



KARACHI WATER & SEWERAGE BOARD
FINANCE DEPARTMENT

No.Dir.(Audit)/KW&SB/KWSSIP/21/ *50/L*

Dated: 24th March, 2021

M/s. Naveed Zafar, Ashfaq, Jaffery & Co.,
3rd Floor, KW&SB Head Office,
Karachi.

SUB: FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2006-07

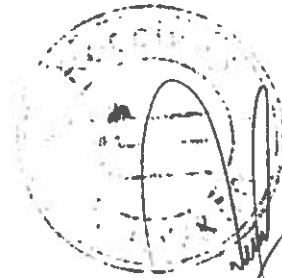
Please refer to your letter bearing No.NZAJ/KHI/AUD/07 dated 18th March, 2021 on the subject captioned above.

Enclosed please find herewith the Financial Statements duly approved and signed by the Managing Director and the Deputy Managing Director (Finance), KW&SB. You may now issue the report as desired.

[Signature]
DIRECTOR (Audit) *24/3/21*
KW&SB.

Copy for information to:

1. The Managing Director, KW&SB.
2. The Dy. Managing Director (Finance), KW&SB



[Signature]
24/03/21

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24/3/21
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24/03/21
O/c

NOTE SHEET
(Finance Department)
(1)

Paras

Reference

SUB: FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2006-07

1/ This is with reference to letter No.NZAJ-KHI/AUD/07 dated 18th March, 2021 on the subject captioned above, copy placed at Flag-A.

2/ Under the aforesaid letter the Auditors, M/s.Naveed Zafar Ashfaq Jaffery & Co. has submitted two (02) copies of Draft Audit Report on the draft financial statements for the year ended June 30, 2007 for perusal and signature of the MD, KW&SB. The Auditors states that they will issue their report with or without further modification after the financial statements have been approved and signed by the Managing Director, KW&SB and the Deputy Managing Director (Finance), KW&SBB.

3/ Submitted for perusal and to sign at the places where the names of MD, KW&SB and the DMD (Finance), KW&SB have been written in the enclosed Financial Statement for the year ended June 30, 2007.

D.M.D. (Finance)

Managing Director, KW&SB

[Signature]
DIRECTOR (Audit) 22/3/21

[Signature]
DMD(F)

[Signature]
Dir (Audit)

[Signature]
22/3/21

March 18, 2021
NZA-KHI/AUD/07

The Managing Director,
Karachi Water & Sewerage Board

Dear Sir(s)

Financial statement for the year ended June 30, 2007

We are pleased to enclose our draft audit report on the draft financial statements for the year ended June 30, 2007 prepared by the management of the Board, duly initiated by us for identification purposes. We shall be pleased to sign and issue our report with or without further modification after:

a) the financial statements have been approved and signed by the Managing Director and Deputy Managing Director (Finance)

b) we have received confirmations in respect of Board's bank accounts maintained with the following banks:

- (i) Allied Bank - Miscellaneous Deposit Account - Saima Trade Branch.
- (ii) Allied Bank - Current Receipt Account - Mohamamad Ali Society Branch.
- (iii) Bolan Bank limited - Deposit Account - Gulshan-e Iqbal Branch.
- (iv) Bolan Bank limited - Current Receipt Account - Gulshan-e Iqbal Branch.
- (v) Bolan Bank limited - Miscellaneous Deposit Account - Gulshan-e Iqbal Branch.
- (vi) Habib Bank Limited (All accounts) - Sindh Secretariat Branch.
- (vii) National Bank Limited - Treasury Account - EOB House Branch.
- (viii) United Bank limited - UTIP Account - Shaheed-e-Millat Road Branch.
- (ix) United Bank limited - TKP Account - Shaheed-e-Millat Road Branch.
- (x) United Bank limited - Current Receipt Account - Shaheed-e-Millat Road Branch.

c) We have received the Managing Director's resolution specifically approving the following:

Sr.#	Particulars	"Rupees"
1.	Addition of property, plant and equipment- at cost	2,602,705/-
2.	Disposal of property, plant and equipment	Nil
3.	Depreciation for the year	793,352,429/-
4.	Amortization of Grant for the year	15,840,381/-
5.	Addition in capital work in progress	1,003,091,559/-
6.	Investment made during the year.	100,000,000/-

- d) We have received representation letter duly signed by the Managing Director and Deputy Managing Director (Finance) as per draft provided by us.
- e) We have received system generated adjusted pre closing and post-closing trial balances.

RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors, in an audit of financial statements, are explained in International Standard on auditing 200 "Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing." While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of the financial reporting framework, which includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error. The management's responsibilities include providing the auditor with;

- (i) all information, such as records and documentation, and other matters that are relevant to the preparation and presentation of the financial statements;

- (ii) any additional information that the auditor may request from the institution and, where appropriate, those charged with governance; and

- (iii) Unrestricted access to those within the entity from whom the auditor determines it necessary to obtain audit evidence. The audit of the financial statement does not relieve the management of its responsibilities. Accordingly, our Examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements

We would like to draw your attention toward the following important matters:

1. Trade Debtors

It was observed during the course of audit, the management failed to fulfill their responsibility by not taking effective measures to recover outstanding dues from defaulters. Thus the Board is deprived of its major source of revenue, which constitutes weak financial management and lack of interest of the concerned department. Therefore, necessary steps are required to enforce the prescribed procedures for recovery of arrears and achievement of targeted revenue.

2. Capital Work in Progress

1. TAMEEER E KARACHI PROGRAM:

Capital expenditure amounting to Rs.263, 293,028/- on account of Tameer e Karachi Program includes part payment by City District Government Karachi. However, the basis of payment on behalf of CDGK ranging from 25% to 50% could not be ascertained by the supporting bills.

II. THE GREATER 100 MGD WATER SUPPLY (K-III):

Management of the Board is unable to provide us with the supporting vouchers of the expenditure incurred on account of development work on 100 MGD water supply (K-III).

3. Cash and Bank Balances

The Trial balance does not reflect the opening balances and for the year activity of the individual bank accounts, thus creating an overall difference of closing bank balances.

4. Consumer Security Deposit

The accounting system does not generate consumer wise report showing the deposits made during the year in lieu of water connection.

5. Execution of Contracts

The Board does not maintain Project Completion Reports (PC-I to PC-V) of schemes/projects executed through contractors.

6. Award of Contract

Management does not invite open tenders which results in award of contracts in a non-transparent manner. Therefore, in the absence of open tenders the Board failed to achieve competitive rates consequently, affecting the revenue and expenditure of the department.

7. Payment to Contractors

We observed that management releases part payment to contractors without any supporting documents purely at their discretion. There is no formal policy or basis adopted by the Board for making on account payments to the contractors.

8. Expenditure

Every payment voucher must be supported by a third party invoice / bill. All financial transactions should be duly authorized and recorded promptly, clearly, accurately, logically and coherently. However, in a number of cases the details were not attached with the payment vouchers.

I. PAYROLL:

List of employees joined and resigned during the year does not match with the employees monthly payroll sheets.

II. MEDICAL FACILITIES:

In case of expenditure on account of medical and laboratory facilities to the employees, supporting bills are not attached with the vouchers.

III. LEGAL AND PROFESSIONAL CHARGES:

We have not been provided the agreements of the legal advisors during the course of audit and we could not ascertain what services have been rendered by them and the payments made to them against those services...

IV. SERVICE CHARGES AGAINST COST OF RAW WATER:

We have not been provided with the agreements with the Government of Sindh & Water and Power Development Authority (WAPDA) in lieu of irrigation services for making the raw water available to the Bulk Transmission and Distribution.

V. CHEMICALS CONSUMED

We have not been provided the supporting third party evidences for the expenditure incurred on account of process of chlorination of raw water amounting to Rs. 62,957,318/- during the year.

VI. REPAIR AND MAINTENANCE OF VEHICLES:

We have not been provided any Log books, history sheets, vehicle maintenance record against vehicle maintenance expenditure amounting to Rs. 67,329,834/-

9. Revenue

Resource and Revenue Generation Department does not maintain separate billing summary reports for Bulk and Retail consumers. Therefore, due to non-reconciliation of collection/receipts resulted into non-authentication of receipts. However, the collection should be reconciled from Finance & Accounts Department on monthly basis.

10. Internal audit functions

It has been noted that internal audit function, apart from pre-audit of payments and post-audit of transactions, may be extended to compliance and monitoring required under its operating manual. Further, we have not been provided any internal audit report. There should be a separate section in finance department instead of audit department which should pre-review all large payments as the basic responsibility is that of Finance and not of audit.

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11. Financial and Accounting Policies.

We have noted that certain departments do not have documented accounting and financial policies and procedures, Further the Key personnel should be made aware of the accounting policies and standard operating procedures that must be adopted by the Board. This results into inconsistencies and application of policies.

12. Accounting Software:

We noticed that the Cathode Ray Tube (CRT), computerized accounting software has been employed by the Board. However, we are of the view that the software has not been updated for a long time and has therefore, been outdated, particularly with the modernization in the field of finance and accounts.

13. General:

We have been advised by the management that as of the date of financial statements:

- (i) All events subsequent to the date of financial statements have been adjusted and disclosed
- (ii) There are no contingencies and commitments other than those disclosed in the enclosed draft financial statements.

We wish to place on records the courtesy and co-operation extended to us by your staff during the course of our audit.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants.

KARACHI WATER AND SEWERAGE BOARD



Auditors' Report

Report on the Financial Statements

We have audited the annexed balance sheet of Karachi Water and Sewerage Board (the Board) as at June 30, 2007 and the related income and expenditure account and the cash flow statement together with the notes forming part thereof (hereinafter referred to as the "financial statements") for the year then ended.

Management's Responsibility for the Financial Statements

It is the responsibility of the Board's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on the audit conducted in accordance with International Standards on Auditing. Because of the matters described in the 'Basis for Disclaimer' of Opinion paragraph, we were unable to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. As disclosed in note 6.1 to the financial statements, long term loan from international lending agencies represent proceeds of the credit available to the Provincial Government through Federal Government. This is further subsidized, under a subsidiary loan agreement, to Karachi Metropolitan Corporation in order to make such proceeds available to Karachi Water and Sewerage Board for the execution of the projects. However, the provision of financial charges has not been made in these financial statements.
2. As disclosed in note 6.2 to the financial statements, an amount of Rs. 99,906,647/- represents loan credited to Karachi Development Authority in 1987 by the Provincial Government. However in the absence of relevant documentation, no provision of financial charges has been made in these financial statements.
3. As disclosed in note 6.3 to the financial statements, an amount of Rs. 57,977,000/- represents loan from Government of Sindh for the execution of various development schemes. We have not been provided any documentation regarding such loan, consequently no provision of financial charges has been accounted for in these financial statements.
4. An amount of Rs.243,917,940/- disclosed in note 7 to the financial statements, represents Rs.15,794,429/- as non-refundable water connection security deposit retained by the Board until the connections are no longer required. The reconciliation of active bulk and retail consumers is not maintained by the concerned Resource and Revenue Generation department. Therefore, in the absence of such record we are unable to verify the accuracy of the amount so retained.

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5. As disclosed in note 8 to the financial statements, an amount of Rs. 19,496,896/- represents payable to the contractors on account of civil work executed on development projects and schemes. However, we have not been provided the list of contractors by the management in order to verify the accuracy of the outstanding balances. Consequently, the balances remain unconfirmed.
6. Accrued expenses, as disclosed in note 9.1 to the financial statements, include an amount of Rs. 54,261,450/- which represents interest on loan provided by Provincial Government to Karachi Development Authority in 1987. However, no provision for interest subsequent to June 30, 1993 has been made in these financial statements.
7. As disclosed in note 9.1 to the financial statements, an amount of Rs. 2,641,712,052/- represents dues outstanding to Karachi Electric Supply Corporation on account of electricity expense. However, we are unable to confirm the balance outstanding.
8. As disclosed in note 9.1.1 to the financial statements, an amount of Rs. 157,613,358/- represents payable on account of staff retirement benefits. It includes amount outstanding in lieu of general provident fund of the employees. As per the Sindh General Provident Fund Rules 1938, Government shall pay interest to the credit of the account of an employee subscribed at such rate, as may be prescribed by the Government of Sindh annually. Further, the information and amount in respect of opening balances and contribution made to the fund differs from the information provided by the Fund department. Also, no provision of interest has been accounted for in these financial statements.
9. As disclosed in note 9.1.2 to the financial statements, a sum of Rs. 63,248,045/- represents share of fire and conservancy charges collected on behalf of City District Government Karachi. Proper record of the recovery against such charges has not been maintained by the concerned department. Therefore we are unable to reconcile the amount outstanding.
10. As disclosed in note 13 to the financial statements, an amount of Rs. 2,602,705/- represents additions made in office equipment and furniture. The Board does not have consolidated division wise fixed assets register in order to reconcile it with the amount of additions appearing in these financial statements. Therefore, in the absence of record we are unable to verify the physical existence of the items appearing in Property, Plant and Equipment.
11. With respect to Foreign and Government aided projects, as disclosed in note 14 to the financial statements, the project completion report is not available. The Planning Commission Performa (PC-IV) is required to be submitted at the time when the project is adjudged to be completed. Although the projects have been completed physically, yet they are classified under capital work in progress. Consequently, the projects have not been classified to the proper head of accounts due to non-availability of their completion reports; hence no impact of depreciation is accounted for in these financial statements.
12. As disclosed in note 15 to the financial statements, trade debtors amounting to Rs. 8,150,309,336/- represents the dues outstanding from the consumers against water and sewerage charges. The detailed breakup of bulk and retail consumers of water and sewerage could not be ascertained in the absence of any record. Accordingly, the balance so stated is not directly confirmed by the consumers.

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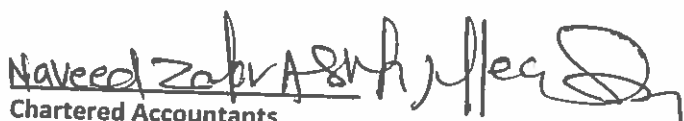
13. The board has created provision for doubtful debts amounting to Rs. 3,405,571,836/- (2006: Rs. 3,218,678,823/-) as at the year end. However, we have not been provided the computation for provision recognized during the year nor any breakup of such provision has been made available. Furthermore, the Board did not take any legal action to recover these past overdue balances. As disclosed in note 3.10 to the financial statements, the Board's policy is to maintain a provision for doubtful debts at varying rates depending upon the outstanding periods thereof. However, in the absence of age analysis of trade debts, we have not been able to determine the adequacy of provision for doubtful debts.
14. As disclosed in note 17 to the financial statements, the amount of Rs. 304,793,307/- represents dues from Karachi Development Authority and Karachi Metropolitan Corporation appearing in the books since the time of separation and forming a body corporate under Government of Sindh. The nature of such receivable could not be ascertained and the management could not provide proper documentation in this regard. The management is of the view that the balance will remain constant subsequently.
15. As disclosed in note 21 to the financial statements, cost of revenue includes expenditure on account of repair and maintenance on the projects and schemes. The project performance (PC-V) is required to be furnished on an annual basis for a period of five years by the agencies responsible for the operation and maintenance of the projects. However in the absence of such information, we couldn't authenticate the actual amount of capital and revenue expenditure incurred on the projects during the year.
16. Confirmations from legal advisors dealing with significant cases have not been received, due to which we have not been able to verify the existence of any legal disputes which may require disclosures of contingencies or which may have a material impact on the financial statements at the reporting date.

The financial statements of Karachi Water & Sewerage Board for the year ended June 30, 2006 were audited by another firm of Chartered Accountants, who expressed a qualified opinion on those statements on October 06, 2010.

Disclaimer of Opinion

Because of the significance of the matters described above in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

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Naveed Zafar Ashfaq Jaffery

Chartered Accountants

Karachi:


Dated: 22 JUN 2021

KARACHI WATER AND SEWERAGE BOARD
BALANCE SHEET
AS AT JUNE 30, 2007

		2007	2006
	Note	Rupees	
RESERVES			
Capital Reserves	4	3,770,914,242	3,770,914,242
Accumulated Deficit		(14,474,351,276)	(12,711,497,887)
FUND ACCOUNT	5	15,696,048,905	14,838,636,275
NON CURRENT LIABILITIES			
Long term loans	6	25,822,591,199	25,954,990,179
Long term deposits	7	243,917,940	228,123,511
		26,066,509,139	26,183,113,690
CURRENT LIABILITIES			
Trade creditors	8	19,496,896	5,047,700
Accrued and other liabilities	9	2,926,875,176	1,514,151,240
Short term deposits	10	824,416,197	685,472,649
Current maturity of long term loans	11	6,011,366,047	4,967,641,351
		9,782,154,316	7,172,312,940
		40,841,275,326	39,253,479,260
CONTINGENCIES AND COMMITMENTS	12		
NON CURRENT ASSETS			
Property, plant and equipments	13	17,144,516,874	17,935,266,600
Capital work in progress	14	14,335,989,079	13,332,897,520
		31,480,505,953	31,268,164,120
CURRENT ASSETS			
Trade debtors	15	8,150,309,335	6,771,529,234
Loans and advances	16	4,888,560	6,475,161
Other receivables	17	304,793,307	304,793,307
Short term investment	18	100,000,000	-
Cash and bank balances	19	800,778,171	902,517,438
		9,360,769,373	7,985,315,140
		40,841,275,326	39,253,479,260

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


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR
(FINANCE)

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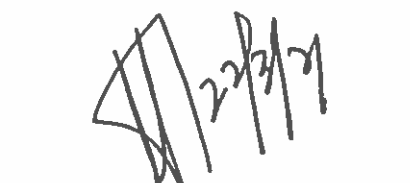
**KARACHI WATER AND SEWERAGE BOARD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007**

	Note	2007 Rupees	2006
Revenue from water and sewerage	20	3,737,860,264	3,141,901,076
Cost of revenue	21	(3,316,068,743)	(3,127,553,726)
Gross profit		421,791,521	14,347,350
Administrative expenses	22	(299,350,572)	(220,099,793)
Operating profit		122,440,949	(205,752,443)
Other income	24	260,870,723	59,673,825
Other expenses	23	(965,685,061)	(976,058,672)
Financial charges	25	(1,180,480,000)	(1,183,231,676)
Deficit for the year		(1,762,853,389)	(2,305,368,966)
Accumulated deficit brought forward		(12,711,497,887)	(10,406,128,921)
Accumulated deficit carried forward		(14,474,351,276)	(12,711,497,887)

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


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR
(FINANCE)

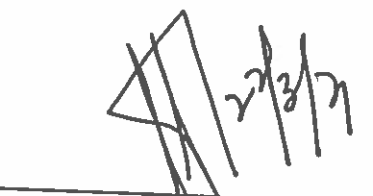
KARACHI WATER AND SEWERAGE BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007

	2007	2006
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Deficit for the year	(1,762,853,389)	(2,305,368,966)
Adjustment for :		
Depreciation	777,512,048	818,413,619
Operating deficit before working capital changes	<u>(985,341,341)</u>	<u>(1,486,955,347)</u>
Working capital changes:		
(Increase) / decrease in current assets		
Trade debtors	(1,378,780,101)	(863,985,456)
Loans and advances	1,586,601	2,899,566
	<u>(1,377,193,500)</u>	<u>(861,085,890)</u>
Increase / (decrease) in current liabilities		
Trade creditors	14,449,199	(9,050)
Accrued and other liabilities	1,412,723,936	855,476,393
Short term deposits	138,943,548	129,113,979
Current maturity of long term loans	1,043,724,696	1,429,487,951
	<u>2,609,841,379</u>	<u>2,414,069,273</u>
Net cash generated from operation	<u>247,306,538</u>	<u>66,028,036</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(2,602,705)	(1,596,611)
Capital work in progress	(1,003,091,559)	(3,349,115,334)
Net cash outflow from investing activities	<u>(1,005,694,264)</u>	<u>(3,350,711,945)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Grants	873,253,010	2,405,227,161
Long term loans	(132,398,980)	519,600,207
Long term deposits	15,794,429	12,448,826
Net cash inflow from financing activities	<u>756,648,459</u>	<u>2,937,276,194</u>
Net (decrease) in cash and cash equivalents	(1,739,267)	(347,407,715)
Cash and cash equivalents at the beginning of the year	902,517,438	1,249,925,153
Cash and cash equivalents at the end of the year	<u>900,778,171</u>	<u>902,517,438</u>

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

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MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR
(FINANCE)

**KARACHI WATER AND SEWERAGE BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

1 LEGAL STATUS AND NATURE OF BUSINESS

Karachi Water & Sewerage Board (KW&SB) is a body corporate, established on 21st February 1983 as a Board within the Karachi Metropolitan Corporation (KMC) under Chapter XVI Section 121 of the Sindh Local Government (Amendment) Ordinance, 1983 (the Ordinance).

From that date it took over the water distribution system from Karachi Water Management Board (KWMB), Bulk Water Transmission from Karachi Development Authority (KDA) and sewerage system from Karachi Metropolitan Corporation, in all the districts of Karachi. The KW&SB has been separated from KMC and formed as a body corporate under the direct control of the Government of Sindh (GOS) vide Karachi Water and Sewerage Board Act, 1996 assented, by the Provincial Assembly of Sindh on 15th April, 1996.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Sindh Local Government (Amendment) Ordinance, 1983 (the Ordinance), the Sindh Council (Budget) Rules 1985, the Karachi Water and Sewerage Board Act, 1996 and the generally accepted accounting principles as applicable in Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except, for sewerage assets transferred from Karachi Metropolitan Corporation in 1983 and accounted for in the books of accounts in the year 1995-96, on the basis of valuation done by the Board's consultant at the replacement and current market values.

Accrual concepts

These accounts have been prepared on accrual basis, except certain employees benefits expenditure, which are recognized on payment basis. This practice is in accordance with the provision of section 74 sub section (1) and (2) of the Sindh Council (Budget) Rules 1985.

Presentation of Financial Statements

The form of presentation of these financial statements accord generally with the need of major International Lending Agencies.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

3 Significant Accounting Policies

The principal accounting policies adopted are set out below:

3.1 Government grants

Assets-related to grant received from government are initially recognized in grant as deferred credit and carried to balance sheet and upon completion of the project, are appropriated as income by setting off against the charge of depreciation as given in note 3.2 on a systematic basis over the useful life of the related assets.

3.2 Creditors, accrued and other liabilities

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

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3.3 Short-term deposits

These represent work executed on the authorization / approval of GOS and, other agencies through contractors and excess of work done over payments to contractors on account of specific work is classified as short-term deposits

3.4 Staff retirement benefits

According to the Ordinance, the Pension, Gratuity and other service benefits admissible to employees of Karachi Development Authority, Karachi Metropolitan Corporation and Karachi Water Management Board, who retired or died while serving in Water Supply and Sewerage Services before the commencement of the Ordinance shall be the responsibility of the Board. Payment in respect of all staff retirement benefits whenever due are being made by the Board and duly accounted for in the books of accounts, annual provisions are made to meet the obligation of pension and other employees benefits.

3.5 Property, Plant and equipment

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets except land is charged to income applying the reducing balance method at the rate specified in the Income Tax Ordinance, 1979 except in the case of motor vehicles which are depreciated @ 10% per annum.

In respect of additions, depreciation is charged for the full year and no depreciation is charged on deletions in the year of disposal. Gains and losses, if any, on disposal of assets during the year are taken to income and expenditure account.

The assets shown under 'schemes' represents capital expenditure incurred on the specific Schemes and Projects. These include cost of pipelines, civil works, equipments, furniture and establishment expenditure. Expenses on minor repairs, improvement and development of pipelines etc., are charged to income and expenditure account as and when incurred.

Assets taken over from KMC in 1983 were incorporated in these accounts as fixed assets during the year 1995-96 on the basis of a valuation placed by Board's consultants. The related credit has been accounted for as capital reserve. Depreciation is being charged from the date of incorporation of these assets in the books of accounts of the Board.

Sewerage assets generally include mains, sewers, impounding and pumped raw water storage reservoirs and sludge pipelines and plants and machinery

Expenditure relating to increase in capacity or enhancement of the network is treated as additions to the sewerage assets. Expenditure on maintaining the operating capabilities of network is charged as operating costs.

Sewerage assets are depreciated over their estimated operational economic lives. Assets in the course of construction are not depreciated until commissioned.

3.6 Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment, if any, and consists of expenditure incurred and advances made in respect of property, plant and equipment in the course of the acquisition, erection, construction and installation, including salaries and wages and any other costs directly attributable to capital work-in-progress. The assets are transferred to relevant category of operating fixed assets when those are available for use. Spare parts, standby equipment and servicing equipment are recognised as property plant and equipment when these meet the conditions to be classified as such.

3.7 Stores and spares

Stores and spares are valued on average cost. Stores and spares purchased for projects are charged off to relevant projects irrespective of their physical consumption/usage. Other direct purchases of stores and spares are charged to relevant budget grants. The applicability of the provision of Para 115 (b) Section II of Sindh Financial Rules relating to the valuation of the inventories in hand at the end of the year are not considered due to their insignificant value at the close of the year.

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3.9 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include current and deposit accounts held with banks. A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments.

3.10 Provision for doubtful debts

The Board's policy for provision for doubtful debts is made as per the following estimates.

Debtors outstanding for the period:

1-2 Years	5%
2-3 Years	10%
3-4 Years	15%
4-5 Years	50%
5 Years and above	100%

3.11 Revenue recognition

Income on account of water and sewerage charges is recognized on accrual basis.

Interest income from banks is accounted for on the basis of actual receipts net of withholding tax.

3.12 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

3.13 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

N2M

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

	2007	2006
	Rupees	
4 Capital Reserves		
<i>Excess of assets over liabilities transferred from KDA</i>	4.1 950,718,551	950,718,551
<i>Excess of liabilities over assets transferred from KWMB</i>	(110,298,456)	(110,298,456)
<i>Bulk water cost payable to KDA by KMC on behalf of KWMB</i>	144,229,751	144,229,751
	33,931,295	33,931,295
<i>Assets transferred from KMC</i>	4.2 2,763,163,938	2,763,163,938
<i>Debtors balances</i>	4.3 23,100,458	23,100,458
	<u>3,770,914,242</u>	<u>3,770,914,242</u>

4.1 These represents:

<i>Debentures treated as grant to be settled under terms of memorandum of understanding</i>	4.1.1 1,109,787,500	1,109,787,500
<i>Purchase creditors</i>	1,214,866	1,214,866
<i>Deposits and other liabilities</i>	35,081,135	35,081,135
<i>Employees contribution funds net of investments</i>	32,202,632	32,202,632
<i>Long term loans due for repayment</i>	105,369,074	105,369,074
<i>Debit balance of reserves</i>	(259,932,201)	(259,932,201)
<i>Water charges receivable - net</i>	(63,962,051)	(63,962,051)
<i>Other receivables and dues</i>	(9,042,404)	(9,042,404)
	<u>(332,936,656)</u>	<u>(332,936,656)</u>
	<u>950,718,551</u>	<u>950,718,551</u>

These are incorporated in the books of account of the Board on the basis of consultant's reports. Such reports were approved by the Board in its meeting held on April 17, 1986.

4.1.1 These debentures were issued by the KDA and at the time of taking over of assets and liabilities these were incorporated as capital reserves and hence no interest has been charged in accounts since 1983.

4.2 This represents assets transferred from KMC in 1983. Due to non-availability of proper record, these were not taken into account in earlier years upon the transfer. A consultant was appointed to carry out the valuation of these assets. The consultant's report was considered by the Board and value assigned to these assets by the consultant were incorporated in these financial statements.

4.3 This represents the net effect of restatement of consumers receivable on account of balance outstanding against water bills abstained from input into the computer system.

5 FUND ACCOUNT

Funds released by Federal and Provincial Government for:

The Greater 100 MGD Water Supply (K-III) Project

Tameer-e-Karachi Programme

Foreign aided projects

Grant from Government of Sindh

5.2	6,525,376,857	5,878,000,000
5.3	317,651,673	50,000,000
5.1	3,991,728,491	3,991,728,491
	10,834,757,021	9,919,728,491
5.4	4,861,291,884	4,918,907,784
	<u>15,696,048,905</u>	<u>14,838,636,275</u>

5.1 Foreign aided projects

Counter part funding by international lending agencies

Counter part funding by Overseas Development Association

3,664,377,664	3,664,377,664
327,350,827	327,350,827
<u>3,991,728,491</u>	<u>3,991,728,491</u>

5.2 This represents fund released by the Federal Government as *Grant in Aid* for the execution of the Greater 100 MGD Water Supply (K-III) Project. The Board undertakes its execution through local contractors for all civil, electrical and mechanical works.

5.3 This represents release of fund from Provincial Government and City District Government Karachi (CDGK), as the program is envisaged to be carried out through their concerted efforts. It is to facilitate the construction and rehabilitation of roads, bridges and flyovers, rehabilitation of rivers and nullahs, removal of transport bottlenecks, expansion and improvement of water supply, drainage and sewerage services.

NZM

- 5.4 This represents the amount adjusted by the Federal Adjuster Government of Pakistan (G.O.P) out of monthly releases of Government of Sindh (G.O.S) on account of Karachi Electric Supply Corporation (K.E.S.C), dues payable by the Board vide Government of Sindh (G.O.S) letter No. FD (W&M -I) 14(16)/95, dated April 23,1996 and further confirmation by Chief Controller Billing (K.E.S.C). Previously, this amount was treated as liability , now the management of the board is of the view that this amount will not be demanded by the Government of Sindh (G.O.S) thus it is no longer considered as liability.

	2007	2006
	Rupees	
6 LONG TERM LOANS		
Loan from International lending agencies	6.1 25,664,707,552	25,795,416,532
Provincial government loan transferred from KDA	6.2 99,906,647	101,596,647
Loan from Government of Sindh	6.3 57,977,000	57,977,000
	<u>25,822,591,199</u>	<u>25,954,990,179</u>
6.1 International Lending Agencies		
International Development Association (IDA)		
-1374 PAK		
Principal	314,423,000	339,810,292
Financial charges	155,797,730	53,994,955
	<u>470,220,730</u>	<u>393,805,247</u>
-1652 PAK		
Principal	569,536,089	600,560,128
Financial charges	382,611,911	619,269,545
	<u>952,148,000</u>	<u>1,219,829,673</u>
-1987 PAK		
Principal	6,722,619,121	6,800,250,672
Financial charges	6,574,386,016	6,553,761,551
	<u>13,297,005,137</u>	<u>13,354,012,223</u>
	<u>14,719,373,867</u>	<u>14,967,647,143</u>
Asian Development Bank (ADB)		
-SF-793 PAK		
Principal	751,689,072	768,871,100
Financial charges	372,401,928	384,607,854
	<u>1,124,091,000</u>	<u>1,153,478,954</u>
-SF-1001 PAK / 1002 PAK		
Principal	2,481,686,851	2,522,871,945
Financial charges	2,610,916,149	1,963,033,896
	<u>5,092,603,000</u>	<u>4,485,905,841</u>
	<u>6,216,694,000</u>	<u>5,639,384,795</u>
Commonwealth Development Corporation (CDC)		
-L-2747-01		
Principal	871,911,290	962,670,700
Financial charges	586,728,710	927,498,877
	<u>1,458,640,000</u>	<u>1,890,169,577</u>
Overseas Economic Co-operation Fund (OECF)		
-PK-P40		
Principal	3,003,964,764	3,056,172,312
Financial charges	266,034,921	242,040,705
	<u>3,269,999,685</u>	<u>3,298,213,017</u>
	<u>25,664,707,552</u>	<u>25,795,414,532</u>

Represent loans and related financial charges made available to Karachi Water and Sewerage Board by Federal Government through Government of Sindh and Karachi Metropolitan Corporation. The loan-wise summary of covenants is as follows:

6.1.1	Loan Number	1374-Pak	1652-Pak	1987-Pak	SF-793 Pak	SF-1001 Pak	SF-1002 Pak	L-2747-01	PK-P40
	Date of main agreement	30-06-83	24-02-86	19-05-93	-	19-03-90	19-03-90	25-02-90	-
	Lending Agency	IDA	IDA	IDA	ADB	ADB	ADB	CDC	OECF
	Agreed amount of loan (in SDR million)	23.00	19.45	163.50	17.89	39.91	26.61	25.00	V10.300M
	Financial charges annually (%)	11.00	11.00	11.00	7.00	7.00	7.00	11.00	3.00
	Other charges								
	Commitment Charges annually (%)	0.50	0.50	0.50	-	0.75	0.75	0.75	0.10
	Service Charges annually (%)	0.75	0.75	0.75	-	0.10	0.10	-	0.10
	Repayment period in Years	25	25	25	25	35	25	13	21
	Grace period in Years	5	6	6	5	10	10	5	5
	No of biannual Installments	40	38	40	40	50	40	26	41
	Prepayment date each year	01-Mar & 01 Sept	15 May & 15 Nov	15 Mar & 01 Sept	15 Mar & 15 Nov	15 June & 15 Dec	15 June & 15 Dec	15 Apr & 15 Oct	20 May & 20 Nov
	Repayment starting date	9-Jan-96	15-May-00	1-Sep-04	15-May-01	15-Dec-07	15-Dec-07	15-Oct-02	6-Aug-06
	Representing share of agency % against major works	75	78	80	78	80	80	100	92
	Date of financial closure	31-Oct-91	30-Dec-93	30-Jun-98	31-Dec-95	30-Sep-97	30-Sep-97	-	30-Sep-99

N2M

6.1.2 Other charges represent commitment and service charges payable semi annually to the Provincial Government by the Karachi Metropolitan Corporation on behalf of the Board.

6.2 This represent loans transferred from Karachi Development Authority in 1986-87 and accordingly accounted for in these accounts at the principal amount thereof. No provision for interest subsequent to June 30, 1993 has been made in these accounts as the management of the Board considers that such provision is not required.

6.3 It includes loan of Rs.10,000,000/- transferred from Karachi Water and Management Board at the time of taken over its assets and liabilities. This loan was provided for installation of community tap system at Orangi. The balance represents funds released by Government of Sindh for the execution of various development schemes.

		2007	2006
		Rupees	
7 Long term Deposits			
Consumers security deposits	7.1	<u>243,917,940</u>	<u>228,123,511</u>
7.1 Movement in deposits			
Balance as at July 01, 2006		228,123,511	215,674,685
Add: Deposits made during the year	7.1.1	<u>15,794,429</u>	<u>12,448,826</u>
Balance as at June 30, 2007		<u>243,917,940</u>	<u>228,123,511</u>
7.1.1 These represents deposits from consumers which are repayable at the time when meter connection of consumer is permanently disconnected after adjustment thereof against any amount receivable.			
8 Trade Creditors			
Payable to contractors for work executed		<u>19,496,896</u>	<u>5,047,700</u>
9 Accrued and other liabilities			
Accrued expenses	9.1	2,922,583,625	1,511,710,482
Other liabilities	9.3	<u>4,291,551</u>	<u>2,440,758</u>
		<u>2,926,875,176</u>	<u>1,514,151,240</u>
9.1 Accrued expenses			
Payable to Karachi Electric Supply Corporation		2,641,712,052	1,319,201,342
Payable to employees	9.1.1	157,613,358	133,867,850
Payable against share of fire and conservancy	9.1.2	63,248,045	-
Payable against gas charges		2,178,720	2,089,840
Interest payable on loans transferred from KDA and KWMB	9.1.3	54,261,450	54,261,450
Audit Remuneration		3,570,000	2,290,000
		<u>2,922,583,625</u>	<u>1,511,710,482</u>
9.1.1 The Board makes an aggregate provision of 18 percent per annum on account of staff retirement benefits. The Board considers this provision adequate enough to pay off its employees at the time of their completion of service period.			
9.1.2 This represent share of fire and conservancy charges payable to City District Government Karachi in conjunction with the water and sewerage bill, an invoice is rendered by the Board on behalf of CDGK to recover 25% of water bill in lieu of conservancy charges in order to meet the cost of solid waste services and 10% of water bill against meeting the cost of fire fighting department.			
9.1.3 This represents interest payable against loan incorporated in 1986-87 from Karachi Development Authority and Karachi Water & Manangement Board . However no provison of interest has been made in these financial statements.			
9.3 Other liabilities			
Unpaid wages	9.3.1	3,350,734	1,523,700
Withholding tax payable		669,426	655,737
Zakat payable	9.3.2	<u>271,391</u>	<u>261,321</u>
		<u>4,291,551</u>	<u>2,440,758</u>
9.3.1 This represents the amount on account of wages, to labour staff allotted to the projects or schemes, that remains unclaimed at the time of payment.			
9.3.2 This represents zakat deducted from employees at the time of final settlement of their dues.			

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10 SHORT TERM DEPOSITS

Security deposit from contractor

10.1 824,416,197 685,472,649

10.1 This represents refundable earnest money received from contractors in connection with award of contracts for the execution of work on projects or schemes by the Board.

11 Current maturity of long term loans

International Lending Agencies

Loan by Provincial Government transferred from KDA

11.1 5,979,042,647 4,937,007,951
32,323,400 30,633,400
6,011,366,047 4,967,641,351

11.1 International Lending Agencies

International Development Association (IDA)

-1374 PAK

Principal

Financial charges

187,878,999	162,059,999
594,039,443	557,303,953
781,918,442	719,363,952

-1652 PAK

Principal

Financial charges

134,034,135	125,401,189
675,062,714	609,893,000
859,096,999	763,642,999
1,641,015,441	1,483,006,951

Payment made against loan:

Year 1999-2000

Year 2000-2001

(40,000,000)	(40,000,000)
(40,000,000)	(40,000,000)
(80,000,000)	(80,000,000)
1,561,015,441	1,403,006,951

-1987 PAK

Principal

Financial charges

479,346,202	329,149,999
2,203,996,003	1,926,320,000
2,683,342,205	2,255,469,999

Asian Development Bank (ADB)

-SF-793 PAK

Principal

Financial charges

268,486,652	229,639,999
479,638,349	424,969,002
748,125,001	654,609,001

-SF-1001 PAK / 1002 PAK

Principal

Financial charges

60,306,571	19,410,000
264,857,429	88,980,000
325,164,000	108,390,000
1,073,289,001	762,999,001

Commonwealth Development Corporation (CDC)

-L-2747-01

Principal

Financial charges

216,596,714	170,427,954
509,799,286	410,104,046
726,396,000	580,532,000

Payment made against loan:

Year 2001-2002

(65,000,000)	(65,000,000)
661,396,000	515,532,000
5,979,042,647	4,937,007,951

12 CONTINGENCIES AND COMMITMENTS

12.1 As referred in note 4.1 to these financial statements, the matter is in litigation in High Court and Lower Court. However, the management and legal advisor are hopeful that the matter will be decided in favor of the Board and the Board will not be required to make payment in respect of principal amount of debenture and related interest thereon.

N2M

	2007	2006
	Rupees	
13 PROPERTY, PLANT AND EQUIPMENT		
13.1 The property, plant and equipment scheduled is attached	13.1	17,144,516,874 17,935,266,600
14 CAPITAL WORK IN PROGRESS		
Movement for capital work in progress is as follows		
Opening balance		13,332,897,520 10,253,927,806
Additions during the year		1,003,091,559 3,349,115,334
Transfers during the year		(270,145,620)
Closing balance		14,335,989,079 13,332,897,520
Foreign Aided Projects		
Karachi Water Supply and Sanitation Project under Commonwealth Development Corporation (CDC)		3,349,239,116 3,349,239,116
Improvement Project under Overseas Economic Co-operation Fund (OECF)- PK-P40 Japan		3,789,911,125 3,789,911,125
Bank balances with Foreign aided projects	14.1	7,139,150,241 7,139,150,241
	14.2	8,479,430 9,362,360
		7,147,629,671 7,148,512,601
Government Aided Projects		
Pumping Conveyance Improvement System	14.3	639,328,761 639,328,761
The Greater 100 MGD water supply (K-III)	14.4	6,235,820,175 5,495,138,714
Tameer-e-Karachi programme	14.5	313,210,472 49,917,444
		7,188,359,408 6,184,384,919
		14,335,989,079 13,332,897,520
14.1 This represents projects executed by KW&SB funded by Federal and Provincial Governments as counter part funding by the international lending agencies. The proceeds of loan under Commonwealth Development Corporation (CDC) and Overseas Co-operation Fund (OECF) PK-P40 Japan are channelled through the Government of Sindh (GOS) which, in turn, lend it to the Karachi Metropolitan Corporation (KMC) at an annual interest rate of 11% . However it further lend the proceeds to the executing agency, Karachi Water and Sewerage Board (KW&SB) on the same terms . The projects aim to increase the quality, reliability, and coverage of water supply, waste water and solid waste management services in participating towns.		
14.2 This represents balances in the banks associated with projects which are still outstanding.		
14.3 The Board undertakes various schemes from the allocation of fund by the Government of Sindh (G.O.S) and other agencies. The Board is benefited from the ultimate use of such assets and the revenue generated there from. A review of such schemes was carried out based on the book value.		
14.4 This represents capital expenditure on Greater 100 MGD water supply (K-III) to increase potable bulk water supply and further augment water availability by introducing water loss reduction measures. It is financed through Government of Pakistan (GOP) as Grant in Aid for water supply sector. The Project is the part and parcel of K-III Scheme to provide an additional 100MGD water to the city of Karachi		
14.5 This represents capital expenditure on the Tameer-e-Karachi Programme (TKP), geared specifically towards rebuilding Karachi (and to some extent, Sindh) by providing vital physical infrastructure and other civic amenities in key target locations, particularly in the industrial areas through the concerted efforts of the CDGK, and the Provincial government.		
15 Trade debtors		
Consumers receivable against		
- Water charges		7,741,984,658 6,309,017,740
- Sewerage services		3,813,896,513 3,681,190,317
		11,555,881,171 9,990,208,057
Less: Provision for doubtful debts		(3,405,571,836) (3,218,678,823)
		8,150,309,335 6,771,529,234
16 Loans and advances		
Advances to employees - unsecured		
House Building	16.1	4,518,553 5,799,618
Motor Cycle		93,858 127,143
Marriage		276,149 548,400
		4,888,560 6,475,161

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- 16.1 This represents advance to employees in order to facilitate in the construction of their house. The amount shall be granted to employees who have completed their probationary period and are subscribed to General Provident Fund of KW&SB. Furthermore the amount so granted is interest free for the employees below the BPS 16. However the interest on house building loan of officers BPS 16 and above, is payable at such rates as may be fixed by the Government of Sindh.

	2007	2006
	Rupees	
17 Other Receivables		
Receivable against subsidy from:		
- Karachi Development Authority (KDA)	98,306,126	98,306,126
- Karachi Metropolitan Corporation (KMC)	206,487,181	206,487,181
17.1	304,793,307	304,793,307
17.1 Receivable from Karachi Metropolitan Corporation (KMC)		
Balance as at July 01 2006	408,199,380	408,199,380
Share of fire and conservancy payable	(201,712,199)	(201,712,199)
Subsidy receivable from Karachi Metropolitan Corporation-KMC	206,487,181	206,487,181
17.1	The balance remain static and reported accordingly during the year.	
18 Short term Investment		
Investment in TDR		
Citi Bank limited	100,000,000	-
18.1	100,000,000	-
18.1	This represents an amount of Rs. 100 million drawn from United Bank limited and invested in Citi Bank Limited for a period of 6 months commencing from November 01, 2006 @ rate of profit 11%.	
19 Cash and bank balances		
Cash at banks		
- Current accounts	579,883,584	574,670,228
- Deposit accounts	220,894,587	327,847,210
19.1	800,778,171	902,517,438
19.1	It carries profit ranging from 0.5% to 2 % (2006: 0.5% to 2%) per annum.	
20 Revenue from Water & Sewerage		
Income from water		
Bulk consumers	2,363,395,038	1,847,221,938
Retail consumers	295,704,856	227,414,645
	2,659,099,894	2,074,636,583
Income from Sewerage		
Bulk consumers	254,593,086	250,656,105
Retail consumers	824,167,284	816,608,388
	1,078,760,370	1,067,264,493
The KW&SB revenue is generated by the supply of water and sewerage services to all the consumers in Karachi. The consumers are divided into two broad categories - Bulk and Retail. Bulk consumers mainly comprises of large customers such as organisations and departments, they are billed according to the meter readings on a monthly basis. However, retail consumers are classified into residential, commercial, industrial, religious and educational sectors and are billed on annual basis at the Tariff rates as applicable.		
21 Cost of Revenue		
Salaries and other benefits	959,035,995	936,598,431
Service charges against cost of raw water	18,860,185	-
Chemicals consumed	62,957,318	26,782,812
Fuel for pumping stations	54,256,880	53,954,064
Electricity and gas charges	1,851,241,624	1,873,726,272
Repair and maintenance	369,716,741	236,492,147
	3,316,068,743	3,127,553,726

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	2007	2006
	Rupees	
22 Administrative expenses		
Salaries and other benefits	171,555,511	147,576,120
Repair and maintenance	3,977,975	251,571
Utilities	4,635,786	4,399,332
Vehicle running expense	67,329,835	48,641,775
Automation of Billing	31,078,952	-
Legal and professional charges	2,124,352	1,579,500
Entertainment	334,418	228,965
Printing and stationery	3,643,181	6,698,628
Advertisement	2,599,380	2,455,588
Books and periodicals	226,088	124,841
Miscellaneous	11,845,094	8,143,473
	<u>299,350,572</u>	<u>220,099,793</u>
23 OTHER EXPENSES		
Audit Remuneration	1,280,000	550,000
Depreciation	23.1 777,512,048	818,413,619
Bad debts expense	186,893,013	157,095,053
	<u>965,685,061</u>	<u>976,058,672</u>
23.1 Depreciation		
Expense for the year	793,352,429	835,207,892
less: Amortization of grant	23.1.1 (15,840,381)	(16,794,273)
	<u>777,512,048</u>	<u>818,413,619</u>

23.1.1 This represents such portion of the grant as is recognized in income upon capitalization of related assets.

24 OTHER INCOME

Profit from bank
Receipts against water surcharge

24.1	32,003,862	27,059,610
24.2	228,866,861	32,614,215
	<u>260,870,723</u>	<u>59,673,825</u>

24.1 This represents profit / mark up net of withholding tax earned on PLS bank accounts.

24.2 This represents receipts against water supply allowed to the contractors for the work carried out on the projects or schemes. These charges are deducted against the bill at the rate of 0.5% of the total cost of work for drinking purposes and 1% of total cost of work for construction purposes.

25 FINANCIAL CHARGES

International Development Association (IDA)

-1374 PAK

-1652 PAK

-1987 PAK

Asian Development Bank (ADB)

-SF-793 PAK

-SF-1001 PAK / 1002 PAK

Commonwealth Development Corporation (CDC)

-L-2747-01

36,690,000	55,205,783
65,250,000	82,974,203
743,790,000	781,287,238
<u>845,730,000</u>	<u>919,467,224</u>

54,610,000	69,896,146
175,900,000	
<u>230,510,000</u>	<u>69,896,146</u>

104,240,000	193,868,306
<u>1,180,480,000</u>	<u>1,183,231,676</u>

25.1 Financial charges are inclusive of exchange risks charges on the principal amount of the loan withdrawn by the Karachi Metropolitan


26 General

The figures have been rounded off to the nearest rupees. Corresponding figures have been rearranged/ reclassified for comparison, there is no material impact of such reclassifications.

27 Date of issue

These financial statements have been authorized for issue on _____ by the Board.


MANAGING DIRECTOR

NZM

DEPUTY MANAGING DIRECTOR
(FINANCE)

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