (gain)/loss on obligation		1.83	4.26
Closing defined benefit obligation:		31.85	24.93
<b>Assumptions</b>			
Discount Rate (%)			
Attrition Rate%		6.50%	7.00%
Expected rate of salary increase (%)		10.00%	20.00%
Expected Average Remaining Service (years)		8.00%	8.00%
Expected Average Remaining Service/mortality and withdrawal (years)		24.05	23.84
		6.53	6.06

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



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

	Present value of Defined benefit obligation	Surplus / (deficit)	Rs. Lakhs Experience adjustments on plan liabilities
March 31, 2020	31.85	(31.85)	(1.26)
March 31, 2019	24.93	(24.93)	3.39
March 31, 2018	35.77	(35.77)	(10.81)
March 31, 2017	21.39	(21.39)	2.12
March 31, 2016	9.94	(9.94)	(2.35)

**Sensitivity analysis of the defined benefit obligation**

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

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

**Defined Contribution Plans**

In respect of the defined contribution plan (Provident fund), an amount of Rs. 9.18 Lakhs (Previous year : Rs 7.40 Lakhs) has been recognized as expenditure in the Statement of Profit and Loss.

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

	Rs. Lakhs	
	March 31, 2020	March 31, 2019
<b>i Claims against the company not accepted by the company</b>		
- Amount withheld by Tamil Nadu Generation and Distribution Corporation towards compensation*	600.00	600.00

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

ii Rajasthan Discoms Power Procurement Centre (RDPPC) has raised compensation bills amounting Rs.165 lakhs for short supply of power for the months of Feb 2011, April 2011 & May 2011. Against that RDPPC has adjusted EMD Rs.60 lakhs and also filed a petition before Rajasthan Electricity Regulatory Commission (RERC) for recovery of balance amount of Rs.108 lakhs. On 14.12.2016, RERC passed order against the Company. The Company filed an appeal before APTEL against RERC order, the same has been admitted and APTEL granted the stay on the RERC order for payment of sum of Rs.108 lakhs. The matter is pending for further hearing.

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

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

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

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

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

34 The company has made investment in M/s Lanco Solar Energy Private Limited (LSEPL). Pursuant to Initiation of Corporation Insolvency Resolution Process ("CIRP") in LSEPL, in June 2019, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the Resolution professional ("RP") is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the Committee of Creditor ("CoC") and the NCLT. The CIRP is not yet concluded and hence, the final-outcome is yet to be ascertained. Pending outcome of resolution process no adjustments has been made towards the carrying value of the Company's Investment in LSEPL amounting to Rs.9,861.76 Lakhs as at March 31, 2020 in the accompanying financial statements.

**35 Segment Reporting**

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



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

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

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



National Energy Trading and Services Limited

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

Rs. Lakhs

Nature of Transaction	For the year ended March 31, 2020									
	Parent Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
<b>Income</b>										
Interest Received on Intercorporate Loans					LPL*	127.79				
<b>Expense</b>										
Management Consultancy Fees										
Managerial Remuneration (from 01.02.2020)							Ms. Priya Bandhavi	4.00		
Managerial Remuneration (till 17.08.2019)							Mr. Naval Kishore	16.99		
Post Employment Benefits (till 17.08.2019)							Mr. Naval Kishore	11.11		
<b>Period End Balances</b>										
<b>Payables</b>										
Other Payables	DIPL #	925.00								
Other Payables					MPPL	0.11				
* Related Party till 17.09.2019										
# Related Party from 17.09.2019										

Nature of Transaction	For the year ended March 31, 2019									
	Parent Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel		Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the company	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
<b>Income</b>										
Interest Received on Intercorporate Loans					LPL	127.79				
Electricity Transmission Services									LAnPL	258.57
Commission & Brokerage									LAnPL	54.25
Liabilities no longer required written back									LAnPL	23.75
<b>Expense</b>										
Purchase of Goods/Power (Net of Rebate)									LAnPL	23,424.54
Contract Services/ Shared Services Availed	LITL	5.03								
Rent Paid	LITL	5.87								
Management Consultancy Fees					MPPL	17.70				
Managerial Remuneration							Mr. Naval Kishore	25.71		
Short Term Employee Benefits							Mr. Naval Kishore	2.14		
Post Employment Benefits							Mr. Naval Kishore	0.58		
Bad Debts Written Off	LITL	27.94								
<b>Other Transactions</b>										
Purchase / (Sale) of Shares					DPPL	36.00				
Purchase of Printer					LAPL	0.05				
Loan given during the year			LOMCL	9.00						
Expenditure incurred by Company on Behalf of Related Parties - Reimbursed									LAnPL	2.43
<b>Period End Balances</b>										
<b>Payables</b>										
Trade Payables									LKPL	1,951.82
									LAnPL	4,996.85
Other Payables					MPPL	16.20				
					LAPL	0.05				
					LSEPL	211.21				
Security Deposit Payable									LAnPL	3,318.00
<b>Receivables</b>										
Loans Receivable ICD			LOMCL	9.00	LPL	983.00				
Other Receivables - Interest receivable on ICD					LPL	103.30				
Other Receivables			LOMCL	0.02	LBPL	1.50				
					LMHEPL	0.06				
					LVTPL	0.02				
Investments									PPPL	1,065.00



### 37 Financial Risk Management Objectives and Policies

#### a. Capital Management

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

#### b. Financial Risk Management Framework

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

#### Risk Exposures and Responses

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

##### i. Credit risk

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

##### Credit risk management

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

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

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

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

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

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

##### Provision for expected credit losses

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

Reporting period	Gross carrying amount at default	Expected credit losses	Rs. Lakhs Net Carrying amount
As at 31 March 2020	60.00	60.00	-
As at 31 March 2019	60.00	60.00	-
As at 31 March 2018	60.00	60.00	-

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





**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>31 March 2020</b>		
Trade Payables & Other Financial Liabilities	502.90	5,186.07
<b>Total</b>	<b>502.90</b>	<b>5,186.07</b>
<b>31 March 2019</b>		
Trade Payables & Other Financial Liabilities	8,689.94	3,197.72
<b>Total</b>	<b>8,689.94</b>	<b>3,197.72</b>

**c. Financial instruments by category**

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

Particulars	Rs. Lakhs
	March 31, 2020
<b>Amortised Cost</b>	
<b>Financial assets</b>	
Investments	
Equity Shares	
Trade receivables and unbilled receivables	10,011.81
Loans	36.16
Cash and cash equivalents	4,283.03
Bank Balances	161.72
Other Financial Assets	515.83
<b>Total</b>	<b>4.29</b>
	<b>15,012.84</b>
<b>Financial liabilities</b>	
Trade payables	2,602.05
Other Financial Liabilities	3,086.91
<b>Total</b>	<b>5,688.96</b>
	<b>5,688.96</b>
<b>Rs. Lakhs</b>	
<b>March 31, 2019</b>	
<b>Amortised Cost</b>	
<b>Financial assets</b>	
Investments	
Equity Shares	
Trade receivables and unbilled receivables	10,011.81
Loans	4,402.94
Cash and cash equivalents	4,388.08
Bank Balances	409.84
Other Financial Assets	838.99
<b>Total</b>	<b>114.21</b>
	<b>20,165.87</b>
<b>Financial liabilities</b>	
Trade payables	8,504.56
Other Financial Liabilities	3,390.54
<b>Total</b>	<b>11,895.10</b>
	<b>11,895.10</b>

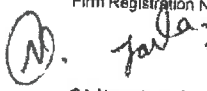


National Energy Trading and Services Limited  
Notes and other explanatory information to financial statements for the year ended March 31, 2020

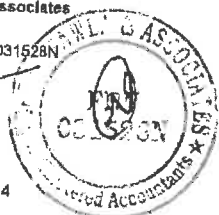
- 38 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises  
Based on information available with the company, no amount is due under Micro, Small and Medium Enterprises Development Act, 2006.
- 39 Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.
- 40 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in lakhs and rounded off to two decimals. The amounts below thousand are appearing as zero.

As per our report of even date.

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



CA Neeraj Jawla  
Partner  
Membership No. 542114



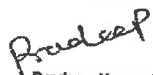
UDIN :- 90542114AAAAEA7864

Place: Hyderabad  
Date: December 14, 2020

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



Arun Kumar Sangaraju  
Whole Time Director  
DIN - 08199067

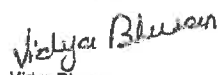


Pradeep Kumar Verma  
Chief Financial Officer

Place: Hyderabad  
Date: December 14, 2020



Bhavya Chamarthi  
Director  
DIN - 08583322



Vidya Bhushan  
Company Secretary  
Membership No. A60226



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Certified True Copy

For National Energy Trading And Services Limited

  
Authorised Signatory

MEMORANDUM  
AND ARTICLES OF  
ASSOCIATION  
OF

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**NATIONAL ENERGY TRADING AND SERVICES LIMITED**

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Certified True Copy

For National Energy Trading And Services Limited

*Vidya Bhusan*  
Authorized Signatory



Company No. 01-33791



**Certificate of Commencement of Business.**

Pursuant of section 143 (3) of the Companies Act, 1956.

I hereby certify that the LANCO ELECTRIC UTILITY LIMITED

which was incorporated under the Companies Act, 1956, on the 6th  
day of MARCH, 2000 and which has this day filed a duly verified  
declaration in this prescribed form that the conditions of section 149 (1) (a) to  
(d)/149 (2) (a) to (c) of the said Act, have been complied with is entitled to  
commence business.

Given under my hand at Hyderabad this 27th day of MARCH  
~~IN WITNESS WHEREOF I HAVE SIGNED~~ TWO THOUSAND



  
(S.R.V.V. SATYANARAYANA)  
DEPUTY REGISTRAR OF COMPANIES  
ANDHRA PRADESH, HYDERABAD

Certified True Copy

For National Energy Trading And Services Limited



Authorized Signatory



प्राप्त आई आर  
Form I  
[See Regulation 16(1)]  
निगम का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

क्र. ०१:-..... का सं. ....  
33791 1999 - 2000  
No. ०१:-..... of 20 .....

मैं एताद्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम, 1956 के अधीन निगमित की गई है यह कम्पनी परिमित है ।

I hereby certify that **LANCO ELECTRIC UTILITY LIMITED**

is this day incorporated under the Companies Act, 1956 \* (and that the Company is limited.)

ये हस्ताक्षर से आज का..... को दिया गया ।

Given under my hand at.....**HYDERABAD**..... this **SIXTH**.....

day of **MARCH**..... Two thousand and.....  
(SIXTEENTH PHALGUNA, 1921 SAKA)

Seal  
जे.एस.सी.  
J.S.C-1



\* TO BE OMITTED IN RESPECT OF UNLIMITED COMPANY

*(Signature)*  
(**SRVV. SATYANARAYANA**)  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies  
Andhra Pradesh  
Hyderabad  
Dy.

Certified True Copy

For National Energy Trading And Services Limited

*(Signature)*  
Authorized Signatory



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, आंध्र प्रदेश

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U40109AP2000PLC033791

गैरर्स LANCO ELECTRIC UTILITY LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि गैरर्स  
LANCO ELECTRIC UTILITY LIMITED

जो मूल रूप में दिनांक छठ मार्च को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत गैरर्स  
LANCO Electric Utility Limited

के रूप में निर्मागत की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा  
लिखित रूप में यह सूचित करके की उरो भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य  
विभाग, नई दिल्ली की अधिरूचना सं. सा. का. नि. 607 (अ) दिनांक 24.6.1985 एन.आर.एन. A73181687 दिनांक 14/12/2009 के द्वारा  
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में गैरर्स  
LANCO Power Trading Limited

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा हैदराबाद में आज दिनांक चौदह दिसम्बर दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Andhra Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U40109AP2000PLC033791

In the matter of M/s LANCO ELECTRIC UTILITY LIMITED

I hereby certify that LANCO ELECTRIC UTILITY LIMITED which was originally incorporated on Sixth day of March  
Two Thousand under the Companies Act, 1956 (No. 1 of 1956) as LANCO Electric Utility Limited having duly  
passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central  
Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read  
with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated  
24/06/1985 vide SRN A73181687 dated 14/12/2009 the name of the said company is this day changed to LANCO  
Power Trading Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Hyderabad this Fourteenth day of December Two Thousand Nine.



(SHASHI RAJ DARA)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies  
आंध्र प्रदेश  
Andhra Pradesh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :  
Mailing Address as per record available in Registrar of Companies office:  
LANCO Power Trading Limited  
PLOT NO.4, SOFTWARE UNITS LAYOUT,HITEC CITY, MADHAPUR,  
HYDERABAD - 500081,  
Andhra Pradesh, INDIA

Certified True Copy

For National Energy Trading And Services Limited

Vidya Bhanu  
Authorized Signatory

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, आंध्र प्रदेश

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U40109AP2000PLC033791

मैसर्स LANCO Power Trading Limited

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
LANCO Power Trading Limited

जो मूल रूप में दिनांक छह मार्च को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
LANCO Electric Utility Limited

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. नि. 507 (अ) दिनांक 24.6.1985 एस्.आर्.एन A92355403 दिनांक 02/09/2010 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
NATIONAL ENERGY TRADING AND SERVICES LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा हैदराबाद में आज दिनांक दो सितम्बर दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Andhra Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U40109AP2000PLC033791

In the matter of M/s LANCO Power Trading Limited

I hereby certify that LANCO Power Trading Limited which was originally incorporated on Sixth day of March Two Thousand under the Companies Act, 1956 (No. 1 of 1956) as LANCO Electric Utility Limited having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A92355403 dated 02/09/2010 the name of the said company is this day changed to NATIONAL ENERGY TRADING AND SERVICES LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Hyderabad this Second day of September Two Thousand Ten



(SHRIRAM MOTIRAM SAINDANE)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

आंध्र प्रदेश

Andhra Pradesh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

NATIONAL ENERGY TRADING AND SERVICES LIMITED

PLOT NO.4, SOFTWARE UNITS LAYOUT,HITEC CITY, MADHAPUR, Hyd - 50

HYDRABAD, 500008

Certified True Copy

For National Energy Trading And Services Limited

Vidya Bhushan  
Authorized Signatory



सत्यमेव जयते

**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**

Registrar of companies, Hyderabad  
2nd Floor, CPWD Building Kendriya Sadan, Hyderabad, Telangana, India, 500195

Corporate Identity Number: U10100TG2000PLC033791

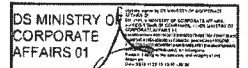
**SECTION 13(1) OF THE COMPANIES ACT, 2013**

**Certificate of Registration of the Special Resolution Confirming Alteration of  
Object Clause(s)**

The shareholders of M/s NATIONAL ENERGY TRADING AND SERVICES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 27-09-2019 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Hyderabad this Twenty second day of November Two thousand nineteen.



V E JOSEKUTTY

Registrar of Companies  
RoC - Hyderabad

Mailing Address as per record available in Registrar of Companies office:

NATIONAL ENERGY TRADING AND SERVICES LIMITED

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



Certified True Copy

For National Energy Trading And Services Limited

*Vidya Bhushan*  
Authorized Signatory



INCORPORATED UNDER THE COMPANIES ACT, 1956

(1 OF 1956)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

NATIONAL ENERGY TRADING AND SERVICES LIMITED

- |       |  |  |
|-------|--|--|
| 1.    | The name of the Company is<br><b>NATIONAL ENERGY TRADING AND SERVICES LIMITED</b>  | Name of the<br>Company   |
| 2.    | The Registered Office of the Company will be situated in the State of<br>Telangana   | Registered<br>Office   |
| 3 (a) | <b>The objects to be pursued by the Company on its incorporation are:</b>  |  |
| 1     | To carry on the business in power, coal, gas, diesel, solar panels, solar cells, solar wafers, solar modules/devices, solar module mounting structures, invertors, cables, all types of equipments and machineries including by-products, spares or accessories and other materials required in generation of renewable and non-renewable energy, hydrocarbon sources of energy and other fuels as, Trader, distributor, accumulator, supplier, purchaser/buyer, seller, reseller, transmitter, liaisoner, consultant, advisor, agent, sub agent, contractor, sub-contractor, broker, shipper, franchiser, collaborator, stockist, producer, generator, developer, importer, exporter, transporter, dealer within India and/or with other countries and energy generated either by Hydro, Thermal using oils, gases, coal, coal rejects, fuel oil, naptha, Liquified Natural Gas, raw petroleum stock or any other fuel, solid, liquid or gas whether found in natural state or obtained by processing from other substances and renewable energy sources, its transmission, distribution and to supply to Central/State Governments/ Corporate Bodies/ Electricity Boards/ Statutory Bodies/ Local Authorities/ Industries, Societies, groups, individuals or consumers and to do all incidental acts, things and deeds as may be necessary for attainment of the forgoing objects. | Trading of<br>Power,<br>coal, gas,<br>diesel,<br>solar<br>panels,<br>cells,<br>wafers,<br>modules,<br>machineri<br>es,<br>equipmen<br>ts,<br>spares,<br>accessori<br>es &<br>other<br>fuels, |

Certified True Copy

For National Energy Trading And Services Limited

*Vidya Bhushan*  
Authorized Signatory

2. To construct, establish, erect, operate, maintain, manage Power Stations comprising of Boiler Houses, Steam Turbines, Gas Turbines, Diesel Generators, Switch Yards, Transformer Yards, Sub-stations, tie lines, Transmission Lines, Accumulators, Workshops; Dams, Reservoirs, etc., required for Hydro Projects, and all such other works necessary for Distribution of Power, Energy and Hydrocarbon sources of energy, including taking on lease mining, purchase of mines, mining rights, mining grounds and any grants, concessions and easements or other property in India or elsewhere in the World, necessary or convenient for the advantageous possession of lands or any interest therein and to quarry mine dress, reduce extract, calcinate, smelt, refine, manufacture, process or otherwise generally dealing in minerals, other natural oils, petroleum, all other forms of solid, liquid and gaseous hydrocarbons and other minerals and their products, by-products and to provide the same to Central/State Governments/ Corporate Bodies/ Electricity Boards/ Statutory Bodies/ Local Authorities/ Industries, Societies, groups or individuals and any other consumers of Power, Energy and Fuels, Hydrocarbon sources of energy and to do all incidental acts, things and deeds as may be necessary for attainment of the forgoing objects.
 

To construct, build, establish etc., of Energy allied activities
  
3. To carry on the business for the purpose of sale, purchase, trade, consumption, import, export, transport, deal, develop, exchange or on lease, hire or otherwise acquire lands, mines, factory, buildings, mills, houses, cottages, shops, depots, warehouses, machinery, plant, stock, stock-in-trade, mining rights/ licenses in India or elsewhere in the World and to takeover, merge, amalgamate, acquire, hold, or to provide technical, financial assistance/support for all types of power or energy based companies including companies operating in Engineering, procurement & construction, Operation & Maintenance, import of fuels, coal mine/ coalfield, mining of coal and to facilitate transportation by sea or land, loading & unloading of coal etc., for the purpose of entering into Energy purchase agreements and for trading of all types of Energy, along with Generation, Transmission and Distribution of such Energy and to do all incidental acts, things and deeds as may be necessary for attainment of the forgoing objects.
 

To carry on Sources of Energy related business & support services
  
4. To carry on the refurnishing, renovating, reconditioning of old power plants and to acquire licences for construction, operation, maintenance, purchase, distribution and sale of Electric Power for all purposes and to execute deeds, documents as may be expedient.
  
5. *"5A. To establish and carry on in India or elsewhere the business of prospecting, exploring, operating and working on mines, quarries and to win, set, crush, smelt, manufacture, process, excavate, dig, break, acquire, develop, exercise, turn to account, survey, produce, prepare, remove, undertake, barter, convert, finish, load, unload, handle, transport, buy sell, import, export, supply, and to act as agent, broker, stockiest, distributor, consultant, contractor, manager, operator or otherwise to deal in all sorts of present and future silicon, Quartz, Bentonite, laterite, all varieties of Feldspar, all varieties of ferro alloys, brass, ores, minerals, deposits, goods, oils, substances & materials, including sands, stones, and soils, chalk, clay, china clay, betonies, broils, calcite and coal, lignite, rock phosphat, brimstone, brine, bauxite, limestone, precious and other stones, gold, silver, diamonds, iron, aluminum, titanium, vanadium, mica, apalite, chrome, copper, gypsum, rutile, sulphate, tin, zinc, zircon, tungsten, and other allied materials, by products, mixtures, blends, residues and substances, and to do all incidental acts and things necessary for the attainment of the objects under these presents and to search, survey, discover and find out and the acquire by concession, grant, purchase, barter, lease,*

license, degrees & tenders the allotment or otherwise of land or water area from government, semi-government, local authorities, private bodies, corporations and other persons, such rights, powers, and privileges whatsoever for obtaining mines, open cast mines, bucket mines, quarries, deposits, etc. for the accomplishment of the above objects and manufacture, buy & sell, import & export, deal, trade in machineries, appliances and accessories required for the production of minerals and other products to buy & sell, hold stocks of minerals, enter into agreement of understanding to function as stockiest, commission agents or brokers for the above mentioned items and to act as technical consultants in connection with the above objects and to render technical know-how services in connection with the above services and to design, fabricate and manufacture plant and machinery, equipment, accessories, apparatus, machine parts and machinery required in minerals and Allied Industries.

**5B.** To carry on the business of designers, developers, manufacturers, producers, fabricators, assemblers, merchants, dealers, exporters, importers, sellers, resellers, hirers, installers and repairers of all types of irrigation equipment, irrigation systems, micro-irrigation systems, sprinklers, popups, rain spray, valves and control equipments, hydro rain, Biwall and fittings, controllers, Drip emitters of all types and drip irrigation systems, fertilizer, injection pumps, sand filters, screen filters, fittings, L.D. Polyethylene tubing, Pressure gauges and adapters, sand separators, spray nozzles, sprinklers, tensiometers, hydraulic valves, solenoid valves, solenoid anti-contamination valves and solenoid pressure reducing valves, fertilizer applicators, agricultural implements, tools, pumps, drilling equipments, casting tubes, manures, plant protection equipments, cold storage and refrigeration systems and to develop, design, produce, process and fabricate, accessories, components, implements, spare parts required for irrigation services and sink wells, construct dams, bandhs, culverts, cisterns, reservoir and filter beds and to provide main and other pipes and appliances and to carry on the business of manufacturers, traders, dealers, import and export agency, stockist for various raw materials, processing systems, machines that may be required in accomplishing this objective.

**5C.** To carry on the business as promoters, developers, engineers, surveyors, contractors, builders, real estate brokers and managers of and to purchase, sell, resell, give or take on lease or rent, lay out, develop, construct, build, erect, demolish, re-erect, alter, repair, remodel of commercial, industrial premises and residential houses of every type, housing societies, flat schemes, apartments, commercial buildings, offices, factories, warehouses, shops, godowns, farm houses, markets, schools, hotels, motels, theatres, hospitals, recreation centers, and to undertake all types of contracts entailing Build Operate Transfer (BOT) or Build Operate Lease Transfer (BOLT) of roadways, national highways, bridges, flyovers, airways, foot-over ways, rope-ways, Cable Cars, sewers, canals, docks, wells, springs, dams, racecourses, water courses and reservoirs, tunnels, Electrical works, earth works, drains, sewage, light houses, towers, transmission towers, pipelines, underground cables, railway tracks, railway sidings, runway ship yards, stock yards, culverts, channels whether on turnkey basis or on labour contracts, reclamation, water parks, irrigation schemes, entertainment complex, industrial complexes, harbors, power plants, reservoirs, embankments and/or of construction, structural work of any kind whatsoever in India or abroad and for that purpose to acquire, purchase assets, liabilities, shares of any company, firm, corporation engaged in similar business and to develop land, buildings and other properties and to generate electrical power by conventional, non-conventional methods including Solar, wind, Hydel, natural gas, geothermal, geo-hydel, tidal waves, biogas, biological and carry on all or any of the business of producers, suppliers, distributors, transformers, converters, transmitters, processors, developers, storers, procurers, carriers, and dealers in electricity, all forms of energy,

*including captive consumption, and any such products and by-products derived from such business including without limitation, steam, fuels, ash, conversion of ash to bricks and any products derived from or connected with any other form of energy and to carry on the business of manufacturers, traders, dealers, import and export agency, stockist for various raw materials, processing systems, machines that may be required in accomplishing this objective.*

*5D. To purchase, acquire, take on lease or in exchange or in any other lawful manner, any area, land, buildings, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings, residential and commercial or conveniences thereon and to equip the same or part thereof with all or any amenities or conveniences, drainage facility, electric, telephonic, television installations and to deal with the same in any manner whatsoever and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others and to carry on the business of manufacturers, traders, dealers, import and export agency, stockist for various raw materials, processing systems, machines that may be required in accomplishing this objective."*

**(b). Matters which are necessary for furtherance of the objects specified in clause 3(a) are:**

1. To arrange, secure and make available to its subsidiary and other concerned organizations such facilities, resources, inputs and services as may be required.
2. To enter into any arrangement with the Government of India or with any other Government or State or any local or State Government or with authorities, national, local, municipal, or otherwise or with Corporate Bodies or Societies or groups or any person for the purpose of directly or indirectly carrying out the objects or furthering the interests of the Company or its members and to obtain from any such Government, State, authority or person any charters, subsidies, loans, indemnities, grants, contracts, decrees, rights, sanctions, privileges, licenses or concessions whatsoever, (whether statutory or otherwise), which the company may think it desirable to obtain and carryout, exercise and company with the same

As an helper and service agency for the subsidiaries

To obtain charters, concessions etc.

- |    |   |   |
|----|---|---|
| 3. | To borrow money or to receive money or deposits or debentures for the purpose of financing the business of the Company either with security hypothecation or pledge or mortgage or other security charged on the undertaking on all or any of the assets of the Company (both present or future) movable and immovable including uncalled capital and to increase, reduce or payoff any such securities.  | Borrowing powers  |
| 4. | To acquire by purchase, lease, exchange, hire or otherwise, or to construct and maintain factories, works, buildings, and conveniences of all kinds, lands, buildings, apartments, plants, machinery, hereditaments of any tenure or disruptions, situated in India or in any other part of the world and any estate or interest therein and any rights over or connected with land so situated and turn the same to account in any manner as may seem expedient, necessary or convenient to the Company for the purpose of its business.   | To acquire, purchase, lease property etc.                       |
| 5. | <p>a) To acquire, possess and undertake the whole or any part of the business, assets, property, goodwill rights and liabilities of any person, firm, society, association, corporation or company carrying on any business which the Company is authorised to carryon.</p> <p>b) To procure the incorporation, registration or other recognition of the Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business</p> <p>c) To undertake, carryout, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social responsibilities of the Company to the public or any section of the public as also any activity to promote national, welfare or social, economic supplement of the public or any section of the public.</p> | <p>To acquire, business/ companies</p> <p>Social Objectives</p> |
| 6. | To obtain, apply for, arrange for the issue or enactment of order or Act of Legislature or Authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help, necessary or expedient to carry out or extend seem expedient and to oppose any proceedings or application or any directly or indirectly to prejudice the Company's interests.  | To obtain authority etc. to carry out its objects               |
| 7. | To pay out of the funds of the Company all costs, charges, and expenses which the Company may lawfully pay with respect to the promotion, formation and registration of any Company promoted by the Company or any Company in which this is or may contemplate being interested and/or the issue of the capital or which the Company shall consider to be preliminary, including therein the cost of advertising, printing and stationery and commission for obtaining application for taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company and expenses attendant upon the formation of agencies, branches and local boards.   | To pay all preliminary Expenses                                 |
| 8. | Subject to the provisions of Section 293A of the Companies Act, 1956 to make donations to such person or persons either of cash or any other assets as may be thought directly or indirectly conducive to any of the company's objects or is otherwise expedient, and to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious, benevolent, national, public or other institutions, or any exhibition or for any public, general or other objects and to establish and support or aid in establishment of associations, institutions, funds, trusts and conveniences   | To make donations   |

for the benefit of the employees or of persons having dealings with the Company or the dependants, relatives or connection of such persons and particular friends or other benefit societies and to grant allowances, gratuities and bonus either by way of annual payment or a lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.

9. To apply for purchase or otherwise acquire any trade marks, patents, inventions, licenses, concessions and the like conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired. To acquire know-how etc.
10. a) To establish provide, maintain and conduct or otherwise subsidise laboratories and experimental workshops for scientific, technical or research experiments and to undertake and carry out directly or in collaboration with other agencies scientific and technical research experiments and tests of all kinds and to process, improve and invent new products and their techniques of manufacture and to promote, encourage reward in every manner studies and research promote, encourage reward in every manner studies and research, scientific, and technical investigations and inventions, of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies, import substitution or any business which the company is authorised to carryon. To undertake research development and training
- b) To establish, maintain and operate technical training institutions and hostels for Engineers of all types and all other technical staff and artisans and mechanics of all types and kinds and accountants and other in India or in any part of the work; to make such other arrangements as may expedient for the training of all categories of officers, workers, clerks, sore keepers and other personnel likely to be useful to assist in any business which the Company is authorised to carryon.
11. To improve, manage, develop, exchange, loan, lease or let, underlease, sub-let, mortgage, dispose of, deal with in any manner, turn to account or otherwise deal with any rights or property of the Company. To improve property etc.
12. To accumulate funds and to invest or otherwise employ moneys belonging to or with the company and not immediately required in the purchase or acquisition of any shares, securities or other investments whatsoever whether movable or immovable upon such terms as may be thought proper and from time to vary all or any such investments in such manner as the Company may think fit. To invest money
13. Subject to provisions of Section 58A and rules made there under to receive money on deposit or loan and borrow or raise money in To receive money on deposit or loan

such manner as the Company Shall think fit and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) or depository receipts and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company, or any other person or company as the case may be.

14. a) To lend and advance money or to give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money or by such persons or companies and generally to give guarantee and indemnities. To advance money or to give credit, guarantees, indemnities etc.
- b) To guarantee the payment of money, unsecured or secured or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments and securities of any Company or any authority, supreme, municipal local or otherwise or of any persons and generally to give guarantees or indemnities or become sureties.
- c) To indemnify Officers, Directors, Secretaries, Agents and servants of the Company against proceedings, causes, damages, claims and demands in respect of anything done or ordered to be done by them or and in the interest of the Company or for any loss, damages or misfortunes whatsoever, which shall happen in the execution of duties of their office or in relation thereof.
15. To enter into partnership or into any arrangement for joint working, sharing or pooling profits, amalgamation, union of interests, cooperation, joint-venture, reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business or transaction which the Company is authorised to carry on or engage in or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company. To undertake joint venture
16. a) To provide for the amelioration and welfare of persons employed or formerly employed by the Company and the families, facilities, dependants or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pensions; allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other Associations, Institutions, Funds or Trusts or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment of premium or otherwise and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit. To provide for welfare of employees
- b) To give any officers, servants or employees of the Company any share or interest in the profits of the Company's business or any branch thereof, and whether carried on by means or

- throughout the agency of any subsidiary company or not, and for that purpose to enter into any arrangements the Company may think fit.
- c) To train or pay for the training in India or abroad any of the company's or any candidate in the interest of or for furtherance of the Company's objects.
17. To dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other association, Corporation or Company, to promote or aid in the promotion of any other Company or partnership for the purpose of acquiring all or any of the properties, rights or liabilities of the Company or for any other purposes which may seem directly or indirectly calculated to benefit the Company. To sell property
18. a) To enter into agreements and contracts with foreign individuals, companies or other organisations for purchase of equipment and for technical, financial or any other assistance, for carrying out all or any of the objects of the Company. To enter into contracts
- b) To enter into any agreement with any Government or authorities (Municipal, local or otherwise) or any Corporations, Companies, or persons which may seem conducive to the Company's objects and to obtain from any such government authorities, Corporations, Companies or persons any contract, right, privilege and concessions Which the Company may think desirable and to carry out, exercise and comply with any such contracts, rights, privileges and concessions.
- c) To enter into contracts of indemnity and guarantee.
19. To establish and maintain agencies, branch places and local registers to procure registrations or recognition of the Company and to carry on business in any part of the world and to take such steps as may be the world as are possessed by local companies or partnership or as may be thought desirable. To establish agencies etc.
20. To subscribe for, underwrite, purchase or otherwise acquire and to hold, dispose of an deal with the shares, stocks, securities and evidences of indebtedness or the right to participate in profits or other similar documents issued by the government authority, Corporation or body or by the Company, body of persons and any option or right in respect thereof. To create and execute any Trust
21. a) To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise vest any real or personal property, rights or interest acquired by or belonging to the Company and with or without any declared trust in favour of the Company and to accept gifts and give gifts and donations, to create trust for any deserving objects and to act as trustees. To create and execute any Trust
- b) To aid, pecuniary or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
22. To create any depreciation fund, sinking fund, insurance fund or any other fund, whether for depreciation or for repairing, improving, To create depreciation fund



- extending or maintaining any of the properties of the Company, or redeemable preference shares or for any other purposes whatsoever conducive to the interests of the company.
- |        |   |                                  |
|--------|---|----------------------------------|
| 23. a) | To open an account or accounts with any individual, firm or company or with the Bank and to pay into and withdraw money from such account or accounts.  | To open accounts in Banks        |
| b)     | To draw, make, accept, endorse, discount, execute, retire, discharge, negotiable, issue and honour bills of exchange, cheques, promissory note, bills of lading, dock and ware house warrants, rail receipts, air and motor way-bills and other negotiable, semi-negotiable or transferable instruments or securities subject to the Banking Regulations Act, 1949.   |                                  |
| 24.    | To pay for any rights, privileges or property acquired or to be acquired by the Company and to remunerate any person. or company for services rendered or to be rendered to the Company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.   | Acquisition of property          |
| 25.    | To establish branches, sub-offices, manufacturing units, etc., in India or outside India for the purpose of the business of the Company.  | To establish Branches            |
| 26.    | To appoint Agents in India or outside India for carrying on the objectives of the Company and to regulate and discontinue the same.   | To appoint Agents                |
| 27.    | To adopt such means of making known the business of the Company as may seem expedient, and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.   | To advertise, grant Prizes etc.  |
| 28.    | To acquire shares, stocks or securities in or of any company carrying on any business which this company is entitled to carry on or of any other company or undertaking the acquisition of which may seem likely or calculated directly or indirectly to promote or advance the interests of or be advantageous or beneficial to the Company and to sell or dispose of or transfer any such shares, stocks or securities. | Acquisition of companies         |
| 29.    | To promote, organise or carry on the business of consultancy services in any field of activity in which it is engaged in.   | To carry on consultancy services |
| 30.    | To promote or concur in the promotion of any company the promotion of which shall be considered desirable in furtherance of any objects of the company.   | To promote other Companies       |
| 31.    | Generally to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them and to carry on any business which may seem to the Company capable of being conveniently carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.       | To carry on convenient business  |
| 32.    | In the case of disputes to refer to arbitration and to institute, defend, compromise, withdraw or abandon any legal or other proceeding and claims by or against the Company; by or its Officers or otherwise concerning the affairs of the Company.  | In the case of dispute           |

33. To amalgamate, enter into partnership or make any arrangement for sharing profits, union of interests, co-operation, joint venture on reciprocal concessions or for limiting competition with any individual, person or company.
34. To open current and/ or other accounts with any banks or merchants to pay money into and draw money from such accounts.
35. To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company in the event of winding up. In the event of winding up
4. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
5. (i) The Authorized Equity Share Capital of the Company is Rupees 100,00,00,000 (Rupees Hundred Crores) divided into 10,00,00,000 (Ten Crores) equity shares of Rupees 10/- (Rupees Ten) each.
- (ii) The Company shall have the power to increase or reduce the Share Capital, to issue any shares with special rights or privileges as to voting, dividends, repayment of capital or otherwise or to subject the same to any restriction, limitations and conditions and to vary, modify or abrogate any such right, privileges, restrictions or conditions, The rights of the holders of any class of shares for the time being forming part of the capital of the company may be modified, affected, varied, extended or surrendered.

For National Energy Trading And Services Limited

*Nitya Ghuman*

Authorized Signatory

We, the several persons whose names and addresses are subscribed hereto are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Sl No.	Names, addresses, descriptions and occupation of subscribers and signatures	No. of Equity Shares taken by each Subscriber	Name, Address, description, occupation and signature of witness
1.	L. RAJAGOPAL S/o. L. Ramanaidu Plot # 600, Road # 32 Jubilee Hills, Hyderabad - 500 034 Occ : Business	100 (One hundred)	
2.	L. PADMA W/o. L. Rajagopal Plot # 600, Road # 32 Jubilee Hills, Hyderabad - 500 034 Occ : House wife	100 (One hundred)	
3.	L. MADHUSUDHAN RAO S/o. L. Ramanaidu Plot # 600, Road # 32 Jubilee Hills, Hyderabad - 500 034 Occ : Industrialist	100 (One hundred)	Sd/- D. KRISHNA RAO S/o. Sessaiah 202, Suryamitra 1299, Yellareddyguda, Hyderabad - 500 073 Occupation : Service
4.	L. SRIDHAR S/o. L. Ramanaidu C-4, Road # 7, Film Nagar, Jubilee Hills, Hyderabad - 500 034 Occ : Industrialist	100 (One hundred)	
5.	G. BHASKARA RAO S/o. G. Ramanaidu 8-2-293/82/F-A42, Road # 6, Film Nagar, Hyderabad - 500 034 Occ : Industrialist	100 (One hundred)	

Place : Hyderabad

Dated : March, 01, 2000

Certified True Copy

For National Energy Trading And Services Limited

Vidya Bhushan

Authorized Signatory

Sl No.	Names, addresses, descriptions and occupation of subscribers and signatures	No. of Equity Shares taken by each Subscriber	Name, Address, description, occupation and signature of witness
6.	G. PADMAVATHI S/o. G. Bhaskara Rao 8-2-293/82/F-A42, Road # 6, Film Nagar, Hyderabad - 500 034 Occ : House wife	100 (One hundred)	Sd/- D. KRISHNA RAO S/o. Seshaiiah 202, Suryamitra 1299, Yellareddyguda, Hyderabad - 500 073 Occupation : Service
7.	Y. HARISH CHANDRA PRASAD S/o. Y. Sreeramulu 126, Sri Nagar Colony, Hyderabad - 500 073 Occ : Service	100 (One hundred)	
Total No. of Equity Shares taken		700 (Seven hundred only)	

Place : Hyderabad

Dated : March, 01, 2000

*Certified True Copy*

For National Energy Trading And Services Limited

*Vidya Bhushan*

Authorized Signatory

INCORPORATED UNDER THE COMPANIES ACT, 1956

(1 OF 1956)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

**NATIONAL ENERGY TRADING AND SERVICES LIMITED**

In these Regulations unless the context otherwise require:

- (a) "The Company" or this company' means : **NATIONAL ENERGY TRADING AND SERVICES LIMITED**
- (b) "the Act" means "The Companies Act, 2013" and every statutory modification or re-enactment thereof and references to Sections of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
- (c) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.
- (d) "the Office" means the Registered Office for the time being of the Company.
- (e) "the Seal" means the common seal of the Company.
- (f) words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.
- (g) "month" and "year" means a calendar month and calendar year respectively.
- (h) expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.
- (i) unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

The Regulations contained in Table "F" of the First Schedule to the Companies Act, 2013 or any statutory modifications thereof, shall apply to this Company as far as applicable to a Public Company except to the extent the said regulations have been expressly altered, varied and omitted in these Articles. These articles and wherever required the said regulations contained in Table "F" shall be the regulations for the management of the Company.

#### **SHARE CAPITAL AND VARIATION OF RIGHTS**

1. (a) The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach there to respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law. The minimum paid up Capital of the Company will be Rs. 5,00,000/- (Rs. Five Lacs).

Certified True Copy

For National Energy Trading And Services Limited

*Vidya Bhawan*

Authorized Signatory

- (b) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—  
(a) one certificate for all his shares without payment of any charges; or  
(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### LIEN

9. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
Provided that no sale shall be made—
  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  
(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### CALLS ON SHARES

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.  
(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.  
(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board—
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### TRANSFER AND TRANSMISSION OF SHARES

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.  
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register—
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.



23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### FORFEITURE OF SHARES

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.  
(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;  
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;  
(iii) The transferee shall thereupon be registered as the holder of the share; and  
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### ALTERATION OF CAPITAL

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution,—  
(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;  
(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;  
(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;  
(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock,—  
(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.  
(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### CAPITALISATION OF PROFIT

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### BUY BACK OF SHARES

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

## **BORROWING POWER**

41. Subject to the provisions of Section 180 of the Companies Act, 2013 and Regulations made thereunder and directions issued by R.B.I, the Directors shall have the power, from time to time and at their discretion, to borrow raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

## **GENERAL MEETING**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.
43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.  
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board

## **CONDUCT OF GENERAL MEETINGS**

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.  
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
48. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.  
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.  
(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
49. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—  
(a) on a show of hands, every member present in person shall have one vote; and  
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
52. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
55. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
56. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### BOARD OF DIRECTORS

59. The number of Directors of the Company shall not be less than three and not more than fifteen. The following shall be the first directors of the Company :-
1. L. RAJAGOPAL
  2. L. MADHUSUDHAN RAO
  3. Y. HARISH CHANDRA PRASAD
60. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.  
(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—  
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  
(b) in connection with the business of the company.
61. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise

executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

62. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
63. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.  
(iii) Subject to the provisions of Section 161 of the Companies Act, 2013, the Directors may appoint any person to be an alternate Director to act for a Director during his absence for a period of not less than three months from India.
64. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
65. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
66. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
67. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
68. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
69. (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
70. (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
71. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in

the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

72. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
73. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Banks, Financial Institutions, and lending agencies, such Banks, Financial Institutions, Lending agencies shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time, (which Director or Directors is / are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act,—
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

76.
  - (i) The Board shall provide for the safe custody of the seal.
  - (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVES**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79.
  - (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
  - (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.  
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

#### ACCOUNTS

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.  
(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### WINDING UP

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—  
(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.  
(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.  
(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.



**INDEMNITY**

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

*Certified True Copy*

*For National Energy Trading And Services Limited*

*Nishya Bhusan*  
*Authorized Signatory*

Sl No.	Names, addresses, descriptions and occupation of subscribers	witnesses (along with names, addresses, descriptions, occupations)
1.	<p>L. RAJAGOPAL S/o. L. Ramanaidu Plot # 600, Road # 32 Jubilee Hills, Hyderabad - 500 034 Occ : Business</p> <p>Sd/-</p>	
2.	<p>L. PADMA W/o. L. Rajagopal Plot # 600, Road # 32 Jubilee Hills, Hyderabad - 500 034 Occ : House wife</p> <p>Sd/-</p>	
3.	<p>L. MADHUSUDHAN RAO S/o. L. Ramanaidu Plot # 600, Road # 32 Jubilee Hills, Hyderabad - 500 034 Occ : Industrialist</p> <p>Sd/-</p>	<p>Sd/- D. KRISHNA RAO S/o. Sessaiah 202, Suryamitra 1299, Yellareddyguda, Hyderabad - 500 073 Occupation : Service</p>
4.	<p>L. SRIDHAR S/o. L. Ramanaidu C-4, Road # 7, Film Nagar, Jubilee Hills, Hyderabad - 500 034 Occ : Industrialist</p> <p>Sd/-</p>	
5.	<p>G. BHASKARA RAO S/o. G. Ramanaidu 8-2-293/82/F-A42, Road # 6, Film Nagar, Hyderabad - 500 034 Occ : Industrialist</p> <p>Sd/-</p>	

Place : Hyderabad  
Dated : March, 01, 2000

Sl No.	Names, addresses, descriptions and occupation of subscribers	witnesses (along with names, addresses, descriptions, occupations)
6.	<p>G. PADMAVATHI S/o. G. Bhaskara Rao 8-2-293/82/F-A42, Road # 6, Film Nagar, Hyderabad - 500 034 Occ : House wife</p> <p>Sd/-</p>	<p>Sd/- D. KRISHNA RAO S/o. Sessaiah 202, Suryamitra 1299, Yellareddyguda, Hyderabad - 500 073 Occupation : Service</p>
7.	<p>Y. HARISH CHANDRA PRASAD S/o. Y. Sreeramulu 126, Sri Nagar Colony, Hyderabad - 500 073 Occ : Service</p> <p>Sd/-</p>	

Place : Hyderabad  
Dated : March, 01, 2000

Certified True Copy

For National Energy Trading And Services Limited

*Nichya Bhuvan*  
Authorized Signatory

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF NATIONAL ENERGY TRADING AND SERVICES LIMITED HELD ON MONDAY, 14<sup>TH</sup> DECEMBER 2020 AT 02.00 PM AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. 7, BINDU SADAN, 401, SAI CHANDRA COLONY, OPP. GREEN SPACE TULASI, PUPPALAGUDA, MANIKONDA, HYDERABAD, RANGAREDDI, TELANGANA - 500089**

**BOARD RESOLUTION FOR AUTHORISATION TO FILE PETITION FOR DOWNGRADATION OF TRADING LICENSE AND MATTER INCIDENTAL THERETO**

**"RESOLVED THAT** the Board of Directors of the Company do hereby authorizes Mr. Vidya Bhusan, Company Secretary (Membership No. 60226) of the Company to sign, verify and submit applications, petitions, and any other documents as may be required to be filed with Central Electricity Regulatory Commission ("CERC") for downgradation of Compnay's Licence to Trade in Electricity.

**RESOLVED FURTHER THAT** Mr. Vidya Bhusan be and is hereby further authorized to take all action (s), deeds, things in connection to the above matter.

**RESOLVED FURTHER THAT** any Director and/or Company Secretary of the Company be and are hereby severally authorised to furnish a copy of the aforesaid resolution to the concerned authorities/parties."

// CERTIFIED TO BE TRUE //

**For National Energy Trading and Trading Services Limited**

*Vidya Bhusan*  
  
**Vidya Bhusan**

Company Secretary

Membership No. A60226

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

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

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

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