

# HAMEED KHAN & CO.

**Chartered Accountants**

16 - A, Link Farid Kot Road, Near A.G. Office,  
Lahore - Pakistan.  
Tel: 7234562 - 7239271 Fax: 92-042-7351851  
E-mail: hameed@brain.net.pk



## 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) and Loan No. 1578 Pak (SF) and World Bank Loan No. IDA CR 3905 Pak at June 30, 2005 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, 2005, 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) and Loan No. 1578 Pak (SF) and World Bank Loan No. IDA CR 3905 Pak at June 30, 2005 together with notes forming part thereof, for the year ended June 30, 2005 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) and Loan No. 1578 Pak (SF) and World Bank Loan No. IDA CR 3905 Pak.

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. **ADB Loan No. 1578 Pak (SF)**, **World Bank Loan No. IDA CR 3905 Pak** and Government of Pakistan alongwith Government of Sindh may continue its funding.
- As more fully explained in note 1.8 to the financial statements, the Authority has not accounted for transfer of Barrages and other assets in its books of accounts, as required under section 97 of Sindh Water Management Ordinance 2002, which states that upon coming into force of this Ordinance (i) The Irrigation and Power Department shall transfer its barrages, outlets, existing spinal drains and flood protection infrastructure including staff, budgets and assets to the SIDA before June 30, 2005 (ii) Government shall vest in the barrages the irrigation, drainage and flood protection infrastructure, office premises, stores, plant and machinery related to them so that the barrage divisions can carry out their functions under this Ordinance.

Lahore

Dated: December 31, 2005

Hameed Khan & Co.

Hameed Khan & Co.

Chartered Accountants

HK & Co.



# **SINDH IRRIGATION & DRAINAGE AUTHORITY** **BALANCE SHEET AS AT JUNE 30, 2005**

(Figures in thousand)

**ASSETS**

Advances, Prepayments & Other Receivables  
 Current Assets

**FUNDING**

International Development Association (IDA)

LOAN FROM INTERNATIONAL DEVELOPMENT  
 ASSOCIATION (IDA)

LOANS FROM ASIAN DEVELOPMENT BANK

FUNDS FROM GOVERNMENT OF PAKISTAN

FUNDS FROM PROVINCIAL GOVERNMENT

TOTAL FUNDS EMPLOYED

REPRESENTED BY

**CAPITAL EXPENDITURES**

- Fixed Assets
- Civil Works Completed
- Capital Work in Progress
- Consultancy
- Other Development Expenditures

Note	Through P.C. Sindh												2004 Total
	TOTAL	GOS Grant	GOP Share	GOS Share	IDA Share	2005	GOP Share	ADB Share	GOS Share	IDA Share			
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.
3	1,351,181	-	-	-	1,351,181	22,977	-	-	-	-	29,840	500	778,100
4	29,840	-	-	-	-	-	-	-	-	-	29,840	500	-
5	456,191	-	-	-	-	-	-	456,191	7,644	-	-	-	147,588
3 & 6	228,017	-	138,103	-	-	-	89,914	-	-	-	-	-	72,301
3 & 7	33,031	-	-	32,288	-	-	-	-	-	743	-	-	19,315
	<u>2,098,260</u>	<u>-</u>	<u>138,103</u>	<u>32,288</u>	<u>1,351,181</u>	<u>22,977</u>	<u>89,914</u>	<u>456,191</u>	<u>7,644</u>	<u>743</u>	<u>29,840</u>	<u>500</u>	<u>1,017,304</u>
8	1,426	-	-	627	799	14	-	-	-	-	-	-	1,668
9	1,170,102	-	117,093	28,743	842,819	14,424	-	181,447	3,054	-	-	-	718,991
10	624,364	-	-	-	-	-	154,240	462,721	7,780	740	6,663	112	-
11	501,321	-	26,578	-	474,743	7,982	-	-	-	-	-	-	426,479
12	66,615	-	3,599	6,752	38,641	668	-	10,685	141	772	6,166	102	35,669
	<u>2,363,828</u>	<u>-</u>	<u>147,270</u>	<u>36,122</u>	<u>1,357,002</u>	<u>23,088</u>	<u>154,240</u>	<u>654,853</u>	<u>10,975</u>	<u>1,512</u>	<u>12,829</u>	<u>214</u>	<u>1,182,807</u>

(Figures in thousand)

													2004
													Total
Note	2005												
	Through P.C. Sindh						GOP Share			GOS Share			
	TOTAL	GOS Grant	GOP Share	GOS Share	IDA Share			ADB Share			IDA Share		
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.
CURRENT ASSETS													
• Advances, Prepayments & Other Receivables	13	5,267	-	3,391	-	144	3	-	-	174	1,558	26	28,126
• Bank and Cash Balances	14	20,904	357	-	2,630	-	-	1,202	20	-	16,715	281	52,691
Total Current Assets		26,171	357	3,391	2,630	144	3	1,202	20	174	18,273	307	80,817
LESS: CURRENT LIABILITIES													
• Creditors, accrued and other liabilities	15	291,739	357	12,558	6,464	5,965	114	64,326	199,864	3,351	943	1,262	21
NET CURRENT ASSETS/(LIABILITIES)		(265,568)	-	(9,167)	(3,834)	(5,821)	(111)	(64,326)	(198,662)	(3,331)	(769)	17,011	286
CONTINGENCIES AND COMMITMENTS													
TOTAL ASSETS	16	2,098,260	-	138,103	32,288	1,351,181	22,977	89,914	456,191	7,644	743	29,840	500

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, 2005**

(Figures in Thousand)

	Note	2005 Rs.	2004 Rs.
<b>RECEIPTS</b>			
Opening Balance of Grant		302	287
Grant from Government of Sindh (For Expenditure)	17	5,064	5,068
Grant from Government of Sindh for the payment of G.P. Fund & pension		186	134
		<u>5,552</u>	<u>5,489</u>
<b>PAYMENTS</b>			
Salaries & Allowances		3,700	3,240
Telephone & Postage		293	417
Travelling & Conveyance		115	82
Electricity, Water and Gas		426	448
Vehicle Expenses		279	355
Printing and Stationery		94	83
Courier Charges		22	27
Newspaper & Periodicals		30	25
Leave Encashment		-	136
Income Tax		15	-
Furniture & Fixtures		-	10
Payment of G.P. Fund & Pension		186	338
Miscellaneous Expenses		35	26
		<u>5,195</u>	<u>5,187</u>
Balance of Grant Carried to Balance Sheet	15	<u>357</u>	<u>302</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, 2005**

(Figures in thousand)

**AUTHORITY EXPENDITURES**

**Investment Projects**

**FUNDING & GRANT**

- International Development Association (IDA)

- International Development Association (IDA)

- Asian Development Bank

- SOE Procedures (Including Advance)

- Direct Payments

- Government of Pakistan

- Government of Sindh

Grant from Government of Sindh

Exchange Variation (\$/Rs.)

**TOTAL FUNDING**

- Civil Works (Advances)

- Indemnity Staff & Operating Costs

2005	TOTAL	GOS Grant	GOP Share	GOS Share	IDA Share	US\$	GOP Share	ADB Share	US\$	GOS Share	IDA Share	US\$	2004 Total
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.
Through P.C. Sindh													
	1,351,181				1,351,181	22,977					29,713	500	778,100
	29,713												
	172,542							172,542	2,917				139,441
	280,621							280,621	4,727				10,878
	223,017		138,103				89,914						72,301
	33,031			32,288						743			19,315
	5,064	5,064											5,068
	3,155							3,028			127		(2,731)
	<u>2,103,324</u>	<u>5,064</u>	<u>138,103</u>	<u>32,288</u>	<u>1,351,181</u>	<u>22,977</u>	<u>89,914</u>	<u>456,191</u>	<u>7,644</u>	<u>743</u>	<u>29,840</u>	<u>500</u>	<u>1,022,372</u>

*[Handwritten Signature]*

(Figures in thousand)

## AUTHORITY EXPENDITURES

## Investment Projects

- Civil Works
- Civil Works (Advances)
- Incremental Staff & Operating Costs

2005											2004
Through P.C. Sindh											Total
TOTAL	GOS Grant	GOP Share	GOS Share	IDA Share		GOP Share	ADB Share	GOS Share	IDA Share		
Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	Rs.	Rs.	Rs.	US\$	
1,149,249	-	104,888	25,620	837,294	14,317	-	181,447	3,054	-	-	
-	-	-	-	-	-	-	-	-	-	-	
6,306	-	659	-	5,647	96	-	-	-	-	-	
1,155,555	-	105,547	25,620	842,941	14,413	-	181,447	3,054	-	-	

## Institutional Reforms

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

2,492	-	-	1,024	1,468	25	-	-	-	-	-	-	-	2,366
501,321	-	26,578	-	474,743	7,982	-	-	-	-	-	-	-	347,406
4,707	4,707	-	-	-	-	-	-	-	-	-	-	-	4,766
40,457	-	2,940	4,014	31,005	554	-	-	1,618	25	-	-	-	20,549
543,977	4,707	29,518	5,038	508,096	8,561	-	-	1,618	25	-	-	-	175,007

## Sind Onfarm Water Management

- Civil Works
- Civil Works (Advances)
- Incremental Staff & Operating Costs

5,325	-	-	-	-	-	-	-	-	-	(188)	5,513	93	-
732	-	-	-	-	-	-	-	-	-	174	1,558	26	-
6,772	-	-	-	-	-	-	-	-	-	757	6,015	100	-
13,829	-	-	-	-	-	-	-	-	-	743	13,086	219	-

## Second Flood Protection

- Civil Works
- Incremental Staff & Operating Costs

359,657	-	-	-	-	-	89,914	269,743	4,545	-	-	-	-	-
359,657	-	-	-	-	-	89,914	269,743	4,545	-	-	-	-	-

H. H. H.

(Figures in thousand)

	2005												2004
	Through P.C. Sindh												Total
	TOTAL	GOS	GOP	GOS	IDA Share		GOP	ADB Share		GOS	IDA Share		
	Share	Grant	Share	Share			Share	Rs.	US\$	Share	Rs.	US\$	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.	Rs.	US\$	Rs.
Advances from NDP (P.C. Sindh)	(1,000)	-	-	(1,000)	-	-	-	-	-	-	-	-	-
Funds from NDP (H.O)	(353)	-	(353)	-	-	-	-	-	-	-	-	-	3590
Advances & other Receivables	3,535	-	3,391	-	144	3	-	-	-	-	-	-	(2,877)
Exchange Variation (\$/Rs.)	2,220	-	-	-	-	-	-	2,181	-	-	39	-	969,681
TOTAL AUTHORITY EXPENDITURES	2,082,420	4,707	138,103	29,658	1,351,181	22,977	89,914	454,989	7,624	743	13,125	219	52,691
CASH & BANK BALANCES	20,904	357	-	2,630	-	-	-	1,202	20	-	16,715	281	

General Manager (Finance)  
(SIDA)

Managing Director  
(SIDA)