

**Sindh Irrigation and
Drainage Authority**

Financial Statements
For the year ended June 30, 2018

INDEPENDENT AUDITORS' REPORT TO THE SINDH IRRIGATION AND DRAINAGE AUTHORITY

Opinion

We have audited the financial statements of **Sindh Irrigation And Drainage Authority (the Authority)**, which comprise of the statement of financial position as at June 30, 2018, and the related income and expenditure account, statement of changes in accumulated surplus and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2018, and of its income and expenditure, changes in accumulated surplus and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements of our report. We are independent of the Authority and complied with ethical requirements in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Pakistan (ICAP Code), and we have fulfilled our other ethical responsibilities in accordance with the ICAP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Hena Sadiq

Date: August 07, 2019
Place: Karachi

**SINDH IRRIGATION AND DRAINAGE AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018**

| | Note | 2018 —(Rupees in '000)— | 2017 |
|---|------|----------------------------|----------------|
| ASSETS | | | |
| Non current assets | | | |
| Property and equipment | 4 | 18,624 | 11,245 |
| Advance to supplier for vehicles | | - | 3,585 |
| Current assets | | | |
| Advance, deposits and other receivables | 5 | 22,832 | 21,886 |
| Prepayments | 6 | 1,410 | 747 |
| Receivable from donor agencies and governments | 7 | 341,834 | 64,028 |
| Balances with banks | 8 | 512,815 | 389,788 |
| | | 878,891 | 476,449 |
| Total assets | | 897,515 | 491,279 |
| FUND AND LIABILITIES | | | |
| Fund | | | |
| Accumulated surplus | | 15,461 | 7,199 |
| Liabilities | | | |
| Non current liabilities | | | |
| Gratuity payable to employees | | 5,683 | 4,324 |
| Current liabilities | | | |
| Funds from donor agencies and governments for specific projects - net | 9 | - | 184,108 |
| Creditors, accrued and other liabilities | 10 | 876,370 | 295,607 |
| Provision for taxation | | - | 41 |
| | | 876,370 | 479,756 |
| | | 897,515 | 491,279 |
| Contingencies and commitments | 11 | | |

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

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Managing Director


Member SIDA Board


General Manager Finance

**SINDH IRRIGATION AND DRAINAGE AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

2018 **2017**
— (Rupees in '000) —

Grant from donor

Grants received from the Government of Sindh - non project

98,661 **98,661**

Non-project expenditure - from Government grant

Salaries and allowances

95,480 **84,408**

Provision for gratuity

1,359 **1,897**

Telephone and postage

191 **447**

Travelling and conveyance

1,562 **1,818**

Electricity

- **2,795**

Printing and stationery

49 **19**

Legal and professional

- **750**

Others

20 **94**

(98,661) **(92,228)**

Surplus during the year

- **6,433**

Other income

Profit on savings accounts

543 **198**

Income on reversal of liability

7,773

Surplus before taxation

8,316 **6,631**

Taxation

(54) **(59)**

Surplus after taxation

8,262 **6,572**

Other comprehensive income for the year

- **-**

Comprehensive income for the year

8,262 **6,572**

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

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Managing Director


Member SIDA Board


General Manager Finance


**SINDH IRRIGATION AND DRAINAGE AUTHORITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2018**

| | 2018 ---- (Rupees in '000) ---- | 2017 ---- (Rupees in '000) ---- |
|--|------------------------------------|------------------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus before taxation | 8,316 | 6,631 |
| Adjustment for non-cash items | | |
| Depreciation | 3,568 | - |
| Provision for gratuity | 1,359 | 1,897 |
| Provision no longer required written off | (21,960) | - |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Advances, deposit and other receivables | 2,639 | 657 |
| Prepayments | 63,365 | (2,842) |
| | 66,004 | (2,185) |
| Increase / (decrease) in current liabilities | | |
| Creditors, accrued and other liabilities | 580,763 | 160,329 |
| | 638,050 | 166,672 |
| Taxes paid | (95) | (2,126) |
| Net cash generated from operating activities | 637,955 | 164,546 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Addition to property and equipment | (10,947) | (7,781) |
| Net cash used in investing activities | (10,947) | (7,781) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Funds received from donor agencies and governments for specific projects - net | 3,357,614 | 2,773,476 |
| Costs incurred on specific projects | (4,547,606) | (3,204,321) |
| Advances utilized for specific projects | 686,011 | 107,138 |
| Net cash used in financing activities | (503,981) | (323,707) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 123,027 | (166,942) |
| Cash and cash equivalents as on July 01 | 389,788 | 556,730 |
| Cash and cash equivalents as on June 30 | 512,815 | 389,788 |

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


Managing Director


Member SIDA Board


General Manager Finance