



Save Power, Save Money

**RAJASTHAN STATE
POWER FINANCE CORPORATION LIMITED (RSPFCL)**

**2nd
ANNUAL REPORT
2013-14**



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**2nd
Annual Report
2013-14**



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Rajasthan State Power Finance Corporation Limited

Board of Directors

Chairman

Shri Prem Singh Mehra

Managing Director

Shri Siddharth Mahajan

Director

Shri Sanjay Malhotra

Shri Praveen Gupta

Shri Vaibhav Galriya

Shri Suresh Chandra Dinkar

Shri Kunj Bihari Gupta

Company Secretary

Smt. Prerana Gupta

Auditor

Jugal Kishore Agarwal & Associates
Chartered Accountants

Registered and Administrative Office:

RAJASTHAN STATE POWER FINANCE CORPORATION LIMITED (RSPFCL)

1, Bajaj Nagar Enclave, Near Gandhi Nagar Railway Station,

Jaipur (Rajasthan) – 302 015, INDIA

Phone: +91-141-2708611

Email: rspfcl@rajasthan.gov.in, Website: <http://rspfcl.rajasthan.gov.in>





OUR VISION

Towards providing holistic support to State Owned Power Companies for seamless financial synergy amongst all stake holders.

“घर-घर बिजली, गाँव-गाँव खुशहाली”

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **2nd Annual Report** on the Business and the Operations of Rajasthan State Power Finance Corporation Limited (RSPFCL) together with the Audited Annual Accounts for the Financial Year ended 31st March, 2014.

ACCOUNTING YEAR

The year under report covers a period of 12 months ended on 31st March 2014.

CORPORATE REVIEW

R.S.P.F.C.L. has been awarded the Certificate of Registration on 24th July 2013, enabling the Company to commence non banking business operations with effect from that date.

Notice inviting bids tenders for selection of Merchant Banker was published on 27th July 2013 for rising of Rs.400 crores with additional Rs.200 crore as green shoe option through non SLR, non convertible, redeemable, taxable bonds in the nature of debentures. As the final rates quoted by the bidder were considered high with reference to the prevailing market conditions, the entire bidding process was cancelled on October 30, 2013. The EMDs to the bidders were returned to the bidders.

The Company has disbursed Rs.0.50 crores each to three Discoms, viz, Jaipur Vidyut Vitran Nigam Ltd., Jodhpur Vidyut Vitran Nigam Ltd. And Ajmer Vidyut Vitran Nigam Ltd. On March 28, 2014 and has created parri passu charge on the assets of the respective distribution companies and its registration with Registrar of Companies, Rajasthan have been completed.



The Company has disbursed a sum of Rs. 3.00 Cr. as grant to Rajasthan Renewable Energy Corporation Limited for R & D projects on Energy Efficient Street Lighting Project in Municipality area. A sum of Rs. 55.00 lacs has been disbursed to Rajasthan Rajya Vidhyut Prasaran Nigam Ltd as Grant in aid for carrying out systems studies for Renewal Energy in Western Rajasthan for Designing Power System by Power Grid Corporation of India. Also, a sum of Rs. 86.00 Lakhs has been disbursed to DISCOMs for carrying out Sample Energy Audit.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgment and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2014 and of the profit of the Company for the year ended on that date.
- iii. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken.
- iv. The annual accounts have been prepared on a "going concern basis".

DIRECTORS

The following changes have taken place in the Board of Directors of the Company since incorporation:

- Dr. Govind Sharma ceases to be the Chairman of the Company w.e.f. 13.12.2013.



- Sh. Praveen Gupta has been appointed as Director of the Company in place of Sh. Tanmay Kumar w.e.f. 13.12.2013.
- Sh. Subhash Chandra Garg has been appointed as Chairman of the Company w.e.f. 21.12.2013.
- Sh. Akhil Arora ceases to be the Managing Director of the Company w.e.f. 23.12.2013.
- Sh. Sanjay Malhotra has been appointed as Director of the Company in place of Sh. Khemraj Chaudhary w.e.f. 23.12.2013.
- Sh. R.G. Gupta has been appointed as Director of the Company in place of Sh. Kunji Lal Meena w.e.f. 02.01.2014.
- Sh. Siddharth Mahajan has been appointed as Managing Director of the Company w.e.f. 06.01.2014.
- Sh. Shailendra Kr. Agarwal ceases to be the Director of the Company w.e.f. 04.01.2014.
- Sh. Alok has been appointed as Director of the Company w.e.f. 29.01.2014.
- Sh. Laxmi Narayan Soni has been appointed as Director of the Company in place of Sh. Ram Khiladi Meena w.e.f. 08.02.2014.
- Sh. Prem Singh Mehra has been appointed as Chairman of the Company in place of Sh. Subhash Chandra Garg w.e.f. 13.09.2014.

FIXED DEPOSITS

Your Company has not accepted deposits from public under Section 58A of the Companies Act.

AUDITORS AND AUDITORS' REPORT

The Comptroller and Auditor General of India appointed M/s Jugal Kishore Agarwal & Associates., Chartered Accountants, Jaipur as the Statutory Auditors of the Company vide their letter No. CA. V/COY/Rajasthan. RSPFCL (1)/1529 dated 05.09.2014. The Board recommends confirmation of their appointment at the ensuing Annual General Meeting.



PARTICULARS OF GOVERNMENT COMPANIES & COMPANIES

There was no employee getting remuneration as per the provisions of Section 217 (2A) of the Companies Act, 1956, read with provisions of the Companies (Particulars of Employees) Rules, 1975 as amended. Hence the information may be treated as NIL.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The Directors do not have any matter to report under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the assistance, co-operation and support received by the Company from Government of Rajasthan particularly Department of Finance and various other Government organizations. The Board is also thankful to the Comptroller and Auditor General of India, Statutory Auditors and its Bankers.

For & on behalf of the Board of Directors



Chairman

Place: Jaipur

Date: 20.10.2014



INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF

RAJASTHAN STATE POWER FINANCE CORPORATION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of Rajasthan State Power Finance Corporation Limited ("**the Company**") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (" the Act ") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those



Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
8. As required by section 227(3) of the Companies Act 1956, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013 of (the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - Being a Government Company, pursuant to the notification number GSR 829(E) dated October 21, 2003 issued by the Government of India, the provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.

For Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN : 003457C



[J.K. Agrawal]
Partner
M.No.072609

Place : Jaipur
Date : 20 October, 2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARA 7 OF OUR REPORT OF EVEN DATE OF RAJASTHAN STATE POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED ON MARCH 31, 2014

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
 - b) As informed to us, the Company carries out the physical verification of fixed assets at the year end. In our opinion, the frequency of physical verification is reasonable and commensurate with the size of the Company and the nature of its business. As explained to us, no material discrepancies were noticed on such verification by the management.
 - c) There has been no disposal of substantial part of fixed assets affecting going concern.
2. The company is having main object of providing finance to power companies and does not involve carrying purchase / sale of goods and any inventory; hence clause (ii) of paragraph 4 the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
3. As per the information and explanations given to us, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year. Hence reporting under the sub clause (a) to (g) of clause (iii) of the order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of fixed assets. We report that company activity do not involve purchase of inventory and sale of goods.



5. On the basis of our examination of books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered into the Register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of the provisions of section 58 A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975. Hence reporting under the clause (vi) of the order is not applicable to the company.
7. According to the information and explanations given to us, ***there was no internal audit system prevailing in the Company in the year.***
8. The Central Government has not prescribed maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 for the company. Hence reporting under clause (viii) of the order is not applicable to the company.
9. (a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities as applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, were outstanding, as at the balance sheet date for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.



10. The company is registered with less than 5 years period. Hence reporting under clause (x) of the order is not applicable to the company.
11. In our opinion and according to the information and explanation given to us, the Company has not borrowed any sum through debentures or from banks or financial institutions, accordingly there is no default in repayment.
12. According to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanation given to us, the Company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society, hence clause (xiii) of the order is not applicable to the company.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments, hence Clause (xiv) of the order is not applicable to the company.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank and / or financial institutions.
16. In our opinion and according to the information and explanation given to us, no term loans have been raised during the year, hence reporting under the clause (xvi) of the order is not applicable to the company.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company and Cash Flow Statement, in our opinion, no fund raised on short term basis have been used for long term investments by the company.



18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture, hence reporting under the clause (xix) of the order is not applicable to the company.
20. The Company has not raised any money by public issues during the period covered by our report, hence Clause (xx) of the order is not applicable to the company.
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company were noticed or reported during the year.

For Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN : 003457C



[J.K. Agrawal]
Partner
M.No.072609

Place : Jaipur
Date : 20 October, 2014



NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT

To

**The Board of Directors
Rajasthan State Power Finance Corporation Limited.
1, Bajaj Nagar Enclave,
Near Gandhi Nagar Railway Station,
Jaipur-302015**

Dear Sir,

As required by the "Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2008" issued by the Reserve Bank of India on the matters specified in Para 3 and 4 of the said directions to the extent applicable to the Corporation, we report that:

1. The company is engaged in the business of non-banking financial institution, having certificate of registration from Reserve Bank of India issued on 24-07-2013 vide No. B.10.00226 'NBFC-ND-NEW'.
2. As per amendments to NBFC Regulations vide notification Nos. 134 to 140, dated 13.01.2000, the Government Companies have been exempted from applicability of provisions of RBI Act relating to maintenance of liquid assets and creation of Reserve Funds and the directions relating to acceptance of public deposits and prudential norms.
3. The Board of Directors has passed a resolution dated 8th January, 2013 for non-acceptance of any public deposits.
4. The Company has not accepted any public deposits during the year 2013-14.



5. The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Place: Jaipur
Date: 20.10.2014

For Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN : 003457C



[J.K. Agrawal]
Partner
M.No.072609



BALANCE SHEET
as at 31st March, 2014

(Amount in Rs.)

Particulars	Note Part A	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	900,000,000	50,000,000
(b) Reserves and Surplus	2	(21,821,652)	(683,844)
(2) Share application money pending allotment		-	100,000,000
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Other current liabilities	3	1,155,797	431,390
(c) Short-term provisions		-	-
Total		879,334,145	149,747,546
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	4	904,416	-
Less: Accumulated Depreciation		143,758	-
		760,658	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		6,286,240	-
(d) Long term loans and advances	5	15,000,000	-
(e) Other Non Current Assets		-	-



(2) Current assets			
Cash and Bank balance			
(a) Cash and cash equivalents		-	-
Cash-in-Hand		-	-
Balance With Scheduled Banks & PD A/c	6	6,974,795	124,489,036
FDR with Scheduled Banks having maturity within 3 months		681,159,669	
Accrued interest on FDR		9,038,783	-
(b) Other Bank Balances			
FDR with Scheduled Banks having maturity more than 3 months		152,500,000	-
Accrued interest on FDR		2,281,708	-
(c) Short-term loans and advances		-	-
(d) Other current assets	7	5,332,292	25,258,510
Total		879,334,145	149,747,546

Significant Accounting Policies Part B
Other Notes of Accounts Part C
Notes from Part A to Part C form an integral part of Accounts
This is balance sheet referred in our report of even date.
For and on behalf of the Board of Directors


Siddharth Mahajan
Managing Director
DIN 03349759


Suresh Chandra Dinkar
Director
DIN 01471998


Suresh Gupta
GM (Finance)


Prerana Gupta
Company Secretary

Signed in terms of our Report on even date
Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN- 003457C


(J.K. Agrawal)
Partner
M.No. 072609

Place: JAIPUR
Date: 20.10.2014



STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2014

(Amount in Rs.)

Particulars	Note No	For the year ended 31.3.14	For the period ended 31.3.13
I. Revenue from operations	8	53,379,052	-
II. Other Income	9	12,510	25,258,510
III. Total Revenue (I +II)		53,391,562	25,258,510
IV. Expenses:			
Employee Benefit Expenses	10	4,019,844	102,920
Operating Expenses	11	48,251,447	496,588
Financial Costs		-	-
Depreciation		143,758	-
Other Expenses	12	28,400,561	25,342,846
Total Expenses		80,815,610	25,942,354
V. Profit/ Loss before exceptional and extraordinary items and tax (III - IV)		(27,424,048)	(683,844)
VI. Exceptional Items		-	-
VII. Profit/Loss before extraordinary items and tax (V - VI)		(27,424,048)	(683,844)
VIII. Extraordinary Items		-	-
IX. Profit/Loss before tax (VII - VIII)		(27,424,048)	(683,844)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax Liability(+)/ Asset(-)		(6,286,240)	-
XI. Profit/Loss from the period from continuing operations (IX-X)		(21,137,808)	(683,844)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(21,137,808)	(683,844)
XVI. Earning per equity share:			
(1) Basic		(33.38)	(13.68)
(2) Diluted		(33.38)	(13.68)

Significant Accounting Policies
Other Notes of Accounts

Part B
Part C



Notes from Part A to Part C form an integral part of Accounts
This is balance sheet referred in our report of even date.



Siddharth Mahajan
Managing Director
DIN 03349759



Suresh Chandra Dinkar
Director
DIN 01471998



Suresh Gupta
GM (Finance)



Prerana Gupta
Company Secretary

Signed in terms of our Report on even date
Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN- 003457C



(J.K. Agrawal)
Partner
M.No. 072609

Place: JAIPUR
Date: 20.10.2014



CASH FLOW STATEMENT

(Amount in Rs.)

		For the year ending 31.03.2014	For the year ending 31.03.2013
A	Cash Flow from Operating Activities		
	Net Profit/Net Loss after taxes and Extraordinary items	(21,137,808)	(683,844)
	Adjustments for:		
	Depreciation	143,758	-
	Deffered Tax Asset (-) / Liabilities(+)	(6,286,240)	-
	Operating profit before Working Capital Changes	(27,280,290)	(683,844)
	Increase in Current Assets	(134,855,490)	(25,258,510)
	Decrease in Current Liabilities	724,407	431,390
	Net cash from operating activities	(161,411,373)	(25,510,964)
B	Cash Flow from Investing Activities		
	Acquisition of Tangible Assets	(904,416)	-
	Net cash flow from Investing Activities	(904,416)	-
C	Cash Flows from Financing Activities		
	Amount Disbursed as Loan	(15,000,000)	
	Capital Raised Through Equity(Incl. Application Money pending allotment)	750,000,000	150,000,000
	Net cash flow from Financing Activities	735,000,000	150,000,000
D	Net Increase & Decrease in Cash & Cash Equivalents (A+B+C)	572,684,211	124,489,036



E	Opening Cash & Cash Equivalents		124,489,036		-
F	Cash and Cash Equivalents at the end of year		697,173,247		124,489,036
	Balance With Scheduled Banks & PD A/c	6,974,795		124,489,036	
	FDR with Scheduled Banks having maturity within 3 months	681,159,669			-
	Accrued interest on FDR	9,038,783			-

This is balance sheet referred in our report of even date.



Siddharth Mahajan
Managing Director
DIN 03349759



Suresh Chandra Dinkar
Director
DIN 01471998



Suresh Gupta
GM (Finance)



Prerana Gupta
Company Secretary

Signed in terms of our Report on even date
Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN- 003457C



(J.K. Agrawal)
Partner
M.No. 072609

Place: JAIPUR
Date: 20.10.2014



SHARE CAPITAL

Note 1

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Authorised 2500000 Equity Shares of Rs.1000 each	2,500,000	2,500,000,000	2,500,000	2,500,000,000
Issued 900000 Equity Shares of Rs.1000 each	900,000	900,000,000	50,000	50,000,000
Subscribed & Paid up 900000 Equity Shares of Rs.1000 each	900,000	900,000,000	50,000	50,000,000
Total		900,000,000		50,000,000

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	50,000	50,000,000	-	-
Shares Issued during the year	850,000	850,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	900,000	900,000,000	-	-

Information on Shares in the company held by each shareholder holding more than 5% of paid up equity Share Capital

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Prem Singh Mehra IAS (Principal Secretary, Finance) On behalf of H.E. The Governor of Rajasthan	899930	99.99%	49930	99.86%
Total	899930	99.99%	49930	99.86%



RESERVES & SURPLUS

Note 2

	As On 31.3.14	As on 31.3.13
Surplus/Deficit		
Opening balance	(683,844)	-
(+) Net Profit/(Net Loss) For the current year	(21,137,808)	(683,844)
(+) Transfer from Reserves	-	-
Closing Balance		
Total	(21,821,652)	(683,844)

OTHER CURRENT LIABILITIES

Note 3

	As On 31.3.14	As On 31.3.13
(a) Trade payables		
(i) M. S. M. E. Creditors	-	-
(ii) Other Creditors	-	-
(b) Others		
(I) Creditors for Expenses	276,854	39,710
(II) Other statutory payables	24,790	44,389
(III) Other payables to Consultants	203,125	243,700
(IV) Other payables for Salary & Telephone Expenses	566,678	86,737
(V) Other payables for Audit Fees	40,000	16,854
(VI) Other payables for Earnest Money	44,350	-
Total	1,155,797	431,390.00



FIXED ASSETS

Disclosure pursuant to Note no. I (i), (ii), (iii);
Note no. J (i),(ii); Note no. J and Note no. L of
Part I of Schedule VI to the Companies Act,
1956

Note 4

	Gross Block				Depreciation				Net Block			
	Balance as at 1 April 2013	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Balance as at 31 March 2014
Tangible Assets												
Plant and Equipment												
Furniture and Fixtures	-	396,421	-	-	396,421	-	44,549	-	-	44,549	-	351,872
Office equipment (Computers & Printers)	-	440,036	-	-	440,036	-	92,656	-	-	92,656	-	347,380
Office equipment	-	67,959	-	-	67,959	-	6,553	-	-	6,553	-	61,406
Total	-	904,416	-	-	904,416	-	143,758	-	-	143,758	-	760,658

LONG TERM LOANS AND ADVANCES

Note 5

Particulars	As On 31.3.14	As On 31.3.13
Secured, considered good	15,000,000	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
Total	15,000,000	-



BALANCE WITH SCHEDULE BANKS

Note 6

	As On 31.03.14	As On 31.03.13
Balance with PD a/c	10000	95000000
Balance with IDBI bank	6964795	29489036
Total	6974795	124489036

OTHER CURRENT ASSETS

Note 7

	As On 31.03.14	As On 31.03.13
Recoverable From IG Stamp GOR	-	12500000
Recoverable Grant from GOR	-	12758510
TDS Receivable	5318227	-
Advance to staff	502	-
Interest Accrued But Not Due	13563	-
Total	5332292	25258510

REVENUE FROM OPERATIONS

Note 8

	As on 31.03.2014	As on 31.03.2013
Interest on Loan	13,563	-
Interest on FDR	53,365,489	-
Total	53,379,052	-

OTHER INCOME

Note 9

	As on 31.03.2014	As on 31.03.2013
Revenue Grant from GOR	-	12,758,510
Recovery of Stamp Duty	-	12,500,000
Sale of Tender Forms	12,510	-
Total	12,510	25,258,510

EMPLOYEE BENEFIT EXPENSES

Note 10

	As on 31.03.2014	As on 31.03.2013
Salary	4,019,473	102920
Medical Reimbursement	371	-
Total	4,019,844	102920



OPERATING EXPENSES

Note 11

	As on 31.03.2014	As on 31.03.2013
Consultancy Charges	3,220,475	496,588
Business development expenses	44,100,000	-
Expenses on raising of bonds	930,972	-
Total	48,251,447	496,588

OTHER EXPENSES

Note 12

	As on 31.03.2014	As on 31.03.2013
Recovery of Stamp Duty Written off	12,500,000	-
Revenue Grant from GOR Written off	12,758,510	-
Printing & Stationery Expenses	193,334	1,114
Rent	990,000	-
Telephone Expenses	189,939	4,563
Travelling Expenses	33,069	-
Charges of contract personnel	574,403	-
Office expenses	152,930	31,095
<u>Payment to Statutory Auditors</u>		
(i) Statutory Audit Fees	32,000	16,854
(ii) Tax Audit Fees	8,000	-
Hiring of vehicle	778,986	30,710
Entertainment	10,944	-
Board meeting expenses	13,699	-
Interest on Service tax	179	-
Interest on TDS	357	-
Security Audit Fees	6,249	-
Electricity and water charges	61,755	-
ROC Filing Fees	45,000	-
Books & Periodicals	16,457	-
Other Professional Fees	34,750	-
Pre Incorporation Exp.	-	25,258,510
Total	28,400,561	25,342,846



RAJASTHAN STATE POWER FINANCE CORPORATION LIMITED

PART B SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply with all material aspects with the accounting standards notified under section 211 (3 C) of the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

All Assets & Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

(B) REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount invested and rate applicable.

(C) TANGIBLE ASSETS

Fixed Assets are stated at cost which includes cost of acquisitions, installation, direct costs and borrowing cost incurred up to the date of commissioning.



(D) DEPRECIATION

- (i) Depreciation has been provided at Written Down Value (WDV) at the rates as prescribed by Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation is provided on pro-rata basis from the date of addition in which assets come into operation.
- (iii) Items of Fixed Assets costing ₹ 5,000/- or less are depreciated fully charged to the revenue in the year of purchase.

(E) GOVERNMENT GRANTS IN AID

- (i) Capital Grant : Grants from the Governments/ non- Government or other Authorities towards capital expenditure for creation of Assets are initially shown as “Deferred Government Grants”. These will be subsequently recognized as income each year over the life of the relevant asset in proportion to Depreciation on those assets.

Government grant in the form of non monetary assets given free of cost, is recorded at nominal value of ₹1 and as it being in nature of promoter's contribution, is credited to Capital Fund Reserve and treated as part of Shareholders funds.

- (ii) Revenue Grant : Grants from the Governments/ non- Government or other Authorities towards revenue will be recognized in P&L Account under the Head “Other Income”.

(F) INVESTMENT

Investment, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investment. All other investments are classified as non-current investments.



Current investments are carried in the financial statement at lower of cost or fair market value determined on an individual investment basis. Long term (Non Current) investments are carried at cost; provision for diminution in value is made to recognize a decline other than temporary fall in the value of the investments

(G) EMPLOYEES BENEFITS

Company's contribution paid/payable during the Financial years towards the provident fund and pension is charged in the Statement of Profit and Loss.

Gratuity and Post retirement benefit related to employees which are on deputation basis are not provided for in the books of accounts because such deputed staff will be shifted to their respective departments before retirement and such liability shall be paid by the Government of Rajasthan.

Therefore, there is no long term liability regarding Retirement Benefits as per AS 15 issued by ICAI.

(H) BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(I) LEASE TRANSACTION

For assets taken on operating lease, lease rentals payable are charged to revenue.



(J) EARNING PER SHARE

Basic and diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(K) DEFERRED TAX

Income Tax provision comprises of Current Tax and Deferred Tax charge or credit. Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant Assessment Year. The Deferred Tax Asset and Liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of unabsorbed depreciation under tax laws are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred assets is reviewed to reassure realization.

(L) IMPAIRMENT

The Carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal as well as external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the



assets net selling price and value in use. In assessing the value in use, the estimated future Cash flows are discounted to the present value at the weighted average cost of capital. After impairment deprecation is provided on the revised carrying amount of the assets over the remaining useful life. Previously recognized impairment loss is further provided or reversed depending upon the changes in circumstances.

(M) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company recognizes provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(N) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of cash at bank and cash in hand. The company considers all highly liquid investments with an original maturity of three months or less from date of purchases, to be cash equivalents.

(O) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting



period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(P) CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

For and on behalf of the Board of Directors



Siddharth Mahajan
Managing Director
DIN 03349759



Suresh Chandra Dinkar
Director
DIN 01471998



Suresh Gupta
GM (Finance)



Prerana Gupta
Company Secretary

Signed in terms of our Report on even date
Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN- 003457C



(J.K. Agrawal)
Partner
M.No. 072609

Place: JAIPUR
Date: 20.10.2014



PART C OTHER NOTES ON ACCOUNTS

- Note 1.** The Company was incorporated on 21st December 2012. The Company received certificate of commencement of business on 26th July 2013. The Company was established to finance the projects and schemes for generation/transmission and distribution of power.
- Note 2.** The company has shown the Revenue Grant from Government of Rajasthan written off under Other Expenses in the Statement of Profit and Loss Statement as the Government of Rajasthan had passed an order no F.2(75)/FD/Tax/12-91 dated 31.3.2014 revoking the earlier order to Issue grant to the company against the Expenses incurred towards the Incorporation of the company.
- Note 3.** The company has shown the Recovery of Stamp Duty Written Off under Other Expenses in the Statement of Profit and Loss Statement as the Government had revoked the order to Recover the Stamp Duty paid by the company on its incorporation vide order no. F.5(8)FWM/2013/RSPFCL dated 31/3/2014.
- Note 4.** In pursuance to company's objectives of Research Activities associated with power development of alternate energy sources including renewable energy sources, the Company has disbursed Financial Assistance for three projects of Power Conservation amounting to Rs 4,41,00,000/- to the power companies and the same are treated as Business Development Expenses.
- Note 5.** The company got its registration as Non Banking Financing Company without accepting public deposits on 24th July 2013 under Section 45 IA of The Reserve Bank of India Act, 1934 by the Reserve bank of India. As per the mandate the company does not accept public deposits and it duly



follows guidelines issued by the RBI from time to time. The company also follows the norms as applicable to the Non Banking Financing Companies related to Provisioning, Asset Classification, Income Recognition and Prudential norms as per the directions of Reserve Bank of India.

Note 6. The Company does not have more than one reportable segment. Hence no disclosure is required as per AS – 17 ‘Segment Reporting’.

Note 7. The Disclosures as required under AS-18 ‘Related Party Disclosures’ issued by ICAI are as under:

- (i) Names of individual and Key Management personal
 - (a) Shri Govind Sharma, Chairman till 13.12.2013
 - (b) Shri Subhash Chandra Garg, Chairman from 21.12.2013
 - (c) Shri Akhil Arora, Managing Director till 23.12.2013
 - (d) Shri. Siddharth Mahajan, Managing Director from 06.01.2014
 - (e) Smt Neha Giri, Executive Director
- (ii) Transactions with Related Party of such individual and Key Management personal – Nil
- (iii) Enterprises in which any person described above has substantial interest - Nil
- (iv) Remuneration to Key Managerial Personnel

Particulars	Amount
Salary and other emoluments of Mrs. Neha Giri	592796/- (outstanding as on 31/3/2014 Rs. 55092/-) (Previous Year. Nil)

Note 8. The Net Deferred Tax Asset of Rs 6286240/- (as on 31.3.2013 Rs 0) have been computed as per Accounting Standard 22 – ‘Accounting for taxes on Income’. The break up of Deferred Tax Asset is given below:



S. No.	Particulars	Deferred Tax Assets/ Liabilities as on 1.4.2013 (₹)	Charged/ (Credit) during the year (₹)	Deferred Tax Assets/ Liabilities as at 31.3.2014 (₹)
(i)	Deferred Tax Assets On account of impact of Depreciation	0	42336	42336
(ii)	Deferred Tax Assets On account of Preliminary Expenses written off	0	6243904	6243904
(iii)	Deferred Tax Assets (Net) (i+ii)	0	6286240	6286240

Note 9. In compliance with Accounting Standard – 20 on 'Earning Per Share' issued by the ICAI, the calculation of Earning Per Share (basic and diluted) is as under:-

PARTICULARS		31.03.2014	31.03.2013
(i)	Profit/(loss) after tax	21137808	-683844
(ii)	Weighted Average Number of Equity Shares (Basic)	633288	50000
(iii)	Weighted Average Number of Equity Shares (Diluted)	633288	50000
(iv)	Basic EPS	33.38	13.68
(v)	Diluted EPS	33.38	13.68
(vi)	Nominal Value of Per Equity Share	1000	1000

Note 10. The Company has not received information from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, required under the said Act has not been made.

Note 11. Balance of Sundry Debtors, Sundry Creditors and Advances are subject to confirmation and/or reconciliation from respective parties and its consequent effect, if any.



Note 12. Previous figures have been regrouped / reclassified, wherever necessary, to make them comparable to the current year's presentation.

Note 13. Figures have been rounded off to nearest Rupee.

For and on behalf of the Board of Directors



Siddharth Mahajan
Managing Director
DIN 03349759



Suresh Chandra Dinkar
Director
DIN 01471998



Suresh Gupta
GM (Finance)



Prerana Gupta
Company Secretary

Signed in terms of our Report on even date
Jugal Kishore Agrawal & Associates
Chartered Accountants
FRN- 003457C



(J.K. Agrawal)
Partner
M.No. 072609

Place: JAIPUR
Date: 20.10.2014





संख्या: सी.ए.डब्लू-1/एए/आर.एस.पी.एफ.सी./2013-14/के-538/D-1687

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) राजस्थान
जनपथ, जयपुर-302 005

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC & REVENUE SECTOR AUDIT) RAJASTHAN
JANPATH, JAIPUR-302 005

दिनांक / Date: 17/11/2014

प्रबन्ध निदेशक,
राजस्थान स्टेट पावर फाइनेन्स कॉरपोरेशन लिमिटेड,
प्लॉट नं. 1, बजाज एन्क्लेव, गॉंधी नगर रेल्वे स्टेशन के पास,
जयपुर - 302015

विषय : राजस्थान स्टेट पावर फाइनेन्स कॉरपोरेशन लिमिटेड, जयपुर के वर्ष 2013-14 के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणीयाँ।

महोदय,

मुझे कम्पनी अधिनियम की धारा 619 (5) के अंतर्गत कम्पनी की वार्षिक साधारण सभा में प्रस्तुत करने हेतु 31 मार्च 2014 को समाप्त वर्ष के लिए राजस्थान स्टेट पावर फाइनेन्स कॉरपोरेशन लिमिटेड, जयपुर के लेखाओं पर कम्पनी अधिनियम की धारा 619 (4) के अधीन शून्य टिप्पणी प्रमाण-पत्र जारी करने का आदेश प्राप्त हुआ है।

उपरोक्त अवधि के वार्षिक लेखे एवं लेखापरीक्षकों की रिपोर्ट की सात प्रतियां जैसी कि साधारण सभा में रखी जावें तथा स्वीकृत की जावें, कृपया इस कार्यालय को शीघ्र भिजवाने का श्रम करें।

भवदीय,

संलग्न : उपरोक्तानुसार

उपमहालेखाकार
(आर्थिक क्षेत्र लेखा परीक्षा-I)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN STATE POWER FINANCE CORPORATION LIMITED, JAIPUR FOR THE PERIOD ENDED 31 MARCH 2014.

The preparation of financial statements of Rajasthan State Power Finance Corporation Limited, Jaipur for the period ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20 October 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Rajasthan State Power Finance Corporation Limited, Jaipur for the period ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

**For and on the behalf of
the Comptroller and Auditor General of India**

S. Alok

**(S. Alok)
Accountant General (E & R S Audit)
Rajasthan, Jaipur**

**Place:- Jaipur
Date:- 17-11-2014**



NOTICE

Notice is hereby given that the 2nd Annual General Meeting of **Rajasthan State Power Finance Corporation Limited** will be held on Monday, 17th day of November, 2014 at 4.30 P.M. in Committee Room No. 2, Government Secretariat, Jaipur under the Chairmanship of Principal Secretary, Finance to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Profit and Loss account for the period ended on that date together with the Auditors' Report, Directors' Report and comments of Comptroller and Auditor General of India thereon.
2. To appoint Auditors and to fix their remuneration for the purpose, to consider and, if thought fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution:-

"RESOLVED THAT the appointment of M/s Jugal Kishore Agarwal & associates , Chartered Accountants, Jaipur by the Comptroller and Auditor General of India as the Statutory Auditors of the Company for the financial year 2013-14 be and is hereby confirmed at an Audit fees of Rs. 40,000/- (Rs. 32,000 for Statutory Audit + Rs. 8,000 for Tax Audit) + taxes as applicable."

"RESOLVED THAT the appointment of M/s Jugal Kishore Agarwal & Associates, Chartered Accountants, Jaipur by the Comptroller and Auditor General of India as the Statutory Auditors of the Company for the financial year 2014-15 be and is hereby confirmed."

Further the Managing Director of the Company be and hereby authorized to fix the Audit fees and other terms and conditions thereto."

By order of the Board of Directors,

Dated: 20-10-2014
Place: Jaipur
Registered Office:
Plot No. 1, Bajaj Enclave,
Near Gandhi Nagar Railway Station,
Jaipur



Company Secretary



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL, INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a proxy should be duly completed, stamped & signed, and must be sent so as to reach the Company's Registered Office not less than 48 hours before the commencement of the Meeting.

IMPORTANT TELEPHONE NUMBERS

Name	Designation	Contact Number
Shri Prem Singh Mehra	Chairman	0141-2227664
Shri Siddharth Mahajan	Managing Director	0141-2227934
Shri Apoorv Joshi	GM (Finance) cum Chief Financial Officer	99822-39000
Shri Ram Gopal Pareek	GM (Credit)	94142-54540
Shri Akul Bhargava	GM (Systems)	94140-92426
Smt. Prerana Gupta	Company Secretary	99296-50300
Shri R.R. Poddar	Chief Consultant (Banking)	92140-56056
Shri G.V. Chauhan	Chief Consultant (Law)	94140-78102
Shri Balendu Sharma	Consultant (Finance)	94148-26196
Shri S.C. Soni	Consultant	94133-40787
Shri O.P. Joshi	Consultant (Admin)	0141-2708611
Shri Satyapal Singh Shekhawat	Accountant	94603-87456
Shri Pankaj Jangid	J. En	94606-59588
Shri Sardarmal Yadav	Jr. Accountant	94134-60345





Registered and Administrative office :

RAJASTHAN STATE POWER FINANCE CORPORATION LIMITED (RSPFCL)

1, Bajaj Nagar Enclave, Near Gandhi Nagar Station,
Jaipur (Rajasthan) - 302015 (INDIA)

Phone : +91-141-2708611

E-mail : rspfcl@rajasthan.gov.in

Visit us at : rspfcl.rajasthan.gov.in

Save Power, Save Money