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KS
INTERNATIONAL

AUDITORS' REPORT

TO SINDH IRRIGATION & DRAINAGE AUTHORITY

We have audited the accompanying Balance Sheet, Receipts and Payments Account & Statement of Sources & Uses of Funds and Special Account of Sindh Irrigation & Drainage Authority [under World Bank Loan No. IDA 2999 Pak] and local components from Government of Pakistan and Government of Sindh [Funds received through P.C. Sindh] and financed under Asian Development Bank (ADB) Loan No. 1413 Pak (SF) at June 30, 2004 together with notes forming part thereof, for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.



In our opinion, the financial statements and Special Account give a true and fair view of the financial position as at June 30, 2004, Receipts & Payment Account & Statement of Sources & Uses of Funds of **Sindh Irrigation & Drainage Authority [under World Bank Loan No. IDA 2999 Pak]** and local components from **Government of Pakistan and Government of Sindh [Funds received through P.C. Sindh]** and financed under **Asian Development Bank (ADB) Loan No. 1413 Pak (SF)** at June 30, 2004 together with notes forming part thereof, for the year ended June 30, 2004 in accordance with the International Accounting Standards.

In addition, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred; and (b) which expenditures are eligible for financing under the **ADB Loan No. 1413 Pak (SF)**.

Without qualifying our opinion we draw attention that with the closure of IDA funding to the Authority through NDP – P.C. Sindh after December 31, 2004, the sustainability of the Authority is dependent upon the sharing of Abiyana and funding from **ADB under Loan No. 1413 Pak (SF)** expiring on December 31, 2006.

Lahore

Dated: *26 June 31, 2004*


Hameed Khan & Co.
Chartered Accountants


SINDH IRRIGATION & DRAINAGE AUTHORITY BALANCE SHEET AS AT JUNE 30, 2004

(Figures in thousand)

Note	2004								2003
	Through P.C. Sindh								Total
	TOTAL	GOS Grant	GOP Share	GOS Share	IDA Share	ADB Share			
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	US\$	Rs.
FUNDING									
International Development Association (IDA)	3	778,100	-	-	-	778,100	13,319	-	322,020
LOAN FROM ASIAN DEVELOPMENT BANK	4	147,588	-	-	-	-	147,588	2,543	110,163
FUNDS FROM GOVERNMENT OF PAKISTAN	3	72,301	-	72,301	-	-	-	-	26,194
FUNDS FROM PROVINCIAL GOVERNMENT	3	19,315	-	-	19,315	-	-	-	15,030
TOTAL FUNDS EMPLOYED		<u>1,017,304</u>	<u>-</u>	<u>72,301</u>	<u>19,315</u>	<u>778,100</u>	<u>13,319</u>	<u>147,588</u>	<u>473,407</u>
REPRESENTED BY									
CAPITAL EXPENDITURES									
• Fixed Assets	5	1,668	-	-	649	1,019	18	-	1,822
• Civil Works	6	153,814	-	15,356	39	138,419	2,372	-	91,198
• Capital Work in Progress	7	565,177	-	52,985	20,680	354,092	6,117	137,420	230,653
• Consultancy	8	426,479	-	22,697	-	403,782	6,872	-	272,766
• Other Development Expenditures	9	35,669	-	3,296	2,407	28,384	491	1,582	12,143
		<u>1,182,807</u>	<u>-</u>	<u>94,334</u>	<u>23,775</u>	<u>925,696</u>	<u>15,870</u>	<u>139,002</u>	<u>608,582</u>

(Figures in thousand)

Note	2004								2003
	TOTAL	GOS Grant	Through P.C. Sindh				ADB Share		Total
			GOP Share	GOS Share	IDA Share	US\$	Rs.	US\$	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	US\$	Rs.
CURRENT ASSETS									
• Advances, Prepayments & Other Receivables	10	28,126	-	5,900	-	22,226	390	-	661
• Bank and Cash Balances	11	52,691	302	1,765	877	16,105	279	33,642	579
Total Current Assets		<u>80,817</u>	<u>302</u>	<u>7,665</u>	<u>877</u>	<u>38,331</u>	<u>669</u>	<u>33,642</u>	<u>579</u>
LESS: CURRENT LIABILITIES									
• Creditors, accrued and other liabilities	12	246,320	302	29,698	5,337	185,927	3,220	25,056	428
NET CURRENT ASSETS/(LIABILITIES)		<u>(165,503)</u>	<u>-</u>	<u>(22,033)</u>	<u>(4,460)</u>	<u>(147,596)</u>	<u>(2,551)</u>	<u>8,586</u>	<u>151</u>
CONTINGENCIES AND COMMITMENTS	14	-	-	-	-	-	-	-	-
TOTAL ASSETS		<u>1,017,304</u>	<u>-</u>	<u>72,301</u>	<u>19,315</u>	<u>778,100</u>	<u>13,319</u>	<u>147,588</u>	<u>2,543</u>

The annexed notes form an integral part of these financial statements.

General Manager (Finance)
(SIDA)

Managing Director
(SIDA)

**SINDH IRRIGATION & DRAINAGE AUTHORITY
RECEIPTS & PAYMENTS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2004**

(Figures in Thousand)

	Note	2004 Rs.	2003 Rs.
<u>RECEIPTS</u>			
Opening Balance of Grant		287	255
Grant from Government of Sindh (For Expenditure)	13	5,068	4,576
Grant from Government of Sindh for the payment of G.P. Fund & pension		134	1,127
		<u>5,489</u>	<u>5,958</u>
<u>PAYMENTS</u>			
Salaries & Allowances		3,240	2,986
Telephone & Postage		417	236
Travelling & Conveyance		82	223
Electricity, Water and Gas		448	244
Vehicle Expenses		355	208
Printing and Stationery		83	222
Repair & Maintenance		-	19
Courier Charges		27	-
Rent, Rates & Taxes		-	2
Newspaper & Periodical Book		25	10
Leave Encashment		136	160
Entertainment Expenses		-	5
Furniture & Fixtures		10	-
Gratuity Fund		-	1,046
Payment of G.P. Fund & Pension		338	306
Miscellaneous Expenses		24	4
		<u>5,185</u>	<u>5,671</u>
Balance of Grant Carried to Balance Sheet	12	<u>304</u>	<u>287</u>

The annexed notes form an integral part of these accounts.

General Manager (Finance)
(SIDA)

Managing Director
(SIDA)

**SINDH IRRIGATION & DRAINAGE AUTHORITY
STATEMENT OF SOURCES AND USES OF FUNDS
AS AT JUNE 30, 2004**

(Figures in thousand)

	2004								2003
	TOTAL	GOS Grant	Through P.C. Sindh		IDA Share	ADB Share		Total	Rs.
			GOP Share	GOS Share		Rs.	US\$		
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	US\$	Rs.
FUNDING & GRANT									
• International Development Association (IDA)	778,100	-	-	-	778,100	13,319	-	-	322,020
• Asian Development Bank									
• SOE Procedures (Including Advance)	139,441	-	-	-	-	-	139,441	2,361	103,090
• Direct Payments	10,878	-	-	-	-	-	10,878	182	10,878
• Government of Pakistan	72,301	-	72,301	-	-	-	-	-	26,194
• Government of Sindh	19,315	-	-	19,315	-	-	-	-	15,030
Grant from Government of Sindh	5,068	5,068	-	-	-	-	-	-	4,576
Exchange Variation (\$/Rs.)	(2,731)	-	-	-	-	-	(2,731)	-	(3,805)
TOTAL FUNDING	1,022,372	5,068	72,301	19,315	778,100	13,319	147,588	2,543	477,983

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(Figures in thousand)

AUTHORITY EXPENDITURES

Investment Projects

- Civil Works
- Civil Works (Advances)

TOTAL	GOS Grant	2004				2003	
		Through P.C. Sindh				Total	
		GOP Share	GOS Share	IDA Share	ADB Share		
Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	US\$
563,039	-	52,791	17,547	375,878	6,463	116,823	1,964
24,536	-	2,454	-	22,082	388	-	-
587,575	-	55,245	17,547	397,960	6,851	116,823	1,964

Institutional Reforms

- Equipments
- Consultancy
- Establishment of SIDA
- Incremental Staff & Operating Costs

2,366	-	-	898	1,468	1	-	-	2,171
347,406	-	8,942	-	338,464	5,747	-	-	172,159
4,766	4,766	-	-	-	-	-	-	4,289
26,855	-	2,900	(7)	23,959	439	-	-	9,686
381,393	4,766	11,845	891	363,891	6,187	-	-	188,305

Advances & other Receivables

Exchange Variation (\$/Rs.)

TOTAL AUTHORITY EXPENDITURES

CASH & BANK BALANCES

3,590	-	3,446	-	144	2	-	-	149
(2,877)	-	-	-	-	-	(2,877)	-	(3,723)
969,681	4,766	70,536	18,438	761,995	13,040	113,946	1,964	454,902
52,691	302	1,765	877	16,105	279	33,642	579	23,081

General Manager (Finance)
(SIDA)

Managing Director
(SIDA)