

9th ANNUAL REPORT 2008-2009

RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LTD.

(A Government of Rajasthan Undertaking)

BOARD OF DIRECTORS
(AS ON DATE OF THE 9th AGM 31.12.2009)

1. Dr. Sudhir Kumar Calla	-	Chairman & Managing Director
2. Sh. Shailendra Agarwal, IAS	-	Director
3. Sh. Naresh Pal Gangwar, IAS	-	Director
4. Sh. R. G. Gupta	-	Director
5. Sh. M. L. Gupta	-	Director
6. Sh. R. M. Singhvi	-	Director
7. Sh. M. L. Kothari	-	Director
8. Sh. Mukesh Chandra Gaur	-	Director (Finance)

CHIEF ACCOUNTS OFFICE

Sh. M. K. Khandelwal

COMPANY SECRETARY

Sh. S.G.V.S. Subrahmanyam

AUDITORS

M/s D. P. Khandelwal & Co.
Chartered Accountants
B-11, Saket Colony
Adarsh Nagar, Jaipur - 302004

BANKERS

State Bank of Bikaner & Jaipur

REGD. OFFICE & HEAD OFFICE

Vidyut Bhawan
Janpath, Jyoti Nagar
Jaipur - 302005
Phone : 0141-2740381-2
Fax : 0141-2740633
Website : www.rajenergy.com

Contents

S.No.	Particulars	Page Nos.
1.	Directors' Report	1-11
2.	Management Response to Auditor's Report	12-15
3.	Auditors' Report	16-27
4.	Annual Accounts alongwith Schedules	28-48
5.	Significant Accounting Policies & Notes on Accounts	49-61
6.	Balance Sheet Abstract and Companies General Business Profile & Cash Flow Statement	62-65
7.	Comments of CAG	66-67
8.	Management's Response to CAG's Comments	68
9.	Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies	69-70
	Annual Reports of Subsidiary Companies	
10.	Chhabra Power Ltd.	71-86
11.	Dholpur Gas Power Ltd.	87-100

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the **Ninth Annual Report** on the business and operations of the Company and the Audited Statement of Accounts for the financial year ended **31st March, 2009**.

1. Performance Overview

Your Company continued with capacity addition in Power Generation in the State of Rajasthan, in line with the targets set by Ministry of Power, Government of India and with the continued support of Government of Rajasthan. The Company has taken up the setting up of two new Super-Critical technology Coal based Thermal Power Projects at Chhabra (2x660 MW Units-5 & 6 under Stage-II) and Suratgarh (2x660 MW Units-7 & 8 under Stage-V) along with 160 MW (110MW + 50MW) Gas based Project at Ramgarh under Stage-III and 2x125 MW Lignite based Project at Giral under Stage - III (Units-3 & 4).

The State Government has also accorded its 'In-principal' approval to your Company for setting up of six new Power Projects totalling to 4780 MW, comprising of three Super Critical Projects of 2x660 MW capacity each at Suratgarh (2x660 MW Units-9 & 10 under Stage-VI), Kalisindh (2x660 MW Units-3 & 4 under Stage-II) and Greenfield project at Banswara (Units-1&2). The other three gas based projects are at 160 MW Ramgarh Stage - IV, Dholpur Stage-II (3x110 MW) and 3x110 MW Greenfield project at Keshoraipatan (Distt. Bundi). All these power projects are scheduled for commissioning in 12th Five Year Plan.

During the year, your Company commissioned 125 MW Unit-2 of Giral Lignite based Power Project. The construction activities at other ongoing Power Projects at Suratgarh Unit - 6 (250 MW) and Kota Unit-7 (195 MW) have been completed and these projects were commissioned on 29th & 31st August, 2009 respectively. The 1st Unit of Chhabra TPP was commissioned on 30th October, 2009 and the 2nd Unit thereof is expected to be commissioned by March, 2010. The construction activities at other ongoing Power Projects at 2x250 MW Chhabra TPP (Unit - 3 & 4) and 2x600 MW Kalisindh TPP are at full swing and all these Units are expected to be commissioned during the financial year 2011-12.

During the year, your Company has obtained the 'Prospecting License (PL)' for the 'Parsa Kente' captive coal block allotted to your Company in the State of Chattisgarh. The Terms of Reference (TOR) has been approved by the Ministry of the Environment & Forests (MoEF), GoI and final Environmental Clearance is expected by March, 2010. The developmental activities of the coal block are being taken up at a fast pace by the Joint Venture Company set up for the purpose and coal delivery is expected to commence from the year 2011-12. In the mean time, your Company has applied for tapering coal linkages from the Ministry of Coal, Gol.

During the year, the 1x125 MW Unit-1 of the Giral Lignite Thermal Power Project was transferred to the wholly-owned subsidiary Company formed for the purpose, namely, Giral Lignite Power Ltd., as per directions of the State Government.

A. Financial Results

The summarised financial results of the Company for the year ended **31.3.2009** are given below :

(Rs. in Crores)

	Current Year 2008-09	Previous Year 2007-08
Revenue from Sale of Power*	5101.12	3875.99
Revenue Subsidies & Grants and other Income	32.48	23.39
Total Income	5133.60	3899.38
Cost of Generation of Power*	4131.60	3253.69
Other Expenditure*	421.71	0.86
Profit before depreciation, interest and tax	658.00	644.83
Less : i) Depreciation	255.22	205.38
ii) Interest, finance charge and lease rentals*	512.06	379.08
Profit/(Loss) for the period	(-) 187.09	60.37
Add/Less : Prior period credits/ expenses	(-)307.99	(-)59.94
Profit/(Loss) before tax	(-)495.08	0.43
Less: Provision for Tax (Fringe Benefit Tax)	0.46	0.43
Profit/(Loss) after tax	(-)495.54	Nil
Appropriations	NIL	Nil

*The figures are net of the amount capitalized during the year.

No profits being available for appropriation, the Board is unable to recommend payment of dividend for the year.

B. Operational Highlights

The total installed capacity of various Thermal & Hydel Power Stations owned and run by your Company is presently **3847.35 MW** (as on 30.11.09) as detailed below:

S. No.	Name of Power Station	Planned Capacity	Installed Capacity
I.	Kota Super TPS	1240MW	1240 MW
1.	Stage-I	2x110MW	220 MW
2.	Stage-II	2x210MW	420 MW
3.	Stage-III	1x210MW	210MW
4.	Stage-IV	1x195 MW	195 MW
5.	Stage-V	1x195 MW	195 MW

II.	Suratgarh Super TPS	1500MW	1500 MW
	1. Stage-I	2x250 MW	500 MW
	2. Stage-II	2x250 MW	500 MW
	3. Stage-III	1x250 MW	250 MW
	4. Stage-IV	1x250 MW	250 MW
III.	Dholpur Gas based Combined Cycle Power Project (GT-1, GT-2 & ST)	3x110MW	330 MW
IV.	Ramgarh TPS		113.5 MW
1.	Ramgarh Gas TPP	38.5 MW	38.5 MW
2.	Ramgarh Gas TPP Extension	2x37.5 MW	75 MW
V.	Giral Lignite TPS		250 MW
1.	Giral Lignite TPS Stage-I*	1x125 MW	125 MW
2.	Giral Lignite TPS Stage-II*	1x125 MW	125 MW
VI.	Chhabra TPP Ph - 1 (Unit - 1 & 2)	2x250 MW	250 MW
VII.	Mahi Hydel Power Station Power House-I	2x25 MW	50 MW
VIII	Mahi Power House - II	2X45 MW	90 MW
IX.	Mini Hydel Schemes (10)		23.85 MW
	Total		3847.35 MW

**Under trial-run*

Besides the above, the operation & maintenance of Rana Pratap Sagar (172 MW) and Jawahar Sagar (99 MW) Hydel Power Stations (owned by Rajasthan Rajya Vidyut Prasaran Nigam Ltd.) is also under the control of your Company.

The total electricity generated during the year 2008-09 was **21591.43 MU** (20490.58 MU in 2007-08) and after reducing auxiliary consumption, **19614.496MU** (18618.22 MU in 2007-08) were sold to three Power Distribution Companies in the State, namely, Jaipur Vidyut Vitran Nigam Ltd., (Jaipur Discom), Ajmer Vidyut Vitran Nigam Ltd., (Ajmer Discom) and Jodhpur Vidyut Vitran Nigam Ltd. (Jodhpur Discom), as per the Power Purchase Agreement (PPA) with the aforesaid three Discorns, at a pre-determined ratio.

C. Highlights of Plant Performance

During the year 2008-09 also, the Power Stations of your Company have continued with efficient and economic power generation. Kota Super TPS achieved a Plant Load factor (PLF) of 93.88% (91.48% in 2007-08) while Suratgarh Super Thermal Power Station achieved a PLF of 88.96% (93.09% in 2007-08), Dholpur Gas based TPS achieved a Plant Load factor (PLF) of 79.4%

(87.52% in 2007-08). The average PLF of the Thermal Power Stations of RVUN as a whole was 88.36% (80.05% in 2007-08). The aforesaid PLF excludes the generation-loss due to back-down instructions of State Load Dispatch Centre (SLDC) under Availability Based Tariff (ABT) regime.

2. Fuel Supply Management

- i) Coal :** The annual requirement of coal for Kota Super TPS and Suratgarh Super TPS of the Company is around 12 Million Tonnes. Ministry of Coal, Govt of India had projected shortages in coal availability and consequently, as per directions of Govt. of India as well as the State Govt., your Company has initiated the process for import of around 8.00 lakh MT of coal as a short term measure to mitigate the crisis during 2009-10.

The long term linkages of coal for all the existing Power Stations and the new Power Projects being set up at Chhabra (Stage-I, Phase-1), Suratgarh (Extension Unit-6) and Kota (Extension Unit-7) the Company have been approved by the Standing Linkage Committee (Long Term Coal Linkage) of Ministry of Coal Govt. of India:

Captive Mining : As already reported earlier, your Company has obtained the Prospecting license (PL) for the 'Parsa Kente' captive coal block allotted to in the State of Chattisgarh. The Terms of Reference (TOR) for the mining project has been approved by the Ministry of the Environment & Forests (MoEF), GoI and final Environmental Clearance is expected by March, 2010. The development activities of the coal block is being taken up at fast pace and coal delivery is expected to commence from financial year 2011-12.

As reported earlier, the coal from this block shall be utilised for the 2x600 MW Kalisindh Thermal Power Project and 2x250 MW Stage-I, Phase-2 Chhabra Thermal Power Projects of your Company after their commissioning, which will ensure assured supplies of good quality coal at economical prices.

The Joint Venture Company, namely, Parsa Kente Collieries Ltd. has been formed with M/s Adani Enterprises Ltd. (AEL), Ahmedabad to provide an effective arrangement for mining of coal from the aforesaid coal blocks, its transportation and delivery at our Power Stations. A Coal Mining & Delivery Agreement (CMDA) has been executed with the aforesaid JV Company to undertake captive mining of coal for your Company. The said JV Company is taking the necessary steps to meet the scheduled deliveries of coal.

- ii) Gas :** As reported earlier, your Company has entered into long term Gas Sales & Purchase Agreement with Oil & Natural Gas Corporation Ltd. for supply of 1.5 MMSCMD Natural Gas for 330 MW Dholpur Combined Cycle Gas Thermal Power Project @ USD 4.6 per MMBTU. The Company has also entered into a long term Gas Transmission Agreement with Gas Authority of India Ltd., New Delhi for transmission of aforesaid 1.5 MMSCMD Gas from Hazira to Dholpur Power Project Terminal @ Rs. 1400 per thousand SCM. The Gas Sales & Purchase Agreement entered with ONGC has now been assigned to GAIL on the same terms & conditions as per directions of Ministry of Petroleum & Natural Gas, GoI.

Presently, ONGC & Oil India Ltd. (OIL) are supplying 0.05 MMSCMD & 0.7 MMSCMD Natural Gas respectively to Ramgarh GTPP through GAIL as against total requirement of 1.2 MMSCMD for its existing 110 MW capacity. OIL has agreed to supply additional 0.2 MMSCMD Gas to be made available shortly with increased price. RVUN had tied up with GAIL India Limited for supply of further 0.2 MMSCMD Gas

from the Gas fields of Focus Energy Ltd. to run the existing units at full load.

Besides, supply of an additional quantity of 0.75 MMSCMD Gas at NCV of 8000 Kcal/SCM has also been tied up with GAIL, for two extension Units (1x110 MW GT & 1x50MW ST) to be set up by your Company, for which the administrative and financial approval has been accorded by the State Government.

A Gas Sale & Transmission Agreement (GSTA) for supply of 0.95 MMSCMD Gas has been executed between your Company & M/s GAIL on 7th August, 2009. As per the said GSTA, GAIL shall commence supply of 0.2 MMSCMD Gas for the existing Ramgarh GTPP w.e.f. April, 2010 and remaining 0.75 MMSCMD gas shall be available from April, 2011 for the two extension Units (110 MW + 50 MW) Stage - III of Ramgarh GTPP.

iii) Lignite & Limestone : As reported earlier, your Company had entered into a Memorandum of Understanding (MOU) with Rajasthan State Mines & Minerals Ltd. (RSMML) for long term supply of lignite and limestone for the 2x125 MW Giral Lignite Thermal Power Project. The Fuel Supply Agreement (FSA) for the purpose has also been entered into between RVUN and RSMML on 19.05.09. The 2nd unit of 125 MW has also been commissioned on 26.12.2008 and RSMML has been supplying lignite and limestone for operating the Power Station.

Besides, RSMML has recently assigned two new lignite blocks namely, 'Shivker' & 'Bothia' to RVUN for meeting the requirement of two additional Units of 125 MW each to be set up by your Company, for which an "Administrative & Financial approval" of the State Government has already been received.

3. New /Extension Projects

In its tryst to take Rajasthan towards self sufficiency in Power Generation, your Company has commissioned Suratgarh Unit-6 (250 MW) 29th August, 2009 and Kota Unit-7 (195 MW) on 31st August, 2009 respectively under the '100 Days' Agenda' of the Government of India. The 1st Unit of Chhabra TPP was also commissioned on 30th October, 2009 and 2nd Unit of Chhabra TPP is expected to be commissioned by March, 2010. The construction activities at other ongoing Power Projects at 2x250 MW Chhabra TPP (Unit-3 & 4) and 2x600 MW Kalisindh TPP are at full swing. Significant progress has been achieved in the following ongoing/ new Power Projects in the State and the status of which is given below :

- i) 2x250 MW Phase-2 (Unit - 3 & 4) of the Chhabra Coal based TPP** : The land is already available under Phase -1 and water was also allocated by the Water Resources Deptt. All Statutory clearances including Environmental Clearance have been received. M/s TCE, Bangalore have been appointed as Project Consultants. Order for Main Equipments have been placed on BHEL on 20.08.08 and order for Balance of Plant (BOP) package has been placed on M/s Indure Ltd., New Delhi on 29.12.2008. Coal requirement for this Power project will met from the captive coal block(s). The units are targeted to be commissioned by October, 2011 & December, 2011.
- ii) 2x600 MW Kalisindh (Unit - 1 & 2) Coal based TPP** : The land for the project has been acquired in village Nimoda in Jhalarapatan Tehsil of Jahalawar district. Water to the tune of 1200 mcft has been allocated by the Water Resources Deptt. from the proposed Kalisindh dam. All Statutory clearances including Environmental Clearance have been received. M/s TCE, Bangalore have been appointed as Project Consultants. Order on Engineering, Procurement & Commissioning (EPC) basis has been placed on M/s BGR Energy Systems Ltd., Chennai on 9.7.2008. Coal requirement for this Power project will met from the captive coal block(s). The units are targeted to be commissioned by Dec., 2011 & March, 2012.

iii) 160 MW Ramgarh Stage - III gas based TPP : The State Govt. vide letter dated 13.08.08 has conveyed the administrative & financial approval to your Company, for setting up of 160 MW gas based combined cycle thermal power units (1x110 MW Gas Turbine + 1x50 MW Steam Turbine) at Ramgarh Gas Thermal Power Station to be commissioned in 11th plan at an estimated cost of Rs. 640 Crores at a debt- equity ratio of 80 : 20. Supply of additional quantity of 0.75 MMSCMD gas at NCV of 8000 Kcal/SCM has been tied up with GAIL for the extension Units.

The land is already available under existing power station and 10 cusec water has been allocated by the Water Resources Deptt. M/s Mantech Ltd. have been appointed as Project Consultants. The Terms of Reference (TOR) for environmental clearance for the Project have already been finalized by the State Environment's Expert Appraisal Committee and final Environmental Clearance is expected by March, 2010. REIA studies have been carried out by M/s PCRI, BHEL, Haridwar. Order for Main Equipments have been placed on BHEL on 20.08.08 and order for Balance of Plant (BOP) package is expected to be placed by March, 2010. The units are targeted to be commissioned by Nov., 2011 & March, 2012.

Besides the above ongoing Projects, the Company is taking up the following three Extension Power Projects also :

i) 2x125 MW Extension Project at Giral Lignite TPP (Unit-3 & 4) : The State Govt. vide letter dated 2.3.09 has conveyed the "Administrative & Financial" approval to your Company, for setting up of two additional units of 125 MW each at Giral Lignite Thermal Power Station by your Company in State sector in 12th plan at an estimated cost of Rs. 1575 Crores at a debt-equity ratio of 80:20. RSMML has recently assigned two new lignite blocks namely, 'Shivker' & 'Bothia' to RVUN for meeting the requirement of the said additional Units.

The land is already available under existing power station and 12 cusec water has been allocated by the Water Resources Deptt. M/s Tractebel Ltd., New Delhi have been appointed as Project Consultants. The Terms of Reference (TOR) for environmental clearance for the Project have already been finalized by the State Environment's Expert Appraisal Committee and final Environmental Clearance is expected by March, 2010. REIA studies have been carried out by M/s PCRI, BHEL, Haridwar. Order for Main Equipments & Balance of Plant (BOP) package is expected to be placed by March, 2010. The units are targeted to be commissioned by March, 2013 & June, 2013.

ii) 2x660 MW Extension Project at Chhabra TPP Stage - II (Unit-5 & 6) : The State Govt. vide letter dated 2.3.09 has conveyed the "Administrative & Financial" approval to your Company, for setting up of two additional units of 660 MW each at Chhabra Thermal Power project Stage - II (Unit-5 & 6) by your Company in State sector in 12th plan at an estimated cost of Rs. 7920 Crores at a debt- equity ratio of 80 : 20.

Additional land of 2361 Bigha has been identified and Section-4 and Section-6 & 17 has already been issued by the GoR and acquisition of land is under process. 1570 mcf water has been allocated by the Water Resources Deptt. from Lhasi dam (300 mcf), Andheri dam (500 mcf) and 770 mcf water from Parvan dam. M/s TCE Ltd, have been appointed as Project Consultants. The Terms of Reference (TOR) has already been approved by the MoEF's Expert Appraisal Committee and final Environmental Clearance is expected by March, 2010. REIA studies have been carried out by M/s PCRI, BHEL, Haridwar. Tenders for Engineering, Procurement & Commissioning (EPC) basis through International competitive basis (ICB) route have invited and orders are expected to be placed by

March, 2010. The units are targeted to be commissioned by Sep., 2013 & March, 2014.

iii) 2x660 MW Extension Project at Suratgarh TPP Stage-V (Unit-7 & 8) : The State Govt. vide letter dated 2.3.09 has conveyed the "Administrative & Financial" approval to your Company, for setting up of two additional units of 660 MW each at Suratgarh Thermal Power project Stage-V (Unit-7 & 8) by your Company in State sector in 12th plan at an estimated cost of Rs. 7920 Crores at a debt- equity ratio of 80:20.

Additional land has been identified and 'Section - 4' and 'Section - 6' notices have already been issued by the State Government and acquisition of land is under process. 60 cusec water has been allocated by the Water Resources Deptt. from IGNP. M/s TCE Ltd. have been appointed as Project Consultants. The Terms of Reference (TOR) has already been approved by the MoEF's Expert Appraisal Committee and final Environmental Clearance is expected by March, 2010. REIA studies have been carried out by M/s PCRI, BHEL, Haridwar. Tenders for Engineering, Procurement & Commissioning (EPC) basis through International competitive basis (ICB) route have invited and orders are expected to be placed by March, 2010. The units are targeted to be commissioned by Sep., 2013 & March, 2014.

In order to meet the ever burgeoning demand for power of the state, the Govt. of Rajasthan has accorded 'In-principle' approval to your Company for setting up of following new power projects in State Sector -

S.No.	Name of the Project	Fuel	Capacity
1.	Dholpur Stage-II	Gas	3x110 MW
2.	Keshoraipatan, Distt. Bundi	Gas	3x110 MW
3.	Ramgarh Stage-IV	Gas	160 MW
4.	Suratgarh TPS Extn. Stage-VI (unit 9 & 10)	Coal	2x660 MW
5.	Kalisindh TPS Extn. Stage-II (unit 3 & 4)	Coal	2x660 MW
6.	Banswara TPP Unit-1 & 2	Coal	2x660 MW
		Total	4780 MW

These projects will fructify in 12th Five Year Plan. The water for the above new projects has already been allocated by the WR Deptt. The land for Keshoraipatan Green Field project has been identified in the abandoned Keshoraipatan Sugar Mill, for which request has been furnished to the Registrar, Co-operatives Societies, GoR for transfer/allotment of land. Additional land for Dholpur project has been identified and action is being initiated for acquisition. Adequate land is available for Ramgarh whereas additional land for Kalisindh project is being identified. Land for Banswara Green Field project has been identified in Fefer village in Banswara District and action is being initiated for acquisition. Additional land for STPS is also being identified.

4. Environmental Protection

Your Company continued to take adequate measures to control pollution and ensure atmospheric emissions

within the prescribed limits of Environment (Protection) Act, 1986 at the Kota and Suratgarh Super Thermal Power Stations. In the case of Giral Lignite based Power Project which has been commissioned during the year, where lignite is being used as the primary fuel, upto 30% limestone is mixed with lignite feeding as it has a high Sulphur content. This mixing of Lime with Lignite will reduce the otherwise harmful production of SO₂ (SOX) gas emissions in the environment.

Fly Ash utilization : As reported earlier, several entrepreneurs have been encouraged for utilizing the ash generated from existing Units at Suratgarh and Kota Thermal Power Stations. The ash in both the Stations is being supplied free of cost. To encourage utilization of Ash, Cement Industries have been allowed to install their Silos on various units of KSTPS and SSTPS for collection and storage of fly ash disposed through ESP hoppers for delivery in their closed trucks. Similar steps have also been taken for constructing Fly ash Handling System for lifting fly ash to be generated from new upcoming units viz. 2x250 MW Chhabra Thermal Power Project (Unit#1&2), 2x250 MW Chhabra Thermal Power Project (Unit#3&4), 1x195 MW KSTPS Unit-7, 1x250 MW SSTPS unit-6 & 2x600 MW Kalisindh TPP Unit#1&2 out of above Fly Ash Handling system for Chhabra TPP Unit#1, KSTPS Unit#7 & SSTPS Unit#6 has been commissioned by Cement Manufacturers and fly ash is being lifted from these units. Fly Ash handing systems for other units are contemplated to be ready with the commissioning of the respective units.

Due to the above efforts, fly ash utilization to the tune of 100% has been achieved at Kota TPS and to the tune of 98% at Suratgarh TPS, commensurate with the action plan formulated to achieve 100% utilization of fly ash by the year 2010.

5. Share Capital

The State Government has continued with its equity support for all the ongoing Projects of the Company. The Authorized share capital of the Company is presently Rs. 5000 Crores. During the year, the paid-up share capital of the Company has been increased to Rs. 3822.59 Crores by allotment of 70,60,00,000 equity shares of Rs. 10/- each aggregating to Rs. 706 Crores to the Hon'ble Governor of Rajasthan during the year. Further, a total amount of Rs. 633.29 Crores has been received towards State Government equity during the financial year 2009-10 till date.

6. Loans & Bonds

Your Company has tied up financing for all the ongoing Power Projects with Power Finance Corporation Ltd. (PFC) & Rural Electrification Corporation Ltd. (REC) and financing for 2x250 MW Phase-2, Stage-I of Chhabra Thermal Power Project has also been tied up. The additional financing to meet the revised/enhanced Project cost of some of the Projects has also been tied up. The Company has made adequate arrangements to meet its working capital requirements through PFC, Commercial Banks, REC, etc.

During the financial year ended 31st March 2009, the Company raised Term Loans of Rs. 1551.21 Crores and Working Capital Loans. The outstanding amounts of such Loans as at 31st March, 2009 were at Rs. 5331.77 Crores towards Term Loans, Rs. 138.07 Crores towards State Government Loan, Rs. 41.00 Crores towards Bonds, Rs. 1528.68 Crores towards Working Capital Loans and Rs. 909.99 Crores towards Transitional Loans.

7. Human Resources

During the period, a proposal for creation of new posts for manning the new/extension Power Projects/

Units being set-up by the Company and strengthening of its various wings/Offices has been referred to the State Government for approval. Besides, steps are also being taken to fill up the vacant posts at various Power Stations.

8. Directors

Dr. S.K. Calla, Director (Technical) has been appointed as the Chairman & Managing Director of the Company w.e.f. 23.4.2008, in place of Shri N.S. Chaudhary who has resigned. Shri R.M. Singhvi was appointed as a Director on the Board of RVUN and was also appointed as the Managing Director of the Company's wholly-owned subsidiary - Giral Lignite Power Ltd., w.e.f. 23.4.2008. Similarly Shri M.L. Kothari was appointed as Managing Director of Dholpur Gas Power Ltd., another wholly-owned subsidiary while continuing as a part-time Director on the Board of RVUN. Besides, Shri M.C. Gaur was appointed as Director (Finance) w.e.f. 24.5.2008, in place of Shri V.K. Gupta who replaced Shri S.C. Dinker w.e.f. 19.4.2008.

During the period, Shri Shailendra Agarwal, IAS, Secretary Finance (Revenue) and Shri Naresh Pal Gangwar, IAS, Special Secretary (Energy), Govt. of Rajasthan have been appointed as a Directors on the Board, while Shri Shreemat Pandey, IAS, Shri Yaduvendra Mathur, IAS, Shri Sudhansh Pant, IAS, Shri Rajat Mishra, IAS have all ceased to be Directors.

The Board welcomes the newly appointed Directors and places on record its appreciation of the valuable services rendered/ contributions made by the outgoing Directors.

9. Auditors

The Comptroller & Auditor General of India has appointed M/s D P Khandelwal & Co, Chartered Accountants, Jaipur as the Statutory Auditors of the Company, for the financial year 2008-09. The Board commends confirmation of their appointment at the ensuing 9th Annual General Meeting.

10. Audit Observations

The replies of the management on the observations made by the Statutory Auditors on the accounts of the Company for the financial year ended 31.3.2009 are attached hereto as Annexure-I. The report/ comments, if any, of the Comptroller & Auditor General of India along with the replies of the Management, will be circulated separately upon receipt of the same.

11. Audit Committee

The Audit committee of the Board of Directors, duly constituted in accordance with the provisions of Section 292A of the Companies Act, 1956, presently, consists of Dr. S K Calla, Chairman & Managing Director, Shri Shailendra Agarwal, IAS, Shri Naresh Pal Gangwar, IAS and Shri M.L. Gupta, Directors, as its Members. The Director (Finance) and Statutory Auditors of the Company are permanent Invitees to the Meetings of the Audit Committee. Meetings of the Audit Committee are held from time to time, to consider various matters in its terms of reference.

12. Subsidiaries

As reported earlier, your Company has formed three wholly-owned subsidiary companies, namely, Giral Lignite Power Ltd., Dholpur Gas Power Ltd. and Chhabra Power Ltd. The Power Projects at Giral, Dholpur and Chhabra are to be operated under the respective subsidiary companies upon commissioning

of the Units.

Accordingly, pursuant to the directions of the State Government, Managing Directors (MDs) have been appointed on the Boards of Directors of Giral Lignite Power Ltd. and Dholpur Gas Power Ltd. to independently manage the affairs of these Projects, which have been placed under the administrative control of the respective MD.

Further, as per the directions of the State Government, the 1x125 MW Unit-1 of Giral Lignite TPP has been transferred to Giral Lignite Power Ltd. w.e.f. 1st January, 2009 and is being operated by the aforesaid subsidiary Company.

The copies of the Balance Sheet, Auditors' Report and Directors' Report of the subsidiary companies for the first financial year ended 31st March, 2009 and other documents required to be attached as per provisions of Section 212 of the Companies Act, 1956, are attached with the Balance Sheet of the Company, except in case of Giral Lignite Power Ltd., as the same are yet to be finalized.

13. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company, except as stated in the Significant Accounting Policies & Notes on Accounts;
- ii) appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of financial year and of the profit / loss of the Company for the year ended on that date, except as stated in the Significant Accounting Policies & Notes on Accounts;
- iii) proper and sufficient care has been taken 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; and
- iv) the annual accounts have been prepared on a going concern basis.

14. Disclosure of additional particulars under Section 217, etc. of the Companies Act, 1956

- i) The Company is making continuous efforts for conservation of energy by reducing the Auxiliary Consumption at its various Power Stations by installation of modern state of the art Power Plant equipment, by optimizing the same through timely maintenance and various other methods to increase efficiency;
- ii) As regards technology absorption and foreign exchange earnings & outgo, the information required under this Section may be treated as nil;
- iii) None of the employees of the Company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended; and
- iv) The Company has not accepted any public deposits in terms of Section 58A of the Companies Act, 1956.

15. Acknowledgement

The Board hereby places on record its appreciation of the continued support received from Government of Rajasthan and all the concerned ministries of Government of India. The Board also expresses its appreciation of the support extended by the Rajasthan Electricity Regulatory Commission, Power Finance Corporation & all other Financial Institutions, Bankers and other agencies which are instrumental in the Company's growth.

The Board hereby acknowledges the continued efforts of all the Engineers, Officers and employees whose dedicated contribution has been a source of strength to your Company.

On behalf of the Board of Directors

(Dr. S.K. Calla)

Chairman & Managing Director

Date : 29/12/2009

Place : Jaipur

MANAGEMENT RESPONSE TO THE STATUTORY AUDITORS' REPORT ON THE ACCOUNTS OF RVUN FOR THE FINANCIAL YEAR 2008-09.

MAIN REPORT

No comments.

ANNEXURE-I OF THE AUDITORS' REPORT

1. (a) Detailed Fixed Asset Registers are available with the company prepared / updated upto 2008-09 for all the power stations. As regards showing the full particulars including quantitative details and situation of fixed assets, most of the assets appearing in the register contain the information as required under the Act. Further, the extent of quantification has not been commented by the statutory auditors.

(b) Steps are being taken to strengthen the system of physical verification of Fixed Assets at unit level. Regarding non availability of Fixed Assets, the same has already been disclosed at point no.40 of the "Notes on Accounts".

Para No. 1 (c), 2 (a), 2 (b), 3, 4, 5, 6, 10 to 16, 18 to 21 : No comments.
2. (c) The unit officers are being asked to analyze and reconcile the reasons of discrepancies between physical stock and book records noticed on physical verification and make necessary accounting adjustment after due examination.
7. The internal audit report (Stores & financial accounts) for all the units, where work has been outsourced has already been received and provided to the statutory auditors during their audit. Further the shortcoming observed by the internal auditors has also been disclosed in the Notes on Accounts at point no.35. Moreover efforts shall be made to further strengthen, the internal audit system.
8. Cost accounting records for the year 2008-09 are under preparation.
9. (a)i) The old balances are under process of reconciliation and year after year they are continuously been decreasing. Further action for liquidating these old balances will be taken during the current financial year.

(a)ii) The same has increased due to the reasons disclosed at point no 26(f) of the "Notes on Accounts". For old balance of Rs. 4.06 crores efforts for liquidating the liability is being taken during the current financial year.

(b)i & ii) This has already been disclosed at point no. 26(d)(i) & 26(d)(viii) of the Notes on Accounts respectively.
17. Due to delay in commercial operation of Unit-I of GLTPP, Stage-I (1x125MW) on account of initial teething problems, the project cost has increased over the approved project cost resulting into utilization of working capital loan for construction of fixed assets. The matter shall be regularized after arriving at the final figure of such additional cost upon declaration of commercial operation.

ANNEXURE-II OF THE AUDITORS REPORT

(1) VALUATION OF INVENTORIES :

Deviation in this regard has already been disclosed vide point no 4(a) of the Accounting Policies (Schedule-29).

(2) CASH FLOW STATEMENT :

Efforts shall be made to comply with the shortcoming observed.

(3) EMPLOYEE BENEFITS :

The position in this regard has already been disclosed vide point no. 8 of the Accounting Policies (Schedule-29).

(4) ACCOUNTING FOR TAXES ON INCOME :

The position in this regard has already been disclosed vide point no. 17 of the Notes on Accounts (Schedule-30).

(5) IMPAIRMENT OF ASSETS :

The Company does not agree with the observation issued. The company has made impairment assessment and certificate to this effect has also been provided to the statutory auditors. In this regard also refer to the disclosure made at point no. 39 in the Notes on Accounts.

(6) FIXED ASSETS AND DEPRECIATION :

- a) The company has charged depreciation on fixed assets on straight line method at the rates notified by the Central Electricity Regulatory Commission, New Delhi vide Notification No.L-7/25(5)/2003-CERC dated 26.3.2004. Regulatory Commission (RERC) has allowed depreciation as per the CERC norms in tariff fixation. The fact is already disclosed in the Point No 2(b) of the Accounting Policies (Schedule-29).
- b) The company is having the details of individual blocks unit-wise and year-wise for all the assets appearing in the books of RVUN as on 19.07.2000 and the same practice has been followed thereafter and accordingly the company has calculated depreciation based on the block value. Thus individual assets wise written down value is not available. Moreover, there is no financial implication of any nature due to the above.
- c) The position in this regard has already been disclosed vide point no 40 of the Notes on Accounts (Schedule-30).
- d) The matter regarding transfer of 200.01 Bighas land in favour of RVUN is still under progress with respective departments of the State/Central Govt.

(7) CAPITAL WORK IN PROGRESS :

- a) Efforts to reconcile the balance are still under progress and necessary accounting adjustment shall be made accordingly after tracing the details thereof in the current year.

(8) CONSTRUCTION STORES AND ADVANCES :

- a) The concerned officers are being directed to get the details reconciled and carry out necessary adjustment.
- b) Efforts are being made for expediting the necessary adjustment/clearance of the old balances.

(9) INVENTORY, STORES AND SPARES :

The concerned unit officers are being directed to get the differences reconciled and carryout the necessary adjustment.

(10) CASH AND BANK BALANCES :

Current year's transactions are reconciled. Further to mention here that last year the un-reconciled balance

was Rs. 21.57 lacs as against this year's amount of Rs. 17.46 lacs. We have adjusted Rs. 4.11 lacs in the accounts after reconciliation and for the remaining old balances, reconciliation is in progress.

(11) LOANS AND ADVANCES TO STAFF :

Due to our efforts the old balances under these heads has continuously been reducing year after year. The total negative balance got reduced to Rs. 26.51 lacs as against Rs. 28.53 lacs last year (2007-08). Further efforts are under progress.

(12) ADVANCES FOR O&M SUPPLIES AND WORKS :

These represent very old balances since erstwhile RSEB period, for which complete details are not available. Still efforts are continued for reconciliation and adjustment.

(13) INTER UNIT ACCOUNTS :

The inter unit transactions upto the year 2008-09 are fully reconciled, efforts are under process for adjusting the transactions amounting to Rs. 2.72 crores. Further the treatment regarding the write off of the old unreconciled balances of Rs. 78.83, has been given as per the decision of the BOD.

(14) CURRENT LIABILITIES :

- a. These represent very old balances pertaining to erstwhile RSEB period for which complete details have not been made available. Continuous efforts are being made to reconcile these accounts and carry out necessary adjustments, wherever required/located.
- b. This has already been disclosed at point No. 13 in the Notes on Accounts (Schedule-30).
- c. Efforts are being made to reconcile these heads and carry out requisite accounting adjustment accordingly.
- d. Efforts shall be made to comply with the observations raised.

(15) STAFF RELATED LIABILITIES :

Due to continued efforts the debit balances has been reduced from Rs. 4.49 lacs to Rs. 4.24 lacs (reduced by Rs. 0.25 lacs) during the year. Further efforts are being continued.

(16) INCOME ACCRUED ON LOANS AND ADVANCE :

Efforts shall be made to comply with the observations raised.

(17) GENERAL :

- a) I, II, III, IV, V : Necessary disclosure has already been made in the Accounting Policies (Schedule-29) and "Notes on Accounts" (Schedule-30).
- b) Monthly contributions are made on the basis of payment of salary and wages paid to the employees and these are reconciled every month by the respective unit contributing the same. As per our records no current liability is pending to be provided or contributed to the trust fund. In this regard also refer to the disclosure made at point no. 26 (f) of the "Notes on Accounts".
- c) The fact stands disclosed vide point no. 1 (b) of "Notes on Accounts".
- d) The fact stands disclosed vide point no. 32 of "Notes on Accounts".
- e) Regarding pending court cases etc the disclosure made vide point no. 26 (d) of the "Notes on Accounts" be referred. Further the amount of contract remaining to be executed on capital account has been

arrived based on the total project cost less current booking/expenditure incurred. The calculation has been made for each project separately.

- f) The concerned unit officers shall be directed to get the same examined and carryout necessary corrections.
- g) Efforts shall be made to take up the suggestions in the current year.
- h) Giral Lignite Power Limited (GLPL) is a wholly owned subsidiary of RVUN and the allotment of equity shares towards consideration for transfer unit-I of GLTPP is expected to be made after increase in the Authorized Share Capital of GLPL from Rs. 1 crore to Rs. 200 crores in its ensuing 3rd Annual General Meeting. Further regarding execution of tripartite agreement, the status has already been disclosed vide point no.38 of the "Notes on Accounts".
- i) The matter shall be examined on the basis of the facts given in the report and necessary adjustment, if any, shall be carried out in the next year's accounts.

AUDITOR'S REPORT

TO THE MEMBER'S OF RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LIMITED

We have audited the attached Balance Sheet of **Rajasthan Rajya Vidyut Utpadan Nigam Limited as at 31st March, 2009** and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date, annexure thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As the Company is governed by the Electricity Act, 2003 the provisions of the said Act have prevailed where ever the provisions of Companies Act, 1956 are inconsistent with the said Electricity Act, 2003.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose the Annexure-I a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Subject to our observations in the annexure-I (referred to in the paragraph 3 above) and annexure-II we report that :-
 - (a) We have obtained all the information & 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 examination of those books **except that the items referred to in paragraph I(b) and paragraph 11 of Significant Accounting Policies are accounted for on Cash Basis instead of Accrual basis as required by the Section 209 of the Companies Act, 1956.**
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 **except as reported in annexure II.**
 - (e) As explained to us, being a Government Company, clause (g) of the sub section (1) of the section 274 of the Companies Act, 1956 is not applicable as per notification no. 829 (E) dated 21/10/ 2003 of the Department of the Company Affairs.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, **subject to our comments in annexure I and II which forms an integral part of this report**, give the information required by the Companies Act, 1956, in the manner so required and give the true and fair view in conformity with the accounting principles generally accepted in India :

- i) In the case of the Balance Sheet of the **State of affairs of the Company as at 31st March, 2009, and**
- ii) In the case of the **Profit and Loss Account**, of the Loss for the year ended on that date, and
- iii) In the case of the **Cash Flow Statement**, of the Cash Flows for the year ended on that date.

**For D.P. Khandelwal & Co.
Chartered Accountants**

**Place : Jaipur
Dated : 29/12/2009**

**(Desh Nidhi Gupta F.C.A.)
Partner**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR
AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF
RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LTD., JAIPUR**

- 1) (a) The Company has not maintained proper records showing the full particulars including sufficient description of the assets, quantitative details, situation and depreciation. In absence of complete records and reconciliation, we are unable to comment on the discrepancies including physical non-existence of assets, their being not in working condition and/or their location.

(b) Physical verification report with working papers of Fixed Assets has not been made available to us. Company has not maintained complete records of fixed assets. In absence of complete information we are not in a position to comment as regards discrepancies, if any in relation to the physical existence of the assets and its book value. **However Fixed Assets as mentioned in the books of head office amounting to Rs. 62.04 crores were not physically available (as agreed by the management) with the Company, hence the provision has been made in the current financial statements.**

(c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and therefore the going concern status of the Company is not affected.
- 2) (a) In our opinion and as per certificates furnished, the inventories other than item of scrap have been physically verified at reasonable intervals by the management during the year.

(b) In our opinion and as per the information and explanations given to us, the procedures of physical verification of stock and spares followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and as per information and explanations given to us, the Company has maintained proper records of inventory and the discrepancies, if any between physical stock and book records noticed on such physical verification are said to be under Reconciliation. At some units value of inventory as per store ledgers does not reconcile with the financial books (Refer point no. 9 of annexure-II of this report).
- 3) As informed to us, the Company has neither taken nor granted any loans, secured or unsecured to/from Companies, Firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956, Therefore the provisions of clause 4 (iii) (b), (c), (d) are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, and having regard to the explanation that some items purchased are of a special nature and for which suitable alternative source do not exist for obtaining comparable quotation, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, Fixed assets and with regard to the sale of energy. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls except that the Company does not have proper system for timely adjustment of Stores Requisition Notes and Stores Issue Notes at power plants. (Refer point 17 (g) of Annexure-II of our report)
- 5) According to the information and explanations given to us being a Government Company contracts entered with another Govt. Company is exempt from the provisions of section 297(1) of the Companies Act, 1956 hence sub clause (a) and (b) of clause (V) are not applicable to the Company.

- 6) According to the information and explanations given to us, the Company has not accepted any deposits from the public except Bonds guaranteed by the State Government.
- 7) As explained to us the Company has outsourced some of the areas for internal audit and some of the areas are audited by internal staff. However, the Company has not received final audit reports for all the units, where work has been outsourced. In our opinion the area of the Internal Audit System should be strengthened to make it more effective.
- 8) As per information given to us, Cost records under section 209 (1) (d) of the Companies Act, 1956 for the activities carried out by the Company, are prepared up to Financial Year 2007-08, However we have not made a detailed examination of such records. Records for the financial year 2008-09 are under preparation hence we cannot verify the same.
- 9) (a) i) As per information and explanations given to us, we report that the Company is generally regular in depositing undisputed statutory dues with appropriate authorities, including Provident Fund, Investor Education Protection Fund, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues to the extent applicable to it, however some delays in depositing the same has been observed. Further in some cases where debit and credit balances in these accounts pertaining to earlier years are being carried over un reconciled/ unadjusted / unpaid for which no details / reasons have been furnished to us and as such we are not in a position to comment with regard genuineness of such dues or otherwise and we are unable to express any opinion thereof.
ii) Contribution to Superannuation and Gratuity Fund, the Company has not remitted Rs. 404.06 crores to the trust as on 31st March 2009.
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except :
i) Liability of Rs. 4.90 crore on account of cess charges for which appeal is pending with appropriate authority.
ii) Liability of Rs. 6.51 crores on account of Income Tax matters on which appeals are pending at different levels.
- 10) In our opinion and according to the information and explanations given to us, the accumulated losses of the Company are less than 50% of its net worth. During the year Company has incurred cash losses.
- 11) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution/ bank or debenture holders.
- 12) According to the explanations given to us, we are of opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- 13) In our opinion, the Company is not a chit fund or a Nidhi/ mutual benefit and society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) According to the explanation given to us, we are of the opinion that the Company has not given guarantees for loans taken by others from banks or financial institutions that are prejudicial to the interest of the

Company.

- 16) In absence of adequate information and records we cannot comment that term loans are applied for the purpose they have been taken.
- 17) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment except Giral I, where working Capital loan of Rs. 136.84 crores have been used for construction of Fixed Assets. No long term funds have been used to finance short term assets except permanent working capital.
- 18) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures.
- 20) The Company has not raised any money by public issue during the year.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported.

**For D.P. Khandelwal & Co.
Chartered Accountant**

**Place : JAIPUR
Dated : 29/12/09**

**(Desh Nidhi Gupta F.C.A.)
Partner**

**ANNEXURE REFERRED TO IN PARAGRAPH 4 OF OUR REPORT
OF EVEN DATE TO THE MEMBERS OF
RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LTD., JAIPUR**

1. VALUATION OF INVENTORIES :

Valuation of inventory is not in accordance with Accounting Standard-2 "Valuation of Inventories" was not done at lower of cost and net realizable value. In absence of details we are unable to quantify the effect on profit and loss account.

2. CASH FLOW STATEMENT :

In cash flow statement, Inter Unit accounts have not properly been classified in Operating and Investing Activities. The Sale & purchase of fixed assets, repayment of loan & receipt of fresh loans are not separately reflected in the Cash Flow statement also the cash flow statement is not in the Performa as specified in AS-3. Therefore Cash Flow Statement prepared by the Company is not in accordance with the Accounting Standard-3 "Cash Flow Statement" issued by the ICAI.

3. EMPLOYEE BENEFITS :

Accounting of pension, gratuity and leave encashment is not in accordance with Accounting Standard-15, "Employee Benefits" issued by the ICAI. As such no actuarial valuation is made in respect of liability at the year end for gratuity and pension. Further leave encashment is being accounted for on cash basis. In the absence of actuarial valuation and details we are unable to comment about the effect on Profit/Loss and shortfall / excess in provision.

4. ACCOUNTING FOR TAXES ON INCOME :

No provision for deferred tax assets / liability pursuant to the requirement of AS-22 "Accounting for Taxes on Income" issued by the ICAI has been made by the Company.

5. IMPAIRMENT OF ASSETS :

The Company has not conducted any assessment in respect of impairment of assets and no provision has been made in respect of impairment loss as required by Accounting Standard-28, "Impairment of Assets" issued by the ICAI. Also impairment test of the assets of the subsidiary Companies was not carried by the Company.

The effect of above non- compliance of Accounting Standards on the Financial Statements is not ascertainable except wherever Specified specifically.

6. FIXED ASSETS AND DEPRICIATION :

- a) The Company has not followed the depreciation rates prescribed in Scheduler XIV of Companies Act, 1956 but has followed the rates notified under Central Electricity Regulatory Commission (CERC). The impact of such deviations has not been quantified.
- b) The depreciation on assets has been computed on the block value of assets. Individual assets wise written down value are not available with Company.

- c) The opening written down value of the assets amounting to Rs. 62.04 crores as appearing as on 1st April 2008 in the books of head office are informed to be not physically available with the Company, Hence the provision of Rs. 62.04 crores is provided in the books of the Company for these unidentified assets.
- d) Company had acquired 557.14 Bigha of Land for Dholpur Gas Power Project from "M/s RPG Enterprise" through Govt. of Rajasthan for a consideration of Rs. 151.15 Lacs. Out of which 200.01 Bigha of Land is not yet allotted in favour of RRVUNL as it is appearing as forest Land in the revenue records. Also no title deed is executed in favour of Company.

7. CAPITAL WORK IN PROGRESS :

- a) In STPS-MMH units, Rs. 3.72 crores has been shown as work-in progress. However, the construction works in these units have already been completed long before and assets have been put to use. **As a result, the fixed assets are understated by Rs. 3.72 crores and Capital work In Progress is overstated by same amount.** In absence of full details regarding date of completion of assets / ready for use, we are unable to quantify the amount by which depreciation undercharged.

8. CONSTRUCTION STORES AND ADVANCES :

- a) Advances to Suppliers at SSTPS unit include credit balance of Rs. 1.87 crores. The credit balance should be shown under the head current liabilities instead of showing it under the head Capital Work in Progress. **This has resulted into understatement of current liabilities and Construction store and advances by Rs. 1.87 crores.** Further it also includes Rs. 0.51 crores for which Company does not have any detail.
- b) Further advances to suppliers and contractors for capital works includes Rs. 39.27 crores as detailed below are lying unadjusted/unreconciled, though the works have already been completed and commissioned : -

Ramgarh	-	4.98 crores
Kota	-	7.62 crores
Suratgarh	-	25.39 crores
Bikaner	-	0.09 crores
Mahi	-	0.92 crores
Mangrol	-	0.11 crores
H&GP	-	0.16 crores

This has resulted into overstatement of Construction store and advances and under/ over statement of Fixed Assets / Liabilities by Rs. 39.27 crores. In absence of required details the under statement of depreciation could not be quantified.

9. INVENTORY, STORES AND SPARES :

In the following units, value of inventory as per financial statements is not reconciled with the value of inventory as per stores ledger. In absence of reconciliation, effect of the above on Profit/ Loss/Assets/ Liability could not be quantified.

(Rs. In Lacs)

NAME OF UNIT	Inventory as per account (as per schedule 9 of the Balance Sheet)	Inventory as per Stores Ledger (as given by the management)	Difference
KSTPS, Kota	4511.39	4514.66	-3.27
SSTPS (O&M), Suratgarh	2773.63	3015.32	-241.69
SSTPS (Const), Suratgarh	519.89	938.15	-418.26
RGTPP Jaisalmer HSD Stores	185.22	195.46	-10.24
RGTPP, Jaisalmer Other Stores	1051.35	863.57	187.78
DCCP	139.59	143.31	-3.72

In Bikaner (H & GP) Amount Rs. 110150 is pending since long in financial books for which no details are available on record.

At Giral-1, balancing of Stores Ledger as or 31st Dec., 2008 was not done so we are unable to comment on its reconciliation with the financial books.

10. CASH AND BANK BALANCES :

Transfer within Circles- cash (TWC) amounting to Rs. 17.46 lacs includes unreconciled balances at many units. It also includes negative balance of Rs. 0.74 Lacs. In absence of details, we are unable to comment on the financial impact, if any.

11. LOANS AND ADVANCES TO STAFF :

Subsidiary records are not properly maintained at many units. Further loans and advances include old unadjusted and un-reconciled balances. In absence of full details we are unable to comment on the financial impact, if any. Further following heads in different units are having negative balances (net) :-

- a) Scooter Advance - Rs. 9.12 Lacs
- b) House Building Advance - Rs. 16.59 Lacs
- c) Food Grain Advance - Rs. 0.02 Lacs
- d) Pay Advance - Rs. 0.29 Lacs
- e) Traveling Advance - Rs. 0.30 Lacs
- f) Departmental Advance - Rs. 0.15 Lacs
- g) Miscellaneous Advance- Others - Rs. 0.04 Lacs

12. ADVANCES FOR O&M SUPPLIES & WORKS :

Several accounts under the head "Advance to Suppliers" and "Advance to Contractors (O&M)" are not

reconciled. Some of the accounts are being brought forward from the last several years without any adjustment. Further at some units even details are not available. In absence of full details, we are unable to comment on the amount by which assets/liabilities are overstated / understated. We are also unable to comment on the financial impact, if any, due to non-adjustment of these accounts.

13. INTER UNIT ACCOUNTS :

There exists a balance of Rs. 65.78 crores under the head inter unit accounts as on 31.03.09. This includes amount Rs. 63.06 crores being remaining balance transferred by State Govt. under transfer scheme and an amount of Rs. 2.72 crores is still unreconciled/ unadjusted. In absence of details of inter unit accounts at Head Office and at various other units, the amount by which the profit/loss/assets/liabilities are over/under stated can not be quantified. The opening balance (as on 01/04/08)of the inter unit balance transferred by State Govt under transfer scheme was Rs 78.83 Crores (pls refer point no. 24 of notes to account) & as per the decision of BOD in its 140th meeting this balance was to be written off in five equal installments i.e. 15.76 Crores per year. In our opinion since these balance were not reconciled since long these were to be written in the current year itself in toto & not in five installments. **Hence the loss is understated by Rs. 63.06 Crores and other current assets are overstated by the same amount.**

14. CURRENT LIABILITIES :

- a) Several accounts under liabilities for coal suppliers, freight payables, Liabilities for expenses, Sundry Creditors for supplies & works under the head Current Liabilities are un-reconciled. These are continued to be brought forward from last several years without any payments/ adjustments. Even at some units, debit balances are appearing in the Creditors / Other Liability accounts. In absence of the details, we are unable to comment on the financial impact, if any.
- b) Provision for Bonus/ ex-Gratia to employees is being made on adhoc basis. Employee wise calculation is not available; hence we are unable to comment on correctness of amount.
- c) Liability for State Sales Tax, TDS, GPF and PF are subject to reconciliation and old balances not yet paid are not scrutinized so far.
- d) Accounting heads of Retention money, EMD, Security deposit and Miscellaneous Deposits others are unreconciled for which no clear information has been provided to us. Segregation of old balances and current balances are not available with the Company.

15. STAFF RELATED LIABILITIES :

The balances of Net Salary Payable and unpaid salary in units are not reconciled. Further Staff related Liabilities include debit balances at certain units, which amount to Rs. 4.24 lacs. Hence staff related liabilities are subject to reconciliation / adjustment.

16. INCOME ACCRUED ON LOANS AND ADVANCE :

A sum of Rs. 440070 is appearing under this head in following units as mentioned below since long for which no details are available:

1. STPS Cons Rs. 48245

2. Bikaner Rs. 86994
3. H&GP Rs. 196033
4. TD Rs. 108798

The Company has not made any provision to write off these amounts being uncertain to realize. **This has resulted into overstatement of Income accrued on loans and advances and understatement of loss of the Company by Rs. 0.04 crore.**

17. GENERAL :

- a) Accounting of following items of Income/ Expenditure is not on accrual basis as required by the Companies Act, 1956 :
 - i) Interest Income from staff loans. (Refer note no. 11 (c) of Schedule-29)
 - ii) Interest on subvention receivable from State Government. (Refer note no. 11(h) of Schedule-29)
 - iii) Interest payable on defaulted installments of sale consideration of fixed assets by lease finance Companies. (Refer note no. 7 of Schedule-30)
 - iv) Generation linked incentives and productivity awards to its employees. (Refer note no. 11 (e) of Schedule-29)
 - v) Price variation claims. (Refer note no. 1 (b) of Schedule-29)
- b) Pension and Gratuity Liabilities are being funded through Trust on the basis of contribution by the Company. However no reconciliation / confirmation are provided to us for verification. In absence of reconciliation, we are not in a position to comment whether Company has paid or provide all its liabilities towards the trust as per the rules and regulations of the said Trust.
- c) Reconciliation of inter Company accounts with other successor entities of erstwhile RSEB is pending on 31.03.09. Financial impact, if any can not be ascertained and therefore the amount by which assets/ liabilities/profit/loss, under/over stated can not be quantified.
- d) The Company has not identified the Enterprises qualifying under the definition of Medium and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act 2006 (MSMED). As a result no disclosure is given, as per requirement of schedule VI to the Companies Act, 1956 vide Notification No. GSR 719 (E), with regard to amounts unpaid as at the year- end together with the interest paid/payable under the MSMED Act.
- e) Figures of the Contingent Liability as disclosed in respect of pending court/arbitration/legal/tax related cases and estimated amounts of contract remaining to be executed on capital account have not been properly compiled and ascertained. In the absence of details of each case with present status and individual detail of contract remaining to be executed on capital account, we are unable to verify the correctness of said disclosure.
- f) Loans and Advances, Debtors, Creditors, Suppliers and Staff balances are shown after netting off credit/ debit balances which is not as per the generally accepted accounting practice resulting in understatement of assets / liabilities. Detailed list of such debit balances have not been furnished. Hence the Company is

not in a position to identify their genuineness.

- g) It is observed that store accounting at SSTPS (Suratgarh), Giral-I and RGTP (Ramgarh) are not done on regular basis. Looking to the size of the Company in our opinion computerization is essential at power plants.
- h) The Company had transferred its Giral-I unit to its wholly owned subsidiary Giral Lignite Power Limited on and with effect from 1st January 2009 as per the decision of Board of Directors for a consideration of allotment of equity shares equivalent to the net book value of 31st December, 2008, however no equity shares were allotted by GLPL to RVUN in consideration of transfer of unit. Even the authorized share capital of the subsidiary Company is Rs. 5 lacs only also the debts of the power plant transferred are being served by the RVUN without any agreement with GLPL. The financier of Giral-I mainly PFCL has agreed to transfer the debt in the name of the subsidiary GLPL but a tripartite agreement was to be executed between the three companies which has not been executed so far. The Company had transferred the Giral I unit before the commencement of commercial operation. The unit was commissioned on 28/02/07 but the unit could not run at its full load. The liabilities of the subsidiary Company (GLPL) are met by RVUN. The subsidiary Co. is not in a position to meet out its expenses.
- i) At Dholpur, the agreed price of supply of gas was \$4.6 per MMBTU whereas the supplier Company has billed the gas @ 4.784 per MMBTU which had resulted extra cost to the Co. & was a violation of the terms of agreement. It was informed to us that excess payment was done as per the board decision & the grounds of decision were with a view to compensate the GAIL for Gujarat VAT but the GAIL (supplier) Company has never charged Gujarat VAT as per invoice produced before us. Also the Co. was billing from Agra UP hence the question of charging Gujarat VAT was not explained. The excess amount charged by the supplier Company is Rs. 18.76 crores out of which Rs. 3.34 crores pertains to previous year and Rs. 15.41 crores pertains for the period under audit. The provisions for these liabilities were subject to the following two conditions
- i) After assignment of gas sales and purchase agreement to GAIL for supply of gas to Dholpur.
- ii) That GAIL agrees to refund Rs. 7.59 crores towards positive and negative imbalance charges.

The GAIL vide letter dated 1-7-2009 has agreed to waive the penalty charges on essentially execution of the following document and pay the outstanding amount on account of taxation and overdrawal.

- 1) Side letter for the period 1-1-08 to 31-3-08 submitted vide letter dated 15-4-08 and
- 2) PMT GSTC (Gas supply and Transmission contract) submitted vide letter dated 21-5-08 to be effective from 1-4-08.

However the aforesaid condition has not been fulfilled so far.

We further report that without considering observations above, the effect of which could not be ascertained on surplus and on assets and liabilities. Had the observations made by us in this report being considered, the fixed assets would have been Rs. 7232.88 crores (as against the reported figure of Rs. 7189.89 crores), Capital WIP would have been Rs. 4626.05 crores (as against the reported figure of Rs. 4629.77 crores), Construction store and advances would have been Rs. 919.77 crores (as against the reported figure of Rs. 957.17 crores), other current assets would have been Rs. 804.45 crores (as against the reported figure of

Rs. 867.51 crores), income Accrued on loans and advances would have been Rs. 0.85 crores (as against the reported figure of Rs. 0.89 crores), Current Liabilities and provisions would have been Rs. 1347.94 crores (as against the reported figure of Rs. 1346.07 crores) and the loss of the Company would have been Rs. 558.64 crores (as against the reported figure of Rs. 495.54 crores) in the accounts.

**For D.P. Khandelwal & Co.
Chartered Accountants**

**Palace : JAIPUR
Dated : 29/12/09**

**(Desh Nidhi Gupta F.C.A.)
Partner**

BALANCE SHEET AS AT 31st MARCH, 2009

(Amount in Rs.)

Particulars	Schedule Number	As at 31st March, 2009	As at 31st March, 2008
<u>SOURCES OF FUNDS</u>			
SHARE HOLDERS' FUNDS			
Share Capital	1	38225900000	31165900000
Reserves and Surplus	2	0	0
Deferred Revenue :-On Account of Advance Against Depreciation	2 (A)	6928766000	3346800000
LOAN FUNDS			
Secured Loans	3	40694944084	28261443114
Unsecured Loans	4	34517638319	38998367076
TOTAL		120367248403	101772510190
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	5	71898918705	71048714941
Less : Accumulated Depreciation	5	23170722791	20683296756
Net Block		48728195915	50365418185
Capital Work in Progress	6	46297667608	36472690873
Construction Stores and Advances	6 (A)	9571685286	3219974938
INVESTMENTS	7	1500000	1503000
CURRENT ASSETS, LOANS & ADVANCES			
Income accrued on Investment, Loans and Advances	8	8871805	43771337
Inventories, Stores and Spares	9	1909608969	1981541654
Sundry Debtors	10	10958275690	10278447139
Cash and Bank Balances	11	913157301	1832677833
Loans and Advances	12	1377653406	1200987447
Other Assets	13	8675097001	6490652364
TOTAL CURRENT ASSETS		23842664172	21828077774

Less : Current Liabilities & Provisions	14	13460647706	10644398351
NET CURRENT ASSETS		10382016466	11183679423
MISCELLANEOUS EXPENDITURE (To the extent not written off / adjusted)	15	430769740	529243771
PROFIT & LOSS ACCOUNT		-4955413388	0
TOTAL		120367248403	101772510190

Significant Accounting Policies **29**

Notes on Accounts **30**

As per our separate report of even date

For and on behalf of the Board of Directors

For D.P. KHANDELWAL & CO.
Chartered Accountants

(M.C. GAUR)
Director (Finance)

(Dr. S.K. CALLA)
Chairman &
Managing Director

(DESHNIDHI GUPTA)
Partner
M.No. 078560

(SGVS SUBRAHMANYAM)
Company Secretary

(M.K. KHANDELWAL)
Chief Accounts Officer

Place : Jaipur
Date : 29/12/2009

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2009**

(Amount in Rs.)

Particulars	Schedule Number	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
INCOME			
Revenue from Sale of Power	16	51011189981	38759936121
Revenue Subsidies and Grants	17	427515	93043
Other Income	18	324341846	233760188
Sub Total		51335959342	38993789352
EXPENDITURE			
Generation of Power	19	41316007039	32536892354
Repairs and Maintenance	20	1089524410	862820585
Employees Costs	21	2223524231	859547053
Administration and Other Expenses	22	769358239	760467569
Less : Incidental expenses during construction transferred to capital work in progress	23	642461223	2474270522
Depreciation	24	2552178792	2053790295
Sub Total		47308131487	34599247333
Profit before Interest & Taxes		4027827856	4394542019
Net Interest Finance Charges & lease Rental	25	5120667321	3790860219
Extraordinary Items	26	778060637	0
Profit before Tax		-1870900102	603681800
Fringe Benefit Tax	27	4620310	4250933
Add/Less : Prior period charges or credits	28	-3079892976	-599430867
Net Loss for the year		-4955413388	0

Significant Accounting Policies **29**

Notes on Accounts **30**

As per our separate report of even date

For and on behalf of the Board of Directors

For D.P. KHANDELWAL & CO.

(M.C. GAUR)

(Dr. S.K. CALLA)

Chartered Accountants

Director (Finance)

Chairman &
Managing Director

(DESHNIDHI GUPTA)

(SGVS SUBRAHMANYAM)

(M.K. KHANDELWAL)

Partner
M.No. 078560

Company Secretary

Chief Accounts Officer

Place : Jaipur

Date : 29/12/2009

**SHARE CAPITAL
SCHEDULE NO. 1**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
1.	Authorised Capital			
	500,00,00,000 (500,00,00,000)			
	Equity Shares of Rs. 10/- each		50000000000	50000000000
2.	Issued, Subscribed and Paid up Capital			
	382,25,90,000 (311,65,90,000)			
	Equity Shares of Rs. 10/- *			
	fully paid up. (Out of which			
	924590000 shares were issued			
	for consideration other than cash)	54.600	38225900000	31165900000
	TOTAL		38225900000	31165900000

* Issued to Govt. of Rajasthan pursuant to Rajasthan Power Sector Reforms Scheme.

**RESERVES AND SURPLUS
SCHEDULE NO. 2**

(Amount in Rs.)

S. No.	Particulars	Account Code	Balance As At 1 st April 2008	Addition during 2008-09	Deduction during 2008-09	Balance As At 31 st March 2009
1	General Reserve	56.lx-58.2x	-	-	-	-
2	Capital Reserve	56.200	-	-	-	-
3	Bond Redemption Reserve	56.310	-	-	-	-
4	Debenture Redemption Reserve	56.320	-	-	-	-
5	Other Res.for Mat.Cost Variance	56.610	-	-	-	-
6	Exchange Variance	56.620	-	-	-	-
7	Other Reserve Funds	56.600	-	-	-	-
8	SURPLUS-Net Revenue & Appropriation	58.210	-	-	-	-
TOTAL			-	-	-	-

**DEFERRED REVENUE - ON ACCOUNT OF
ADVANCE AGAINST DEPRECIATION**

SCHEDULE NO. 2 A

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
1.	Deferred Revenue-on account of Advance Against Depreciation	56.300	6928766000	3346800000
TOTAL			6928766000	3346800000

**SECURED LOANS
SCHEDULE NO. 3**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
LONG TERM LOANS				
1.	Loan from LIC (8.5%) (!!) (Secured against the mortgage of Fixed Assets & Escrow Account)	52.501	1170227490	1435846791
2.	Loan from PFC (10.50%-14.00%) (!)	53.550	37099983594	22965996323
3.	Loan from Central Bank of India (9.25-10.75%)*****	53.580	361250000	446250000
4.	Loan from OBC (9.00%-9.75%) \$	53.596	0	765000000
5.	Loan from OBC (9.25%-10.75%)******	53.596	403750000	498750000
6.	Loan from Canara Bank (9.50%-11.00%)******	53.599	200000000	700000000
Sub Total			39235211084	26811843114
SHORT TERM LOANS				
1.	WCL from Allahabad Bank******	50.830	0	333300000
2.	WCL from SBBJ******	50.850	1160000000	500000000
3.	WCL from Bank of Rajasthan (!)	50.870	299733000	449600000
4.	WCL from BOI****	50.955	0	166700000
Sub Total			1459733000	1449600000
TOTAL			40694944084	28261443114

**** Secured by Govt. Guarantee and pari passu charge on assets.

***** Secured by Govt. Guarantee, Default Escrow and Hypothecation of Assets.

\$ State Govt. Guarantee and Hypothecation of Assets.

(!) Default Escrow and Hypothecation of Assets.

(!!) Charge on Assets & Escrow Account.

**UNSECURED LOANS
SCHEDULE NO. 4**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
LONG TERM LOANS				
1.	Public Bonds (SLR) - 1988-89 (11.5%)**	52.110	0	113500000
2.	Public Bonds (SLR) - 1988-89 (11.5%)	52.110	0	50000000
3.	Public Bonds (SLR) - 1989-90 (11.5%)	52.110	200000000	200000000
4.	Public Bonds (SLR) - 1990-91 (11.5%)	52,110	130000000	130000000
5.	Public Bonds (SLR) - 1991-92 (12%)	52.110	80000000	80000000
6.	Bonds 2001-2002 (8.5%-11.70%)*	52.116	0	600000000
7.	Loan from World Bank (12%-12.5%)	53.598	10672102	11569399
8.	State Govt. Loans (13.75%)	54.200	1380700000	1380700000
9.	Loan from PFC (Int. Free)	53.555	700963	1192133
10.	Loan from PFC (4.75%-12.50%)**	53.550	8188598587	13772518042
11.	Loan from NCRPB (8%-9.50%)**	53.551	1600000000	800000000
Sub Total			11590671652	17139479574
TRANSITIONAL LOANS				
1.	PFC***	53.550	0	244687500
2.	Canara Bank***	50.982	333200000	666400000
3.	Bank of India**	50.955	337500000	787500000
4.	Bank of India***	50.955	1700000000	2550000000
5.	Central Bank of India***	50.953	3316666667	4383333333
6.	Indian Bank***	50.959	1912500000	2550000000
7.	Oriental Bank of Commerce***	50.970	1500000000	1500000000
Sub Total			9099866667	12681920833
SHORT TERM LOANS				
1.	WCL from HUDCO**	50.820	514000000	622000000
2.	WCL from Dena Bank**	50.840	500000000	500000000
3.	WCL from Dena Bank***	50.840	1000000000	0
4.	WCL from Karnataka Bank***	50.860	400000000	400000000
5.	WCL from Bank of Rajasthan***	50.870	500000000	0
6.	WCL from UCO Bank***	50.880	583300000	500000000
7.	WCL from CBI***	50.953	916600000	1250000000
8.	WCL from Bank of India***	50.955	1730000000	980000000
9.	WCL from BOB***	50.956	1500000000	458300000
10.	WCL from PNB***	50.957	166600000	500000000
11.	WCL from Indian Bank***	50.959	1000000000	400000000
12.	WCL from OBC***	50.970	500000000	500000000
13.	WCL from Canara Bank***	50.982	1000000000	0
14.	WCL from REC***	50.983	0	416666669
15.	WCL from Union Bank***	50.984	2250000000	1750000000
16.	WCL from Punjab & Sind Bank***	50.985	166600000	500000000
17.	WCL from Federal Bank***	50.986	500000000	400000000
18.	WCL from Andhra Bank**	50.987	600000000	0
Sub Total			13827100000	9176966669
TOTAL			34517638319	38998367076

* Secured by Govt. Guarantee and Escrow account.

** Guaranteed by State Govt.

*** State Govt. Guarantee & Default Escrow.

**FIXED ASSETS
SCHEDULE NO. 5**

(Amount in Rs.)

S. No.	Particulars	GROSS BLOCK					DEPRECIATION					Net Block as at 31st March, 08	
		Account Code	Balance as at 1 st April, 08	Additions during the year	Adjustments/ Deductions	Closing Balance as at 31 st March, 09	Account Code	Balance as at 1 st April, 08	Additions during the year	Adjustments/ Deductions	Closing Balance as at 31 st March, 09		Net Block as at 31 st March, 09
1	Land & Rights	10.1xx	548470879	-136980344	14495784	396994752	12.100	3811829	-2871815	281945	658069	396336683	544659050
2	Buildings	10.2xx	4918599510	167169589	59260440	5026508660	12.200	2209353621	108067746	2589616	2314831751	2711676909	2709245889
3	Hydraulic Works	10.3xx	2602223870	2706468	0	2604930337	12.300	1048400890	25865736	0	1074266627	1530663711	1553822979
4	Other Civil Works	10.4xx	1048773733	-22719650	0	1026054083	12.400	193786380	114021590	0	307807971	718246112	854987353
5	Plant & Machinery	10.5xx	60404775066	595131013	22583101	60977322978	12.500	16362682836	2105041940	1705523	18466019253	42511303725	44042092230
6	Lines & Cable Networks	10.6xx	722186837	18409684	0	740596521	12.600	282529118	13905103	0	296434220	444162301	439657719
7	Vehicles	10.7xx	48199137	330935	1566815	46963257	12.700	38059598	-1807950	383849	35867799	11095458	10139539
8	Furniture & Fixtures	10.8xx	20812666	2602025	2806261	20608430	12.800	10059492	1759207	510885	11307815	9300615	10753174
9	Office Equipment	10.9xx	22902960	672889	1157167	22418682	12.900	11091268	1270462	81885	12279845	10138837	11811691
	Sub-Total (1-9)		70336944658	627322609	101869568	70862397699		20159775033	2365252019	5553703	22519473349	48342924350	50177169625
10	Capital Spares At Generating Stations	11.300	711770283	324750723	0	1036521006	12.960	523521723	127727719	0	651249442	385271564	188248560
	Total		71048714941	952073332	101869568	71898918705		20683296756	2492979738	5553703	23170722791	48728195915	50365418185
	Previous year figures		60520880784	10527834157	0	71048714941		18537722293	2145574463	0	20683296756	50365418185	41983158492

Note :- (i) The figure in the addition column is shown after netting off the deductions/adjustments.

(ii) The figure in the adjustment/deduction column relates to the transfer of GLTTP-I's Fixed Assets and Depreciation thereon to GLPL.

**CAPITAL WORKS IN PROGRESS
SCHEDULE NO. 6**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31st March, 2009	As at 31st March, 2008
1.	Capital works in progress	14-15 XXX	46297667608	36472690873
TOTAL			46297667608	36472690873

**CONSTRUCTION STORES AND ADVANCES
SCHEDULE NO. 6 (A)**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31st March, 2009	As at 31st March, 2008
1.	Stock of material at const. stores	22.201-219 & 22.601-619	183065776	199561542
2.	Advances to Suppliers & Contractors for Capital Works	25.XXX	9388619510	3020413396
TOTAL			9571685286	3219974938

**INVESTMENTS
SCHEDULE NO. 7**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31st March, 2009	As at 31st March, 2008
Investment (Unquoted)				
1.	Invest. in Govt. Securities	20.210	0	3000
2.	Investments in Shares of Subs. Comp.	20.270	1500000	1500000
TOTAL			1500000	1503000

**INCOME ACCRUED ON INVESTMENT, LOANS, ADVANCES AND OTHERS
SCHEDULE NO. 8**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31st March, 2009	As at 31st March, 2008
1.	Income accrued & due	28.21X-28.290	22798321	41774708
2.	Income accrued but not due	28.31X-28.390	3807915	1996629
3.	Less : Provision for doubtful debts	28.900	-17734431	0
TOTAL			8871805	43771337

**INVENTORIES, STORES AND SPARES
SCHEDULE NO. 9**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
1.	Coal Stock	21.101	885002442	842801692
2.	Oil Stock	21.105	234601355	140210421
3.	Gas Stock	21.108	0	0
4.	Coal in transit	21.121	222681902	263591729
	Sub Total		1342285700	1246603842
5.	Stock of material at other stores	22.621-690	717394835	887309894
6.	Other material A/c	22.710-770	2300516	0
	Sub Total		719695351	887309894
	Total		2061981051	2133913735
7.	Less : Prov. towards unserviceable O&M & Capital Stores	22.910	152372082	152372082
	NET TOTAL		1909608969	1981541654

**SUNDRY DEBTORS
SCHEDULE NO. 10**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
1.	Receivable against sale of Power to JVVNL*	23.802	4073931370	3837954833
2.	Receivable against sale of Power to AVVNL*	23.803	3983971369	3446140449
3.	Receivable against sale of Power to JDVVNL*	23.804	2846528615	2940507521
	Sub Total		10904431354	10224602803
4.	Less : Prov. for doubtful dues from Discoms	23.9XX	-	-
5.	Net Receivables against sale of Power		10904431354	10224602803
6.	Deferred sale consideration (Lease)**	28.101	53844336	53844336
	TOTAL		10958275690	10278447139

* Outstanding for a period less than six months.

** Outstanding for a period more than six months.

**CASH AND BANK BALANCES
SCHEDULE NO. 11**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
1.	Cash in Hand	24.110	703018	399076
2.	Cash Imprest with Staff	24.210-24.220	62445	44443
3.	Balances with Banks	24.300-24.491	890840859	1805272424
4.	Balances with Public Deposit Accounts	24.451-452	30000	30000
5.	Remittance in Transit	24.501-24.652	1745980	7156890
6.	FOR with Scheduled Banks	20.21X-20.28X	19775000	19775000
TOTAL			913157301	1832677833

**LOANS AND ADVANCES
SCHEDULE NO. 12**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
1.	Advances for O&M supplies and works	26.1XX-26.7XX	877767955	594143542
2.	Advances for fuel supply	26.8XX-26.805	497262265	605990009
3.	Loans & Advances to staff*	27.1XX-27.210	-174427	-485495
4.	FBT Receivable	27.411	1993123	536430
5.	Advance Income Tax & TDS	27.421	7820	0
6.	Loan & Advance (Others)	27.801-27.805	796670	802961
TOTAL			1377653406	1200987447

* Include house building advance and conveyance advance, which is fully secured.

**OTHER ASSETS
SCHEDULE NO. 13**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31st March, 2009	As at 31st March, 2008
1.	Amount recoverable from Employees	28.4XX	10133	27295
2.	Fuel related Receivables & Claims	28.511-28.59X	50749035	164192061
3.	Subvention Receivable from State Govt.	28.624	3105971384	3926213644
4.	Interest accrued on subvention rec. from Govt.	28.624	909628036	718763036
5.	Other Claims	28.721-28.790	17915	17915
6.	Other Receivables	28.810-28.891	545260225	567673106
7.	Deposits	28.911-28.93X	293873793	291169912
8.	Receivables from Subsidiaries Companies	28.931-33	3107265535	807984
9.	Receivables from RVPN & Discoms	28.941-44	4490050	4762764
10.	Inter-Unit Accounts	30.XXX-38.XXX	657830895	817024648
TOTAL			8675097001	6490652364

**CURRENT LIABILITIES AND PROVISIONS
SCHEDULE NO. 14**

(Amount in Rs.)

S. No.	Particulars	Account Code	As at 31 st March, 2009	As at 31 st March, 2008
A) CURRENT LIABILITIES				
1.	Liab. to Railways for Coal Receipts	40.110-40.180	267263611	526230021
2.	Retention on A/c of inferior grade of Coal	40.230	333625337	289803052
3.	Coal supplier account	40.240	307865880	478047241
4.	Other Fuel related liability	40.310-40.330	1036998	1036998
5.	Oil supplier account	40.420,620	59941801	33000
6.	Gas related cost	40.630	101554391	0
7.	Prov. for Coal related cost	40.641	3966390	9743115
8.	Liabilities for Capital Works/Supplies	42XXX	549378751	880442893
9.	Liabilities for O&M Works/Supplies	43XXX	514757527	551093895
10.	Staff related liabilities	44XXX	66355284	48031370
11.	Liabilities for expenses	46.410-46.430	396919266	544078563
12.	Int. accrued but not due on term loans	46.710	1107319795	817283880
13.	Int. accrued but not due on WCL loans	46.720	0	0
14.	Deposit and retention from supp./cont.	46.1XX	2983376812	2314034276
15.	Other levies payable to State Govt.	46.230-46.390	12351544	95842254
16.	Other liabilities and prov.	46.901-46.970	2586828670	3947570821
17.	Amount Payable to GLPL	46.971	0	0
18.	Amount Payable to RVPN	46.981	19757318	12665447
19.	Amount Payable to JVVN	46.982	89700085	77465231
20.	Amount Payable to AVVN	46.983	9750586	9587869
21.	Amount Payable to JD.VVN	46.984	0	0
22.	Amount Payable to JD.VVN	48.100	265150	265150
Sub. Total			9412015196	10603255075
B) PROVISIONS				
23.	RRVK Gratuity Fund	44.110	1504882832	4490173
24.	RRVK Superannuation Fund	44.120	2535749478	35515792
25.	Exgratia / Bonus	44.140	8000200	1137311
Sub Total			4048632510	41143276
Total			13460647706	10644398351

**MISCELLANEOUS EXPENDITURE TO THE EXTENT
NOT WRITTEN OFF OR ADJUSTED
SCHEDULE NO. 15**

(Amount in Rs.)

S. No.	Particulars	Account Code	Balance As At 1 st April 2008	Addition during 2008-09	Deduction during 2008-09	Balance As At 31 st March 2009
1	Deferred revenue expenditure	17.222	518430795*	2745811	116790714	404385892*
2	Preliminary Exp. not yet written-off	17.225	8343334	4534419	0	12877753
3	Exp.on survy / Proj. not yet sanc.	17.300	2469642	11036453	-	13506095**
TOTAL			529243771	18316683	116790714	430769740

* This is the amount of premium paid to financial institutions on debt restructuring.

** This figure pertains to Jhalawar Project.

**REVENUE FROM SALE OF POWER
SCHEDULE NO. 16**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Revenue from Sale of Power	61.410	54731447002	42728733561
2	Less : Advance Against Depreciation Deferred	61.940	3581966000	1768800000
3	Less : Trial Run Revenue (Infirm Power)	61.950	138291021	2199997440
TOTAL			51011189981	38759936121

**REVENUE SUBSIDIES AND GRANTS
SCHEDULE NO. 17**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Interest subsidies received from Govt.	63.2IX	427515	93043
TOTAL			427515	93043

**OTHER INCOME
SCHEDULE NO. 18**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Interest on Loans and Advances to Staff	62.21X-62.21X	556404	276365
2	Interest Income from Investments/Deposits	62.22X-62.26X	2055622	2120906
3	Income from sale of scrap	62 .3X	22814258	77390493
4	Miscellaneous Receipts (Rebate)	62.9XX	298915562	153972424
TOTAL			324341846	233760188

**GENERATION OF POWER
SCHEDULE NO. 19**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
FUEL CONSUMPTION :				
1	Cost of Coal consumed (Steam)	71.110	34442244426	28307240153
2	Cost of Oil consumed (Steam)	71.120	502517754	285904297
3	Cost of Gas consumed (Internal combustion)	71.140	5390025963	2971544966
4	Cost of Oil consumed (Internal combustion)	71.150	8622084	374530465
5	Sub Total (1-4)		40343410227	31939219881
6	Other Fuel Related Cost	71.2	7827382	80153483
7	Sub Total (5-6)		40351237609	32019373364
OPERATING EXPENSES :				
8	Cost of water	71.5	81790719	86520983
9	Lubricants & Consumable Stores	71.6	28934112	14791744
10	Station Supplies	71.7	157207981	15190923
11	Other Cost	71.8	154344068	66209587
12	Sub Total (8-12)		422276879	182713238
13	Cost of Generation of Power (7+12)		40773514488	32202086602
14	Fuel Related Losses	72.1	542492551	334805752
15	Sub Total (14)		542492551	334805752
GRAND TOTAL (13+15)			41316007039	32536892354

**REPAIRS AND MAINTENANCE
SCHEDULE NO. 20**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Plant & Machinery	74.1XX	989199007	785864208
2	Buildings	74.2XX	41308490	37344812
3	Civil Works	74.3XX	45299992	30725242
4	Hydraulic Works	74.4XX	10125704	5254073
5	Vehicles	74.6XX	3243933	3191446
6	Furniture & Fixtures	74.7XX	149020	204217
7	Office & Other Equipments	74.8XX	198263	236588
TOTAL			1089524410	862820585

**EMPLOYEES COSTS
SCHEDULE NO. 21**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Basic Pay	75.1	618285061	266947513
2	Dearness Pay	75.0	38237619	115403727
3	Overtime	75.2	16301184	12613215
4	Dearness Allowances	75.3	116112339	136681028
5	Other Allowances	75.4	49258901	29636123
Sub Total (1-5)			838195105	561281605
6	Other Staff Related Cost	75.6	249737956	199510204
7	Staff Welfare Expenses	75.7	19946958	15621216
8	Terminal Benefits	75.8	1115644212	83134029
Sub Total (6-8)			1385329126	298265448
GRAND TOTAL			2223524231	859547053

**ADMINISTRATION AND OTHER EXPENSES
SCHEDULE NO. 22**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
ADMINISTRATION EXPENSES				
1	Rent	76.101	2300045	2353858
2	Rates & Taxes	76.102	347529	229662
3	Licence & Registration Fee	76.103	1135805	1214968
4	Insurance on Fixed Assets	76.104	68323363	49584291
5	Insurance on Vehicles - Motor Car & Jeeps	76.107	333564	593712
6	Security & Service Charges	76.108	94772297	50855058
7	Insurance on Vehicles - Other Than Car & Jeeps	76.109	104931	48948
8	Telephone/Trunk call	76.111	5482454	5715702
9	Post & Telegram Exp.	76.112	588261	596733
10	PBX Expenses	76.114	622114	483235
11	Legal Charges	76.121	1118912	930121
12	Audit Fee	76.122	374496	263372
13	Consultancy Charges	76.123	75978560	35412736
14	Other Professional Charges	76.125	1900	0
15	Tariff Fee	76.126	0	8145000
16	Conveyance Expenses	76.131	709405	809823
17	Traveling Expenses - Actual Fare	76.132	3577624	3519673
18	Traveling Exp. - Other than Actual Fare	76.133	5259726	4993026
19	Hiring of Vehicles - Car & Jeeps	76.135	10599703	9465015
20	Vehicle Running Exp	76.136	5403365	4745127
21	Hiring of Vehicles - Other than Car & Jeeps	76.137	15485707	13801191
22	Registration fee - Other than Car & Jeeps	76.138	477203	292392
23	Registration fee - Car & Jeeps	76.139	3500	23650
Sub Total (1-23)			293000464	194077291
OTHER EXPENSES				
24	Festival Expenses	76.148	21600	63240
25	Expenses of Planner	76.149	0	148933
26	News Paper & Magazines	76.150	28895	46800
27	Fees & Subscriptions	76.151	1098917	393698
28	Books & Periodicals	76.152	33930	41549

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
29	Printing & Stationery	76.153	3193766	2996850
30	Ferros & Chemicals	76.154	0	120
31	Advert. Charges-Other than Purchases	76.155	2658062	3350154
32	Hot/Cold weather charges	76.156	17997	13844
33	Electricity Charges	76.158	35998769	19706023
34	Water Charges	76.160	250590	173126
35	Meeting Exp. Outside Plant	76.161	315821	236102
36	Exp. On National Festivals	76.162	0	0
37	Testing Charges	76.163	0	0
38	Expenditure on Examination	76.164	1667926	127500
39	Fee Payable to CBIP	76.165	0	200000
40	Orderly Expenses	76.166	2660285	2829812
41	Secret Fund	76.167	8302	0
42	Sumptuary Expenses	76.168	498560	565064
43	Decretal Expenses	76.169	0	133179906
44	Computer Hiring Charges	76.170	2695107	2615313
45	Exa.Pay.Reward Bring. Down T& Losses	76.174	120279	0
46	Head Office Supervision Charges	76.180	3904570	0
47	Misc. Expenses	76.190	4284813	1790248
	Total (76.1)		352458654	362555574
	MATERIAL RELATED EXPENSES	76.2		
48	Purchase related expenses	76.2xx	281169084	66312381
49	Vehicle Running Exp	76.240	1206622	1226137
	Total (76.2)		282375706	67538519
	Total (76 = 1+2)		634834360	430094092
	OTHER DEBITS			
50	Sundry debit / credit balances written-off	77.730 & 79.120	(2867)	(6201)
51	Bad & Doubtful Debts - Others	79.480	17734431	0
52	Misc. Losses W/O	79.500	0	0
53	Sundry Debit/Credit Balacnes Written off	79.571	1600	199739011
54	Deffered Revenue Exp.written-off	79.610	116790714	130640666
	Total (Other Debits)		134523878	330373476
	GRAND TOTAL		769358239	760467569

**INCIDENTAL EXPENSES DURING CONSTRUCTION
TRANSFERRED TO CAPITAL WIP
SCHEDULE NO. 23**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Cost of Generation Capitalised (Trial Run)	71.900	167705445	2194627300
2	Repairs, Maintenance Expenses Capitalised	74.900	2133379	27582475
3	Employees Cost Capitalised	75.900	78070086	106742593
4	Administ.and other Gen.Exp. Capitalised	76.900	390930765	141799820
5	Depreciation Capitalised	77.900	3621549	3518334
TOTAL			642461223	2474270522

**DEPRECIATION
SCHEDULE NO. 24**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Amortisation of lease hold lands	77.110	104541	129790
2	Depreciation on Building	77.120	119191278	114708367
3	Depreciation on Hydraulic Works	77.130	67828742	71622262
4	Depreciation on Other Civil Works	77.140	23801445	18913110
5	Depreciation on Plant & Machinery	77.150	2322474034	1832125160
6	Depreciation on lines and Cables Net Works	77.160	9474084	8881168
7	Depreciation on Vehicles	77.170	1050615	554326
8	Depreciation on Fixtures & Furnitures	77.180	883278	632196
9	Depreciation on Office Equipments	77.190	794796	482978
10	Dep. on Capital spares at generating stations	77.230	6575979	5740939
TOTAL			2552178792	2053790295

**INTEREST, FINANCE CHARGES & LEASE RENTAL
SCHEDULE NO. 25**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Interest on State Government Loans	78.100	189846000	189846000
2	Interest on Bonds & Debentures	78.200-78.210	78846308	205947493
3	Interest on Loans from Financial Institution	78.501-78.522	4803326146	2847778711
4	Interest on Loans from Commercial Banks	78.520-78.530	194937312	277941953
5	Interest on Working Capital Loan	78.7XX	2514734273	2320661584
	Sub-Total (1-5)		7781690039	5842175741
6	Finance Charges	78.8XX	47723715	48415955
7	Lease Rental	78.891	54731	76387
	Grand Total (1-7)		7829468485	5890668083
8	Interest and Finance Charges Capitalised	78.900	-2708801164	-2099807864
	NET TOTAL		5120667321	3790860219

**EXTRAORDINARY ITEMS
SCHEDULE NO. 26**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Provision for W/O of Fixed Assets	79.450	620410292	0
2	Written off of 1/5 amount of old Inter Unit Balances	79.571	157650345	0
	TOTAL		778060637	0

**TAXATION
SCHEDULE NO. 27**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
1	Finge Benefit Tax	81.200	4620310	4250933
	Total		4620310	4250933

**PRIOR PERIOD CHARGES AND CREDITS
SCHEDULE NO. 28**

(Amount in Rs.)

S. No.	Particulars	Account Code	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008
Prior Period Income/Credits				
1	Fuel Related Gains	65.110	106106946	131458724
2	Interest and Finance Charges	65.400	327800708	0
3	Others Credits	65.XXX	155336459	864985
4	Less : Prior Period Income Capitalised	65.950	-63109390	0
Sub Total (1-3)			526134722	132323709
Less : Prior Period Expenses / Charges				
5	Interest & Finance Charges	83.2X-7X	442765345	633322026
6	Fuel Related Cost	83.210	89322435	-9586330
7	Prior Period Expenses - Coal related	83.230	77302740	0
8	Operating expenses	83.300	20949122	-544695
9	Employees Cost	83.500	767496	170758
10	Emp. Cost - Pension & Gratuity contribution	83.500	300000000	0
11	Depreciation under provided	83.600	14105420	88437776
12	Administration and Other Expenses	83.820	1036673	19540399
13	Fringe Benefit Tax	83.830	15696270	414641
14	Less : Prior Period Expenses Capitalised	83.900	-55917803	0
Sub Total (4-10)			3606027698	731754576
Grand Total			-3079892976	-599430867

SIGNIFICANT ACCOUNTING POLICIES

1. Basic Accounting Policy

- a) The financial statements of the Company have been prepared under historical cost convention and in accordance with generally applicable accounting standards issued by the Institute of Chartered Accountants of India, the provisions of Companies Act, 1956, the applicable provisions of Electricity Act, 2003 and generally accepted accounting principles as adopted consistently by the Company.
- b) The Company generally follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis **except those with significant uncertainties and price variation claims which are accounted for on cash basis.**

2. Fixed Assets and Depreciation

- a) The fixed assets are stated at cost, after reducing accumulated depreciation. All costs including financing costs till the commencement of the commercial production attributable to acquisition/ construction of fixed assets are capitalized.
- b) Depreciation is charged on straight line method at the rates notified by the Central Electricity Regulatory Commission, New Delhi vide Notification No. L-7/25(5)/2003-CERC dated 26-03-2004. The fixed assets are depreciated upto 90% of the original cost. Regulatory Commission (RERC) has allowed depreciation as per the CERC norms in tariff fixation. Therefore we have been charging depreciation as per CERC/RERC rates in the accounts since 2004-05.

The rates as applied for depreciation are different from the rates prescribed under Schedule XIV to the Companies Act, 1956, which are disclosed as below :-

S.No.	Particular	Rate of Depreciation (%)
1	Buildings	1.80, 2.57, 3.60
2	Hydraulic Works	2.57, 3.60
3	Other Civil Works	1.80
4	Plant & Machinery	2.57, 3.60, 6
5	Lines & Cable Networks	3.60
6	Vehicles	18
7	Furniture & Fixtures	6
8	Office Equipment	6
9	Capital Spares at Generating Stations	3.60

- c) In view of terms of agreement entered into by erstwhile RSEB with lessors, the Company has not charged depreciation during the year on assets sold and leased back in the year 1994-95, 1995-96, 1996-97 and

1997-98, pertaining to generating stations.

- d) Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.
- e) Pending receipt of the completion reports in respect of capital works, the works completed are transferred to fixed assets on the basis of the statements approved by the head of the project.
- f) Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortised balance of such asset is depreciated retrospectively from the commencement of the unit based on the applicable rates of depreciation.
- g) Leasehold Land is amortised over the period of the lease.

3. Investments

- a) Long term investments are carried at cost less provision, if any, for permanent diminution in value of such investments.
- b) Current investments are carried at lower of cost and fair value.

4. Stores and Spares

- a) Stores and spares have been valued at cost. Weighted average method has been used to work out the pricing of issues and valuation of inventories. Various equipment & materials which are mostly heavy and earmarked for specific works are issued / valued at cost.

Here the Company deviates from the Accounting Standard-2 "Valuation of Inventories" issued by ICAI which requires Inventories to be valued at the lower of cost and net realisable value.

- b) The material lying at site for capital works are being shown as capital works in progress.
- c) The stock of low value items of consumables are not maintained and are fully charged to revenue.

5. Revenue Recognition

- a) Revenue from sale of power has been accounted for on accrual basis and has been billed on Discoms as per the power station wise tariff determined by Rajasthan Electricity Regulatory Commission vide tariff order dated 28.06.2008 & 7.01.09 respectively. The energy sold to each Discom has been arrived at by apportioning the total units sold by all the power stations amongst JVVNL, AVVNL and Jd.VVNL in the approved ratio determined from time to time.
- b) Advance against depreciation, forming part of tariff to facilitate repayment of term loans, is reduced from sales and considered as deferred revenue to be included in sales in subsequent years.

6. Foreign Exchange Transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year end are translated at the year end rate and the difference in translation and realised gains and losses on foreign exchange transactions (other than for fixed assets) are recognised in the Profit and Loss Account.

7. Preliminary and Deferred Expenses

- a) Consultancy charges paid through World Bank Loan are treated as deferred revenue expenditure and one fifth of the same is written off every year.
- b) The premium paid to Financial Institutions / Banks on debt restructuring are deferred and charged to Profit and Loss Account over the balance period of the loan.

8. Retirement Benefits

The retirement benefits in respect of pension & gratuity liabilities of personnel have been funded through trust on the basis of contribution by the RVUN and other successor entities of erstwhile RSEB. However, the liability for leave encashment is accounted for on actual basis.

Here the Company deviates from the Accounting Standard-15 "Employee Benefits" issued by ICAI, which requires the contribution to be made on the basis of actuarial valuation and the Company is not complying with this requirement.

9. Government Grants & Subsidies

Revenue subsidies and grants, if any, received during the year from the State Govt. are treated as income and is shown separately in the Profit & Loss Account.

10. Provision Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Miscellaneous

- a) Expenses on training and recruitment, research and development are charged to revenue.
- b) Expenses incurred on raising finance are being charged to revenue in the year in which these are incurred.
- c) Interest on loans and advances to staff is recovered after completion of recovery of principal amount.
- d) Claims for grade difference, shortage of coal etc. lodged on coal companies are accounted for as and when the credit notes are received by adjusting/recognizing the same in the Profit and Loss account of the current year, irrespective of the period to which it pertain. No provision is made for above claims due to uncertainty of receipt of the same.
- e) The generation linked incentive and productivity award admissible to the officers/employees of the Power Stations are accounted for on cash basis.
- f) The rebate (by way of reduction in the interest rate) in interest under AG&SP scheme of Govt. of India on loan given by PFC are directly deducted from interest cost and not separately shown as income and accordingly net interest is charged to Profit & Loss Account.
- g) The premiums paid on redemption of Bonds are charged to the Profit & Loss Account in the year in which they are redeemed.

- h) Interest on the Deferred Subvention Receivable from the State Government @ 5% is accounted for on actual cash basis from the year 2004-05.

As per our separate report of even date

For and on behalf of the Board of Directors

For D.P. KHANDELWAL & CO.
Chartered Accountants

(M.C. GAUR)
Director (Finance)

(Dr. S.K. CALLA)
Chairman &
Managing Director

(DESHNIDHI GUPTA)
Partner
M.No. 078560

(SGVS SUBRAHMANYAM)
Company Secretary

(M.K. KHANDELWAL)
Chief Accounts Officer

Place : Jaipur
Date : 29/12/2009

NOTES ON ACCOUNTS

1. a) In respect of Inter Company transactions with other successor Companies of erstwhile RSEB, no interest/surcharge has been charged/paid by the Company during the year.
- b) The Inter Company & Inter Unit Transactions upto 31-03-2008 and 31-03-2009 respectively have been reconciled and transactions of the current year in respect of Inter Company are in the process of reconciliation.
2. FBT incurred on construction projects during the year has been capitalised.
3. Penal interest/commitment charges, if any, have not been shown separately and are included in interest & finance charges.
4. During the year, change has been made in the policy of preparing accounts. Till last year accounts have been prepared on cost break even basis, but now onwards it is being prepared on actual basis due to this Company has incurred a loss of Rs. 495.54 crores.
5. In absence of determination of rent of buildings of the Company occupied by other successor Companies and vice-versa neither income nor expenditure has been accounted for during the period. Further the credit of HRA has also not been transferred / received in respect of residential accommodation owned by RVPN & occupied by employees of RVUN and vice-versa, respectively. As regards Common facilities at Head Office building like Electricity, Telephone, Security charge etc are concerned, these are shared by all the five successor entities of erstwhile RSEB and the share of RVUN is 28% of the expenditure.
6. Provision for liability for expenses/creation of prepaid expenses is not generally made for small/ petty amounts.
7. No credit has been taken in the accounts for interest payable on defaulted instalment's of sale consideration by lease finance Companies, since as per specific provision in the agreements. Consequential action has been taken by the Company by way of with-holding payments of lease rentals on occurrence of defaults.
8. The ownership of leased assets of the following firms have not been transferred in the favour of the Company after expiry of lease agreements due to pending litigation in court or in absence of power of attorney. The security deposit equivalent to residual value of the lease assets have already been deposited with lessors except M/s ICICI Ltd. for which payment will be made. The details are as under:-

(Amt in Lacs)

S.No.	Name of Lessor	Lease Value	Residual Value
1	ICICI Ltd	8400.00	84.00
2	Indo Nissan Oxo Chemical Ltd	623.34	155.84
3	SCICI	10000.00	4000.00
	TOTAL	19023.34	4239.84

9. As per the final FRP approved by GOR in Nov,2005, it has been provided that subvention receivable from State Govt. Rs. 491.87 crores will be discharged by State Govt. through adjustments against dividends and interest on Govt. loans payable to State Govt. From the year 2006-07, accounting treatment for interest payable to the State Govt. on State Govt. loan has been made by way of adjustment against deferred subvention receivable from the State Govt. as per the directions issued by the State Govt. Till 2005-06 it was treated as income on account of interest subsidy as per sanction Issued by the State Govt. However, as per the directions issued by the State Government, the interest subsidy treated as income in previous years till 2005-06, has been adjusted against deferred subvention receivable in the books. During the year the interest subsidy adjusted is Rs.43.95 crores. Thus the closing balance as on 31.3.2009 of the subvention receivable from the State Govt. as mentioned above after adjustment is **Rs. 310.65 crores.**
10. The Internal Audit of the Accounting Units is being conducted by the Company's own internal audit wing.
11. During the year, Net Interest & Finance charges pertaining to projects under construction amounting to Rs 270.88 crores (Rs. 209.81 crores) have been capitalised.
12. The Debtors and Creditors balances are subject to reconciliation and confirmation.
13. The provision for ex-gratia has been created on the basis of present strength of officers/employees.
14. Land and rights (free hold/lease hold) have been acquired pursuant to Power Sector Reform Scheme as such the title deeds pertaining to these assets in the name of erstwhile RSEB have been continued.
15. The title of land on which road leading to STPS is built Valuing Rs. 88.68 lacs, does not vest with RVUN.
16. The Company has taken certain assets on lease, the original cost of which is Rs. 527.25 crores. Lease rental on such assets are paid as per terms of lease agreements with lessors i.e Banks.
17. No provision for deferred tax assets / liability pursuant to AS-22 "Accounting for Taxes on Income" has been made by the Company as there is no virtual certainty supported by convincing evidence that there shall be any future tax liability against which the provisions can be adjusted. Therefore it has been considered that no provision be made pursuant to AS-22.
18. The land on which the Rest House and Residential Colony are developed at GLTPP in Barmer city stands owned by RRVPNL and Jd.VVNL respectively.
19. The land on which the Rest House and Residential Colony are developed at DCCPP in city stands owned by RRVPNL.
20. An excess amount of Rs. 35.72 lacs has been paid by STPS (Const.) unit to Govt. for acquisition of Land. This amount was to be recovered from the payment to be made by Transmission Company to Govt. However, efforts are made to adjust/recovery of this amount.
21. Coal Stock in transit included coal stock worth Rs. 11.07 crores lying with third parties.
22. Staff related liabilities and Loans and advances to staff are under Reconciliation/ Adjustment.
23. Decision regarding realization of Rs.90.91 crores which the Company has shown as Interest accrued on subvention receivable from Government (@5% p.a on Rs.491.87 crores) for the period 2000-01 to

2003-04 is pending for approval from the State Govt. Appropriate adjustment shall only be carried out in the books after such approval.

24. In absence of tangible details of Inter unit balances of Rs.78.83 crores transferred by the State Govt. under the transfer scheme, the Board of Directors of the Company in its 140th meeting held on dated 20.10.2008 has approved to write off these balances in five equal annual tranches beginning from 2008-09. Accordingly the first instalment of Rs. 15.76 crores is being written off in the current year.
25. During the year the paid up share capital of the Company increased by Rs. 706 crores.
26. **Capital Commitments and Contingent Liabilities :**

Capital Commitments

The estimated amount of contracts remaining to be executed on capital account, and not provided for (net of advances) is Rs. 6381.66 crores (Rs.6415.75 crores) as at 31.3.2009.

Contingent Liabilities

During the year the Company reviewed the disclosure of contingent liabilities keeping in view the provisions of AS-29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India as under :

- a) The Company has outstanding bank guarantees given by the State Bank of Bikaner & Jaipur and Bank of India in favour of following firms : -

S. No.	Name of Bank	In favour of	Amount (Rs. in crore)	Purpose
1.	State Bank of Bikaner & Jaipur	Ministry of Coal	46.80	As security for allocation of Coal Blocks
2.	State Bank of Bikaner & Jaipur	Eastern Central Railway	1.50	Making payment of Railway freight through E-payment of NCL for STPS
3.	State Bank of Bikaner & Jaipur	South East Central Railway	6.00	Making payment of Railway freight through E-payment of SECL for STPS

- b) The Company has outstanding letter of credit (LC) of Rs. 3.30 crores issued by State Bank of Bikaner & Jaipur in favour of M/s GAIL as security for transmission of Gas to DCCPP and letter of credit (LC) of Rs. 33.55 crores issued by Bank of India in favour of M/s GAIL for supply of Gas by GAIL for DCCPP.
- c) Government Guarantee of Rs. 23.54 crores have been issued to West Central Railway on account of credit note facility for payment of coal freight to railways.
- d) Claims against the Company not acknowledged as debts as at 31.03.2009.

- i) At KTPS, a disputed liability of Rs. 4.90 crores on account of water cess claimed by Rajasthan Pollution Control Board for which appeal has been filed with the Chairman RPCB.
- ii) ESI Deptt. has seized an amount of Rs.1.34 crores from bank account of KSTPS against ESI contribution of contractor's labour working as on 07.07.2005 along with interest thereon. Amount of Rs. 0.19 crores has been recovered from concerned contractors by KSTPS in the financial year 2008-09 and for excess deduction by ESI, appeal has been filed in office of Director, ESI, Delhi. The Company has also filed an appeal in the Hon'ble High Court, Jaipur against such recoveries.
- iii) At STPS payment for water charges to the irrigation department is made upto 88% of the bills raised based on the measurement made by STPS authorities. Accounting treatment for the balance 12% amounting to Rs.10.15 crores (approx) shall be made as and when dispute of measurement gets resolved.
- iv) Claim of M/s GAIL India worth Rs.0.88 crores for over drawl charges of Gas at DCCP project (Dholpur) has not been recognised as debt being disputed. The same shall be accounted for upon suitable decision by the Company.
- v) Claim of M/s. GAIL (India) Ltd. worth Rs. 3.76 crores for VAT on transportation cost at DCCP project, Dholpur, for which liability has not been created due to dispute regarding double taxation claimed by GAIL(India) Ltd.
- vi) Liability on account of the matters under litigation has not been provided for, as claims in respect thereof have not been entertained and are being contested. The total amount of liability which can reasonably be ascertained is Rs. 7.27 Crores. Other matter mostly pertains to the employees where the amount of probable liability/obligation is not ascertainable.
- vii) There is a demand of Rs.11.39 crores towards interest on delayed payment against gas supply to Ramgarh Gas Thermal Power Plant (RGTPP) by GAIL (India) Ltd. The same is not acceptable to the Company.
- viii) Taxation matters for which liability is disputed and provision is not made (computed on the basis of assessments/demand made by the department) :

Rs. In Crores

- a) Matters on which there are decisions of the appellate authorities in the Company's favour, not accepted by the tax authorities and other matters in respect of which the Company is in appeal 6.51
- e) A provision for Rs. 50 Lacs towards operation and maintenance charges for common civil works of irrigation department and Rs.50 Lacs for Capital Maintenance of LMC has been made during the year 2008-09. As per the latest utilisation certificate so received from the Mahi- irrigation authorities upto the year 2007-08, for common civil works, expenditure incurred amounting to Rs. 649.57 has been furnished out of which Rs.325 lacs has already been released and the balance of Rs. 324.57 lacs shall be released after consideration by the management on the basis of quantity of water made available at PH-II by the irrigation department. Similarly for capital maintenance of LMC Rs. 145.39 lacs shall be released after consideration by the management. Provision against the above amount has also been made in the accounts.

- f) As per the Actuarial Valuation report there was a shortfall of Rs. 3143.32 crores in respect of liabilities for pension and gratuity as on 31.03.2007. The liability is further estimated to have increased to Rs.5000 crore (approx) as on 31.03.2009, subject to revision on receipt of final Actuarial Valuation report, which is likely to take some more time. Based on the above estimation the share of RVUNL in the shortfall is Rs. 400 crores, which the Company has provided in the books of accounts of the current year 2008-09. However out of the above shortfall the RERC vide its Order dated 31.08.2009 has allowed the nigan to recover Rs.40 crores per annum out of the such past years cost for the MYT period i.e 2009-10 to 2013-14. Accordingly Rs.200 crores shall be recoverable out of tariff in future.
- g) The Income-tax assessment of the Company completed upto Assessment year 2007-08. Further appeal with the department is pending against the assessment order for the Assessment year 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07.

The out flow on account of the claims against the Company not acknowledged as debts and tax disputes is contingent upon the decision of the courts/other authorities and may differ from the amounts disclosed as contingent liability on the basis of estimates.

27. At RGTP, the Gas Authority of India Limited has claimed an amount of Rs. 7.73 crores towards Minimum Gas Off Take claim which is disputed and RVUNL do not admit the claim even though liability has been provided in the books, the payment shall only be released after appropriate decision in the matter.
28. RVUNL is engaged in the generation of electricity and selling thereof to the Distribution Companies. Generation of electricity is one and single product. Hence **AS 17- "Segmental Reporting"** is not applicable on RVUNL.
29. During the year 2006-07 the Mining Department recovered an amount of Rs. 7.6 lacs by seizing our Bank Account at DCCPP, Dholpur, against penalty of Royalty not deposited. This royalty amount was Rs. 0.76 lacs against which ten times penalty was recovered. The liability to pay the royalty lied with the contractor M/s. D.K. Sharma. The matter is still under correspondence with the department for getting the refund of the ceased amount.
30. Due to the absence of confirmation, the Company, at RGTPP has not recognised interest income (@ 10%) Rs. 14.02 lacs on the advance of Rs. 1.40 crores to M/s GAIL. From the year 2006-07, it has been decided to account for such income as and when it is confirmed. Further provision for the accumulated interest upto the period 2005-06 amounting to Rs.1.77 crores, has been made in the current year for complying with the requirement of AS-9.
31. In view of multiplicity and difficulty in identification of accounts relating to small scale industrial undertaking, information for determining the particulars relating to current indebtedness to such undertaking as required under Part -1 of Schedule VI to the Companies Act - 1956 is not readily available.
32. In view of multiplicity and difficulty in identification of accounts relating to small scale industrial undertaking, information for determining the particulars relating to current indebtedness to such undertaking as required under Micro, Small and Medium Enterprises Development Act, 2006, is not readily available.
33. The GLTPP Unit-I, commissioned on 28.02.2007 and Unit-II on dated 28.12.2008, since then these are running on Trial -run. The units generated during this period has been charged to Discoms as Infirm Power.

34. In the year 2006-07 a theft of stores occurred in SSTPS site at Suratgarh. FIR lodged with the local police for theft of stores valued for Rs. 23.02 lacs. Out of the theft, material of Rs.20.00 lacs (approx) has been recovered and lying in the police custody. Efforts have been made by the authorities of SSTPS to get back the recovered items from the police. Final Report in the matter is under investigation. Accounting treatment shall only be possible and be carried out after finalisation of investigation. However till such time the material has been reduced from the normal stock and transferred to the code head 22.830 "Stock shortage pending Investigation".
35. The internal audit of financial accounts and physical verification of stock & spares of the power stations of RVUNL was carried out by the external auditors M/s. Shyam L. Agarwal & Co., Chartered Accountants. The physical verification report reflected short/excess Rs.18130.11, non moving items Rs.19.43 crores, damages Rs.26726.83 and other discrepancy Rs. 3.83 crores. The accounting adjustment towards discrepancies as observed in the report for the year 2008-09 shall be made upon verification/reconciliation of the same.
36. The Discoms namely JVVNL, JDVVNL, AVVNL are not admitting the Mvarh charges claimed by RVUNL in its monthly energy bills. The total of such claim is Rs.35.87 crores (Rs.8.21 crores for 2006-07, Rs. 13.91 crores for 2007-08 and Rs. 13.75 crores for 2008-09). Due to non verification/ confirmation, accounting of such claim to the above extent has not been recognized in the books of relevant year of RVUNL.
37. The Board of Directors of RVUNL in its 149th and 150th meeting held on 8th October, 2008 and 7th November, 2008, respectively accorded approval to transfer the business of its 1x125 MW Unit-1 (Stage-I) of Giral Lignite Thermal Power Project situated at Giral in District Barmer, Rajasthan to Giral Lignite Power Limited (GLPL), a wholly owned subsidiary of the Company on a 'going concern basis' alongwith all its assets & liabilities on book value, at such consideration, being not lower than the net book value, to be issued in the form of equity shares in the said subsidiary Company (GLPL) to RVUN, with effect from 1st January, 2009 (to be considered as effective date of transfer). Accordingly all the assets & liabilities of GLTPP has been transferred to GLPL w.e.f. 1st January, 2009. After finalization of audited accounts of RVUN for the financial year 2008-09, the consideration for the above transfer will be received in the form of equity shares in GLPL for the amount of "Net Book Value of Assets transferred" and other transactions shall be treated as Debtors/Creditors as the case may be.
38. Lenders for GLPL i.e PFC and banks are agreed in principle for transfer of their loan to GLPL. However tripartite agreement is in the process of execution, till such time, it is agreed between RVUN and GLPL that RVUN shall meet out the financial/contractual commitments (including debt servicing) regarding loans already availed from the financial institutions. Expenditure incurred by RVUN in this regard shall be reimbursed by GLPL.
39. As required by the Accounting Standard (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.
40. The Fixed Assets of the Company includes net assets amounting Rs.62.04 crores as on 01-04-2008, accounted for in the books of HQ. These assets were transferred by the State Govt. under the transfer scheme. Details of these assets like situation and location are not available due to which provision for the above amount has been made in the books of accounts in the current year 2008-09.

41. Details of remuneration to Auditors :

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
a) For Audit fees to Statutory Auditors	2,25,000*	1,35,000*
b) For Audit fees to Tax & Vat Auditors	46,000*	46,000*
c) For other services	83,000*	79,000*
d) For reimbursement of out of pocket expenses	60,000	60,000
TOTAL	4,14,000	3,20,000

(*Excluding service tax)

42. Licensed & installed capacities :

	Current Year	Previous Year
a) Licensed Capacity (MW)	Not applicable	Not applicable
b) Installed Capacity (MW)	2899.35	2899.35

43. Quantitative information in respect of Generation and Sale of Electricity :

(in Million Units)

PARTICULARS	Units Generated	Aux. Consumption	Net Units Sold
Commercial Period			
Coal	18414.813080 (18590.091133)	1717.047166 (1724.369067)	16697.765914 (16865.722066)
Gas	2647.325665 (594.600900)	99.074595 (25.633102)	2548.251070 (568.967798)
Hydel	122.487476 (295.492924)	1.095356 (2.341027)	121.392120 (293.151897)
Sub-Total (A)	21184.626221 (19480.184957)	1817.217117 (1752.343196)	19367.409104 (17727.841761)
Pre-commercial Period	406.804000 (1010.398582)	159.716614 (120.021197)	247.087386 (890.377385)
GRAND TOTAL	21591.430221 (20490.583539)	1976.933731 (1872.364393)	19614.496490 (18618.219146)

44.(a) No earning in foreign exchange was accrued during the year.

(b) Value of components, Stores and spare parts Consumed (including Fuel, lubricants, etc.)	% of total consumption	Current year (Rs. in crores)	Previous year (Rs. in crores)
Indigenous	88	3679.53	3037.57
Imported	12	501.89	
Total	100	4181.42	3037.57

45. Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" issued by The ICAI are as follows :

Names of the related party and description of relationship :

(a) Related parties where control exists :	Relationship
1. Dholpur Gas Power Ltd. 2. Giral Lignite Power Ltd. 3. Chhabra Power Ltd.	Subsidiary Companies
4. Parsa Kente Collieries Ltd.	Joint Venture
5. Dr. S.K.Calla, CMD 6. Sh. Sudhansh Pant, IAS Director 7. Sh. Naresh P. Gangwar, IAS Director 8. Sh. Rajat Kr. Mishra, IAS Director 9. Sh. R.G.Gupta, Director 10. Sh. R.M. Singhvi, MD(GLPL) 11. Sh. M.L. Kothari, MD(DGPL) 12. Sh. M.L. Gupta, Director 13. Sh. M.C.Gaur, Director (F)	Key Managerial Personnel

(b) Details of Transactions :

	Rs. (in crores)
i) Equity Contribution (in the nature of Investments) (50000 equity shares of Rs.10/- each in each of the Subsidiaries)	0.15
ii) Other Receivable in subsidiaries	310.73

- (c) Employees remuneration and benefits include remuneration to the Chairman & Managing Director and Directors are as follows :

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Salary & Allowances	22,42,214	6,04,918
Contribution to provident Fund and other funds	1,08,518	67,856
Other benefits	-	
TOTAL	23,50,732	6,72,774

46. Information relating to part IV of schedule VI is enclosed as schedule-31.
47. Schedules 1-32 forms an integral part of accounts and have duly been authenticated.
48. The figures in the bracket represent previous year figures.
49. The figures have been rounded off to nearest rupee wherever considered necessary.
50. Previous year's figures has been restated, regrouped and rearranged, wherever considered necessary, to confirm to this year's classification.

As per our separate report of even date

For and on behalf of the Board of Directors

For D.P. KHANDELWAL & CO.
Chartered Accountants

(M.C. GAUR)
Director (Finance)

(Dr. S.K. CALLA)
Chairman &
Managing Director

(DESHNIDHI GUPTA)
Partner
M.No. 078560

(SGVS SUBRAHMANYAM)
Company Secretary

(M.K. KHANDELWAL)
Chief Accounts Officer

Place : Jaipur
Date : 29/12/2009

**INFORMATION PURSUANT TO PART IV OF SCHEDULE-VI
OF THE COMPANIES ACT, 1956**

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE :

I. Registration Details

Registration No. 016484	State Code : 17
Balance Sheet date :	31.3.2009

II. Capital raised during the year (Rs. in thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement*
Nil	70,60,000

**Issued to Govt. of Rajasthan*

III. Position of mobilisation and deployment of funds (Rs. in thousands)

Total Liabilities	Total Assets
12036,72,48	12036,72,48

Sources of funds

Paid up capital	Share Money (Pending allotment)
3822,59,00	Nil

Secured Loans	Unsecured loans
4069,49,44	3451,76,38

Deferred Revenue-Advance against Depreciation
692,87,66

Application of Funds

Net Fixed Assets	Capital works
4872,81,96	In progress 4629,76,67

Investments	Capital Stores & Advances
15,00	957,16,85

Misc. Expenditure	Net Current Assets
43,07,70	1038,20,16

Profit & Loss (Deficit)
495,54,13

IV. Performance of Company (Rs. in thousand)

Turn over*	Total Expenditure
5133,59,59	5629,13,72

* Including Gout. subsidy other Income

Profit/Loss before tax

(495,07,93)

Earning per share

-0.0013

Profit/loss after tax

(495,54,13)

Dividend Rate %

Nil

**V. Generic Names of principal product/services of Company
(As per monetary terms)**

Product description

Item code No.

Generation of Electricity

Not applicable

As per our separate report of even date

For and on behalf of the Board of Directors

For D.P. KHANDELWAL & CO.

Chartered Accountants

(M.C. GAUR)

Director (Finance)

(Dr. S.K. CALLA)

Chairman &
Managing Director

(DESHNIDHI GUPTA)

Partner
M.No. 078560

(SGVS SUBRAHMANYAM)

Company Secretary

(M.K. KHANDELWAL)

Chief Accounts Officer

Place : Jaipur

Date : 29/12/2009

CASH FLOW STATEMENT 2008-09

S.No.	PARTICULARS	Inflow (Outflow)	
		Current Year	Previous Year
	Net Profit before taxation & Extraordinary items	-4157036171	0
	Adjustment		
1	Add : Depreciation	2487426035	2145574463
2	Less : Rebate received-PFC	(96764039)	0
3	Add : Deferred revenue exp.	116790714	0
4	Add : Intt incl. prior period	5563432666	0
	Adjusted Profit for the year	3913849205	2145574463
(A)	Cash Flow from Operating Activities		
1	Sundry Debtors	(679828551)	1423978662
2	Loans and Advances	(175494657)	(155934780)
3	Inventories, Stores and Spares	71932685	(76455270)
4	Other Current Assets	(2149545105)	1087927048
5	Current Liabilities and Provision	2857277582	2663313945
6	Misc. exp. to the extent not written off/adjusted	(2745811)	119660862
7	Fringe Benefit Tax Paid	(21487882)	0
8	Extraordinary Items	(778060637)	0
	Net Cash Flow from Operating Activities	3035896828	7208064929
(B)	Cash Flow from Investing Activities		
1	Fixed Assets	(850203764)	(10527834157)
2	Capital Works In Progress	(16192203597)	(14985582701)
3	Inventories, Stores and Spares	16495766	(32777629)
4	Current Liabilities and Provision	(331064142)	(1192770641)
5	Investments	3000	11000
6	Misc. exp. to the extent not written off/adjusted	(15570872)	0
7	FBT Capitalised	(979251)	0
	Cash used in Investing Activities	(17373522861)	(26738954127)
(C)	Cash Flow from Financial Activities		
1	Secured Loans	12433500970	13323115089

2	Unsecured Loans	(4480728757)	(531515726)
3	Deferred Revenue-on account of Advance Against Depreciation	3581966000	1768800000
4	Share Capital	7060000000	6580000000
5	Rebate received-PFC	96764039	0
6	Less : Interest paid	(5273396751)	0
	Net Cash surplus from Financing Activities	13418105501	21140399363
(D)	Net increase (Decrease) in Cash & Cash Equivalent (A+B+C)	(919520532)	1609510165
(E)	Opening Cash & Cash Equivalent	1832677833	223167669
(F)	Closing Cash & Cash Equivalent	913157301	1832677833

As per our separate report of even date

For and on behalf of the Board of Directors

For D.P. KHANDELWAL & CO.
Chartered Accountants

(M.C. GAUR)
Director (Finance)

(Dr. S.K. CALLA)
Chairman &
Managing Director

(DESHNIDHI GUPTA)
Partner
M.No. 078560

(SGVS SUBRAHMANYAM)
Company Secretary

(M.K. KHANDELWAL)
Chief Accounts Officer

Place : Jaipur
Date : 29/12/2009

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH, 2009.

The preparation of financial statements of Rajasthan Rajya Vidyut Utpadan Nigam Limited for the year ended 31st March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is/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 29-12-2009.

I on the 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 Rajya Vidyut Utpadan Nigam Limited for the year ended 31st March, 2009. 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. Based on my supplementary audit. I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comments on Profitability

PROFIT AND LOSS ACCOUNT

1. Loss before Tax : Rs. 187.09 Crore

The above has been overstated by Rs. 48.18 crore due to incorrect accountal of various expenditures incurred on Giral Lignite Thermal Power Plant-I (GLTPP-I) during the year 2008-09 as company's expenditure instead of showing the same as receivable from Giral Lignite Power Limited (GLPL) because GLTPP-I was transferred (01.01.2009) to subsidiary Company GLPL pending commencement of commercial production. This amount was recoverable from Discoms by the subsidiary company as fixed charges as per tariff order issued by Rajasthan Electricity Regulatory Commission (RERC). This incorrect accountal has resulted in overstatement of expenditures towards Generation of Power (Rs. 2.97 crore), Repair and Maintenance (Rs. 6.63 crore), Employees Cost (Rs. 4.17 crore), Administration & other Expenses (Rs. 2.97 crore), Net Interest, Finance Charges and Lease Rental (Rs. 31.26 crore) and Depreciation (Rs. 0.18 crore). Consequently, Other Assets (receivable from subsidiary companies) have been understated by Rs. 48.18 crore.

Income

2. Revenue from Sale of Power (Schedule-16) : Rs. 5101.12 crore

- (i) The above has been overstated by Rs. 27.15 crore due to incorrect accountal of amount received against contingency reserve as revenue which was received to meet out capital cost of assets to be incurred towards damage due to accident or avoidable circumstances and was required to be set aside separately. Consequently, Loss for the year and Reserves and Surplus have been understated by Rs. 27.15 crore.
- (ii) The above has been overstated by Rs. 6.15 crore due to recovery of excess energy charges from Discoms

on account of generation incentive of Kota and Suratgarh power plants in violation of terms and conditions of the Tariff Regulation, 2004 issued by RERC. Consequently, Sundry Debtors (Receivable against Sale of Power from Discoms) have been overstated and Loss for the year understated by Rs. 6.15 crore.

B. Comments on Financial Position

BALANCE SHEET

3. Current Liabilities and Provisions (Schedule-14) : Rs. 1346.06 crore

The above has been understated by Rs. 8.74 crore due to non-provision of arrears of staff salary and allowances for the period January 2008 to August 2008 as per recommendations of 6th pay commission. Consequently, Employees Cost and Capital Work-in-Progress have been understated by Rs. 8.30 crore and Rs. 0.44 crore respectively. This has also resulted in understatement of Loss for the year by Rs. 8.30 crore.

4. Capital Works-in-Progress (Schedule-6) : Rs. 4629.77 crore

The above has been overstated by Rs. 29.52 crore due to incorrect account of amount refunded to Bharat Heavy Electrical Limited on account of Work Contract Tax in respect of Chhabra and Giral II units under this head instead of advance to suppliers. Consequently, Construction Stores and Advances (Schedule 6A) have been understated to the same extent.

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

(Suman Saxena)
Principal Accountant General
(C & RA), Rajasthan

Place : Jaipur
Date : 19.05.2010

**MANAGEMENT RESPONSE TO THE COMMENTS OF COMPTROLLER AND AUDITOR
GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON
THE ACCOUNTS OF RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LIMITED
FOR THE YEAR ENDED 31st MARCH, 2009.**

A. Comments on Profitability

Profit & Loss Account

1. Loss before Tax : Rs. 187.09 Crore

Observation noted. Necessary adjustment/correction shall be made in the accounts for the FY 2009-10.

2. Income

Revenue from Sale of Power (Schedule-16) : Rs. 5101.12 Crore

(i) Observation noted. Necessary adjustment/correction shall be made in the accounts for the FY 2009-10.

(ii) Observation noted. Necessary adjustment/correction shall be made in the accounts for the FY 2009-10.

B. Comments on Financial Position

Balance Sheet

3. Current Liabilities & Provisions (Schedule-14) : Rs. 1346.06 Crore

It was an inadvertent omission. Care shall be taken to avoid such mistakes in future.

4. Capital Works-in-Progress (Schedule-6) : Rs. 4629.77 Crore

It was an inadvertent error. Necessary adjustment/correction shall be made in the accounts for the FY 2009-10.

**STATEMENT PURSUANT TO SECTION 212 OF
THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

S. No.	Name of the Subsidiary	Giral Lignite Power Ltd.	Dholpur Gas Power Ltd.	Chhabra Power Ltd.
1.	Financial Year of the subsidiary ended on	31.03.2009	31.03.2009	31.03.2009
2.	Shares of the subsidiary held by the Company on the above date			
(a)	Number and Face Value (alongwith the Subsidiaries)	50,000 Equity Shares of Rs. 10/- each fully paid	50,000 Equity Shares of Rs. 10/- each fully paid	50,000 Equity Shares of Rs. 10/- each fully paid
(b)	Extent of holding	100%	100%	100%
3.	Net aggregate amount of profits / losses of the subsidiary for the above financial year of the subsidiary so far as they concern members of the company (in Rs.)			
(a)	Dealt with in the accounts of the Company for the year ended 31 st March, 2009	See note below	Nil	Nil
(b)	Not dealt with in the accounts of the Company for the year ended 31 st March, 2009	-do-	Nil	Nil
4.	Net aggregate amount of profits/ (losses) for previous financial year of the subsidiary since it became a subsidiary so far as they concern members of the company (in Rs.)			
(a)	Dealt with in the accounts of the Company for the year ended 31 st March, 2009	-do-	N/A	N/A
(b)	Not dealt with in the accounts of the Company for the year ended 31 st March, 2009	-do-	N/A	N/A
5.	Changes in the Companies interest in the subsidiary company between the end of the financial year or of the last of the financial year of the subsidiary and the end of the Companies financial year (alongwith subsidiaries)	-do-	Nil	Nil

6.	Material changes between the end of the financial year or of the last of the financial year of the subsidiary and the end of the companies financial year in respect of			
i)	Fixed Assets purchased (Rs.)	-do-	N/A	N/A
ii)	Investment sold (Rs.)	-do-	N/A	N/A
iii)	Moneys lent recovered (Rs.)	-do-	N/A	N/A
iv)	Borrowings repaid (Rs.)	-do-	N/A	N/A

Note : The details in respect of Giral Lignite Power Limited (GLPL), a wholly owned subsidiary of the Company could not be given in the above statement as the annual accounts of the said subsidiary company for the financial year 2008-09 are under finalisation.

For and on behalf of the Board of Directors

(M.C. GAUR)
Director (Finance)

(Dr. S.K. CALLA)
Chairman &
Managing Director

(SGVS SUBRAHMANYAM)
Company Secretary

(M.K. KHANDELWAL)
Chief Accounts Officer