

Sindh Irrigation and Drainage Authority

Financial Statements
For the year ended June 30, 2011

INDEPENDENT AUDITORS' REPORT TO THE SINDH IRRIGATION AND DRAINAGE AUTHORITY

We have audited the accompanying financial statements of **Sindh Irrigation And Drainage Authority (the Authority)**, which comprises the balance sheet as at June 30, 2011, and the related income and expenditure account and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal as the Authority's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. 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 auditor's 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 Authority's preparation 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 Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the 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

- (a) The section 22 (2) of the Sindh Water Management Ordinance, 2002 requires the Authority to follow international accounting standards and other standards as are notified for this purpose in the official Gazette by the Securities and Exchange Commission of Pakistan (SECP), in preparing its financial statements. However, these financial statements, as disclosed in note 2.1, have been prepared in accordance with the requirements of the Accounting and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan and as notified by SECP. Had the financial statements been prepared using international accounting standards as applicable in Pakistan, certain disclosure would have been included in the financial statements.

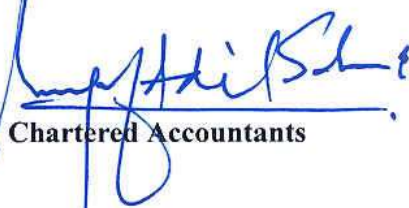
- (b) The management of the Authority did not arrange for sending letters to confirm balances outstanding from donor agencies and governments amounted to Rs. 47.514 million as disclosed in note 9 to the financial statements. We were also unable to obtain sufficient appropriate audit evidence regarding these receivable balances through other audit procedures. Consequently, we were unable to ascertain accuracy and recoverability of these balances.

Qualified Opinion

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraphs (a) and (b) above, the financial statements present fairly in all material respects the financial position of the Authority as at June 30, 2011, and of its income and expenditure and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other Matter

The financial statements of the Authority for the year ended June 30, 2010 were audited by another firm of chartered accountants, who expressed an unmodified opinion thereon vide their report dated March 08, 2011.



Chartered Accountants

Engagement Partner:
Mushtaq Ali Hirani

Karachi
Date: April 25, 2012

SINDH IRRIGATION AND DRAINAGE AUTHORITY
BALANCE SHEET
AS AT JUNE 30, 2011

	Note	2011	2010 Restated ----- (Rupees in '000) -----	2009
PROPERTY, PLANT AND EQUIPMENT	5	38,043	25,525	2,748
CURRENT ASSETS				
Work in progress - projects	6	2,012,126	1,396,904	926,453
Advances and other receivables	7	56,631	87,987	21,129
Short-term deposit and prepayments	8	1,008	314	94
Receivables from donor agencies and governments	9	47,514	39,747	44,230
Cash and bank balances	10	1,185,371	224,034	337,788
		3,302,650	1,748,986	1,329,694
		<u>3,340,693</u>	<u>1,774,511</u>	<u>1,332,442</u>
NON-CURRENT LIABILITY				
Deferred grants	13	3,183,974	1,714,589	1,218,806
CURRENT LIABILITIES				
Creditors, accrued and other liabilities	11	156,719	59,922	113,636
		<u>3,340,693</u>	<u>1,774,511</u>	<u>1,332,442</u>
CONTINGENCIES AND COMMITMENTS	12			

The annexed notes from 1 to 16 form an integral part of these financial statements.

MYAS



Managing Director



Member SIDA Board



General Manager Finance

**SINDH IRRIGATION AND DRAINAGE AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010
	(Rupees in '000)	
INCOME		
Grants received from the Government of Sindh - non project	18,892	14,101
Deferred grant released	192	862
(Amount excess received)/ amount short received from donor agencies on account of reimbursement of expenditure	(20)	397
	19,064	15,360
EXPENDITURE		
Completed Project expenditure	192	862
Non-project expenditure:		
Salaries and allowances	15,320	11,476
Telephone and postage	745	719
Travelling and conveyance	185	276
Electricity	1,031	878
Fuel expenses	948	700
Printing and stationery	306	30
Repairs and maintenance	246	15
Legal and professional	-	300
Others	91	104
	18,872	14,498
	19,064	15,360

The annexed notes from 1 to 16 form an integral part of these financial statements.

WASE


Managing Director


Member SIDA Board


General Manager Finance

**SINDH IRRIGATION AND DRAINAGE AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010 Restated
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for non-cash charges:		
Depreciation	11,149	6,770
Working capital changes		
(Increase) / decrease in current assets:		
Work in progress - projects	(615,222)	(470,451)
Advances and other receivables	33,868	(66,858)
Short-term deposit and prepayments	(694)	(220)
Receivable from donor agencies and governments	(7,787)	165
	(589,835)	(537,364)
(Decrease) / increase in current liabilities:		
Creditors, accrued and other liabilities	96,797	(53,714)
	(493,038)	(591,078)
Expenditure incurred during the year	(19,064)	(15,360)
Net cash outflow from operating activities	(500,953)	(599,668)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(26,179)	(29,547)
Net cash outflow from investing activities	(26,179)	(29,547)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received from donor agencies	1,469,577	501,360
Grants received from the Government of Sindh - non project	18,892	14,101
Net cash inflow from financing activities	1,488,469	515,461
Net increase / (decrease) in cash and cash equivalents	961,337	(113,754)
Cash and cash equivalents at the beginning of the year	224,034	337,788
Cash and cash equivalents at the end of the year	1,185,371	224,034

The annexed notes from 1 to 16 form an integral part of these financial statements.

M/AS


Managing Director


Member SIDA Board


General Manager Finance