

THE ADMINISTRATOR OF
SOUTHCO UTILITY

**AUDITOR'S REPORT, BALANCE SHEET &
ANNUAL ACCOUNTS
FOR THE YEAR ENDED ON 31-03-2019**

OERC FORMAT
(F)

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INDEPENDENT AUDITORS' REPORT

To
The Administrator,
SOUTHCO Utility,

Report on the Financial Statements for the FY-2018-19

1. We have audited the accompanying financial statements of SOUTHCO Utility ("the Utility"), which comprise of the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss for the period 01.04.2018 to 31.03.2019 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Utility in accordance with the provisions of Electricity Act, 2003 and Accounting Standards issued by ICAI. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. 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.

Basis for Qualified Opinion

4. *We draw reference to the following:*

- (i) *Schedule 18(A)(d)(ii) with regard to accounting of delayed payment surcharge (DPS) & Open Access Charges and interest paid on security deposit on cash basis.*
- (ii) *The balances of trade receivables, trade payables, deposits for service connection received from consumers, loans and advances are subject to confirmation and reconciliation.*

The effect of our observations in para 4, above on the loss for the period and the relevant assets and liabilities is not ascertainable.





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. Accordingly, the previous year figure also reflects the amount pertaining to consolidated accounts prepared for this purpose.

Our opinion is not qualified for above matters.

Report on Other Legal and Regulatory Requirements

8. We report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by the law have been kept by the Utility so far as it appears from our examination of such books;
- (c) The Balance Sheet, Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- (d) Except for the effect of the matter described in the Basis for Qualified Opinion Paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss dealt with by this report comply with the Accounting Standards issued by ICAI.

Date: 22nd day of October, 2019
Place: Brahmapur

For M/s Daspattnaik & Co.
Chartered Accountants
FRN. 321097E



(CA) K. Daspattnaik
Partner

Mem. No. 085406

UDIN;19085406AAAACN1924

