



INDEPENDENT AUDITOR'S REPORT

To
The Administrator,
SOUTHCO Utility

Report on the Audit of the Financial Statements

Qualified Opinion:

We have audited the financial statements of **SOUTH CO UTILITY**, which comprises of the Balance sheet as at 31stDecember 2020, the statement of Profit and Loss for the period from 01stApril 2020 to 31stDecember 2020 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

The Odisha Electricity Regulatory Commission (OERC) exercised its power u/s20 of The Electricity Act 2003 for vesting this utility to TP Southern Odisha Distribution Limited (TPSODL) u/s 21 of the said Act. The electricity distribution license for South Odisha has been revoked from this utility and vested with TPSODL by the Commission with effect from 01st January 2021. Audit of above referred financial statements has been carried out for the compliance of Paragraph 55 of Vesting Order vide case no 83/2020 dated 28thDecember 2020.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the utility as at 31stDecember 2020, and the statement of Profit and Loss for the period from 01st April 2020 to 31stDecember 2020.





1. Hon'ble OERC in a proceeding of the sale of the undertaking vide case Case No: 83/2020 has vested the utility to TP Southern Odisha Distribution Limited (TPSODL) w.e.f 01.01.2021 under section 21 of the Electricity Act 2003 vide their order dated 28.12.2020. In the view of this, the assumption adopted by the utility at Schedule -1- PARA A that the accounts have been prepared on going concern basis for the period ending 31.12.2020 is inappropriate. Consequently, our opinion is modified for the above reason.
2. Power purchase cost includes an amount of Rs. 134.54 crores relating to year end adjustment which pertains to financial year 2007-08 and 2010-11.
3. Power Purchase cost includes an amount of Rs.153.87 crore relating to pertaining to year end adjustment which pertains to financial year 2018-2019 and 2019-2020 on account of Delayed payment Surcharge (DPS) and Rs.77.15 Crore relating to DPS i.e from change in accounting policy i.e from cash basis to mercantile basis .
4. During the course of the audit, it has been observed that there has been misappropriation of revenue funds to the tune of Rs1.1826 Crores in various divisions on which legal cases are pending and the amount is yet to be recovered.

SL. No	Division/ Sub-division/Section	Amount in Rs' Crores
1	PARALAKHEMUNDI	0.8945
2	KUKUDAKHANDI under BED-III	0.2263
3	PATRAPUR Electrical Section Under DIGAPAHANDI Division	0.0552
4	PURUSOTTAMPUR Sub Division	0.0066
Total		1.1826

5. Sundry Debtors balance includes Rs 9.10 Crores received from unidentified consumers and sub-grouped under Suspense Account.
6. During the course of our audit, we observed that the utility has not made provision amounting to Rs6.90 Crores being loss on account of Investments in the equities of IL&FS and Reliance Capital out of funds of employees PF Trust and Pension Trust.





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7. In the absence of the title deeds and ownership documents of land and building amounting to Rs.14.76lacs, we are unable to comment completeness and disclosure of Plant Property and Equipment as required by AS 10.
8. In the absence of physical verifications report of property plant and equipment, we are unable to form an opinion on existence, assertions of the property plant and equipment.
9. The item wise, age wise and location wise details of Capital Work in Progress to the tune of Rs 42.61 crores are not available. Accordingly, we are unable to express opinion on completeness and accuracy of Capital Work in Progress.
10. SOUTH CO utility provides power to M/s. Reliance Jio around 254 no. of temporary connections for last two years which violates the OERC supply code.
11. In the following cases we found that the utility does not recognizes income of penalty deducted from different supplier for the period from FY 2011-12 to Dec 2020. Details are given as under

Head	Period	Amount in Crores
General	2011-12 to 2020-21	2.04
CAPEX	2011-12 to 2020-21	3.03
HUD HUD	2014-15 to 2020-21	0.04
PHYLIN	2013-14 to 2020-21	0.76
SOUBHAGYA	2018-19 to 2020-21	0.30
TITILI	2019-20 to 2020-21	0.57

12. Further we observed that there was zero billing months to 61027 consumers leading to loss of revenue to the utility, Details division wise information given as under:

SL. No	Division Name	Numbers of Consumers with Zero billing months
1	BERHAMPUR-I	2803
2	BERHAMPUR-II	1769
3	BERHAMPUR-III	3026
4	BHANJANAGAR	5415
5	DIGAPAHANDI	3519
6	GANJAM NORTH	3287





7	GUNUPUR	1534
8	HINJILICUT	2132
9	JEYPORE	4799
10	KORAPUT	4251
11	MALKANGIRI	2265
12	NAWARANGAPUR	11033
13	PARLAKHEMUNDI	7036
14	PHULBANI	3066
15	RAYAGADA	5092
	Grand Total	61027

13. In the following cases we found that Sundry Debtor is showing credit balance which indicates income is under booked to such extent as mentioned in the below table;

SL No	DESCRIPTION	Figures in' Crs	DIVISION
1	23.103 Small Industry	0.07	RED
	23.110 Irrigation, Pumping & Agriculture	1.10	
	23.207 Power Intensive Industry	0.14	
	23.517 Allied Agro-Industrial	0.26	
	23.790 Sundry Debtors for Other Charges	0.27	
2	23.105 Large Industry	0.15	PSED
3	23.105 Large Industry	2.99	NED
4	23.105 Large Industry	0.94	MED
5	23.108 Public Lighting	0.09	KED
	23.213 Supply in Bulk to Others	0.02	
	23.217 Allied Agro-Industrial	0.04	
6	23.103 Small Industry	0.25	HED
	23.113 Supplies in Bulk to Others	0.06	
7	23.113 Supplies in Bulk to Others	1.84	GNED
	23.117 Allied Agro-Industrial	0.07	
	23.205 Large Industry	0.62	
	23.213 Supply in Bulk to Others	0.36	
	23.705 Sundry Debtor for P.L. Maint. Charge	0.16	





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	23.710 Cross Subsidy Assessment	0.14	
8	23.113 Supplies in Bulk to Others	0.01	GED
	23.217 Allied Agro Industry	0.08	
	23.508 Public Lighting	0.01	
9	23.113 Supplies in Bulk to Others	0.01	BOED
	23.211 Public Water Works & Sew. Pumping	0.02	
	23.525 Large Industry	0.02	
10	23.208 Public Lighting	0.07	BNED
11	23.115 Public Institutions	0.05	BED-II
12	23.116 Allied Agricultural	0.01	BED -I
	23.214 Licenses	0.02	
13	23.208 Public Lighting	0.09	AED-II
14	23.528 Public Lighting	0.01	AED-I
Total		9.98	

14. We have observed following aspects while carrying out our substantive audit procedure in respect of billing data base maintained by the divisions:

- The edit history not available in the system.
- The Consumer Ledger maintained by the Information Technology Cell of entity is not integrated with books of account.
- The maker checker mechanism not inbuilt in the database.

Considering these facts, we are of the view that the Internal Financial Control needs further strengthening.

15. The utility does not have the practice of identifying MSME parties and recording amount outstanding from MSME separately.

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





Emphasis of Matter:

1. Attention invited to Schedule 19 (B)(d) Revenue from sale of power is accounted for on the basis of billing to consumers for energy supplied during the year.
2. Attention invited to Schedule 19 (C)(2) which states that "Delay Payment Surcharge (DPS) is accounted for on cash basis".
3. Attention invited to Schedule 19C(6)(c) which states on the Division wise trade receivable balance in GL with CL reconciliation where there is difference of Rs.835.80 Crores in absolute figures.
4. Attention invited to Schedule 19C(13)(A) which states that the utility has been carrying the bank balances in the ledger accounts amounting to Rs.261539.25, however there was no balances in the bank accounts as confirmed by the units.
5. Attention invited to Schedule 19C(13)(C) which states that there is Cash excess/shortage pending investigation amounting to Rs. 90.83 Lakhs which is continuing since long, further an amount of Rs.89.25 Lakhs is recoverable from the employees/Ex-employees.
6. Attention invited to Schedule 19C(15) which states that security deposit from consumers as per General Ledger and Consumer Ledger is showing a net difference of Rs.85.95 Crore in absolute figures.
7. Attention invited to Schedule 19C(17), there are certain Advances and Sundry Liabilities of Rs.752.427 Crores out of which Rs.111.12 Crores for which Subsidiary Ledgers are not available

Responsibilities of Management and Those Charged with Governance for the Financial Statements: -

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting





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unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit with limited purpose for certification of accounts as per license conditions prescribed by ODISHA ELECTRICITY REGULATORY COMMISSION (OERC) and in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



For **Das Pattnaik & Co**
Chartered Accountants
FRN 321097E

Pramod Sahoo

CA P. K. Sahoo
Partner

M.No.:308804

Date: 22.10.2021
Place: Bhubaneswar

UDIN - 21308804AAAAEPI024

ADMINISTRATOR OF SOUTHCO UTILITY

BALANCE SHEET AS AT 31ST DECEMBER, 2020

PARTICULARS	Schedule No	As at 31-12-2020 Amount (₹)	As at 31-03-2020 Amount (₹)
I. SOURCES OF FUNDS			
(1) Capital Funds			
Capital Fund	1	37,66,00,000	37,66,00,000
Reserves and Surplus	2	4,37,21,19,840	4,97,74,03,114
		4,74,87,19,840	5,35,40,03,114
(2) Loan Funds			
Secured Loans	3	7,84,24,82,779	7,60,64,02,317
(3) Other Funds			
Consumers' Security Deposits	4	2,69,53,64,462	2,56,10,98,691
Capital Contribution from Consumers	5	2,28,73,22,308	2,33,92,08,027
		17,57,38,89,389	17,86,07,12,149
II. APPLICATION OF FUNDS			
(1) Fixed Assets			
Gross Block	6	10,01,94,21,407	7,75,29,28,348
Less: Accumulated Depreciation		3,55,04,90,901	3,29,20,53,622
Net Block		6,46,89,30,506	4,46,08,74,726
Capital Work-in-Progress	7	73,65,58,492	3,05,62,57,471
		7,20,54,88,998	7,51,71,32,197
(2) Current Assets, Loans and Advances			
Sundry Debtors	8	4,40,65,27,071	3,98,65,11,147
Inventories	9	7,23,26,175	5,84,13,726
Cash and Bank Balances	10	4,38,39,73,861	4,26,99,46,466
Loans and Advances	11	6,21,55,22,776	6,07,51,30,784
		15,07,83,49,883	14,39,00,02,123
Less: Current Liabilities and Provisions			
Current Liabilities	12	20,69,84,85,936	14,98,09,68,969
Provisions		12,67,14,60,260	13,07,70,25,670
		33,36,99,46,196	28,05,79,94,639
Net Current Assets		(18,29,15,96,312)	(13,66,79,92,515)
(3) Profit and Loss Account Debit Balance			
		28,65,99,96,703	24,01,15,72,467
		17,57,38,89,389	17,86,07,12,149
Accounting Policies and Notes to Accounts	19		
Schedule-1 to 19 from an integral part of the accounting statements			

As per our attached report of even date.

For Daspattnaik & Co
Chartered Accountants
Firm Registration No. 321097E



P.K. Sahoo

P.K Sahoo
Partner
Membership No: 308804

Date : 22/10/2021
Place : Brahmaipur

For and on behalf of the Administrator of SOUTHCO Utility

Agan Das

Authorised Signatory

M.S. Sahoo

Authorised Signatory

For and on behalf of GRIDCO Ltd.

P. Sahoo

Authorised Signatory

M.S. Sahoo

Authorised Signatory

Date :
Place : Brahmaipur

ADMINISTRATOR OF SOUTHCO UTILITY

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER,2020

PARTICULARS	Schedule No	For the year ended 31.12.2020 Amount (₹)	For the year ended 31.03.2020 Amount (₹)
INCOME			
Revenue from Sale of Power	13	9,56,86,47,095	12,90,28,70,509
Other Revenue	14	40,43,17,067	55,12,43,592
TOTAL INCOME		9,97,29,64,162	13,45,41,14,102
EXPENDITURE			
Purchase of Power	15	9,58,81,00,605	9,84,01,11,103
Operation, Maintenance, Administration, General and Other Expenses	16	4,44,29,52,390	6,81,15,39,391
Depreciation		25,84,37,279	28,48,95,156
Less: Transfer from service line contributions and grants		(15,19,19,852)	(14,18,36,064)
		10,65,17,428	14,30,59,093
TOTAL EXPENDITURE		14,13,75,70,422	16,79,47,09,586
Profit / (Loss) before interest and finance charges		(4,16,46,06,261)	(3,34,05,95,485)
Interest and Finance Charges	17	46,27,98,845	38,18,37,576
Less: Transfer to Capital Work in Progress		-	-
		46,27,98,845	38,18,37,576
Profit / (Loss) before Taxation		(4,62,74,05,106)	(3,72,24,33,060)
Exceptional Items		-	-
Provision for : Current year Tax		-	-
Profit / (Loss) for the year		(4,62,74,05,106)	(3,72,24,33,060)
Statutory Reserves and other Appropriations	18	(2,10,19,130)	(3,52,20,032)
Loss brought forward from last year		(24,01,15,72,467)	(20,25,39,19,375)
Loss for the year carried to Balance Sheet		(28,65,99,96,703)	(24,01,15,72,467)
Accounting Policies and Notes to Accounts Schedule-1 to 19 from an integral part of the accounting statements	19		

As per our attached report of even date.

For and on behalf of the Administrator of SOUTHCO Utility

For Daspattnaik & Co
Chartered Accountants
Firm Registration No. 321097E



P.K. Sahoo
P.K. Sahoo
Partner
Membership No: 308804

Date : 22/10/2021
Place : Brahmapur

Ambarish

Authorised Signatory
For and on behalf of GRIDCO Ltd.

P. S. Sahoo

Authorised Signatory

Date :
Place : Brahmapur

M. S. Sahoo

Authorised Signatory

M. S. Sahoo
Authorised Signatory

Authorised Signatory

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS				
SCHEDULE 1 - CAPITAL FUND	As at 31.12.2020		As at 31.03.2020	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Capital Fund		37,66,00,000		37,66,00,000
		<u>37,66,00,000</u>		<u>37,66,00,000</u>
SCHEDULE 2 - RESERVES AND SURPLUS	As at 31.12.2020		As at 31.03.2020	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
(a) Contingencies Reserve				
Balance as per last Balance Sheet	33,76,18,866		30,23,98,834	
Add : Transfer from Profit and Loss Account	2,10,19,130	35,86,37,996	3,52,20,032	33,76,18,866
(b) Other Reserve :				
1. Capital Subsidy / Grants				
Balance as per last Balance Sheet	2,31,64,85,383		2,23,46,88,429	
Add: Received during the year	53,40,690		31,89,46,996	
Less: Adjustment against Decapitalization	-		2,68,83,832	
Less : Adjustment against Cyclone -Phylin	21,94,52,488		-	
Less : Adjustment against utilization	58,89,33,151		13,99,41,005	
Less: Adjustment against depreciation	5,29,84,744	1,46,04,55,691	7,03,25,205	2,31,64,85,383
2. Cyclone TITLI & FANI				
Balance as per last Balance Sheet	33,97,52,839		31,89,01,860	
Add: Received during the year-TITLI & FANI	55,18,462		10,00,00,000	
Less : Appropriated to Statement of Profit and Loss-TITLI & FANI	3,31,93,385		7,81,83,057	
Less : Adjustment against depreciation -TITLI & FANI	7,27,781	31,13,50,135	9,65,964	33,97,52,839
3. SOUBHAGYA				
Balance as per last Balance Sheet	1,96,23,55,285		1,58,73,44,124	
Add: Received during the year-SOUBHAGYA	-		37,50,11,161	
Add: Receivable from Govt -SOUBHAGYA	45,63,86,000		-	
Less : Adjustment against depreciation	4,63,21,608		-	
Less: Return during the year-BGJY	15,17,00,000	2,22,07,19,677	-	1,96,23,55,285
4. PEETHA				
Balance as per last Balance Sheet	2,11,90,741		2,22,65,864	
Add: Received during the year-PEETHA	-		-	
Less : Appropriated to Statement of Profit and Loss-PEETHA	2,34,400	2,09,56,341	10,75,123	2,11,90,741
		<u>4,37,21,19,840</u>		<u>4,97,74,03,114</u>



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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 3 - SECURED LOANS	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
(A) Term Loans :		
(a) Loan from Govt.of Odisha (A/c-IBRD)	72,59,44,260	72,59,44,260
(b) Loan from Govt.of Odisha (A/c-APDRP)	6,62,50,000	6,62,50,000
(c) Govt. of Odisha - CAPEX	1,48,84,87,083	1,45,14,60,158
(d) Loan from GRIDCO		
(i) GRIDCO Ltd.	1,86,95,31,907	1,86,95,31,907
Add - Interest accrued and due	5,84,11,136	5,84,11,136
	1,92,79,43,044	1,92,79,43,044
(ii) Securitisation of BST Dues	57,14,09,152	57,14,09,152
(iii) GRIDCO New Loan- OERC Order 30.03.12	1,46,45,00,000	1,46,45,00,000
	3,96,38,52,196	3,96,38,52,196
(e) Loan from Rural Electrification Corporation (APDRP Counterpart)	-	-
(f) Loan from Rural Electrification Corporation (System Improvement)	89,41,132	1,02,49,018
(g) Loan from State Bank Of India	63,31,21,084	58,65,64,529
(B) Working Capital Loans :		
(a) From Union Bank Of India	71,49,05,320	56,23,10,805
(b) From Union Bank Of India	24,09,81,704	23,97,71,351
	7,84,24,82,779	7,60,64,02,317
Security :		
a) Loan from Govt.of Orissa (A/c-IBRD) is secured by way of First and paramount charge over the Fixed Assets created out of the loan funds and paripassu floating charge with GRIDCO over the receivable of the Company.		
b) Loan from Govt.of Orissa (A/c-APDRP) is Secured by way of hypothecation of the assets created out of the loan funds.		
c) Loan from GoO (CAPEX) is secured by way of hypothecation of assets created out of the loan funds		
d) (i) Loan from GRIDCO is secured by way of first and paramount charge over all the receivables of the company.		
(ii) BST dues excluding DPS as on 31.03.2005 is securitised as per Order of OERC dated 28.02.2005 at 0% interest per annum payable to GRIDCO along with loan from GRIDCO as on 31.03.2005, to be liquidated in 120 EMI secured by way of charge on receivable of the company.		
(iii) Secured by way of hypothecation of existing assets upto 120% of the value of loan amount		
e) Loan from Rural Electrification Corporation is secured by way of hypothecation of all movables and stocks created out of loan amount and also assets created out of Govt. grant component.		
f) Loan from Rural Electrification Corporation is secured by way of hypothecation of all movables and stocks created out of loan amount and also assets created out of Govt. grant component.		
g) Loan from State Bank Of India was fully secured against Fixed Deposit of ₹ 7484.00 lakhs.		
B (a) Working capital loan from Union Bank Of India is secured against pledging of fixed deposits of ₹ 540.00 lakhs and receivables of the Company.		
(b) Working capital loan from Union Bank Of India is secured against pledging of fixed deposits of ₹ 2665.00 lakhs of the Company.		



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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS		
SCHEDULE 4 - CONSUMERS' SECURITY DEPOSITS	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
Opening Balance as per last Account	2,56,10,98,691	2,37,52,18,091
Add: Received during the year	13,42,65,771	18,58,80,601
	2,69,53,64,462	2,56,10,98,691
SCHEDULE 5 - CAPITAL CONTRIBUTION FROM CONSUMERS'	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
Opening Balance as per last Account	2,33,92,08,027	2,44,71,51,890
Add: Contribution received during the year	-	-
Less: Adjustment against Decapitalization	-	4,29,82,582
Less: Adjustment against depreciation	5,18,85,719	6,49,61,281
	2,28,73,22,308	2,33,92,08,027
SCHEDULE 7 - CAPITAL WORK IN PROGRESS	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
Lines cables & Network Assets	36,42,08,551	2,06,11,60,794
Capital Stores / Stock	30,23,42,149	89,86,26,100
Advance for Capital Goods	80,88,435	3,45,51,219
	67,46,39,134	2,99,43,38,114
Expenditure during construction period		
Interest	6,07,24,904	6,07,24,904
Employees Cost	11,94,453	11,94,453
	6,19,19,357	6,19,19,357
	73,65,58,492	3,05,62,57,471
SCHEDULE 8 - SUNDRY DEBTORS	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
Subdry Debtors [(Refer Note B.5]		
(i) Debts outstanding for a period exceeding six months		
Considered good	1,91,34,80,085	1,65,32,91,161
Considered Doubtful	8,01,44,52,410	6,97,37,89,684
	9,92,79,32,495	8,62,70,80,845
Less- Provision for Doubtful Debts	8,01,44,52,410	6,97,37,89,684
	1,91,34,80,085	1,65,32,91,161
(ii) Debts outstanding for a period below six months		
Considered good	2,49,30,46,986	2,33,32,19,986
	4,40,65,27,071	3,98,65,11,147



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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE- 6 Fixed Assets

Amount (₹)

A. FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2020	Additions during the Year	Sales/ Adjustments during the year	As at 31.12.2020	As at 01.04.2020	During the Year	Sales/ Adjustments during the year	As at 31.12.2020	As at 31.12.2020	As at 31.03.2020	
Land											
Freeholds	1,10,38,080	-	-	1,10,38,080	-	-	-	-	1,10,38,080	1,10,38,080	
Lease holds	96,13,203	-	-	96,13,203	-	-	-	-	96,13,203	96,13,203	
Buildings	5,97,99,992	-	-	5,97,99,992	2,35,89,259	7,13,002	-	2,43,02,261	3,54,97,731	3,62,10,733	
Plant & Machinery relating to Distribution System Network	7,58,51,15,493	2,54,39,32,531	27,94,59,943	9,84,95,88,081	3,19,05,08,790	26,68,83,804	1,06,19,478	3,44,67,73,115	6,40,28,14,966	4,39,46,06,703	
Vehicles	1,27,96,835	-	-	1,27,96,835	1,27,96,835	-	-	1,27,96,835	-	-	
Furniture and Fixtures	2,12,21,969	6,60,257	-	2,18,82,226	1,76,71,276	4,67,721	-	1,81,38,997	37,43,229	35,50,693	
Office Equipments including Computers	5,33,42,775	13,60,214	-	5,47,02,989	4,74,87,462	9,92,230	-	4,84,79,691	62,23,298	58,55,313	
TOTAL	7,75,29,28,348	2,54,59,53,002	27,94,59,943	10,01,94,21,407	3,29,20,53,622	-	26,90,56,757	1,06,19,478	3,55,04,90,901	6,46,89,30,506	4,46,08,74,726
Previous year	7,54,06,85,615	28,21,09,147	6,98,66,414	7,75,29,28,348	3,01,27,42,079	-	28,48,95,156	55,83,614	3,29,20,53,622	4,46,08,74,726	4,52,79,43,536



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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 9 - INVENTORIES	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
(O & M) Stores and Spares (As certified and valued by the Management)	7,23,26,175	5,84,13,726
	7,23,26,175	5,84,13,726
SCHEDULE 10 - CASH AND BANK BALANCES		
	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
Cash		
Cash on Hand (as certified by the Management)	6,15,90,814	4,50,97,698
Stamps in Hand	17,472	21,829
Balance with Scheduled Banks :		
In Current Accounts	1,27,82,06,401	1,45,35,16,461
In Fixed Deposits Accounts	3,04,15,84,346	2,77,00,53,458
Remittance in Transit	25,74,829	12,57,021
	4,38,39,73,861	4,26,99,46,466
SCHEDULE 11 - LOANS AND ADVANCES		
	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
Loans and Advances to employees (Secured)	5,72,52,985	5,66,51,283
	5,72,52,985	5,66,51,283
Receivable from GRIDCO :		
On Account of Pension and Gratuity	-	-
On Account of Leave encashment	3,75,00,000	3,75,00,000
Less: Adjustments during the year	-	-
Balance Receivable	3,75,00,000	3,75,00,000
Less: Payable Towards provision for Leave Encashment -Contra {Schedule-12(B)}	3,75,00,000	3,75,00,000
Balance Amount	-	-
On account of Other Dues	1,22,13,781	1,22,13,781
Less: Payable -Contra {Schedule-12(B)}	1,22,13,781	1,22,13,781
Balance Amount	-	-
Regulatory Assets	5,44,99,90,290	5,44,99,90,290
Amount Receivable from other Licencee- WESCO	5,45,91,945	5,13,25,856
Advances recoverable in cash or in kind or for value to be received	29,01,110	29,14,121
Capital Subsidy/Grant receivable from state Govt.	46,00,42,268	22,31,08,756
Income tax refund receivable	5,48,24,784	7,40,35,296
Interest accrued on fixed deposits	4,44,88,835	8,59,97,741
Other advances and deposits (considered good)	9,14,30,560	13,11,07,441
	6,21,55,22,776	6,07,51,30,784



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SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS		
SCHEDULE 12- CURRENT LIABILITIES AND PROVISIONS	As at 31.12.2020 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
(A) Current Liabilities:		
Sundry Creditors :		
For Power purchase		
GRIDCO Ltd.	13,14,79,60,603	8,44,41,17,189
OPTCL	50,91,30,613	51,32,35,763
SLDC	79,24,06,136	79,24,10,133
For Goods and Services :		
OPTCL- Scheme Material	21,65,18,209	-
Others	7,17,47,596	12,41,51,060
	14,73,77,63,156	9,87,39,14,145
Acceptance		
Deposits and Retention from Suppliers / Contractors		
On Capital Accounts	95,81,00,657	48,93,67,579
Others	6,24,94,676	5,31,65,335
	1,02,05,95,333	54,25,32,913
Advance Payment / Deposits from Consumers		
On Capital Accounts	1,51,14,10,500	1,22,31,92,379
Advance Received from Consumer	2,68,28,886	-
Others	-	8,87,01,905
	1,53,82,39,387	1,31,18,94,284
Creditors on capital Accounts		
Interest accrued but not due	29,82,79,743	24,14,35,184
Interest accrued and due	1,43,85,62,647	1,31,49,38,809
Interest accrued and due- SBI	11,82,81,937	11,41,86,479
Amount payable to other Licencee- NESCO	66,14,923	3,47,59,074
Amount payable to REC Ltd.- SOUBHAGYA	16,08,28,653	16,74,96,343
Electricity Duty Payable	10,41,900	48,58,686
Other Liabilities	68,23,64,289	60,58,71,662
	69,59,13,969	76,90,81,391
	20,69,84,85,936	14,98,09,68,969
(B) Provisions:		
Provision for Provident Fund, Pension, Gratuity and Rehabilitation Assistance, Payable to Trusts		
Provision for Leave Encashments	10,47,86,99,053	10,50,68,22,069
	79,57,70,859	72,23,55,279
	11,27,44,69,912	11,22,91,77,348
Less: Receivable from GRIDCO towards Leave Encashment-Contra {Schedule-11}		
	4,97,13,781	4,97,13,781
	11,22,47,56,131	11,17,94,63,567
Provision for Disputed Matters		
	1,44,67,04,129	1,89,75,62,103
	12,67,14,60,260	13,07,70,25,670
	33,36,99,46,196	28,05,79,94,639
SCHEDULE 13- REVENUE FROM SALE OF POWER		
	For the Year ended 31.12.2020 Amount (₹)	For the Year ended 31.03.2020 Amount (₹)
Domestic	4,47,07,89,163	4,85,14,02,638
General Purpose	1,248.661	1,343.221
Industrial Small	1,33,90,00,108	1,74,80,94,019
Industrial Medium	176.162	244.712
Industrial Large	5,08,27,128	8,56,15,237
Industrial Power Intensive	7.684	12.188
Public Lighting	30,57,17,316	47,54,97,432
Traction	37.728	62.276
Irrigation & Agriculture	97,07,57,822	1,94,44,78,876
Public water works & Sewerage Pumps	143.116	259.386
Supplies in Bulk to Others	47,47,25,858	99,79,58,371
Public Institution	83.409	185.591
Allied Agricultural	14,17,98,926	15,20,29,198
Allied Agro- Industrial	24.371	27.054
Other	97,19,42,398	1,38,65,29,266
Total	136.560	203.135
Total	10,17,48,617	14,07,48,097
Total	61.532	83.544
Total	30,48,53,745	36,66,15,209
Total	51.285	60.756
Total	15,81,39,024	32,52,41,898
Total	31.065	58.235
Total	24,17,38,503	38,34,98,547
Total	32.639	58.938
Total	2,59,85,253	3,21,85,526
Total	15.643	18.909
Total	1,06,23,235	1,29,76,197
Total	1.583	2.029
Total Value	9,56,86,47,095	12,90,28,70,509
Total MU	2,051.438	2,619.974



Das Pattnaik & Co.
Chartered Accountants
BBSR

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS			
SCHEDULE 14- OTHER REVENUES	For the Year ended 31.12.2020		For the Year ended 31.03.2020
	Amount (₹)		Amount (₹)
Meter Rents/ Service Line Rental	13,01,67,410		17,87,24,706
Miscellaneous charges	1,79,46,814		2,19,97,193
Delayed Payment Surcharges & Overdrawal Penalty	10,26,08,179		5,50,38,605
Cross Subsidy Surcharge	-		13,54,226
Reliability surcharges	-		1,97,60,609
Rebate on prompt payment of BST bills	1,37,08,295		1,36,05,056
Miscellaneous receipt	13,98,86,369		26,07,63,196
	40,43,17,067		55,12,43,592
SCHEDULE 15- PURCHASE OF POWER	For the Year ended 31.12.2020		For the Year ended 31.03.2020
	Amount (₹)		Amount (₹)
Power Purchased (Gross)	9,58,81,00,605		9,84,01,11,103
			3,468.628
	9,58,81,00,605		9,84,01,11,103
SCHEDULE 16- OPERATION , MAINTENANCE, ADMINISTRATION GENERAL AND OTHER EXPENSES	For the Year ended 31.12.2020		For the Year ended 31.03.2020
	Amount (₹)	Amount (₹)	Amount (₹) Amount (₹)
Employee Costs			
Salaries, wages, Allowances & Benefits	1,47,75,13,502		1,85,74,18,457
Contribution to Provident and Other Funds	1,10,57,65,506		1,91,85,31,997
Staff Welfare Expenses	37,13,241		75,17,096
	2,58,69,92,249		3,78,34,67,550
Repairs & Maintenance Expenses			
Building		68,06,333	29,07,182
Plant and Machinery Lines, Cable Networks, etc	7,15,90,519		11,73,51,596
Less: R & M of P & M and Distribution Systems in Cyclone- TITLI & FANI	3,31,93,385	3,83,97,134	7,81,83,057
			3,91,68,539
Furniture, Fixture & Office Equipment, Vehicle, etc	40,11,226		38,27,594
Less: R & M of Other Asset in Cyclone- TITLI & FANI	-	40,11,226	-
			38,27,594
		4,92,14,693	4,59,03,316
Administration & General Expenses			
Property Related Expenses	1,94,21,234		1,96,92,974
Communication	52,47,254		66,07,758
Conveyance & Travelling	8,96,23,147		7,09,13,755
Professional Charges	45,11,610		18,58,940
Bill distribution and revenue realisation	9,60,94,456		12,52,37,404
Watch and Ward	1,77,89,125		2,04,38,304
PEETHA Programme	2,34,400		10,75,123
Less: AMA Ghara LED	2,34,400	-	10,75,123
			-
Other Expenses	13,92,26,320		14,97,08,052
Material Related Expenses	38,40,628		48,67,812
	37,57,53,774		39,93,25,000
Discount to Consumers	10,28,33,009		12,91,20,709
Provision for :			
Shortage of Inventory in store	4,94,18,174		-
Excess of Inventory in Store	(17,73,300)		-
Slow Moving of Inventory in Store	5,29,55,600		-
Non Moving of Inventory in Store	8,10,30,416		-
Disputed Matters	15,23,85,774		19,23,51,275
Bad and Doubtful Debts	1,04,06,62,726		2,25,13,02,113
Bad Debt written off	-		8,03,88,686
Total Expenses	4,48,94,73,114		6,88,18,58,649
Less: Expenses Capitalised	4,65,20,724		7,03,19,259
	4,44,29,52,390		6,81,15,39,391



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Das Rainik & Co.

ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

Schedule-19

NOTES FORMING PART OF THE ACCOUNTS

(A) License Revocation by OERC and Cessation of Business of the Company and Period of Operation of the Utility:

The license of SOUTHCO Limited was revoked on 04.03.2015 vide OERC Order dated 04.03.2015 in pursuance to section 19(3) of the Electricity Act, 2003. In line with the said Order, the assets, interests and rights of the company and the license to operate the business of distribution and supply of electricity in the entire Southern region of Odisha state has been vested with the Administrator of SOUTHCO Utility (hereinafter referred as "the Utility") by OERC under Section 20(d) of the Electricity Act, 2003 w.e.f. 04.03.2015 until further order.

After taking over of the business w.e.f. 04.03.2015, in order to run the day to day operations, the Utility utilized and operated the Bank Accounts which were opened in the name of the Company, for maintaining continuity of operations till separate bank accounts are opened. *The Utility opened and operated the Bank account of the Administrator, SOUTHCO Utility during FY 2016-17.*

As the Utility did not have separate PAN, TAN, PF, Service Tax and other statutory registrations of its own, for the mandatory statutory compliances as required under various statutes, the Utility utilized the PAN, TAN, Service Tax, PF and other statutory registrations etc. of the Company for maintaining continuity of operations w.e.f. 04.03.2015 till separate statutory registrations as such are obtained. *The statutory registration as required by the Utility was obtained during FY 2016-17.*

The Utility has prepared the accounts on going concern basis for the period ending on 31.12.2020 and adopted the policies and procedures as followed by the Company for preparation of their accounts to the extent possible in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Accounting Standards and other applicable pronouncements and regulations.

(B) Significant Accounting Policies:

a. Basis of preparation of financial statements

The Financial Statements are prepared under the historical cost convention, generally on the accrual basis of accounting and in accordance with the provisions of the prevailing Electricity Act, 2003, and Regulations and in accordance with the generally accepted accounting principles in India (Indian GAAP), as well as those of



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

the Companies Act, 2013 to the extent not inconsistent with prevailing Electricity Act, 2003 and Regulations and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act) (read with Rule 7 of the Companies (Accounts) Rules, 2014). Assets and Liabilities created under applicable electricity laws continue to be depicted under appropriate heads.

The Utility came into operation from 4th March-2015 as per the order of Hon'ble OERC dt.4th March, 2015. Considering the order of Hon'ble OERC and the provisions of the Electricity act 2003, the Utility accounts were prepared from FY 2015-16 by transferring the Company's current assets and current liabilities, long term provisions, short term provisions and long term liabilities in respect of terminal liabilities of the employees, security deposit and capital contribution from the consumers. However, this consolidated account for the 9 month period (April - 20 to December -20) has been prepared by the Utility taking into account all the assets and liabilities including share capital and reserves of the erstwhile Company solely for the purpose of preparation of Aggregate Revenue Requirement for the year and meet the other regulatory requirements. Accordingly, the previous year figure also reflects the amount pertaining to consolidated accounts prepared for this purpose.

b. Financial Statements: Presentation and Disclosures

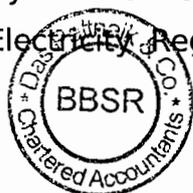
Financial Statements have been prepared to the extent possible in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Accounting Standards and other applicable pronouncements and regulations.

c. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

d. Revenue Recognition

- (i) The Utility's Revenue and Expenditure are controlled and monitored by the Odisha Electricity Regulatory Commission (OERC) through the Tariff Setting Process.



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

(ii) Revenue from power supply is accounted for on the basis of monthly billing cycles followed by the Utility. Generally, all consumers are billed on the basis of consumption of energy as per readings, by installed meters. Where meters have stopped/ faulty/ damaged/ not installed, the bills are raised on consumers for such periods on the basis of average past consumption. Due to large number of LT consumers, monthly cycle starts from one month and ends in next month, therefore, for the purpose of computation of revenue from LT consumers, power supply related to bill month December, 2020 for which billing was done in the month of January'2021 except for an amount of Rs 34.50 Cr (i.e. Sales to LT consumers which pertains to bill month January'2021 and billed in same month).

Discount allowed for timely payment has been adjusted against sales. Delayed Payment Surcharge (DPS) and Open Access Charges are accounted for on cash basis

e. Fixed Assets

- (i) The gross block of tangible assets is stated at cost of acquisition or construction including any cost attributable to bring the assets to their working condition for their intended use. The intangible assets are stated at cost of acquisition.
- (ii) Employee cost is allocated to Fixed Assets / Capital Works in Progress (CWIP) based on the cost attributable to respective Fixed Assets / Capital Works in Progress.
- (iii) Fixed assets created out of consumer contributions, service line contributions, grants and subsidies are recognized at their gross value.

f. Borrowing Costs

Borrowing Costs attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which these are incurred.

g. Depreciation

Depreciation is provided on straight line method as per the rates as well as methodology notified under Electricity Act, 2003.

h. Inventories

Stores and Spares are valued at cost. In case of identified obsolete/non-moving items, necessary provision is made and charged to revenue. The cost of stores procured for distribution capital projects is being accounted for in capital work in progress. The basis of determining cost is:



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

Stores and Spares other than at site- At Weighted Average Cost
 Stores and Spares surplus at site- At cost.

i. Employee Benefits

- (i) Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss of the period in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the period on the basis of actuarial valuation made by independent actuary. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to Statement of Profit and Loss.

j. Interest on Security Deposit

Interest on security deposit of consumers has been accounted for on cash basis in May-20 for the FY-2019-20 and for the period April-20 to Dec-20 on accrual basis, in terms of regulation issued OERC (Conditions of Supply) Code-2019.

k. Prior Period Items of Expenses and Incomes

Individual item of expenses and gains relating to the earlier period having a value of Rs. 5 lakhs or more in each case is considered as prior period item in the Statement of Profit and Loss.

l. Provisions and Contingent Liabilities

A provision is recognized when the Utility has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management / independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

m. Capital Subsidies and Grants / Service Line Contribution

Capital Subsidies and Grants / Service Line Contribution received from government authorities / consumers towards meeting the capital cost of the Distribution Network Assets are Credited to Reserves and Surplus. Depreciation provided on the assets created out of the capital subsidies and grants/service line contribution



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

shall be charged to Reserves and Surplus instead of charging to Statement of Profit and Loss. Grants / capital contributions are recognized in the financial statements when there is a reasonable assurance that the underlying conditions have been complied and grants will be received.

(C) OTHER NOTES

1. In view of specific guidelines prescribed by the Odisha Electricity Regulatory Commission for certification of accounts as of 31st December 2020, the following have been considered:
 - 1.1 Rebate allowed for timely payment has not been adjusted against sales and shown separately for audited accounts under Companies Act, 2013 as per the accounting policy A (3), whereas the same is shown as cost in OERC accounts and charged to profit & Loss Account.
 - 1.2 Capital contribution received from consumers have been treated as capital reserve in accordance with Electricity Supply (Annual Account) Rules, 1985, whereas the same has been shown as capital contribution from consumer under the head "Other Funds".
 - 1.3 Capital Grants received towards cost of capital assets has been treated as capital reserve in accordance with Electricity Supply (Annual Accounts) Rules, 1985 instead of reducing the Grant from the gross value of the respective assets at its book value.
 - 1.4 In the absence of details of work in progress, capitalization has been done on overall basis.

2. Revenue from Sale of Electricity

- (i) Revenue from sale of power and operating incomes such as Meter Rent, Over Drawal Penalty (ODP) and Reliability surcharges for the period ending on 31.12.2020 have been booked on accrual basis. However, Delayed Payment Surcharge (DPS) and Open access charges are accounted for on cash basis.



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

3. Contingent Liabilities

1. Claims against the Utility not acknowledged as debts towards Statutory Liability :

Name of Statutory Authority	Amount	Nature/Details of transaction	Remarks/Present status
Principal Commissioner, GST	71,929,848	Pre-GST Service Tax Demand	Appeal filed before CESTAT, Kolkata
Principal Commissioner, GST	71,929,848	Penalty if the demand not deposited within 3 months (U/s 78(1) of Finance Act, 1994	Appeal filed before CESTAT, Kolkata
Principal Commissioner, GST	10,000	Failure to file Return (U/s 77(2) of Finance Act, 1994	Appeal filed before CESTAT, Kolkata

2. Claims against the Utility not acknowledged as debts (Firms/ Electrocutation matters):

Name of Firm/Party	Dispute Amount	Nature/Details of Dispute	Forum where the Case is pending
Various Party	31.94 crore	Various Dispute	Various forums

3. Status of tax refund, if any:

Sl. No.	Financial Year	Asst. Year	Year of Completion of I.T. Assessment	REFUND CLAIMED	REFUND AMOUNT
1	FY-2017-18	AY-2018-19	In progress	1,16,17,310	Received in Aug-21
3	FY-2019-20	AY-2020-21	NOT YET STARTED	2,13,15,300	Not received

4. Interest on Term Loan:

Interest on Secured Loan amounting to Rs.2167.03 lakhs has been considered for the FY 2020-21 against which an amount of Rs.937.88 lakhs has been shown under the head other expenses as "Provision for disputed matter".



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ADMINISTRATOR OF SOUTHCO UTILITY
*Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020*

5. Fixed Assets

- a) The ownership/rights of the land have been passed on to the Company by GRIDCO in respect of freehold as well as leasehold in terms of Transfer Scheme Notification dated 25.11.1998. However, formalities for legal transfer are yet to be completed.
- b) In the absence of individual item wise details and physical location of the fixed assets on the appointed date (i.e. 26.11.1998), these have been broadly classified under the heads given in Schedule-5 of the accounts of the Utility and the values of such fixed assets has been taken as has been given by GRIDCO under transfer scheme notification.
- c) In the absence of relevant details and documentation, amortization on the value of leasehold land has not been considered.
- d) Depreciation on assets amounting to Rs.1065.17 lakhs have been considered during the year after deducting depreciation of Rs. 1519.19 lakhs on assets created out of service line contributions and grants.

e) Scheme wise OPTCL materials:

Materials worth Rs 76.95 Crores was received from OPTCL on custodian basis, which were treated as subsidy and the book balance of said materials as on 31-12-2020 being Rs 56.43 Crores. But as per the physical stores ledger the balance appears at Rs.34.78 Crores as on balance sheet date. So in books of accounts subsidy reduced to the extent of Rs.34.78 crore by debiting subsidy and credited the OPTCL inventory. Those balance materials worth of Rs. 21.65 Crores were properly accounted as used for own scheme.

f)Property, Paints and Equipment includes asset created and maintained by the Utility from its own funds over the years as well as asset created and transferred under consumer deposit schemes which are exclusively shown under respective asset group. The scheme wise assets (as available) by SOUTHCO are given below.

Name of the Scheme	(Rs. in crores)
CAPEX	121.01
SAUBHAGYA	190.79
MNP	24.72
TOTAL	336.52



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

Further, assets are created/ developed/ and transferred to the utility out of the Grants on specific schemes by Govt of India/ Govt of Odisha through various implementing agencies i.e., OPTCL, REC, NTPC, PGCIL, PFC etc. Also, Distribution assets have been created and transferred out of MP/MLA lad Funds through District Collectors. The Assets thus created under these categories are being operated and maintained by the utility even though the ownership of such assets remains with Govt. Of Odisha and as such no depreciation is being charged in the books of accounts and the depreciation is also not approved by the Commission for tariff purpose.

List of following Assets has been provided by OPTCL/REC as at 31.12.2020 which is subject to verification and reconciliation.

Name of the Scheme	(Rs. in crores)
Odisha Distribution System Strengthening Project (ODSSP)	748.30
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	273.21
Integrated Power Development Scheme (IPDS)	211.86
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12TH PLAN (POWER GRID)	272.89
Odisha Dedicated Agricultural Feeder Fishery Project (ODAFFP)	6.55
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12TH PLAN (NTPC)	331.84
Renovation long term action Plan (RLTAP)- executed through district Collector	26.38
PGCIL	535.35
Total	2406.38



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
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g) Capital Work in Progress

The details break up of Capital in progress under Lines, Cables and Network Assets and others have been arrived as under.

Nature of Scheme	O.B 01.04.2020	Addition during April-20 to Dec-20	Asset created during April-20 to Dec-20	C.B 31.12.2020
SOUTHCO SYSTEM IMPROVEMENT OWN FUNDING	136,808,810	11,751,714	-	148,560,524
MNP SCHEME	18,876,404	-	-	18,876,404
APDRP	5,544,032	-	-	5,544,032
SOUBHAGYA	1,428,846,937	479,114,307	1,907,961,244	-
T&P and Other General Item (SOUTHCO OWN)	6,925,793	4,965,858	2,657,205	9,234,446
CAPEX Scheme	353,947,191	352,091,940	635,334,553	70,704,578
REC- Funded by REC	6,549,425	-	-	6,549,425
PMU	77,239,294	-	-	77,239,294
Phyllin FUND	6,586,069	-	-	6,586,069
Hud Hud FUND	9,137,489	-	-	9,137,489
TITLI FUND	7,375,126	259,505	-	7,634,632
FANI FUND	1,225,858	817,434	-	2,043,292
NH & PMGY	481,509	-	-	481,509
CYCLONE Special repair work	1,616,858	-	-	1,616,858
Lines cables & Network Assets	2,061,160,794	849,000,758	2,545,953,002	364,208,550
Interest	60,724,904			60,724,904
Employees Cost	1,194,453			1,194,453
CWIP BALANCE	2,123,080,152	849,000,758	2,545,953,002	426,127,908
Capital Stock (Inventory)				302,342,141
Advance for Capital Goods				8,088,435
Total CWIP				736,558,492



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ADMINISTRATOR OF SOUTHCO UTILITY
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6. Sundry Debtors

- a) Electricity Duty receivable from consumers and payable to Government amounting to Rs.6596.07 Lakhs (PY Rs. 6036.55 Lakhs) has been included in Sundry Debtors. However, the liability to discharge the electricity duty arises on actual collection from consumers.
- b) During the FY 2020-21(upto Dec-2020) the Utility has provided bad and doubtful debts amounting to Rs.10406.63 Lakhs including bad debts written off after adjustment of security deposits as follows:
- I. In respect of HT / EHT Category of consumers, analysis has been carried out on case-to-case basis and the amount towards doubtful of recovery has been fully provided for in the accounts.
 - II. The amount receivable from the Non-Govt. permanently disconnected consumers as on 30.09.2020 has also been fully provided for.
 - III. In respect of Non-Govt. LT category of consumers, the arrears appearing as on 30.09.2020 after adjusting the collection made up to 31.03.2021 have been fully provided for.

FY	Provision Amount (in Crore)	Basis of Provision
Opening balance	Rs.185.70	(Transfer from Southco Limited)
FY-2014-15 (04.03.2015 to 31.03.2015)	Rs.0	*
FY-2015-16	Rs. 5.93	*
FY-2016-17	Rs. 126.52	*
FY-2017-18	Rs. 121.43	*
FY-2018-19	Rs. 32.67	*
FY-2019-20	Rs. 225.13	*
FY-2020-21 (Dec-20)	Rs. 104.07	Details mentioned above
Total Provision as on 31.12.2020	Rs. 801.45	

* In respect of HT / EHT Category of consumers, analysis has been carried out on case-to-case basis and the amount towards doubtful of recovery has been fully provided for in the accounts. The amount receivable from the non-Govt. permanently disconnected consumers as on Sept of the year has also been fully provided for. In respect of Non-Govt. LT category of consumers, the arrears appearing on Sept of the year after adjusting the collection made up to July of next year have been fully provided for.



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ADMINISTRATOR OF SOUTHCO UTILITY
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arrears appearing as on Sept of the year after adjusting the collection made up to July of next year have been fully provided for.

- c) Trade receivables for supply of electricity Charges to the consumers including ED, to the tune of Rs. 1242.09 crore includes receivable as considered good to the tune of Rs. 440.65 crore and balance doubtful receivable of Rs. 801.45 Crore as on 31.12.2020 . However, the total Sundry Debtors as per consumer ledger is shown at Rs 1918.29 Crore which includes stop bills, PDC/LDC. Division wise trade receivable balance in GL with CL reconciliation given below.

SL No.	Name of Division	Customer Ledger Balance Figures' Cr	General Ledger Balance Figures' Cr	Difference In CL & GL Figures' Cr	Difference in Absolute Figure' Cr
1	ASKA 1	54.72	58.87	-4.15	4.15
2	ASKA 2	66.37	63.98	2.39	2.39
3	Berhampur -1	71.48	71.82	-0.33	0.33
4	Berhampur -2	56.99	53.05	3.93	3.93
5	Berhampur -3	41.48	46.13	-4.65	4.65
6	Bhanjanagar	89.64	92.39	-2.74	2.74
7	Boudh	133.59	122.57	11.02	11.02
8	Digapahandi	79.05	66.46	12.58	12.58
9	Ganjam North	126.89	145.27	-18.38	18.38
10	Gunpur	36.38	31.26	5.43	5.43
11	Hinjilicut	78.53	75.68	2.85	2.85
12	Jaypore	137.71	127.79	9.92	9.92
13	Koraput	92.78	98.00	-5.23	5.23
14	Malkanagiri	181.19	178.28	2.91	2.91
15	Navarangpur	248.49	235.52	12.97	12.97
16	P.S. Pur	107.23	96.85	10.38	10.38
17	Paralekhemundi	80.77	72.72	8.05	8.05
18	Phulbani	100.63	96.80	3.83	3.83
19	Rayagada	134.37	147.68	-13.31	13.31
20	Corporate		-700.75	700.75	700.75
				738.22	835.80



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ADMINISTRATOR OF SOUTHCO UTILITY
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- d). Revenue from power supply is accounted for on the basis of monthly billing cycles followed by the Utility. Generally, all consumers are billed on the basis of consumption of energy as per readings, by installed meters. Where meters have stopped/ faulty/ damaged/ not installed, the bills are raised on consumers for such periods on the basis of average past consumption. Due to large number of LT consumers, monthly cycle starts from one month and ends in next month, therefore, for the purpose of computation of revenue from LT consumers, power supply related to bill month December, 2020 for which billing was done in the month of January'2021 except for an amount of Rs 34.50 Cr (i.e. Sales to LT consumers which pertains to bill month January'2021 and billed in same month.)
- e) Interest on security deposit of consumers for an amount of Rs. 1470.42 lakhs has been accounted for on cash basis in May-20 for the FY-2019-20 and balance amount of Rs. 712.03 lakhs has been accounted for the period April-20 to Dec-20 on accrual basis, in reference to the terms of regulation issued by OERC (Conditions of Supply) Code -2019.

7. Disclosure under Accounting Standard 15 (Revised 2005) - "Employee Benefits":

The Utility has classified various employee benefits as under:

(A) Defined Contribution Plan

Provident fund (Applicable to certain employees)

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Utility is required to contribute a specified percentage of payroll cost.

The Utility has recognized the following amounts in the Statement of Profit and Loss for the year:

(Rs. Lakhs)

Sl.	Particulars	Period from April 01, 2020 to December 31, 2020	FY 2019-20
1.	Contribution to Provident Fund (RPFC)	494.09	639.46



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(B) Defined Benefit Plan

The Utility maintains five different trusts for meeting the terminal benefit liabilities as follows.

- (i) Provident Fund
- (ii) Pension Fund
- (iii) Gratuity Fund
- (iv) Leave Encashment
- (v) Rehabilitation Assistance Fund

As per audited accounts of the Provident Fund Trust, the shortfall arising out in meeting the stipulated interest payment liability, if any gets duly provided in the accounts as per AS-15 Employees Benefits (Revised 2005).

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the policy of the Utility.

Actuarial Valuation for Provision of Employees' Benefits:

Valuation in respect of Gratuity, Pension, Leave encashment and Rehabilitation Assistance (RA) are as carried out by the independent actuary based on projected unit credit method as at Balance sheet date. The assumptions and the valuation statement are as under.

I. Actuarial Assumptions:

(%)

Particulars	As at 31.12.2020				As at 31.03.2020			
	Gratuity	Pension	Leave	Rehab	Gratuity	Pension	Leave	Rehab
Mortality Table	2006-08 IALM (ULTIMATE)	2006-08 IALM (ULTIMATE)	2006-08 IALM (ULTIMATE)	2006-08 IALM (ULTIMATE)	2006-08 IALM	2006-08 IALM	2006-08 IALM	2006-08 IALM
Discount rate (per annum)	6.73%	6.73%	6.73%	6.73%	6.66%	6.66%	6.66%	6.66%
Expected rate of return on plan assets (per annum)	6.73%	6.73%	-	6.73%	6.66%	6.66%	-	6.66%
Rate of escalation on salary (per annum)	6%	6%	6%	-	6%	6%	6%	-

II. Changes in present value of obligations:

(Rs. in Lakhs)

Particulars	As at 31.12.2020				As at 31.03.2020			
	Gratuity	Pension	Leave	Reh	Gratuity	Pension	Leave	Reh
Present value of Obligations at the beginning	7149.19	102137.15	7229.77	106.57	6467.52	98181.96	6282.57	102.12
Past Service Cost	-	-	-	-	-	-	-	-
Current Service Cost	301.15	1857.01	262.71	-	426.03	2384.74	256.43	-
Interest Cost	324.09	4976.27	329.51	5.03	372.65	6194.61	377.96	6.20
Actuarial (Gain) / Loss	460.86	570.56	1544.13	5.40	1627.41	5715.35	1527.89	16.24
Benefits Paid	1456.68	7096.83	1403.16	14	1744.42	10339.51	1215.08	18.00
Settlement Cost	-	-	-	-	-	-	-	-
Defined Benefit Obligations at end	6778.62	102444.15	7962.95	102.99	7149.19	102137.15	7229.77	106.57



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ADMINISTRATOR OF SOUTHCO UTILITY
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III. Reconciliation of fair value of assets and obligations:

(Rs. in Lakhs)

Particulars	As at 31.12.2020				As at 31.03.2020			
	Gratuity	Pension	Leave	Reh	Gratuity	Pension	Leave	Reh
Fair value of plan assets	977.40	3428.5	-	126.42	656.89	3517.15	-	139.52
Present value of obligation	6778.62	102444.15	-	102.99	7149.19	102137.15	-	106.56
Amount recognized in Balance Sheet	(5801.22)	(99015.65)	-	23.43	(6492.30)	(98620.00)	-	32.95

IV. Amount recognized in the Balance sheet:

(Rs. in Lakhs)

Particulars	As at 31.12.2020				As at 31.03.2020			
	Gratuity	Pension	Leave	Reh	Gratuity	Pension	Leave	Reh
Opening Net Liability	6489.59	98620.00	7229.76	(32.95)	5798.59	95016.25	6282.57	(8.65)
Expenses Recognized	1061.62	7275.72	2136.36	9.53	2375.09	14108.79	2162.27	2.69
Contributions	1750.00	6880.07	-	-	1681.39	10505.04	1215.08	27.00
Closing Net Liability	5801.22	99015.65	2136.36	(23.43)	6492.30	98620.00	7229.76	(32.95)

V. Expenses recognized in the Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	As at 31.12.2020				As at 31.03.2020			
	Gratuity	Pension	Leave	Reh	Gratuity	Pension	Leave	Reh
Past Service Cost	-	-	-	-	-	-	-	-
Current Service Cost	301.15	1857.01	262.71	-	426.03	2384.74	256.42	-
Interest Cost	324.09	4976.27	329.51	5.03	372.65	6194.61	377.95	6.20
Expected return on plan assets	33.29	177.53	-	7.04	44.55	210.83	-	7.37
Actuarial (Gain) / Loss	469.67	619.98	1544.13	11.55	1620.96	5740.27	1527.88	3.87
Net Cost	1061.62	7275.72	2136.36	9.53	2375.09	14108.79	2162.27	2.69

VI. Changes in fair value of Plan Assets:

(Rs. in Lakhs)

Particulars	As at 31.12.2020			As at 31.03.2020		
	Gratuity	Pension	Reh	Gratuity	Pension	Reh
Fair value of plan assets at the beginning	659.60	3517.15	139.52	668.92	3165.70	110.77
Expected return on plan assets	33.29	177.53	-	44.55	210.83	7.37
Actuarial (Gain) / Loss	(8.81)	(49.42)	(6.15)	(6.45)	(24.92)	(12.37)
Employer Contribution	1750.00	6880.07	7.04	1681.38	10505.04	27.00
Benefits Paid	1456.68	7096.83	14	1744.42	10339.51	18.00
Settlement Cost	-	-	-	-	-	-
Fair value of plan assets at end	977.40	3428.50	126.42	656.89	3517.15	139.52

VII. Investment Details:

(% Invested)

Particulars	As at 31.12.2020			As at 31.03.2020		
	Gratuity	Pension	Reh.	Gratuity	Pension	Reh.
Government of India Securities	58.97	33.96	100	54.55	29.83	100
Public Securities	-	40.88	-	-	27.63	-
Special Deposit Schemes	-	-	-	-	-	-
State Government Securities	41.03	25.16	-	45.45	42.54	-
Others (including bank balances)	-	-	-	-	-	-
Total:	100	100	100	100	100	100



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ADMINISTRATOR OF SOUTHCO UTILITY
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VIII. Disclosure as required under para 120(n)f:

(a) Gratuity:

(Rs. in Lakhs)

Particulars	As at 31.12.2020	As at 31.03.2020
(i) Present value of defined benefit obligation	6778.62	7149.19
(ii) Fair value of plan assets	977.40	656.89
(iii) Surplus / (Deficit) in the plan	(5801.22)	(6492.30)
(iv) Experience adjustment on plan liabilities – Gain / (Loss)	460.86	(1627.41)
(v) Experience adjustment on plan assets –Gain / (Loss)	(8.81)	6.45

(b) Pension:

(Rs. in Lakhs)

Particulars	As at 31.12.2020	As at 31.03.2020
(i) Present value of defined benefit obligation	102444.15	102137.15
(ii) Fair value of plan assets	3428.50	3517.15
(iii) Surplus / (Deficit) in the plan	(99015.65)	(98620.00)
(iv) Experience adjustment on plan liabilities - Gain / (Loss)	570.56	(5715.35)
(v) Experience adjustment on plan assets – Gain / (Loss)	(49.42)	24.92
ACTUARIAL LIABILITY OF PAYMENTS (WITHIN NEXT 12 MONTHS)	1065.08	
ACTUARIAL LIABILITY OF PAYMENTS (BEYOND NEXT 12 MONTHS)	9179.33	

(c) Rehabilitation Assistance :

(Rs. in Lakhs)

Particulars	As at 31.12.2020	As at 31.03.2020
(i) Present value of defined benefit obligation	102.99	106.56
(ii) Fair value of plan assets	126.42	139.52
(iii) Surplus / (Deficit) in the plan	23.43	32.95
(iv) Experience adjustment on plan liabilities - Gain / (Loss)	5.40	2.69
(v) Experience adjustment on plan assets – Gain / (Loss)	(6.15)	(12.37)



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(d) Leave:

(Rs. in Lakhs)

Particulars	As at 31.12.2020	As at 31.03.2020
(i) Present value of defined benefit obligation	7962.95	7229.76
(ii) Fair value of plan assets	-	-
(iii) Surplus / (Deficit) in the plan	(7962.95)	7229.76
(iv) Experience adjustment on plan liabilities - Gain / (Loss)	1544.13	1527.88
(v) Experience adjustment on plan assets – Gain / (Loss)	-	-

Provision for Accumulated Retirement Benefits towards Respective Trusts:

Balances in Provident Fund Trust as on Balance Sheet date is subject to reconciliation with Trusts.

Status of Trust (Payable vs Receivable) on 31.12.2020

Rs in Crores

	Payable as per SOUTHCO UTILITY	Receivable as per Trust
PF Trust	-0.88	0.03

The investment status of Trusts is as under:

<u>Pension Trust</u>	<u>Amount in (Crore)</u>
Govt. Securities :	Rs. 10.90
Long term Bonds :	Rs 5.00
Equity Mutual Fund :	Rs 0.25
Short Term :	Rs. 12.71
Bank Balance :	Rs. 5.45
Total :	Rs. 34.31

Further out of total Investment in long term bonds, an amount of Rs 3.2 Cr invested in IL&FS have defaulted interest payment since 03/07/2018 and referred to NCALT and Resolution process is going on.

<u>Gratuity Trust</u>	<u>Amount in (Crore)</u>
(a) Govt. Securities Bonds :	Rs 4.40
(b) Equity Mutual Fund :	Rs. 0.10
(c) Short Term :	Rs. 2.03
(d) Bank Balance :	Rs. 3.25
Total	Rs. 9.78



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<u>PF Trust</u>	<u>Amount in (Crore)</u>
(a) Long term investments :	Rs. 44.49
(b) Mutual fund :	Rs. 0.49
(c) Short Term :	Rs. 17.99
(d) Bank Balance :	Rs 2.73
Total	Rs. 65.70

Further out of total Investment in long term bonds, an amount of Rs 2.2. Cr invested in IL&FS have defaulted interest payment since 03/07/2018 and Rs 1.5 Cr invested in Reliance Capital have defaulted interest payment since 16/07/2019 and the Company is referred to NCALT and Resolution is process is going on.

<u>SOUTHCO employee's Rehabilitation Trust</u>	<u>Rs in (Crores)</u>
(a) Long term investments	Rs. 0.90
(b) Short Term	Rs. 0.006
(c) Bank Balance	Rs 0.36
Total	Rs. 1.266

8. Payment to Auditors
 Lakhs)

(Rs. in

Sl	Particulars	Period ended 31.12.2020	Year ended 31.03.2020
(a)	Audit Fees and certification of accounts in Company and OERC formats	4.50	4.50
(b)	Tax Audit Fees	0.75	0.75
	TOTAL	5.25	5.25

9. Business Segment

The entire operation of the Utility is only in one segment namely Distribution and Retail Supply of electricity in Southern Odisha, covering 47,000 sq. kms (approximately). As such no separate segment disclosure is required under AS-17 on segment reporting.

10. Related Party Disclosure

As per AS-18, the Utility's related parties and transactions are disclosed below:

A. Related Party Relationship:

(i) Investing Parties:	(ii) Key Management Personnel:
GRIDCO Limited	Sri P.K Sahoo (AO)
	Salary- Rs. 1624977



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B. Transaction with related parties:

(Rs. in Lakhs)

Sl.	Nature of Transaction	period ended 31.12.2020	Year ended 31.03.2020
Statement of Profit and Loss:			
	Expenditures		
i.	Power purchase (net of rebate)-GRIDCO	89046.77	89642.52
Balance sheet (Closing balances):		As at 31.12.2020	As at 31.03.2020
i.	Trade Payables – GRIDCO	131479.60	84441.17

C. Trade Payables Gridco:

Trade payables to Gridco Ltd. includes DPS /LPS on BST bills Rs. 231.02 Crores and year end adjustment amounting to Rs.134.54 payable to Gridco Ltd. accounted for during the financial year.

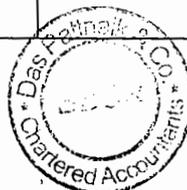
D. In pursuant to order dated 07.05.2018 of Appellate Tribunal for Electricity (APTEL) in Appeal no.55 of 2015 & IA no.75 of 2015, deviation charges under DSM regulation for the FY 2013-14, FY 2014-15, FY 2015-16 and FY 2016-17 which were billed by State Load Dispatch Centre (SLDC) for the difference between actual energy drawn and scheduled energy, the same has been billed at relevant BSP rates by M/s GRIDCO Ltd.. Consequently, the amount billed by SLDC is reduced and billed by GRIDCO at BSP rate is increased to the tune of Rs.1227.62 lakhs for FY 2015-16 and Rs.420.15 lakhs for FY 2016-17 accounted for in FY 2017-18. Similarly, Rs.1.65 lakhs for FY 2013-14 and Rs.938.14 lakhs for FY 2014-15 accounted for in FY 2018-19 respectively.

Power Purchase Dues

Outstanding dues to GRIDCO & OPTCL towards purchase of power & transmission charges are subject to confirmation and under reconciliation and the balance as on 31.12.2020 are as follows :

(Amount in Cr)

Particulars	Books of SOUTHCO	Books of GRIDCO	Books of OPTCL	Books of SLDC	Diff.	Remarks (Reconciliation Status)
Power Purchase Dues	1314.79	840.55			474.24	Reconciliation with GRIDCO has been completed except DPS amount of Rs.467.69 crores which has been booked by SOUTHCO Utility for the period from 01.04.2019 to 31.12.2020 and diff. in securitization dues of Rs.6.54 crores
Transmission charges	50.91		45.65		5.26	Not reconciled
SLDC	79.24					Not reconciled



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11. Import/ Export of Power and Others

Details of import/Export of power with other DISCOMs i.e inter Discoms transaction with NESCO, WESCO, CESU mentioned below. Net amount receivable/payable with other DISCOMs as on 31.12.2020 are as follows:

Particulars	NESCO /NESCO Utility	WESCOM/WESCO Utility	CESCO/CESU Utility
Power Purchase	-	-	-
Power Sale	-	2,84,93,054	-
Materials	2,70,34,849	2,78,68,608	88,63,227
Employees Cost	-	30,122	-
Others	13,37,93,803	(17,99,839)	-
In SOUTHCO A/c	16,08,28,652	5,45,91,945	88,63,227
In Discoms A/c	16,08,28,652	5,05,11,094	88,63,227
Difference	-	40,80,851	-

12. Loan & Grant

i) The Various government loans and grants are used for the purpose for which they have been provided. Details of the Grants utilized and surplus funds are as follows:

Scheme/Grant Details	Sanction amount	Amt. received till 31.12.2020	Amt. Utilised (UC submitted)	Amount refunded, if any	Unspent balance as on 31.12.2020	Accrued Interest/Income on unspent balance as on 31.12.2020	Bank balance/Fixed Deposit bal. as on 31.12.2020
Grants							
School & Anganwadi	10.20	10.20	3.07		7.13	0.59	7.72
Elephant Corridor	37.15	37.15	11.46		25.69	2.12	27.81
Cyclone Restorator Work-TITLI	39.85	39.85	25.29		14.56	1.20	15.76
Cyclone Restorator Work- FANI	10.00	10.00	3.50		6.50	0.54	7.04
Peetha Scheme	2.37	2.37	0.49		1.88	0.16	2.04
RLTAP	29.58	29.58	16.97	8.93	3.68	0.30	3.98
SETU	1.04	1.04			1.04	0.09	1.13
BGJY	49.65	49.65	0.61	15.17	33.87	2.80	36.67
Total	179.84	179.84	61.39	24.10	94.35	7.80	102.15



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ADMINISTRATOR OF SOUTHCO UTILITY
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for financial year ending 31st Dec 2020

(ii) **SAUBHAGYA SCHEME**

Under SAUBHAGYA Scheme, the Government of India & Govt of Odisha has been sanctioned Rs.146.55 crore in favour of SOUTHCO Utility for electrification of unelectrified households. Out of above fund, interest earned Rs.2.20 crores. As there were huge numbers of unelectrified households and infrastructure under this Discom, total expenditure incurred under this Scheme is Rs 194.39 crore which is exceeding to the tune of Rs 45.63 crores over and above the funds received from Government. SOUTHCO Utility has submitted Utilization for Rs. 194.39 crore under the SAUBHAGYA Scheme. Balance amount of Rs. 45.63 crores is yet to receive from Government for payment of outstanding dues of suppliers and Contractors and it was properly accounted. Material diverted from different Govt scheme to SOUBHAGYA scheme amounting to Rs.18.45 crore and SOUBHAGYA surplus material amounting to Rs. 2.95 crore are under reconciliation.

13. Cash & Bank Balance

(A) Details of Inoperative Bank Accounts reflecting Bank Balances in Accounts of SOUTHCO Utility

The Utility had been carrying the following bank balances in its Accounts but there was no bank account details.

Name of the unit	Name of the Bank	Tally ledger Code	Amount (in Rs)	Remarks
JED, Jeypore	Andhra Bank	24.406	711.00	No movement since 2008
JED, Jeypore	SBI	24.301	814.00	
JED, Jeypore	SBI	24.401	454.79	
BED-I	SBI	24.301	2500.00	
MED	SBI	24.401	851.00	

The Utility had been carrying the following bank balances in its Ledger Accounts but there was no balance in the bank accounts as confirmed by the units.

Name of the unit	Name of the Bank	Tally ledger Code	Amount (in Rs)	Remarks
JED	UBI-29186	24.307	31405.19	Bank account closed
RED	SBI- 11038919598	24.301	210265.06	Bank account closed
PKED	SBI- 11304875309	24.401	19869.00	Bank account closed



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

(B) Difference of Cash In Hand and Books Balance (if any):

Details of difference Of Cash In Hand and Book Balance are as follows:

Name of Accounting Unit	Cash in hand as on 31.12.2020	Book Balance as on 31.12.2020	Remarks
PKED	NIL	1324	BOOKED IN LEDGER CODE 24.112
SEEC JEYPORE	NIL	286	BOOKED IN LEDGER CODE 24.117
BED-I	NIL	352	BOOKED IN LEDGER CODE 24.112

(C) Cash excess/Shortage pending investigation:

Cash excess/Shortage pending investigation to the tune of Rs 90.83 Lakhs is continuing since long. Also an amount of Rs 89.25 lakhs is recoverable from the employees/ Ex-employees. These amounts are booked at the different divisions and matters are under investigation. Units wise Cash Shortage & excess details are as below.

Sl no	Unit name	Cash Shortage (24.191)	Cash Excess (24.192 & 24.193)
01	BED-I	2573	-
02	BNED	57817	-
03	BOED	1970	-
04	HO	178	309780
05	GED	-	551
06	GNED	152378	-
07	MED	86553	6299
08	NED	209145	110303
09	PKED *	10961581	1958718
10	RED	11157	14426
Total		11,483,352	2,400,077

*

MISAPPROPRIATION OF FUNDS, PKED

Misappropriation of revenue fund has done by the staff of Cash Collection Agency (M/s Auromeera Electricals) in connivance with Revenue Cashier of PKED, Parlakhemundi. The following actions are being taken by the management.

- i) The Executive Engineer, PKED, Parlakhemundi has filed FIR against the Collection Agency Staff and the Revenue Cashier at Parlakhemundi Police Station.
- ii) Management had taken decision to suspend the Revenue Clerk for his gross negligence in duty.
- iii) Management has taken departmental action against Asst. manager (F) ,SDO and Executive Engineer.



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
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- iv) Management has dismissed to the Revenue Cashier from service, who found guilty in misappropriation of revenue funds and gross negligence in his duty,
v) Management has taken decision for retention the pending dues of the Cash Collection Agency, such as monthly Cash Collection Charges and other contractual obligations to the tune of Rs. 54.39 lakhs.
vi) Now the Case is under sub-judice before the District Court, Gajapati District.

D. Fixed deposit:

Sl. No.	Bank Name	FD Amount	FD balance incl. int. as on 31.12.2020
1	State Bank of India	225,48,55,454	229,76,43,289
2	Union Bank of India	49,64,55,577	52,31,28,182

14 . Inventories

The physical verification of inventories was carried out by independent third party firm and report was received and accordingly necessary entries were passed in the books of account for slow moving , non moving , shortages & excess inventories found during the physical verification. Sale of scrap is under process.

As per Physical verification report, material found shortages amounting to Rs.4,94,18,174/- and material found excess amounting to Rs.17,73,299/- accounted for in the books of account. Similarly the summary sheet of slow moving & non-moving as per report given below which has been accounted for in financials.

Slow moving

Scheme	DAMAGE	Not in Use	Not Tracable	REPAIRED	SALVAGED	Usable	Total Sum of slow moving Amount
ADB							-
APDRP						494,443	494,443
BGJY						8,592,241	8,592,241
CAPEX		43,600				28,017,220	28,060,820
CRW	102,150	19,030	3,530,880		2,142,583	3,781,499	9,576,143
DDUGJY		3,506,176				1,547,234	5,053,410
DEPOSIT		204,290	2,284			253,635	460,209
DESI	523,155					4,919,122	5,442,277
DFID/ODA	81,516	45,414					126,931
FLD WO					833		833
GRIDCO	181,103	936,195	150,967	653,558	2,061	2,576,399	4,500,282



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

HUDHUD					90,747	205,663	296,411
IAP							-
IPDS						1,803,281	1,803,281
MP-MLA-L							-
NH5		30,262					30,262
O&M		60,119				140,431	200,550
ODSSP						-	-
PMGY							-
PMU	333,815					2,594	336,409
RE/LI	45,107					519,268	564,375
RGVY						490,529	490,529
RGVY 1P	801,721				1,559,765	53,806,521	56,168,008
RLTAP						52,599	52,599
SAUBHAGY		160,118				2,200,317	2,360,435
SYS.IMPV							-
T&P	103,299				17,593	5,278	126,169
TITLI						326,452	326,452
Grand Total	2,171,866	5,005,204	3,684,131	653,558	3,813,582	109,734,728	125,063,069

Less :- OPTCL SCHEME Material	801,721	3,506,176	-	-	1,559,765	66,239,807	72,107,469
FINAL MATERIAL	1,370,145	1,499,028	3,684,131	653,558	2,253,817	43,494,921	52,955,600

Non moving

Scheme	DAMAGE	Not in Use	Not Tracable	Regularized in March PSL & the stock is Zero	REPAIRED	SALVAGED	Usable	Total Sum of Non moving Amount
ADB	637,999	5,105,318				9,771		5,753,088
APDRP	23,212	1,858,912				153,227	32,787	2,068,137
BGJY		40,722						40,722
CAPEX		4,382,993					9,459,599	13,842,592
CRW	64,644	17,486,271			33,602	148,254	1,483,862	19,216,634
DDUGJY								-
DEPOSIT	407,852	707,432					789,256	1,904,540
DESI								-
DFID/ODA	61,848	474,122	31,485				1,863,929	3,431,385
FLD WO	56,906	373,621			246,229	3,789	46,710	727,305



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
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GRIDCO	1,631,852	9,338,235	414,675	49,939	147,497	667,023	7,080,640	19,329,861
HUDHUD	252,750	1,239,930				72,746	1,943,537	3,508,962
IAP	321,930	296,523			92,416		337,897	1,048,766
IPDS		133,458						133,458
MP-MLA-L		370						370
NH5		1,245,446	-			-		1,245,446
O&M	349,018	3,521,260				24,611	397,152	4,292,041
ODSSP		-					-	-
PMGY		44,048				4,674		48,722
PMU	1,196,030	1,693,712	45,220				5,398	2,940,361
RE/LI	15,994	1,058,870				119,786	77,239	1,271,888
RGGVY	459,534	50,471					178,728	688,733
RGGVY 1P								-
RLTAP		69,744					-	69,744
SAUBHAGY							-	-
SYS.IMPV			65,940					65,940
T&P		76,095				8,610	175,036	259,741
TITLI		1,945					2,949	4,894
Grand Total	5,479,569	50,199,548	557,320	49,939	519,744	1,212,490	23,874,717	81,893,329

Less :- OPTCL SCHEME Material	459,534	224,651	-	-	-	-	178,728	862,913
FINAL MATERIAL	5,020,035	49,974,897	557,320	49,939	519,744	1,212,490	23,695,990	81,030,416

15. Security Deposit

Security Deposit from consumers as per General Ledger is to the tune of Rs. 269.53 Crore, with corresponding balance of Rs 270.14 Crore as per the consumer ledger, showing net difference of Rs 0.61 Crore as on 31/12/2020. The difference could not be traced in absence of adequate information. Details of Division wise difference is as follows:

SL No.	Name of Division	Customer Ledger Balance Figures' Cr	General Ledger Balance Figures' Cr	Difference In CL & GL Figures' Cr	Difference in Absolute Figure' Cr
1	ASKA 1	8.30	4.41	3.89	3.89
2	ASKA 2	7.35	5.01	2.34	2.34
3	Berhampur	16.27	20.97	-4.70	4.70



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ADMINISTRATOR OF SOUTHCO UTILITY
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4	Berhampur -2	8.70	9.46	-0.75	0.75
5	Berhampur -3	12.08	14.50	-2.42	2.42
6	Bhanjanagar	5.35	9.13	-3.78	3.78
7	Boudh	13.03	6.69	6.35	6.35
8	Digapahandi	9.43	7.32	2.11	2.11
9	Ganjam North	50.94	50.63	0.31	0.31
10	Gunpur	14.37	5.13	9.24	9.24
11	Hinjilicut	12.37	7.15	5.22	5.22
12	Jaypore	18.68	32.08	-13.40	13.40
13	Koraput	21.05	16.23	4.82	4.82
14	Malkanagiri	7.62	10.51	-2.89	2.89
15	Navarangpur	10.05	15.92	-5.88	5.88
16	P.S. Pur	12.18	7.27	4.92	4.92
17	Paralekhemundi	12.03	11.05	0.97	0.97
18	Phulbani	6.59	8.46	-1.88	1.88
19	Rayagada	23.75	30.72	-6.97	6.97
20	Corporate		-3.11	3.11	3.11
			Total	0.61	85.95

16. Payment of Arrear as per 7th Pay Commission

The arrear of 7th Pay commission of all the Regular Employees have been paid 50% of dues based on the declaration of State Govt. The amount payable is Rs 28.64 Crores (approx.) for which provisions is made in accounts as on 31.12.2020.

17. Subsidiary Ledger

The Utility has substantial portion of subsidiary ledger as detailed below, however there are certain advances and sundry liabilities for which subsidiary ledgers are not available, which are rolling since long.

SI No	Head of Account	Description of Head of Account	Amt in Crores As on 31-12-2020 as per Accounts	Subsidiary Ledger Available (Rs. Crore) (As submitted by Units)	Subsidiary Ledger Not Available (Rs. Crore)
CURRENT ASSETS					



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

1	24.210	Permanent Imprest with Officers/staff	0.05	0.02	0.03
2	24.220	Temporary Advances to Distributing Officers	0.23	0.09	0.14
3	24.240	Temporary Imprest for Contingency	0.00	-	0.00
4	24.251	Temporary Adv with Ofcrs for Cyclone-HH	0.04	-	0.04
5	24.251T	Temporary Advance with Officers for Cyclone-T	0.20	0.20	0.00
6	24.251F	Temporary Advance with Officers for Cyclone-F	0.01	0.01	0.00
7	24.250	Temporary Advance with Officers for Cyclone	0.02	-	0.02
8	25.501	Advance to Contractors (Capital)-interest free	0.26	0.00	0.26
9	25.503	Advance to Contractors (Capital)-interest free	0.00	-	0.00
10	26.501	Advance to suppliers(O & M)	0.09	0.01	0.08
11	26.504	Advance to Others	0.35	-	0.35
12	26.508T	Advance to Suppliers (Cyclone T)	0.03	0.02	0.02
13	26.509T	Advance to Labour Contractors (Cyclone T)	0.05	0.03	0.01
14	26.601	Advance to Contractors(O & M)	0.51	0.33	0.18
15	27.201	Travelling Allowance Advance	0.28	0.10	0.19
16	27.202	Transfer Travelling Allowance Advance	0.10	0.03	0.07
17	27.203	Salary Advance	0.01	0.00	0.01
18	27.206	Medical Advance	0.66	0.52	0.14
19	27.208	Festival Advance	2.74	1.92	0.82
20	27.210	Wage Board Advance	0.08	-	0.08
21	27.211	Advance under Group Insurance	0.88	0.65	0.23
22	27.212	L.T.C.Advance	0.06	0.03	0.03
23	27.213	Others	0.01	0.01	0.01
24	28.402	Amount Recoverable from Ex-Employees	0.00	0.00	0.00
TOTAL			6.675	3.949	2.725
CURRENT LIABILITIES					
1	46.101	Security Deposit in cash-Capital	0.308	0.003	0.305
2	46.103	Earnest Money Deposit Capital	1.071	0.792	0.278
3	46.105	Retention Money from Contractors-Capital	1.084	0.77	0.314
4	46.106	Retention Money from Suppliers-Capital	0.725	0.024	0.701
5	46.107	Retention money from Suppliers-SOUBHAGYAS Capital	17.725	7.824	9.901



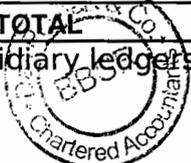
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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
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6	46.108	Penalty from Sulplliers-SOUBHAGYA	0.383	0.042	0.341
7	46.121	Security Deposit in cash-O & M	0.113	0.052	0.06
8	46.122	Security Deposit other than in cash-O & M	0.777	0.134	0.643
9	46.123	Earnest Money Deposit O & M	3.307	0.068	3.239
10	46.125	Retension money from suppliers- O & M	0.373	0.047	0.326
11	46.126	Retension money from contactors- O & M	1.68	0.876	0.804
12	42.103	Liability for Supply of SOUBHAGYA Materials-CAPITAL	8.282	7.204	1.077
13	42.115	Liability for Supply of- Cable and conductors	0.019	0	0.019
14	42.401	Contractors Control Account	0.319	0	0.319
15	42.501	Provision for Liability for Works(Capital)	0.018	0	0.018
16	43.112	Liability for Labour Charges (Cyclone-O & M)	0.242	0	0.242
17	43.117	Liability for Labour Charges-SOUBHAGYA	2.441	0	2.441
18	43.114T	Liability for Supply of Material (Cyclone T)	2.137	0	2.137
19	43.113	Liability for Others (Cyclone-O & M)	0.006	0	0.006
20	43.310	Provision for Supply of Materials(O & M)	0.136	0	0.136
21	43.410	Contractors control account(O & M)	0.096	0.028	0.068
22	43.510	Provision for Liability for Works(O & M)	0.067	0	0.067
23	44.135	Other Staff related Provisions	11.392	1.614	9.777
24	44.135E	Liability for 7th Pay Comission Arrears of Executives	5.652	3.467	2.184
25	44.135NE	Liability for 7th Pay Comission Arrears of Non Executives	22.985	14.436	8.549
26	44.220	Unpaid Bonus	0.003	0	0.003
27	44.230	Other unpaid items	0.002	0.002	0.001
28	44.310	Net Salary Payable	13.029	5.763	7.266
29	44.320	Bonus Payable	0.159	0	0.159
30	44.330	Liability for Medical Expenses	0.086	0	0.086
31	44.340	Liability for Earned Leave Encashment	0.552	0	0.552
32	44.350	Liability for other staff Payments	0.413	0.105	0.308
33	44.401	Income Tax Deducted at source on salaries	0.572	0.295	0.276
34	44.407	Salary Saving Scheme Premium Recovered	0.323	0.233	0.091
35	44.445	Others Staff Advance Recovery (Govt.)	0.001	0	0.001
36	44.461	Professional Tax (TDS)	0.04	0.034	0.006
37	44.465	Other Recovery Payable-Public Accounts	0.407	0.152	0.255
38	46.350	Amount Received From Trust-Payment to Ex Emp	0.116	0.001	0.115
39	46.410	Sundry Creditor for Expenses	12.70	11.58	1.12
40	46.430	Provision for Liability for Expenses	58.187	7.986	50.201
41	42.101	Liabilities of supply of Material-Capital	209.99	298.64	2.52
42	42.102	Liabilities of supply of Material-Capex	91.170		
43	42.201	Supplier control account -Capital	194.629	279.134	4.205
44	42.202	Supplier control account -Capex	88.71		
TOTAL			752.427	641.306	111.12

Reconciliation of subsidiary ledgers are under process.



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

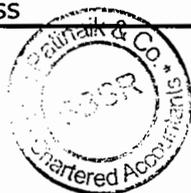
SCHEME	Receipt Material Cost (42.101+42.102)	Paid to Supplier (42.201+ 42.202)	Tax Paid to Govt (ED & TDS(GST))	Balance Payable
	(A)	(B)	(C)	(D=A-B-C)
CAPEX	1,138,123,221.90	1,084,671,222.55	18,097,437.34	35,354,562.00
GENERAL	302,048,079.30	217,205,297.00	4,576,850.78	80,265,931.52
CRW (Phylin)	1,484,676,798.68	1,432,015,758.00	19,664,361.43	32,996,679.25
CRW (HUD HUD)	61,581,847.05	57,448,060.00	601,601.61	3,532,185.44
	2,986,429,946.93	2,791,340,337.55	42,940,251.17	152,149,358.21

18. Balance Confirmation

The Utility has written letters for payables for balance confirmation. The balance confirmations, wherever received are under process of reconciliation.

19. Quantitative Information:

Sl.	Particulars	Unit	Period ended 31.12.2020	Year ended 31.03.2020
(i)	Purchase of Electrical Energy	(KWH-million)	2697.05	3468.628
(ii)	Cost of Electrical Energy purchased			
	BSP Bill – GRIDCO	(Rs.. in Lakhs)	89046.77	89642.52
	Transmission Bill – OPTCL	(Rs.. in Lakhs)	6787.88	8696.06
	SLDC Charges	(Rs.. in Lakhs)	46.36	62.52
	UI Charges including Over drawl charges	(Rs.. in Lakhs)	-	-
	Total		95881.01	98401.10
	Less: Rebate for prompt payment	(Rs.. in Lakhs)	137.09	136.06
	Net Cost charged to Statement of Profit and Loss	(Rs.. in Lakhs)	95743.92	98265.04
(iii)	Sale of Energy	(KWH-million)	2051.43	2619.974
(iv)	Sale of Energy (Net of Rebate)	(Rs.. in Lakhs)	96995.44	127737.50
(v)	Collection against Sale of Energy	(Rs.. in Lakhs)	81284.36	108384.56
(vi)	T & D Loss	%	23.93	24.47
(vii)	A T & C Loss	%	36.26	35.92



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ADMINISTRATOR OF SOUTHCO UTILITY
Notes annexed to and forming part of the Financial Statements
for financial year ending 31st Dec 2020

20. Previous year figures

Figures for the previous year have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year.

As per our attached report of even date.

For Daspattnaik & Co,
Chartered Accountants
Firm Registration No.321097E

For and on behalf of the Administrator of SOUTHCO Utility

Authorized Signatory

Authorized Signatory

P.K. Sahoo
Partner
Membership No. 308804



For and on behalf of GRIDCO Ltd.

Authorized Signatory

Authorized Signatory

Place: Brahmapur.
Date: 22/10/2021

Place: Brahmapur.
Date: