



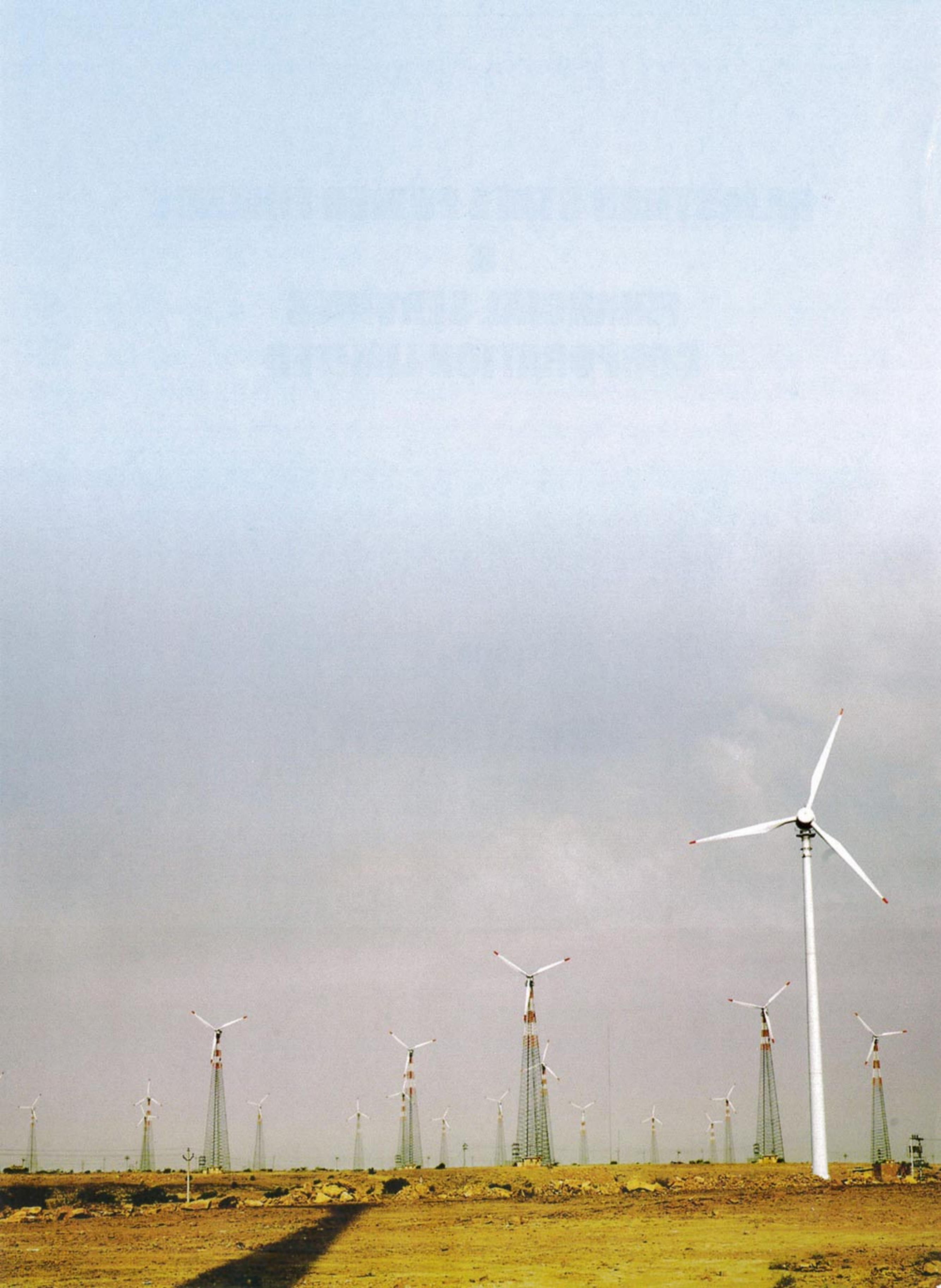
4th Annual Report 2015-16

**RAJASTHAN STATE POWER FINANCE &
FINANCIAL SERVICES CORPORATION LIMITED**

**RAJASTHAN STATE POWER FINANCE
&
FINANCIAL SERVICES
CORPORATION LIMITED**

**4th
Annual Report
2015-16**

Save Power, Save Money



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Rajasthan State Power Finance & Financial Services Corporation Limited

Board of Directors

Chairman

Shri Prem Singh Mehra

Managing Director

Shri Naveen Mahajan

Director

Shri Umesh Kumar

Shri Praveen Gupta

Shri Alok Gupta

Shri Suresh Chandra Dinkar

Shri Manish Chauhan

Auditor

M/s Vikas Jain & Associates
Chartered Accountants

Registered and Administrative Office:

RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED

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 Shareholders,

Board of Directors have great pleasure in presenting the 4th Annual Report and company's audited financial statement for the financial year ended on 31st March 2016 together with Reports of Independent Auditors.

Financial Results

The financial results for the year are summarized below:

(Rupees in lacs)

Particulars	2015-16	2014-15
Income	747.36	741.82
Expenses	65.77	78.14
Net profit/(loss) for the year before taxes & provisions	681.59	663.68
Appropriation/adjustments	0.00	0.00
Previous year's adjustment (net)		
Profit/(loss) for the year before tax	681.59	663.68
Less: Provision for Taxation	211.90	178.58
- Current Year	0.00	0.00
- Earlier Year	15.51	13.53
- Deferred tax	0.00	0.00
- MAT Credit entitlement		
Profit/(loss) after tax	454.17	471.57

Dividend

The Board has not recommended any dividend for the financial year ended on 31st March 2016.

Resources

The company has not applied or/and received any grant from the Government of Rajasthan in the financial year ended on 31st March 2016, and the company has parked its surplus funds with banks by negotiating special rate of interest for short term period and earned interest of Rs 730.87 Lacs. There was no outstanding loan from any bank/financial institutions as on 31st March 2016.

Net Worth

The net worth of company at the close of the current financial year (FY 2015-16) and previous financial year (FY 2014-15) was Rs. 97.07 Crores and Rs. 92.53 Crores. respectively.

Brief description of the company's working

The Company has obtained Non Banking Financial Company (NBFC) Certificate of Registration on 24th July, 2013 from Reserve Bank of India (RBI), to provide finance or to arrange finance for the projects and schemes of power undertaken by the Rajasthan State owned power Companies, their Subsidiaries, associated and joint venture.

Finance Department (Ways & means) vide letter no. F5(9)FWM/2015 dated 15.06.2015 has informed that a decision has been taken that in addition to the existing objectives of the Company additional financial activities of Financial Services should be undertaken by the Corporation by suitably modifying its objectives as well as change in name to Rajasthan State Power Finance and Financial Services Corporation Limited. Therefore, Company changed its name from Rajasthan State Power Finance Corporation Limited to Rajasthan State Power Finance and Financial Services Corporation Limited(RSPF&FSCL).

The reconstituted RSPF & FSCL will undertake financial activities such as managing the surplus funds of various Government of Rajasthan controlled PSUs and organizations.

In furtherance, the Company has disbursed Rs.50 Lacs 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.

Share Capital and Buy Back

During this Financial Year, there has been no change in the authorized and the paid up Share Capital of the Company.

Directors, BoD and Committee meetings

Directors

The State Government has appointed following directors on the Board of the company:

Sl. No.	Name of Directors	Date of appointment
1.	Smt.Veenu Gupta	22.03.2016
2.	Shri Ravikanth Tatipudi	04.02.2016
3.	Shri Maneesh Chauhan	22.03.2016

Following ceased to be directors of the company:

Sl. No.	Name of Directors	Date of cessation
1.	Shri Sanjay Malhotra	08.05.2015
2.	Shri Vaibhav Galriya	04.02.2016
3.	Shri Kunj Bihari Gupta	22.03.2016

The Board places on record its sincere appreciation of the contribution made by the aforesaid directors during their tenure as members of the Board.

Meetings of Board

Four meetings of the Board of Directors were held during the financial year 2015-16 as on the dates mentioned below:

Board meeting	Date
10 th Board Meeting	23.06.2015
11 th Board Meeting	29.09.2015
12 th Board Meeting	28.12.2015
13 th Board Meeting	31.03.2016

The attendance of the Directors at Board Meetings is as under:

S. No.	Name of Director	Attendance during 2015-16
1.	Sh. Prem Singh Mehra	4/4
2.	Sh. Siddharth Mahajan	4/4
3.	Sh. Praveen Gupta	4/4
4.	Sh. Suresh Chandra Dinkar	4/4
5.	Sh. Vaibhav Galriya	2/3
6.	Sh. Kunj Bihari Gupta	1/3
7.	Sh. Ravikanth Tatipudi	1/1
8.	Sh. Maneesh Chauhan	1/1
9.	Smt. Veenu Gupta	0/1
10.	Sh. Sanjay Malhotra	0/0

Audit Committee

The Company has an Audit Committee formed pursuant to section 177 of the Companies Act, 2013, consisting of the following Directors of the Company as members:

1. Sh. Praveen Gupta, Secretary Finance (Revenue), GoR
2. Sh. Ravikanth Tatipudi, Commissioner Commercial Taxes, GoR
3. Sh. Suresh Chandra Dinkar, Secretary Finance (Expenditure), GoR

Details of Key Managerial Personnel

In pursuance to Section 203 of the Companies Act, 2013, following were designated as KMPs of the Company as on 31st March, 2016:

S.No.	Name	Designation
1.	Shri Siddharth Mahajan	Managing Director
2.	Shri Shrikrishana Sharma	Chief Financial Officer
3.	Ms. Prerana Gupta	Company Secretary

Following ceased to be KMP of the company:

S.No.	Name	Designation
1.	Shri Apoorv Joshi	Chief Financial Officer

Extract of Annual Return

Extract of Annual Return in form MGT -9 is annexed as Addendum-1 to this report.

Nomination & Remuneration Committee (NRC)

Company has constituted Nomination & Remuneration Committee in 11th Board of Directors Meeting held on 29th September, 2015. But as there are no independent directors on the Board of the Company, the nomination and Remuneration Committee was constituted without Independent Directors.

Corporate Social Responsibility (CSR) Committee

As per the requirement of the section 135 of the Companies Act, 2013, the Company is required to constitute CSR Committee. But as the Appointment of Independent Directors on the Board of the Company is in process, the Company could not constitute CSR Committee. As per requirement of section 135 and schedule VII of Companies Act, 2013 read with Companies (Corporate Social Responsibility policy) rules, 2014; Company was required to spend Rs. 2,55,070/- during the financial year 2015-16. Company will spend the same in future years.

Declaration by Independent Director

No declaration has been received as no independent Director were appointed during the financial year. Appointment is under process.

Auditors & Auditors' Report

Statutory Auditor

The Comptroller & Auditor General of India, New Delhi, appointed M/s Vikas Jain & Associates, Chartered Accountants, Jaipur as auditors for auditing the accounts of the company for the financial year ending 31st March 2016.

Secretarial Auditor

As per provisions of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. Ravi Tirthani & Associates, Practicing Company Secretary, Jaipur, were appointed to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial ended on 31st March 2016 is given in Addendum-2 to this report.

Particulars of Employees

None of the employees of the company falls under the purview of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo

Disclosure of particulars in respect to Conservation of Energy, Technology Absorption are not applicable in view of nature of business of the company.

Sustainable Development

Your Company's aspirations of sustaining and enhancing its long term growth plans are well balanced by its conscious commitments to society and in its principles of conducting business in a fully compliant manner. Your Company partakes in letter and spirit its intention of being a responsible corporate citizen and is committed to contribute positively in all activities pertaining to environmental protection, health, safety, energy conservation and societal commitments while at the same time continuing to protect and enhance all stakeholders' interests.

Particulars of loans, Guarantees or Investment u/s 186

The Company has not given loans, guarantees and made investments in terms of provisions of section 186 of the Companies Act, 2013.

Internal Financial Control system and their adequacy

The Company has adequate internal financial Control System commensurate with the size of the Company.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Particulars of Contracts or Arrangements with related parties.
2. Details relating to deposits covered under Chapter V of the Act.
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. There is no change in the nature of business.

7. There have been no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report.
8. There have been no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Risk management policy

Your company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

Responsibility Statement

In pursuance to the requirement under Section 134(3)(c) of the Companies Act, 2013, your Directors report that:

1. accounting standards were followed, to the extent possible and practical in preparation of annual accounts for the year under review,
2. accounting policies are applied consistently to give a true and fair view of the state of affairs of the company as at 31st March 2016 and of the profit for the year ended on that date,
3. proper and sufficient care has been taken for maintenance of adequate accounting records, for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. accounts have been prepared on a going concern concept basis.
5. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

The Directors express their sincere appreciation for the co-operation and assistance received from various departments of the State and Central Government, Bankers, Rajasthan Financial Corporation, the Internal & Statutory Auditors and all the business constituents. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all officers and staff, resulting in successful performance of the company year after year.

For and on behalf of the Board of Directors



Naveen Mahajan
Managing Director
DIN 01890995



Suresh Chandra Dinkar
Director
DIN 01471998

Date: 29/07/2016

Place: Jaipur

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U65923RJ2012SGC041087
2	Registration Date	21/12/2012
3	Name of the Company	RAJASTHAN STATE POWER FINANCE AND FINANCIAL SERVICES CORPORATION LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE STATE GOVERNMENT COMPANY
5	Address of the Registered office & contact details	PLOT NO.1, BAJAJ NAGAR ENCLAVE, NEAR GANDHI NAGAR RAILWAY STATION, JAIPUR -302015 TEL. & FAX:0141-2708611
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding	649164300	100%
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES					
S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N/A				
2					
3					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF			-	0%			-	0%	0%
b) Central Govt			-	0%			-	0%	0%
c) State Govt(s)	-	900,000	900,000	100%	-	900,000	900,000	100%	0%
d) Bodies Corp.			-	0%			-	0%	0%
e) Banks / FI			-	0%			-	0%	0%
f) Any other			-	0%			-	00%	0%
Sub Total (A) (1)	-	900,000	900,000	100%	-	900,000	900,000	100%	0%
(2) Foreign									
a) NRI Individuals			-	0%			-	0%	0%
b) Other Individuals			-	0%			-	0%	0%
c) Bodies Corp.			-	0%			-	0%	0%
d) Any other			-	0%			-	0%	0%
Sub Total (A) (2)	-	-	-	0%	-	-	-	0%	0%
TOTAL (A)	-	900,000	900,000	100%	-	900,000	900,000	100%	0%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	900,000	900,000	100.00%	-	900,000	900,000	100.00%	0.00%

(ii) Shareholding of Promoter								
SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sh. Prem Singh Mehra	899,930	99.99%		-	0.00%		0.00%
2	Sh. Sanjay Malhotra	10	0.00%		20	0.00%		100.00%
3	Sh. Praveen Gupta	10	0.00%		10	0.00%		0.00%
4	Sh. Siddharth Mahajan	10	0.00%		10	0.00%		0.00%
5	Sh. Kunj Bihari Gupta	-	0.00%		10	0.00%		0.00%
6	Sh. Vaibhav Galriya	-	0.00%		10	0.00%		0.00%
7	Sh. Subhash Chandra Garg	899,930	99.99%		-	0.00%		-100.00%
8	Sh. R.G. Gupta	10	0.00%		-	0.00%		-100.00%
9	Sh. Laxmi Narayan Soni	10	0.00%		-	0.00%		-100.00%
10	Sh. Alok	10	0.00%		-	0.00%		-100.00%
11	Sh. Sudhir Kumar Sharma	10	0.00%		-	0.00%		-100.00%
12	Sh. Suresh Chandra Dinker	10	0.00%		10	0.00%		0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)							
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			900,000	100.00%	900,000	100.00%
2	Changes during the year	13.09.2014	Transfer	10	0.00%		0.00%
		03.11.2014	Transfer	10	0.00%		0.00%
		14.11.2014	Transfer	10	0.00%		0.00%
		29.10.2014	Transfer	10	0.00%		0.00%
		01.11.2014	Transfer	10	0.00%		0.00%
		29.10.2014	Transfer	10	0.00%		0.00%
3	At the end of the year			900,000	100.00%	900,000	100.00%

(iv) Shareholding Pattern of top ten Shareholders							
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			N/A	0.00%	N/A	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sh. Siddharth Mahajan						
	At the beginning of the year			10	0.00%	10	0.00%
	Changes during the year			No change	0.00%	No change	0.00%
	At the end of the year			10	0.00%	10	0.00%
2	Name						
	At the beginning of the year			N/A	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
(Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	N/A			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	N/A			
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	N/A			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name			(Rs/Lac)
	Designation	N/A		
1	Gross salary	N/A		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total (A)			
	Ceiling as per the Act			
B. Remuneration to other Directors				
SN.	Particulars of Remuneration	Name of Directors	Total Amount	
			(Rs/Lac)	
1	Independent Directors	N/A		
	Fee for attending board committee meetings		-	
	Commission		-	
	Others, please specify		-	
	Total (1)		-	
2	Other Non-Executive Directors		-	
	Fee for attending board committee meetings		-	
	Commission		-	
	Others, please specify		-	
	Total (2)		-	
	Total (B)=(1+2)		-	
	Total Managerial Remuneration		-	
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	459,737.00	459,737.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				-
2	Stock Option			-	-
3	Sweat Equity			-	-
4	Commission			-	-
	- as % of profit			-	-
	- others, specify			-	-
5	Others, please specify			-	-
	Total	-	-	459,737.00	459,737.00

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors


Naveen Mahajan
Managing Director
DIN 01890995


Suresh Chandra Dinkar
Director
DIN 01471998



Ravi Tirthani & Associates
Practicing Company Secretaries
Address: E-711, Nakul Path, Lalkothi,
Jaipur, Rajasthan, 302015
Email: csravitirthani@gmail.com
Contact: (0141-2741242) (+91-950333328)

Form MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Secretarial Audit Report For the Financial year ended 31st March, 2016

To,

The Members,
RAJASTHAN STATE POWER FINANCE AND
FINANCIAL SERVICES CORPORATION LIMITED
(CIN: U65923RJ2012SGC041087)
1, Bajaj Nagar Enclave,
Near Gandhi Nagar Railway Station,
Jaipur – 302015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAJASTHAN STATE POWER FINANCE AND FINANCIAL SERVICES CORPORATION LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **RAJASTHAN STATE POWER FINANCE AND FINANCIAL SERVICES CORPORATION LIMITED** ("The Company") for the period ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;

- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - **Not applicable as Company is a Government Company in which 100% shares are held by Rajasthan State Government and there are no public shareholders.**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – **Not applicable as securities issued by Company are in physical form.**
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
Not applicable as the Company has not entered into any such transaction during the year.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - **are not applicable on the Company as the Company is unlisted Government Public Company :-**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. There are no specific laws applicable to the Company except the guidelines issued by the Reserve Bank of India in respect of Non Banking Financial Company (NBFC).

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable. **(Not applicable as the Company is an Unlisted Public Company).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above subject to the following observations:-

1. The Audit Committee as well as Nomination and Remuneration Committee were not properly constituted according to the provision of Section 177 and Section 178 of Companies Act, 2013 respectively and rules made there under;
2. The Company has failed to appoint Independent Directors on its Board. Thus, the Company is not complying the provisions relating to Independent Directors.
3. The Company has not properly followed Secretarial Standards 1 & 2 as issued by The Institute of Company Secretaries of India, as required by the Section 205 of Companies Act, 2013.
4. The Company falls under the eligibility criteria of Section 135 relating to Corporate Social Responsibility. However the Company fails to Constitute CSR Committee in accordance with the provisions of Section 135 of Companies Act, 2013. Further Company fails to spend the amount for CSR Activities.
5. Shares were transferred during the period under review and the provisions relating to share transfer as specified in Section 56(1) of Companies Act, 2013 has been exempted vide exemption notification dated 05th June, 2015. However it is recommendable that the details and noting about the Transfer of shares shall be recorded in the Minutes of Board Meeting.

We further report that:

The Constitution of Board of Directors of the Company was not proper as the Company has not appointed any Independent Director as per the provisions of the Companies Act, 2013. The changes in composition of board of directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate Notice given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period there were no specific events / actions having a major bearing on the Company's affairs.

**For Ravi Tirthani & Associates
Company Secretaries**

**Date: 29/07/2016
Place: Jaipur**



Ravi Tirthani

ACS No.: 40128 COP No.: 14837

ANNEXURE-A

To,

**The Members,
RAJASTHAN STATE POWER FINANCE AND
FINANCIAL SERVICES CORPORATION LIMITED
(CIN: U65923RJ2012SGC041087)
1, Bajaj Nagar Enclave,
Near Gandhi Nagar Railway Station,
Jaipur - 302015**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of Management of the Company. Our responsibility is to express an opinion on these records based on our Audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliances of laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules and Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Ravi Tirthani & Associates
Company Secretaries**

Date: 29/07/2016

Place: Jaipur



**Ravi Tirthani
ACS No.: 40128 COP No.:14837**

REPLIES TO THE OBSERVATIONS OF SECRETARIAL AUDIT REPORT

S. No.	Observation	Management Reply
1.	The Audit Committee as well as Nomination and Remuneration Committee were not properly constituted according to the provision of Section 177 and Section 178 of Companies Act, 2013 respectively and rules made there under;	<p>The appointment of Independent Directors is in process. As per the provisions of Section 177 (2) of Companies Act, 2013, The Audit Committee shall consist of a minimum of three Directors with independent directors forming majority. Further As per the provisions of Section 178 (1) of Companies Act, 2013, Nomination and Remuneration Committee shall consist three or more non executive directors out of which not less than one half shall be Independent Directors. Due to the non appointment of Independent Directors on the board, the constitution of Audit Committee and Nomination & Remuneration Committee are proper and not in accordance of Section 177 and Section 178 of Companies Act, 2013, respectively.</p> <p>As the Company is the State Government Company, Hence appointment of Independent Directors shall be done after getting approval from state government. The file for the same is in process. The Company will appoint the Independent Directors as and when approved by the State Government.</p>
2.	The Company has failed to appoint Independent Directors on its Board. Thus, the Company is not complying the provisions relating to Independent Directors.	As the Company is the State Government Company, Hence appointment of Independent Directors shall be done after getting approval from state government. The file for the same is in process. The Company will appoint the Independent Directors as and when approved by the State Government.
3.	The Company has not properly followed Secretarial Standards 1 & 2 as issued by The Institute of Company Secretaries of India, as required by the Section 205 of Companies Act, 2013.	The Secretarial Standards are applicable w.e.f. 01.07.2015. The Company has tried to follow the same at its best level. There are minor deficiencies while drafting of minutes. The Company will take care of it in future.

4.	<p>The Company falls under the eligibility criteria of Section 135 relating to Corporate Social Responsibility. However the Company fails to Constitute CSR Committee in accordance with the provisions of Section 135 of Companies Act, 2013.</p> <p>Further Company fails to spend the amount for CSR Activities.</p>	<p>The appointment of Independent Directors is in process. As per the provisions of Section 135 (1) of Companies Act, 2013, The CSR Committee shall consist of a minimum of three Directors with at least 1 independent director. Due to the non appointment of Independent Directors on the board, company could not constitute CSR Committee. As per the requirement of Section 135 and Schedule VII of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was required to spend Rs. 2,55,070/- during the Financial Year 2015-16. Company will spend the same in future years.</p>
5.	<p>Shares were transferred during the period under review and the provisions relating to share transfer as specified in Section 56(1) of Companies Act, 2013 has been exempted vide exemption notification dated 05th June, 2015. However it is recommendable that the details and noting about the Transfer of shares shall be recorded in the Minutes of Board Meeting.</p>	<p>The Observation of Secretarial Auditor is self explanatory. However Company will take care of the recommendation in future.</p>

For and on behalf of the Board of Directors



Naveen Mahajan
Managing Director
DIN 01890995



Suresh Chandra Dinkar
Director
DIN 01471998



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Rajasthan State Power Finance and Financial Services Corporation Limited ("the company")**, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, 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

The company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of financial position and financial performance and Cash Flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 fair 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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the standards on auditing specified under Section 143(10) of the Act. 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 misstatements.

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

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with notes there on 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:

- (i) In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2016;
- (ii) In the Case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact to the financial statements of the Company give in the **Annexure "I"**.
- 2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give a statement on the matters specified in the paragraphs 3 and 4 of the said Order the extent applicable to the Company in the **Annexure "II"**.
- 3) As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by Law have been kept by the Company so far as it appears from our examinations of those books;

- c. the Balance Sheet , the statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June 2015, issued by the Government of India; the provisions of sub-section (2) of Section 164 of the Companies Act, 2013 are not applicable to the company.
- f. With respect to the adequacy of Internal Financial Controls over financial reporting of the company and operative effectiveness of such controls refer to our separate report in **Annexure "III"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- g. 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:
 - a) The Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There are no amounts, which are required to be transferred, to the Investor Education and Protection Fund by the Company.

For **VIKAS JAIN & ASSOCIATES**
Chartered Accountants
FRN- 006803C



[S.S.DHAKED]
Partner
M. No. 076985

Place of Signature: Jaipur

Dated: 29.07.2016

ANNEXURE "I" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date to the members of Rajasthan State Power Finance and Financial Services Corporation Ltd on the accounts for the year ended 31st March 2016 as per Directions indicating the area to be examined by the Statutory Auditors issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013. We have generated this report, as per the information and explanation provided to us by the management during the course of audit)

General Directions (Annexure "A")

S.No.	Observation	Reply
1.	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Not Applicable, as the company is not holding any freehold or leasehold land.
2.	Whether there are any cases of waiver/ write off of debts/ loans/interest etc. If yes, the reasons there for and amount involved.	No such Case of Waiver/write off of debts/loans/interest etc, were observed.
3.	Whether Proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Govt. or other authorities.	No Applicable

Company/Sector Specific Directions (Sub-Directions) (Annexure "B")

S.No.	Observation	Reply
1.	Whether the Company has Complied with the directions issued by the Reserve Bank of India for:	
	Non - Banking Finance Companies	As informed and explained to us by the company, is has generally complied with the Directions issued by Reserve Bank of India as applicable to it relating to NBFC. However, the Company's Financial assets are not more than 50% of its total assets and the income from financial assets is not more than 50% of its total income as stipulated in certificate of registration as Non Banking Financial Institution issued by Reserve Bank of India. Further the company has not complied with the requirement of Para No.26 of Non Systemically important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
	Classification of Non Performing assets and	As per Para 1(3)(iii) of RBI Notification No. DNBR.008/CGM(CDS)-2015 dated 27 th March 2015 on Non Systemically important Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, these directions, except the provisions of paragraph 26 of the said directions relating to submission of information to Reserve Bank of India in regard to change of address, directors, auditors etc. shall not apply to non banking financial company being a Government Company as defined under clause(45) of Section of Companies Act, 2013 (18 of 2013) and not accepting/holding public deposit. Therefore classification of non- performing assets is not applicable to company.
	Capital Adequacy norms for NBFC's	As per Para 1(3)(iii) of RBI Notification No. DNBR.008/CGM(CDS)-2015 dated 27 th March 2015 on Non Systemically important Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015,

	Capital Adequacy norms for NBFC's	these directions, except the provisions of paragraph 26 of the said directions relating to submission of information to Reserve Bank of India in regard to change of address, directors, auditors etc. shall not apply to non banking financial company being a Government Company as defined under clause(45) of Section of Companies Act,2013 (18 of 2013) and not accepting/holding public deposit. Therefore Capital Adequacy norms for NBFC are not applicable to company.
2.	Comment on the confirmation of balances of trade receivables, trade payables, terms deposits, bank accounts and cash obtained	The Confirmation of terms deposits with bank and bank balances and loan balances were obtained. There was no cash balance as at 31.03.2016
3.	Whether the bank guarantees have been revalidated in time?	The company has not taken any bank guarantees during the year. Therefore not applicable to company

For **VIKAS JAIN & ASSOCIATES**
Chartered Accountants
FRN- 006803C



[S.S.DHAKED]
Partner
M. No. 076985

Place of Signature: Jaipur
Dated: 29.07.2016

ANNEXURE "II" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date to the members of Rajasthan State Power Finance and Financial Services Corporation Limited on the accounts for the year ended 31st March 2016 as required by the Companies (Auditor's Report) order, 2016 issued by the Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management at year end. As informed to us no discrepancies were noticed on such verification by the management.
- (ii) As informed to us, the company is not engaged in purchase/sale of goods and not maintaining Inventory, Hence the clause is not applicable to the company.
- (iii) As per information and explanation given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013. Hence, the Clause is not applicable to the company.
- (iv) As per the information and explanation given to us, the Company has not granted any loans or made investment or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed cost records under sub section(1) of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 for the company, Hence, the clause is not applicable to the company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities, however, undisputed dues of Service tax amounting to Rs.400/- are outstanding as

on 31st March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service Tax, duty of customs, duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on examination of books of accounts and information and explanation given to us, the Company has not taken loans or borrowings from a financial institution or bank. Company has also not issued any debentures; accordingly there is not default in repayment.
- (ix) Based on examination of books of accounts and information and explanation given to us, no money was raised during the year by way of initial public offer and no term loans were raised.
- (x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June 2015, issued by the Government of India, the provisions of Section 197 of the Companies Act, 2013 are not applicable to the company.
- (xii) The company is not a Nidhi Company, hence reporting under this clause is not applicable.
- (xiii) The Company has complied with the provisions of 188 of the Companies Act, 2013 with respect to all transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards. However, Provisions of Section 177 are not complied with in relation to transaction with related parties.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year to which Section 42 of the Companies Act 2013 applies.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.

(xvi) According to information and explanation given to us, the Company is already registered with Reserve Bank of India vide Registration Certificate No B.10.00226'NBFC-ND-NEW' dated 24.07.2013

For **VIKAS JAIN & ASSOCIATES**

Chartered Accountants

FRN- 006803C



[S.S.DHAKED]

Partner

M. No. 076985

Place of Signature: Jaipur

Dated: 29.07.2016

ANNEXURE “III” TO THE AUDITORS’ REPORT

Referred to in our report of even date to the members of Rajasthan State Power Finance and Financial Services Corporation Limited on the accounts for the year ended 31st March 2016

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 Rajasthan State Power Finance and Financial Services Corporation Limited (“the Company”) as on 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). The Company has adopted the Rajasthan Service Rules, GF&AR and any other service and Financial Rules prescribing general conditions of services made by appropriate authority under the proviso to Article 309 of the Constitution 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **VIKAS JAIN & ASSOCIATES**
Chartered Accountants
FRN- 006803C



[S.S.DHAKED]
Partner
M. No. 076985

Place of Signature: Jaipur
Dated: 29.07.2016

NON BANKING FINANCIAL COMPANIES AUDITORS' REPORT

To

The Board of Directors

Rajasthan State Power Finance and Financial Services Corporation Ltd

1, Bajaj Nagar Enclave,

Near Gandhi Nagar Railway Station,

Jaipur-302015

Dear Sir

As required by the “ Non Banking Financial Companies Auditor's 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 Company, 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. The Company's Financial assets are not more than 50% of its total assets and the income from financial assets is also not more than 50% of its total income as at 31st March 2016 as stipulated in certificate of registration as Non Banking Financial Institution issued by Reserve Bank of India. Thus the company is not entitled to continue to hold such registration in terms of its assets / Income pattern as on 31st March 2016 as stipulated in its certificate of registration. Further, it was informed and explained by the company that the idle funds were parked in fixed deposits with bank and many a times needful efforts were made to achieve its financial assets and financial income as required by Reserve Bank of India.
3. The Board 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 2015-16

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, being a Government Company as defined under clause (45) of Section 2 of the Companies Act, 2013, in terms of "Non-Systemically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

For **VIKAS JAIN & ASSOCIATES**
Chartered Accountants
FRN- 006803C



[S.S.DHAKED]
Partner
M. No. 076985

Place of Signature: Jaipur
Dated: 29.07.2016

RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED
(Formerly known as Rajasthan State Power Finance Corporation Ltd)
CIN: U65923RJ2012SGC041087
BALANCE SHEET
as at 31st March, 2016

		(In Rs.)	
Particulars	Note Part A	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	900,000,000	900,000,000
(b) Reserves and Surplus	2	70,752,354	25,334,993
(2) Share application money pending allotment		-	-
(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) Trade Payable			
(c) Other current liabilities	3	967,391	931,809
(d) Short-term provisions	4	465,199	-
Total		972,184,944	926,266,802
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	5		
(i) Tangible assets		918,716	904,416
Less: Accumulated Depreciation		665,170	499,273
		253,546	405,143
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments			
(c) Deferred tax assets (net)		3,381,510	4,932,928
(d) Long term loans and advances	6	-	15,000,000
(e) Other Non Current Assets		-	-

(In Rs.)			
Particulars	Note Part A	As at 31.03.2016	As at 31.03.2015
(2) Current assets			
(a) Cash and Bank balance			
(i) Cash and cash equivalents		-	-
Cash-in-Hand		-	-
Balance With Scheduled Banks & PD A/c	7	439,711	26,094,043
FDR with Scheduled Banks having maturity within 3 months		945,945,355	491,900,000
Accrued interest on FDR		10,204,288	2,063,019
(ii) Other Bank Balances			
FDR with Scheduled Banks having maturity more than 3 months		-	378,817,432
Accrued interest on FDR		-	2,595,295
(b) Short-term loans and advances	8	7,500,000	-
(c) Other current assets	9	4,460,534	4,458,942
Total		972,184,944	926,266,802

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

Naveen Mahajan
Managing Director
DIN 01890995

Suresh Chandra Dinkar
Director
DIN 01471998

Shrikrishana Sharma
CFO

Prerana Gupta
Company Secretary

Signed in terms of our Report of even date attached

For Vikas Jain & Associates

Chartered Accountants

FRN 006803C

(S. S. Dhaked)
Partner
M.No. 076985
Place: JAIPUR
Date: 29.07.2016

RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED
(Formerly known as Rajasthan State Power Finance Corporation Ltd)
CIN: U65923RJ2012SGC041087
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st March, 2016

Particulars	Note No	For the year ended 31.3.2016	For the period ended 31.3.2015
I. Revenue from operations	10	74,736,539	73,968,749
II. Other Income	11	-	213,281
III. Total Revenue (I +II)		74,736,539	74,182,030
IV. Expenses:			
Employee Benefit Expenses	12	1,978,100	2,692,537
Operating Expenses	13	2,021,935	2,240,000
Financial Costs		-	-
Depreciation		165,897	355,515
Other Expenses	14	2,411,548	2,525,711
Total Expenses		6,577,480	7,813,763
V. Profit/ Loss before exceptional and extraordinary items and tax (III - IV)		68,159,059	66,368,267
VI. Exceptional Items			
VII. Profit/Loss before extraordinary items and tax (V - VI)		68,159,059	66,368,267
VIII. Extraordinary Items			
IX. Profit/Loss before tax (VII - VIII)		68,159,059	66,368,267
X. Tax expense:			
(1) Current tax		21,190,280	17,858,310
(2) Deferred tax Liability(+)/ Asset(-)		1,551,418	1,353,312
XI. Profit/Loss from the period from continuing operations (IX-X)		45,417,361	47,156,645
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)			

Particulars	Note No	For the year ended 31.3.16	For the period ended 31.3.15
XV. Profit/(Loss) for the period (XI + XIV)		45,417,361	47,156,645
XVI. Earning per equity share:			
(1) Basic		50.46	52.40
(2) Diluted		50.46	52.40

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 statement of profit and loss referred in our report of even date.

For and on behalf of the Board of Directors



Naveen Mahajan
Managing Director
DIN 01890995



Suresh Chandra Dinkar
Director
DIN 01471998



Shrikrishana Sharma
CFO



Prerana Gupta
Company Secretary

Signed in terms of our Report of even date attached

For Vikas Jain & Associates

Chartered Accountants

FRN 006803C







(S. S. Dhaked)
Partner
M.No. 076985
Place: JAIPUR
Date: 29.07.2016

RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED
(Formerly known as Rajasthan State Power Finance Corporation Ltd)
CIN: U65923RJ2012SGC041087
Cash Flow Statement

		For the year ending 31.03.2016		For the year ending 31.03.2015	
			Amount (in Rs.)		Amount (in Rs.)
A	Cash Flow from Operating Activities				
	Net Profit/Net Loss after taxes and Extra- ordinary items	45,417,361		47,156,645	
	Adjustments for:				
	Depreciation	165,897		355,515	
	Taxes	21,190,280		17,858,310	
	Deffered Tax Asset (-) /Liabilities(+)	1,551,418		1,353,312	
	Operating profit before Working Capital Changes	68,324,956		66,723,782	
	Increase/Decrease in Current Assets (-/+)	381,411,135		(225,757,669)	
	Increase/ Decrease in Current Liabilities (+/-)	35,582		(223,988)	
	Increase / Decrease in Loans & Advances (-/+)	7,500,000		-	
	Net cash from operating activities		457,271,673		(159,257,875)
	Tax Paid		20,725,081		17,858,310
B	Cash Flow from Investing Activities				
	Acquisition of Tangible Assets	(14,300)			
	Net cash flow from Investing Activities		(14,300)		-
C	Cash Flows from Financing Activities				
	Net cash flow from Financing Activities		-		-

		For the year ending 31.03.2016	For the year ending 31.03.2015
		Amount (in Rs.)	Amount (in Rs.)
D	Net Increase & Decrease in Cash & Cash Equivalants(A+B+C)	436,532,292	(177,116,185)
E	Opening Cash & Cash Equivalants	520,057,062	697,173,247
F	Cash and Cash Equivalants at the end of year	956,589,354	520,057,062
	Balance With Scheduled Banks & PD A/c	439,711	26,094,043
	FDR with Scheduled Banks having maturity within 3 months	945,945,355	491,900,000
	Accrued interest on FDR	10,204,288	2,063,019

For and on behalf of the Board of Directors

			
Naveen Mahajan Managing Director DIN01890995	Suresh Chandra Dinkar Director DIN 01471998	Shrikrishana Sharma CFO	Prerana Gupta Company Secretary

Signed in terms of our Report of even date attached
For Vikas Jain & Associates
Chartered Accountants
FRN 006803C



(S. S. Dhaked)
Partner
M.No. 076985
Place : JAIPUR
Date : 29.07.2016

Note 1
Share Capital

Particulars	As at 31 st March 2016		As at 31 st March 2015	
	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	900,000	900,000,000
Subscribed & Paid up				
900000 Equity Shares of Rs.1000 each	900,000	900,000,000	900,000	900,000,000
Total		900,000,000		900,000,000

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	900000	900000000	-	-
Shares Issued during the year	NIL	NIL	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	900000	900000000	-	-

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 st March 2016		As at 31 st March 2015	
	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%	899930	99.99%
Total	899930	99.99%	899930	99.99%

Note 2**Reserves & Surplus**

Surplus/Deficit	As On 31.3.16	As on 31.3.15
Opening balance	25,334,993	(21,821,652)
(+) Net Profit/(Net Loss) For the current year	45,417,361	47,156,645
(+) Transfer from Reserves	-	-
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves		
Closing Balance		
Total	70,752,354	25,334,993

Note 3**Other Current Liabilities**

	As On 31.3.16	As On 31.3.15
(a) Trade payables		
(i) M. S. M. E. Creditors	-	-
(ii) Other Creditors	-	-
(b) Others		
(I) Creditors for Expenses	267,197	297,785
(II) Other statutory payables	137,746	69,197
(III) Other payables to Consultants	150,300	119,700
(IV) Other payables for Salary & Reimbursements	248,398	282,217
(V) Other payables for Audit Fees	54,000	53,160
(VI) Other payables for		
Internal Audit	32,400	31,500
Secretarial Audit	21,150	31,500
(VII) Other payables for Earnest Money	27,850	27,850
(VIII) Seucrity Deposits	28,350	18,900
Total	967,391	931,809

Note 4**Short Term Provisions**

	As On 31.3.16	As On 31.3.15
Provision for Income Tax	21,190,280	17,858,310
Less: Advance tax and TDS as per Contra	20,725,081	17,858,310
Total	465,199	-

Note 5**Fixed Assets****Depreciation as per Part "C" of Schedule II of The Companies Act 2013**

Fixed Assets	Gross Block			Depreciation			Net Block	
	Balance as at 1 April 2015	Additions/ (Disposals)	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Balance as at 31 March 2016	Balance as at 1 April 2015	Balance as at 31 March 2016
Tangible Assets								
Plant and Equipment								
Furniture and Fixtures	396,421	-	396,421	137,455	68,376	205,831	258,966	190,590
Office equipment	67,959	14,300	82,259	36,587	20,826	57,413	31,372	24,846
Office equipment (Computers & Printers)	440,036		440,036	325,231	76,695	401,926	114,805	38,110
Total	904,416	14,300	918,716	499,273	165,897	665,170	405,143	253,546

Note 6**Long Term Loans and Advances**

Particulars	As On 31.3.16	As On 31.3.15
Secured, considered good	-	15,000,000
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
Total	-	15,000,000

Note 7**Balance with Schedule Banks**

	As On 31.3.16	As On 31.3.15
Balance with PD A/c	10000	10000
Balance with IDBI bank (Current Account)	429711	26084043
Total	439,711	26,094,043

Balance of FDR with Scheduled Bank

	As On 31.3.16	As On 31.3.15
(I) FDR with banks	945,945,355	870717432
(II) Accrued interest on FDR	10,204,288	4,658,314
Total	956,149,643	875,375,746

Note 8**Short Term Loans And Advances**

Particulars	As On 31.3.16	As On 31.3.15
Secured, considered good	7,500,000	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
Total	7,500,000	-

Note 9**Other Current Assets**

	As On 31.3.16	As On 31.3.15
TDS Refundable (Net off provision for Income tax FY 2014-15)	4445379	4445379
Advance to others	5000	-
Interest Accrued But Not Due	10155	13563
Total	4,460,534	4,458,942

Note 10**Revenue From Operations**

	As on 31.03.2016	As on 31.03.2015
Interest on Loan	1,650,000	1,650,000
Interest on FDR	73,086,539	72,318,749
Total	74,736,539	73,968,749

Note 11**Other Income**

	As on 31.03.2016	As on 31.03.2015
Interest on Income Tax	-	212,733
Sale of Tender Forms	-	548
Total	-	213,281

Note 12**Employee Benefit Expenses**

	As on 31.03.2016	As on 31.03.2015
Salary	1,975,546	2,685,651
Medical Reimbursement	2,554	6,886
Total	1,978,100	2,692,537

Note 13
Operating Expenses

	As on 31.03.2016	As on 31.03.2015
Consultancy Charges	2,021,935	2,240,000
Total	2,021,935	2,240,000

Note 14
Other Expenses

	As on 31.03.2016	As on 31.03.2015
Printing & Stationery Expenses	91,443	92,767
Rent	737,400	720,000
Telephone Expenses	112,857	109,230
Travelling Expenses	42,509	780
Charges of contract personnel	512,310	718,843
Office expenses	127,316	86,426
<u>Payment to Statutory Auditors</u>		
(i) Statutory Audit Fees	50,000	50,000
(ii) Tax Audit Fees	10,000	10,000
Internal Audit Fees	36,000	35,000
Secretarial Audit Fees	23,500	35,000
Hiring of vehicle	507,601	445,991
Entertainment	3,527	2,927
Board meeting expenses	9,842	12,398
Interest on Service tax	332	-
Interest on TDS	1,193	675
Bank Charges	673	-
Electricity and water charges	45,911	46,157
ROC Filing Fees	44,400	89,240
Books & Periodicals	735	1,527
Other Professional Fees	53,999	68,750
Total	2,411,548	2,525,711

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 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

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 Schedule III to the Companies Act, 2013.

(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 on assets is provided for on original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed by Schedule II to the Companies Act, 2013
- (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 earnings 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 earnings 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



Naveen Mahajan
Managing Director
DIN 01890995



Suresh Chandra Dinkar
Director
DIN 01471998



Shri Krishana Sharma
CFO



Prerana Gupta
Company Secretary

Signed in terms of our Report of even date attached
For Vikas Jain & Associates
Chartered Accountants
FRN 006803C



(S. S. Dhaked)
Partner
M.No. 076985
Place : JAIPUR
Date : 29.07.2016

RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED

(Formerly known as Rajasthan State Power Finance Corporation Limited)

CIN: U65923RJ2012SGC041087

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 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 3. The Company does not have more than one reportable segment. Hence no disclosure is required as per AS – 17 'Segment Reporting'.

Note 4. The Disclosures as required under AS-18 'Related Party Disclosures' issued by ICAI are as under:

(i) Names of individual and Key Management personnel :-

- (a) Shri P. S. Mehra, Chairman
- (b) Shri Siddharth Mahajan, Managing Director (till 28/04/2016)
- (c) Shri Bhaskar A. Sawant (From 30/04/16 to 20/06/2016)
- (d) Shri Naveen Mahajan, Managing Director (From 20/06/2016 till now)
- (e) Shri Shrikrishana Sharma, GM (finance) & Chief financial officer
- (f) Prerana Gupta, Company Secretary

(ii) Transactions with Related Party of Such individual and Key Management personnel - Nil

(iii) Enterprises in which any person described above has substantial interest - Nil

(iv) Remuneration to Key Managerial Personnel

Particulars	Amount
Salary and emoluments of Mrs. Neha Giri	Nil/- (Previous Year – Rs. 143083)
Salary and emoluments of Mrs. Prerana Gupta (CS)	459737/- (Previous Year Rs. 225120)
Remuneration for Additional Charge to Shri P.S. Mehra (Chairman)	18000/- (Previous Year – Rs. 6000/-)

Note 5. The Net Deferred Tax Asset of Rs **33,81,510/-** (as on 31.3.2015 Rs 4932928) have been computed as per Accounting Standard 22 -'Accounting for taxes on Income'. The breakup of Deferred Tax Asset is given below:

S. No.	Particulars	Deferred Tax Assets/ Liabilities as on 1.4.2015 (₹)	Charged/ (Credit) during the year (₹)	Deferred Tax Assets/ Liabilities as at 31.3.2016 (₹)
(i)	Deferred Tax Assets On account of impact of Depreciation	15854	25167	41021
(ii)	Deferred Tax Assets On account of Preliminary Expenses written off	4917074	-1576585	3340489
Deferred Tax Assets (Net) (i+ii)		4932928	-1551418	3381510

Note 6. 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		31.03.2016	31.03.2015
(i)	Profit/(loss) after tax	4,54,17,361	4,71,56,645
(ii)	Weighted Average Number of Equity Shares (Basic)	900000	900000
(iii)	Weighted Average Number of Equity Shares (Diluted)	900000	900000
(iv)	Basic EPS	(+)50.46	(+)52.40
(v)	Diluted EPS	(+)50.46	(+)52.40
(vi)	Nominal Value of Per Equity Share	1000	1000

Note 7. 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 8. 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 9. As per requirement of section 135 and schedule VII of Companies Act, 2013 read with companies (corporate social responsibility policy) rules 2014, company was required to spend Rs. 255070/- during the financial year 2015-16. Company will spend the same in future years.

Note 10. Previous figures have been regrouped / reclassified, wherever necessary, to make them comparable to the current year's presentation.

Note 11. Figures have been rounded off to nearest Rupee.

For and on behalf of the Board of Directors



Naveen Mahajan
Managing Director
DIN 01890995



Suresh Chandra Dinkar
Director
DIN 01471998



Shri Krishana Sharma
CFO



Prerana Gupta
Company Secretary

Signed in terms of our Report of even date attached
For Vikas Jain & Associates
Chartered Accountants
FRN 006803C



(S. S. Dhaked)
Partner
M.No. 076985
Place : JAIPUR
Date : 29.07.2016



सत्यमेव जयते

संख्या / No. सी.ए.डब्ल्यू-1 / वा.ले. / आर.एस.पी.एफ.सी / 2015-16 / के-637 / D-1363

भारतीय लेखापरीक्षा और लेखा 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-302005

दिनांक / Date : 26 / 08 / 2016

प्रबन्ध निदेशक,
राजस्थान स्टेट पॉवर फाइनेन्स एवं फाइनेन्शियल
सर्विसेस कॉर्पोरेशन लिमिटेड,
विद्युत भवन, जनपथ,
जयपुर 302005

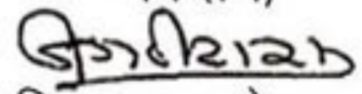
विषय : राजस्थान स्टेट पॉवर फाइनेन्स एवं फाइनेन्शियल सर्विसेस कॉर्पोरेशन लिमिटेड, जयपुर
के वर्ष 2015-2016 के वित्तीय विवरणों पर नियंत्रक एवं महालेखापरीक्षक की टिप्पणी।

महोदय,

मुझे कम्पनी अधिनियम की धारा 143(6) के अंतर्गत कम्पनी की वार्षिक साधारण सभा में प्रस्तुत करने हेतु 31 मार्च 2016 को समाप्त वर्ष के लिए राजस्थान स्टेट पॉवर फाइनेन्स एवं फाइनेन्शियल सर्विसेस कॉर्पोरेशन लिमिटेड, जयपुर के वित्तीय विवरणों पर कम्पनी अधिनियम की धारा 143(6)(b) के अधीन शून्य टिप्पणी प्रमाण पत्र जारी करने का आदेश प्राप्त हुआ है।

उपरोक्त अवधि के वित्तीय विवरणों 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।

संलग्न : उपरोक्तानुसार

भवदीय,

वरि. उपमहालेखाकार
(आर्थिक क्षेत्र लेखा परीक्षा-1)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT 2013 ON THE FINANCIAL STATEMENTS OF RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2016.

The preparation of financial statements of Rajasthan State Power Finance and Financial Services Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29th July 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Rajasthan State Power Finance and Financial Services Corporation Limited for the year ended 31 March 2016. 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 comment upon or supplement to statutory auditors' report.

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

S. Alok

(S. Alok)

**Accountant General
(Economic & Revenue Sector Audit)
Rajasthan, Jaipur**

**Place: Jaipur
Date: 26.08.2016**

Annual General Meeting Notice

Notice is hereby given that the Fourth Annual General Meeting of the members of Rajasthan State power Finance Corporation Limited is scheduled to be held on Friday, 30th September, 2016, at 11.00 AM at Plot no. 1, Bajaj Nagar Enclave. Near Gandhi Nagar Railway Station, Jaipur – 302015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited annual accounts of the Company for the year 2015-16 (Balance Sheet as on 31st March, 2016, and the Statement of Profit and Loss Account for the year ended on that date, along with Notes on Accounts appended thereto) together with the Reports of Directors and Auditors 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 Vikas Jain & associates, Chartered Accountants, Jaipur by the Comptroller and Auditor General of India as the Statutory Auditors of the Company for the financial year 2016-17 be and is hereby confirmed at an Audit fees of Rs. 57,000/- (Statuary Audit + Tax Audit fees) plus service tax.”

**By order of the Board
For Rajasthan State Power Finance &
Financial Services Corporation Limited**


**Naveen Mahajan
Managing Director
DIN:01890995
Place: Jaipur**

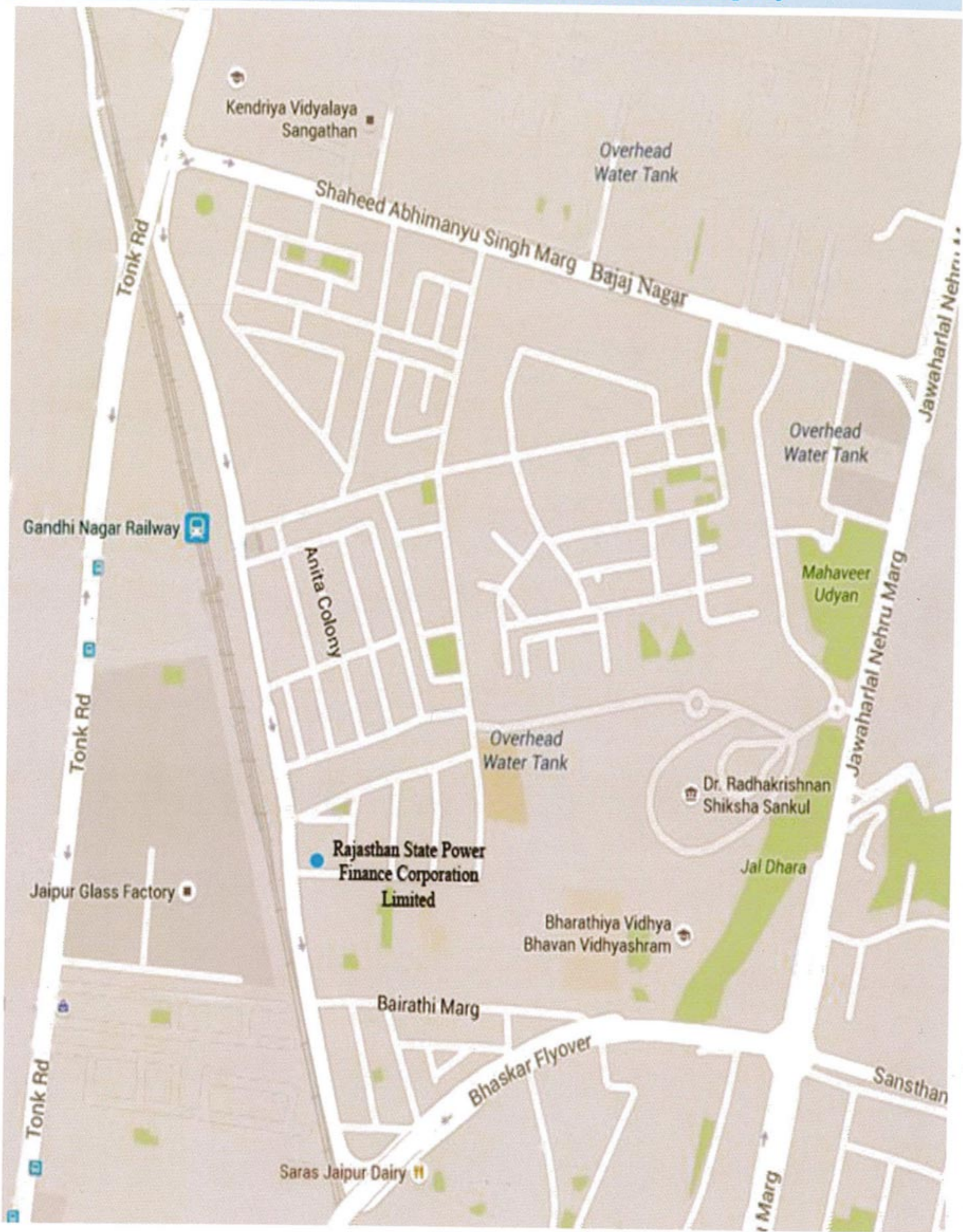
Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 4th ANNUAL GENERAL MEETING.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention to inspect is given to the Company.

Important Telephone Numbers

Name	Designation	Contact Number
Shri Prem Singh Mehra	Chairman	0141-2227664
Shri Naveen Mahajan	Managing Director	0141-2227934
Shri Shrikrishana Sharma	Chief Financial Officer	9414067330
Shri Arvind Deewan	GM (Credit & Investment)	9413355000
Shri Akul Bhargava	GM (Systems)	9414092426
Shri Mohan Lal Saini	Accounts Officer	9414067733
Shri Pankaj Jangid	AGM (HR/Adm.)	9460659588
Shri Sardarmal Yadav	A.A.O. Grade II	9413460345
Shri S.C. Soni	Chief Consultant (Adm.)	9413340787
Shri R.R. Poddar	Chief Consultant (Banking)	9214056056
Shri G.V. Chauhan	Chief Consultant (Law)	9414078102
Shri O.P. Joshi	Consultant (Admin)	0141-2708611
Shri Mohd. Sadat Ali	Consultant (Secretarial Work)	9413477192

Route Map of the Registered Office of the Company





Registered and Administrative Office:

RAJASTHAN STATE POWER FINANCE & FINANCIAL SERVICES CORPORATION LIMITED

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>

Save Power, Save Money