

# Financial Statements

For the Half Year ended

31 December 2020

(Un-audited)



Pakistan Poverty Alleviation Fund



## PAKISTAN POVERTY ALLEVIATION FUND MANAGEMENT REVIEW



The Management is pleased to present the un-audited condensed interim financial statements of the Company for the half year ended 31 December 2020.

During the period July-December 2020, concept note of Interest Free Loan Program and release of Rs 5 billion for the project was approved by Economic Coordination Committee and Federal Cabinet. Under this program, PPAF will support productive microenterprise activities for the poor in rural and urban areas of Pakistan. The program will be expanded to additional 28 districts. Through revolving impact Rs. 23 billion will be disbursed in 4 years to more than 920,000 poor beneficiaries.

PPAF continued its integrated programs through its own resources; Program for Poverty Reduction - PPR (funded by Italian Government through Government of Pakistan - GoP); Livelihoods and Small-scale Infrastructure Program – LACIP (funded by KfW through GoP); and Hydro and Renewable Energy Project (funded by KfW through GoP) focused on energy access in KP is nearing completion. Further, National Poverty Graduation Program was initiated in all 4 provinces. The project “Building Resilience to Disaster and Climate Change” aimed at increasing institutional and physical capacity of local communities to reduce the socioeconomic and fiscal impacts of natural hazards and climate change is being implemented in 8 districts.

### **Operational and Financial Results:**

The Company’s operations continued steadily during the first half year of the financial year 2020-21. Total funds managed for six months were Rs. 16,777 million (Jul – Dec 19: Rs 19,197 million). Total income generated in six months was Rs. 1,822 million compared to Rs. 1,798 million during the corresponding period last year indicating an increase of Rs. 24 million, 1%. Service charges on loans to Pakistan Microfinance Investment Company (PMIC)/POs decreased to Rs. 511 million from 696 million corresponding period last year, representing a reduction of Rs. 185 million, 27%. The decline was due to reduction in KIBOR to which pricing is linked.

Income on investments/saving accounts was Rs 1,179 million as compared to Rs 962 million for corresponding period last year indicating an increase of Rs. 217 million, 23%. Increase in income was mainly due to the increased volume of investments. The Company received Rs. 28 million as operational support from donors (Jul - Dec 19: Rs. 61 million). The amortized income (difference between present value and loan proceeds recognizable as income over loan period) for six months was Rs 81 million as compared to Rs. 79 million during corresponding period last year. Surplus before project and relief activities for six months was Rs. 1,275 million (Jul - Dec 19: Rs. 1,261 million). Net surplus for six months was Rs 1,147 million (Jul - Dec 19: Rs. 1,226 million).

The general and administrative expenses increased by 2% to Rs. 392 million (Jul - Dec 19: Rs. 386 million) mainly on account of increase in salary, depreciation, and amortization of right of use asset. Salary and benefits increased due to hiring of staff; depreciation increased due to addition in fixed assets and rent expense increased due to adoption of IFRS 16 – Leases. Seminar, workshops, and training expenses were Rs 2 million (Jul – Dec 2019: Rs 9 million); technical and other studies - Rs. 15 million (Jul – Dec 2019: Rs. 30 million); and financial charges - Rs 136 million (Jul – Dec 2019: Rs. 119 million). In addition, an amount of Rs 128 million (Jul – Dec 2019: Rs 35 million) was spent on projects and relief activities from PPAF’s own resources.

PPAF continued to make steady progress towards sustainable growth. Its equity has grown over Rs. 22.7 billion which is a key element in the sustainability of the organization. As of 31 December 2020, total equity and reserves stood at Rs 22,728 million (June 30, 2020: Rs 21,581 million); total assets at Rs 33,168 million (June 30, 2020: Rs 33,537 million); debt repayable to Government of Pakistan (GoP) at Rs. 9,149 million (June 30, 2020: Rs. 9,788 million) and loans receivable from POs and PMIC at Rs 8,423 million (June 30, 2020: Rs 8,995 million).

By the end of 31 December 2020 PPAF has cumulatively completed 34,900 water and infrastructure projects, supported, and financed 3,690 health and education facilities, transferred 145,500 productive assets to ultra and vulnerable poor (55% women), 18,100 skill development and managerial training events for 1,140,000 individuals (49% women) and 1,574,400 interest free loans provided under IFL Program (53% loans to women). Additionally, PPAF facilitated 1.8 million households affected by natural disasters under relief and early recovery projects and managed reconstruction of 122,000 seismically safe houses affected by 2005 earthquake. The lending operations were managed by PPAF till August 2016 after which

these were span off to PMIC. PPAF enumerated a record spread of 8.4 million microcredit loans, of which 60% loans to women and 80% of the financing extended in rural areas. As of December 31, 2020, the active clients served by PMIC were 716,000 (83% women), 50% of the portfolio was deployed in rural areas.

### **Key Highlights**

PPAF successfully completed Youth Enterprises project (financed by Citi Foundation) in districts Killa Saifullah and Ziarat of Balochistan. Under the program vocational trainings were provided to 300 youth to enable them to earn respectable livelihoods and join the work force for economic development.

PPAF and Foundation for Arts, Culture and Education (FACE) launched country's first music residency program "Heritage Live" which aims to equip indigenous artists with the business acumen and focuses on skill development. The program will help the vulnerable musicians to generate sustainable income and play a pivotal role in preserving the endangered local culture. The opening ceremony of the Art Residency Program was held at Lok Virsa - National Institute of Folk and Traditional Heritage.

PPAF allocated over Rs. 400 million to its COVID-19 Emergency Response Fund. The amount was allocated to address problems related to food security and socioeconomic needs of the ultra-poor rural households impacted by the pandemic. PPAF reached out to some of the most vulnerable households in 109 union councils of 20 districts of Sindh, Balochistan and KP through its POs. Over 59,000 deserving households received the economic revival assistance comprising agri-inputs (seeds), fodder for livestock and ration packs, emergency interest free loans, supplies for small enterprises and kitchen gardening. The households met the eligibility criteria focusing on multiple aspects such as a households headed by a female or a widow, earning members and daily wagers in a family, ownership of assets such as farm animals, land etc. and presence of a person with disabilities in the family.

On International Day for Eradication of Poverty, PPAF organized asset distribution ceremony in Shangla and Lakki Marwat, Khyber Pakhtunkhwa under the second phase of Livelihood Support & Promotion of Small Community Infrastructure Program (LACIP). The project will benefit around 160,000 people through infrastructure development, asset transfer and by building linkages with local governments.

Poverty Alleviation and Social Safety Division (PASSD) organized a virtual event at Prime Minister Office in Islamabad to mark the International Day for Eradication of Poverty. The event aimed at interacting with the Interest Free Loan and Amdan Programme beneficiaries of PPAF, Benazir Income Support Programme (BISP), Pakistan Bait-ul-Mal and Trust for Voluntary Organization to review implementation of the Ehsaas programme, a flagship initiative of the Government of Pakistan the objective of which is to reduce inequality, invest in people, and lift lagging districts. The virtual session was chaired by Dr. Sania Nishtar, Special Assistant to the Prime Minister of Pakistan on Social Protection & Poverty Alleviation and attended by Mr. Muhammad Ali Shahzada-Secretary PASSD and representatives of provincial governments. Ten beneficiaries of PPAF Interest Free Loan and Amdan Programme came from Layyah, Swat, Battagram and Swabi to participate in the session. The CEO, PPAF, Qazi Azmat Isa briefed the participants about the two programmes and coordinated interaction with the beneficiaries who shared their stories and narrated impact of the Interest Free Loan and Ehsaas Amdan programme on their lives and livelihoods. Later, Dr. Sania Nishtar, Mr. Muhammad Ali Shahzada-Secretary PASSD along with Mr. Qazi Azmat Isa, Chief Executive Officer, PPAF came to PPAF office and had informal discussion with the beneficiaries of Ehsaas Amdan and Interest Free Loan programmes. The beneficiaries appreciated the PPAF-led Ehsaas initiatives and shared their experiences with the visitors, provided insights into the processes and methodology adopted by PPAF for execution of the programmes and suggested ways to expand outreach of Ehsaas programme and maximise its benefits. Dr. Sania Nishtar thanked the beneficiaries for their valuable inputs and acknowledged their hardwork and resilience to make Ehsaas programme a success.

## **Conclusion**

In line with the mounting requirements for poverty alleviation in the country PPAF take various initiatives to deploy resources for the improved infrastructure energy, health, education, livelihoods, and access to finance in the sufficient amount and in the right places. PPAF believes that local and community-based institutions are key to create a positive outcome and long-lasting effects on the society.

March 29, 2021

Qazi Azmat Isa  
Chief Executive Officer

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

<b>ASSETS</b>	Note	Un-audited	Audited
		31 December 2020	30 June 2020
		----- Rupees '000 -----	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	60,519	68,091
Right-of-use asset	5	277,114	252,532
Investment in the Associate	6	3,202,597	3,183,047
Long-term investments	7	11,101,530	10,834,962
Long-term loans to the Associate	8	7,260,824	7,832,293
Long term loans and advances		25,240	33,487
Long-term deposits and prepayments		9,432	18,738
		<b>21,937,256</b>	<b>22,223,150</b>
<b>CURRENT ASSETS</b>			
Grant fund receivable		155,778	155,778
Loans and advances	9	39,039	24,806
Short-term prepayments		10,134	10,224
Profit / service charges receivable	10	1,126,236	891,639
Other receivables		61,866	61,862
Current maturity of long-term investments	7	200,000	400,000
Loans to Partner Organizations	11	19,400	19,400
Current maturity of loans to the Associate	8	1,142,938	1,142,938
Short-term investments	12	6,775,760	5,805,805
Tax refunds due from the Government		409,666	401,405
Bank balances-specific to projects	13	954,055	1,935,386
Cash and bank balances	14	335,926	464,278
		<b>11,230,798</b>	<b>11,313,521</b>
<b>TOTAL ASSETS</b>		<b>33,168,054</b>	<b>33,536,671</b>
<b>FUNDS, RESERVES AND LIABILITIES</b>			
<b>FUNDS AND RESERVES</b>			
Endowment fund	15	1,000,000	1,000,000
Grant fund		12,564,784	12,172,504
Accumulated surplus		6,349,734	6,366,229
		<b>19,914,518</b>	<b>19,538,733</b>
Reserve for grant based activities		2,813,117	2,042,109
		<b>22,727,635</b>	<b>21,580,842</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16	251,483	207,015
Long-term financing	17	6,537,283	7,095,971
Deferred benefit	17	1,331,648	1,412,759
		<b>8,120,414</b>	<b>8,715,745</b>
<b>CURRENT LIABILITIES</b>			
Deferred liabilities - grant fund	18	979,569	1,891,979
Deferred income - grant fund		9,031	9,031
Trade and other liabilities		32,605	41,964
Service charges payable		17,634	16,864
Current portion of lease liabilities	16	1,569	649
Current portion of long-term financing	17	1,279,597	1,279,597
		<b>2,320,005</b>	<b>3,240,084</b>
<b>TOTAL FUNDS, RESERVES AND LIABILITIES</b>		<b>33,168,054</b>	<b>33,536,671</b>

The annexed notes, from 1 to 25, form an integral part of these financial statements.

Chief Executive Officer

Senior Group Head - FMCA

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**CONDENSED INTERIM STATEMENT OF INCOME AND EXPENDITURE (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	For the half year ended	
		31 December 2020	31 December 2019
		----- Rupees '000 -----	
<b>INCOME</b>			
Income on investments and savings accounts	19	1,178,537	961,849
Service charges on loan to the Associate		510,766	695,818
Amortization of deferred income - grant fund		28,226	60,628
Amortization of deferred benefit	17	81,111	78,630
Share of profit of the Associate	6.2	19,550	-
Other income		3,577	623
		<b>1,821,767</b>	<b>1,797,548</b>
<b>EXPENDITURE</b>			
General and administrative expenses	20	392,123	385,849
Seminars, workshops and trainings	21	2,375	8,645
Technical and other studies	22	15,375	30,032
Provision against loans / service charges		766	(7,421)
Financial charges	23	136,057	119,177
		<b>546,696</b>	<b>536,282</b>
<b>SURPLUS BEFORE PROJECT AND RELIEF ACTIVITIES</b>		<b>1,275,071</b>	<b>1,261,266</b>
Expenditure on project and relief activities		<b>128,278</b>	<b>35,394</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>1,146,793</b>	<b>1,225,872</b>

The annexed notes, from 1 to 25, form an integral part of these financial statements.

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Senior Group Head - FMCA**

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

---

	Note	31 December 2020 ----- Rupees '000 -----	31 December 2019
<b>SURPLUS FOR THE PERIOD</b>		<b>1,146,793</b>	1,225,872
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			
Other comprehensive loss not to be reclassified statement of income and expenditure in subsequent periods:			
Re-measurement loss on employees' defined benefit plan		-	-
Share of other comprehensive income of the Associate		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u>1,146,793</u></b>	<b><u>1,225,872</u></b>

The annexed notes, from 1 to 25, form an integral part of these financial statements.

---

**Chief Executive Officer**

---

**Senior Group Head - FMCA**



**PAKISTAN POVERTY ALLEVIATION FUND****(A Company incorporated under Section 42 of the Companies Act, 2017)****CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS AND RESERVES (UN-AUDITED)****FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	FUNDS		RESERVES		TOTAL
	Endowment fund	Grant fund	Reserve for grant based activities	Accumulated surplus	
Note	Rupees '000				
<b>Balance as at 30 June 2019 (Audited)</b>	<b>1,000,000</b>	<b>11,258,794</b>	<b>639,682</b>	<b>6,534,399</b>	<b>19,432,875</b>
Total comprehensive income for the half year					
Surplus for the half year ended 31 December 2019	-	-	-	1,225,872	1,225,872
Other comprehensive income	-	-	-	-	-
	-	-	-	1,225,872	1,225,872
Transfer from accumulated surplus to reserve for grant based activities	-	-	615,401	(615,401)	-
Transfer from accumulated surplus to grant fund	-	598,423	-	(598,423)	-
<b>Balance as at 31 December 2019 (Un-audited)</b>	<b>1,000,000</b>	<b>11,857,217</b>	<b>1,255,083</b>	<b>6,546,447</b>	<b>20,658,747</b>
<b>Balance as at 30 June 2020 (Audited)</b>	<b>1,000,000</b>	<b>12,172,504</b>	<b>2,042,109</b>	<b>6,366,229</b>	<b>21,580,842</b>
Total comprehensive income for the half year					
Surplus for the half year ended 31 December 2020	-	-	-	1,146,793	1,146,793
Other comprehensive Income	-	-	-	-	-
	-	-	-	1,146,793	1,146,793
Transfer from accumulated surplus to reserve for grant based activities	-	-	771,008	(771,008)	-
Transfer from accumulated surplus to grant fund	-	392,280	-	(392,280)	-
<b>Balance as at 31 December 2020 (Un-audited)</b>	<b>1,000,000</b>	<b>12,564,784</b>	<b>2,813,117</b>	<b>6,349,734</b>	<b>22,727,635</b>

The annexed notes, from 1 to 25, form an integral part of these financial statements.

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Senior Group Head - FMCA**

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 ----- Rupees '000 -----	31 December 2019 ----- Rupees '000 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the period		1,146,793	1,225,872
<b>Adjustment for non cash and other items:</b>			
Depreciation	4	30,618	13,204
Amortization of right-of-use asset	5	21,285	-
Share of profit of an associate	6	(19,550)	-
Reversal of allowance for expected credit loss	0	(2,450)	-
Amortization of deferred income - grant fund	19	(28,226)	(60,628)
Amortization of deferred benefit	17.5.1	(81,111)	(78,630)
Provision against loans / service charges recognized		766	(7,421)
Gain on disposal of property and equipment		(25)	(11)
Financial charges	23	136,057	97,268
		57,364	(36,218)
		1,204,157	1,189,654
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
Loans and advances		(5,986)	36,307
Deposits and prepayments		(8,441)	11,663
Other receivables		(4)	(704)
Profit / service charges receivable		(235,363)	(248,610)
<b>Increase in current liabilities:</b>			
Trade and other liabilities		(9,359)	(2,887)
		(259,153)	(204,231)
		945,004	985,423
Disbursements to Partner Organizations - Grants	18.1	(994,434)	(2,408,335)
Receipt of loan repayment from the Associate	8	571,469	571,469
Recoveries of loans from Partner Organizations	11.3	2,450	52,237
Income tax paid		(8,261)	(18,493)
Financial charges paid		(36,819)	(19,616)
		(465,595)	(1,822,738)
<b>Cash generated from operating activities</b>		<b>479,409</b>	<b>(837,315)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments - net		(1,412,519)	(389,881)
Capital expenditure incurred	4	(23,139)	(32,255)
Proceeds from disposal of fixed assets	4	118	128
<b>Cash utilized in investing activities</b>		<b>(1,435,540)</b>	<b>(422,008)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - repaid	17	(639,798)	(639,798)
Deferred liabilities - grant fund receipts	18.1	82,024	2,996,224
Deferred income - grant fund receipts		28,226	59,730
<b>Cash generated from / (utilized in) financing activities</b>		<b>(529,548)</b>	<b>2,416,156</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1,485,679)</b>	<b>1,156,833</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>2,775,660</b>	<b>1,181,914</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	13 & 14	<b>1,289,981</b>	<b>2,338,747</b>

The annexed notes, from 1 to 25, form an integral part of these financial statements.

Chief Executive Officer

Senior Group Head - FMCA

**PAKISTAN POVERTY ALLEVIATION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

---

**1 STATUS, BACKGROUND AND NATURE OF OPERATIONS**

**1.1** Pakistan Poverty Alleviation Fund ("the Company" / "PPAF") was registered in Pakistan on 06 February, 1997 as a public company, limited by guarantee, not having share capital and licensed under Section 42 of the Companies Act, 2001. The registered office of the Company is situated at plot 14, street 12, Mauve Area, G-8/1, Islamabad, Pakistan.

**1.2** The primary object of the Company is to help the poor, the landless and the assetless in order to enable them to gain access to resources for their productive self employment and to encourage them to undertake activities of income generation, poverty alleviation and for enhancing their quality of life. In order to achieve its objectives, the Company is mandated to work through Partner Organizations (POs), i.e., Non Government Organizations (NGOs), Community Based Organizations (CBOs), Rural Support Programmes (RSPs) and other private sector organizations.

**2** These condensed interim financial statements for the half year ended 31 December 2020 are un-audited and have been prepared in accordance with the requirements of International Accounting Standard - 34: "Interim Financial Reporting". These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2020. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended 30 June 2020, whereas, comparative condensed interim statement of income and expenditure, condensed interim statement of cash flows, and condensed interim statement of changes in fund and reserves are stated from unaudited condensed interim financial statements for the half year ended 31 December 2019.

**3** The accounting policies adopted, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of these financial statements are the same as those applied in preparation of the annual financial statements for the year ended 30 June 2020.

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

## 4 PROPERTY AND EQUIPMENT

	COST				Rate	ACCUMULATED DEPRECIATION			WRITTEN DOWN	
	As at	Additions	Disposals	As at		As at	Charge for the year	On disposals	As at	
	01 July			31 December		01 July			31 December	
31 December 2020	Rupees '000				Rupees '000			Rupees '000		
Furniture and fixtures	28,731	-	-	28,731	20	21,564	2,881	-	24,445	4,286
Vehicles	77,766	-	-	77,766	20	47,569	7,798	-	55,367	22,399
Office equipment	52,873	9,916	-	62,789	20	44,395	6,296	-	50,691	12,098
Computer equipment	99,779	13,223	(4,423)	108,579	25	77,530	13,643	(4,330)	86,843	21,736
	<u>259,149</u>	<u>23,139</u>	<u>(4,423)</u>	<u>277,865</u>		<u>191,058</u>	<u>30,618</u>	<u>(4,330)</u>	<u>217,346</u>	<u>60,519</u>

	COST				Rate	ACCUMULATED DEPRECIATION			WRITTEN DOWN	
	As at	Additions	Disposals	As at		As at	Charge for the year	On disposals	As at	
	01 July			30 June		01 July			30 June	
30 June 2020	Rupees '000				Rupees '000			Rupees '000		
Furniture and fixtures	23,852	4,879	-	28,731	20	19,142	2,422	-	21,564	7,167
Vehicles	53,249	24,517	-	77,766	20	39,279	8,290	-	47,569	30,197
Office equipment	49,701	3,172	-	52,873	20	41,356	3,039	-	44,395	8,478
Computer equipment	89,073	13,662	(2,956)	99,779	25	72,400	7,829	(2,699)	77,530	22,249
	<u>215,875</u>	<u>46,230</u>	<u>(2,956)</u>	<u>259,149</u>		<u>172,177</u>	<u>21,580</u>	<u>(2,699)</u>	<u>191,058</u>	<u>68,091</u>

4.1 Depreciation for the year is charged to general and administrative expenses (refer to note 20).

## 4.2 Disposals of Property and Equipment

	Cost	Accumulated depreciation	Net book value	Sale price	(Gain)/Loss on disposals	Mode of disposals	Particulars of buyer
	Rupees '000						
Computers - sold to employees	4,423	4,330	93	118	(25)	Transferred as per policy	Employees
<b>Total - 31 December 2020</b>	<u>4,423</u>	<u>4,330</u>	<u>93</u>	<u>118</u>	<u>(25)</u>		
<b>Total - 30 June 2020</b>	<u>2,956</u>	<u>12,155</u>	<u>-</u>	<u>59</u>	<u>(59)</u>	Transferred as per policy	Employees

4.2.1 During the year, the Company sold fully depreciated computers to employees @ Rupees 1,000 each; and where the NBV of computers is not zero, the said computers are sold at their NBV.

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

	Un-audited	Audited
	31 December 2020	30 June 2020
----- Rupees '000 -----		
<b>5 RIGHT-OF-USE ASSET</b>		
<b>Cost</b>		
As of 01 July	285,917	285,917
Additions / adjustment	45,867	-
As of 31 December	<u>331,784</u>	<u>285,917</u>
<b>Accumulated depreciation</b>		
As of 01 July	(33,385)	-
Charge for the year	(21,285)	(33,385)
As of 30 June	<u>(54,670)</u>	<u>(33,385)</u>
<b>Net Book Value</b>	<u>277,114</u>	<u>252,532</u>
<b>Useful life (Years)</b>	<u>3-9</u>	<u>3-9</u>
<b>6 INVESTMENT IN THE ASSOCIATE</b>		
Opening balance	3,183,047	3,143,225
Share of profit of the Associate		
Recognized in statement of income and expenditure	19,550	39,099
Recognized in statement of other comprehensive income	-	723
	<u>19,550</u>	<u>39,822</u>
	<u>3,202,597</u>	<u>3,183,047</u>

- 6.1 The Company has a 49% interest in Pakistan Microfinance Investment Company Limited (PMIC), an unlisted public company registered with SECP on 10 August 2016, and licensed to act as an Investment Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The registered office of PMIC is situated at 21st Floor, Ufone Tower, 55 C, Main Jinnah Avenue, Blue Area, Islamabad, Pakistan.

The Company's interest in PMIC is accounted for using the equity method in the financial statements, as the Company has significant influence over PMIC's operational and financial policies but does not have control over PMIC. Control is achieved when the Company is exposed, or has right to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

	Note	Un-audited	Audited
		31 December 2020	30 June 2020
----- Rupees '000 -----			
<b>7 LONG-TERM INVESTMENTS</b>			
<b>Amortized cost</b>			
<b>Specific to Endowment Fund</b>			
Pakistan Investment Bonds (PIBs)	7.1	1,000,000	1,000,000
Less: Unamortized discount on purchase of PIBs		1,984	(6,843)
		<u>1,001,984</u>	<u>993,157</u>
<b>Specific to others</b>			
Pakistan Investment Bonds	7.2	10,066,500	10,066,500
Less: Unamortized discount on purchase of PIBs		(366,954)	(424,695)
		<u>9,699,546</u>	<u>9,641,805</u>
Term Deposit Receipt (TDR)	7.3	600,000	600,000
		<u>11,301,530</u>	<u>11,234,962</u>
Less: Long-term investments maturing within next twelve months shown as a current asset	7.1	(200,000)	(400,000)
		<u>11,101,530</u>	<u>10,834,962</u>

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

7.1 Represents investments in PIBs as follows:

Principal Rupees '000	Issue date	Purchase Date	Maturity date	Coupon rate (per annum)	Payment terms (Coupon)
194,500	18-Aug-11	09-Aug-12	18-Aug-21	12%	Semi annually
5,500	18-Aug-11	31-May-13	18-Aug-21	12%	Semi annually
400,000	29-Apr-14	29-Apr-14	19-Jul-22	12.00%	Semi annually
400,000	19-Sep-19	23-Jul-20	19-Sep-22	7.22%	Semi annually
<b>1,000,000</b>					

7.2 Represents investments in PIBs as follows:

Principal Rupees '000	Issue date	Purchase Date	Maturity date	Coupon rate (per annum)	Payment terms (Coupon)
2,186,000	19-Sep-19	24-Sep-19	19-Sep-22	9%	Semi annually
613,000	19-Sep-19	2-Oct-19	19-Sep-22	9%	Semi annually
175,000	19-Sep-19	13-Nov-19	19-Sep-22	9%	Semi annually
175,300	19-Sep-19	22-Nov-19	19-Sep-22	9%	Semi annually
2,747,300	19-Sep-19	29-Nov-19	19-Sep-22	9%	Semi annually
1,124,000	19-Sep-19	4-Dec-19	19-Sep-22	9%	Semi annually
2,051,200	19-Sep-19	27-Mar-20	19-Sep-22	9%	Semi annually
994,700	19-Sep-19	27-Mar-20	19-Sep-24	9.5%	Semi annually
<b>10,066,500</b>					

7.3 These funds are invested in Term Deposit Receipt (TDR) maturing on 27 March 2022, at per annum mark-up rate of 11.95%.

**8 LONG-TERM LOANS TO THE ASSOCIATE**

	Un-audited 31 December 2020	Audited 30 June 2020
	----- Rupees '000 -----	
PMIC - unsecured	8,975,231	8,975,231
Less: amount recovered	<b>(571,469)</b>	-
	<b>8,403,762</b>	<b>8,975,231</b>
Less: Amount receivable within next twelve months shown as a current asset	<b>(1,142,938)</b>	(1,142,938)
	<b>7,260,824</b>	<b>7,832,293</b>

8.1 The Company and PMIC signed a Master Subordinated Loan Framework Agreement, on 17 November 2016, for the provision of subordinated loans to PMIC, up to a total amount of Rupees 12,347,520 thousand, utilizing funds available to the Company for lending activities, under the Financing Agreements with the Government of Pakistan (GoP). The subordinated loans were disbursed under separate subordinate loan agreements as and when the related repayments were received by the Company, against the Company's loans to its POs, within fifteen days after the end of each calendar quarter. These loans were unsecured and fully subordinated to all other indebtedness of PMIC, carrying service charges at the rate of six months KIBOR plus 100 basis points, unless otherwise agreed by both parties, pursuant to the occurrence of specified conditions. The due dates of these loans will not be later than 31 December 2031, i.e. the final repayment date of the Company's long-term loans from GoP.

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

- 8.2 After obtaining appropriate approvals from SECP, pursuant to a special resolution passed by the Company's members in accordance with the requirements of section 199 of the Companies Act, 2017, the Company till date has disbursed ten separate loans during the prior years. The pertinent information regarding these loans is as follows:

Date of disbursement	Amount Rupees '000	First instalment due	Last instalment due	No. of instalments
1-Jun-17	824,000	7-Oct-18	7-Oct-31	43
29-Jun-17	994,000	7-Jan-19	7-Jan-31	43
8-Aug-17	1,663,000	7-Jan-19	7-Jan-31	43
3-Nov-17	2,869,000	7-Jan-19	7-Jan-31	43
28-Dec-17	350,000	7-Jan-19	7-Jan-31	43
29-Jan-18	2,131,000	7-Jan-19	7-Jan-31	43
3-May-18	1,000,000	7-Jan-19	7-Jan-31	43
4-Jun-18	417,000	7-Jan-19	7-Jan-31	43
13-Aug-18	395,000	7-Jan-19	7-Jan-31	43
11-Dec-18	66,000	7-Jan-19	7-Jan-31	43
	<b>10,709,000</b>			

- 8.3 The first 33 unequal instalments will be payable at quarterly intervals, with the remaining unequal instalments payable at semi-annual intervals.

9 LOANS AND ADVANCES	Note	Un-audited 31 December 2020 ----- Rupees '000 -----	Audited 30 June 2020 ----- Rupees '000 -----
Loans - considered good, secured			
Employees	9.1	40,676	51,031
Less: Long-term portion of loans and advances		(25,240)	(33,487)
		15,436	17,544
Advances - considered good, unsecured			
Employees		5,356	7,061
Suppliers		18,247	201
		23,603	7,262
		<b>39,039</b>	<b>24,806</b>

- 9.1 This represents the advance salary loans and car loans given to the employees of the Company, carrying annual mark-up of Nil (2019: Nil) and Nil (2019: Nil), respectively. The principal amounts are repayable in a maximum of 60 equal monthly instalments.

10 PROFIT / SERVICE CHARGES RECEIVABLE	Un-audited 31 December 2020 ----- Rupees '000 -----	Audited 30 June 2020 ----- Rupees '000 -----
Service charges on Investments;		
Specific to Endowment Fund	52,017	51,560
Specific to others and savings accounts	738,695	513,757
	790,712	565,317
Service charges receivable on loans to associate	334,448	325,111
Service charges receivable on loans to POs	151,378	150,747
Less: Allowance for expected credit losses	(150,302)	(149,536)
	1,076	1,211
	<b>1,126,236</b>	<b>891,639</b>

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

11	LOANS TO PARTNER ORGANIZATIONS	Note	Un-audited	Audited
			31 December 2020	30 June 2020
			----- Rupees '000 -----	
<b>Unsecured</b>				
	Considered good	11.1	20,000	20,000
	Considered doubtful	11.2	927,197	929,647
			947,197	949,647
	Less: Allowance for expected credit losses	11.4	(927,797)	(930,247)
			<u>19,400</u>	<u>19,400</u>

11.1 The Company has disbursed loans to POs for utilization in micro-credit operations, under various Financing Agreements, with applicable service charges based upon a range of benchmarks including KIBOR. These loans are repayable on a quarterly basis within two years, under the respective Financing Agreements signed between the Company and the POs.

Rates for service charges were determined on the basis of classification of POs into "for-profit" and "not-for-profit" and further sub-categories according to geographical areas. All financing facilities are charged service charges at the standard rates based on KIBOR, with a floor of 8% per annum, for facilities to "not-for-profit" POs and "for-profit" POs utilizing facilities in remote geographical areas; the floor is 9% per annum for all other facilities to "for-profit" POs.

During the year no new loans were disbursed, as the Company has ceased to underwrite new loans with effect from 21 February 2017.

11.2	Particulars of non-performing loans	Un-audited	Audited	Provision required	Un-audited	Audited
		31 December 2020	30 June 2020		31 December 2020	30 June 2020
		Loan amount	Loan amount	%	Provision amount	Provision amount
		----- Rupees '000 -----	----- Rupees '000 -----		----- Rupees '000 -----	
	Other Assets Especially Mentioned	-	-	0%	-	-
	Sub-standard	-	-	25%	-	-
	Doubtful	-	-	50%	-	-
	Loss	927,197	929,647	100%	927,197	929,647
		<u>927,197</u>	<u>929,647</u>		<u>927,197</u>	<u>929,647</u>

11.3 Movement in loans to Partner Organizations

Opening balance	949,647	977,134
Less: Recoveries	(2,450)	(27,487)
	947,197	949,647
Less: Allowance for expected credit losses	(927,797)	(930,247)
	<u>19,400</u>	<u>19,400</u>

Note	Un-audited			Audited
	Specific	General	Total	Total
				30 June 2020
				----- Rupees '000 -----
				----- Rupees '000 -----

11.4 Movement in allowance for expected credit losses

Opening balance	929,647	600	930,247	933,484
Charge/ (reversal) for the year				
Charge	-	-	-	16,365
Reversal	(2,450)	-	(2,450)	(19,602)
	(2,450)	-	(2,450)	(3,237)
	<u>927,197</u>	<u>600</u>	<u>927,797</u>	<u>930,247</u>

12 SHORT-TERM INVESTMENTS

Note	Un-audited	Audited
	31 December 2020	30 June 2020
----- Rupees '000 -----		
<b>Amortized cost</b>		
Specific to others		
Term Deposit Receipts (TDRs)	2,154,555	4,271,905
Government Treasury Bills	4,621,205	1,533,900
	<u>6,775,760</u>	<u>5,805,805</u>



(A Company incorporated under Section 42 of the Companies Act, 2017)

12.1 These funds are invested in Term Deposit Receipts (TDRs) maturing within one month to one year from the date of investment, at per annum mark-up rates ranging from 7.00% to 13.25% (30 June 2020: 7.00% to 14.15%).

12.2 These funds are invested in Government Treasury Bills maturing within one month to one year from the date of investment, at per annum mark-up rates ranging from 7.00% to 7.19% (30 June 2020: 6.85% to 13.90%) per annum.

		Un-audited 31 December 2020	Audited 30 June 2020
		----- Rupees '000 -----	
<b>13</b>	<b>BANK BALANCES-SPECIFIC TO PROJECTS</b>		
	<b>In current accounts</b>		
	KfW - Livelihood and Community Infrastructure	45,189	68,144
	KfW - Renewable Energy	95,397	170,903
	Prime Minister's Interest Free Loan Scheme (PMIFL)	268,768	263,769
	National Poverty Graduation Programme	15,945	456,109
	National Disaster Risk Management Fund	57,448	57,439
	Italian Project - Poverty Reduction Through Rural Development Activities in Baluchistan, KPK and FATA	225,891	347,030
		<b>708,638</b>	1,363,394
	<b>In saving accounts</b>		
	KfW - Livelihood and Community Infrastructure Phase II	138,394	455,521
	UNHCR - Afghan Refugees	107,023	116,471
		<b>245,417</b>	571,992
		<b>954,055</b>	1,935,386

13.1 Under the financing agreements signed with the donors, the Company is allowed to draw funds from these special accounts for carrying out eligible activities. Such funds may not be invested to earn profit, and are accordingly kept in current accounts.

13.2 These balances carry a per annum mark-up ranging between 4.5% to 5% (30 June 2020: 5.5% to 6.5%).

		Un-audited 31 December 2020	Audited 30 June 2020
		----- Rupees '000 -----	
<b>14</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	140	1
	Cash at banks in:		
	- Current accounts	1,904	1,581
	- Deposit accounts	333,882	462,697
		<b>335,786</b>	464,278
		<b>335,926</b>	464,278

14.1 These balances carry a per annum mark-up ranging between 4.5% to 5.5% (30 June 2020: 5.5% to 6.55%).

## 15 ENDOWMENT FUND

This represents the amounts paid by GoP for the Endowment Fund under the Subsidiary Financing Agreements (SFAs) for IDA I and IDA II projects, directly credited in the statement of changes in funds and reserves. Under the SFA, the fund is to be invested in government schemes / bonds, and the income generated therefrom shall be utilized for revenue and capital expenditure of the Company.

		Un-audited 31 December 2020	Audited 30 June 2020
		----- Rupees '000 -----	
<b>16</b>	<b>LEASE LIABILITIES</b>		
	As of 01 July	207,664	260,157
	Additions / transfers	28,031	-
	Accretion of interest	17,357	37,040
	Payments	-	(89,533)
	<b>As of 31 December</b>	<b>253,052</b>	207,664
	Current lease liabilities	1,569	649
	Non-current lease liabilities	251,483	207,015
		<b>253,052</b>	207,664

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

17	LONG-TERM FINANCING	Note	Un-audited	Audited
			31 December 2020	30 June 2020
			----- Rupees '000 -----	
Unsecured - from a related party:				
	Government of Pakistan - PPAF - I (IDA financing)	17.1	328,878	438,522
	Government of Pakistan - PPAF - II (IDA financing)	17.2	4,296,770	4,654,848
	Government of Pakistan - (IFAD financing - MIOP)	17.3	611,632	649,859
	Government of Pakistan - (IFAD financing - PRISM)	17.4	1,305,751	1,374,475
	Government of Pakistan - PPAF - III (IDA financing)	17.5	2,605,497	2,670,622
			<b>9,148,528</b>	9,788,326
	Less: Amounts payable within the next twelve months shown as a current liability	17.6	(1,279,597)	(1,279,597)
			<b>7,868,931</b>	8,508,729
	Less: Deferred benefit of below market rate of interest on long-term financing - Government of Pakistan - PPAF-III (IDA financing)	17.5.1	(1,331,648)	(1,412,759)
			<b>6,537,283</b>	7,095,971
17.1	Government of Pakistan - PPAF - I (IDA financing)			
	Opening balance		438,522	657,810
	Amount repaid		(109,644)	(219,287)
			<b>328,878</b>	438,523

A Development Credit Agreement (DCA) was signed between International Development Association (IDA) and the Government of Pakistan (GoP) on 07 July 1999. IDA made available to the GoP, a sum of Special Drawing Rights (SDR) of 66.5 million over a period of five years, to be utilized by GoP, through the Company.

Under a Subsidiary Financing Agreement (SFA) dated 18 August 1999, executed between the GoP and the Company, 50% of the amount was disbursed as a loan to the Company and the balance as a grant, on a non-reimbursable basis. The principal amount of the loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual instalments, payable on each 15 May and 15 November, commencing from 15 November 2007 and ending on 15 May 2022. Each instalment, up to and including the instalment payable on 15 May 2013, was equal to 2.083% of such principal amount, and each instalment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % per annum, on the principal amount of loan withdrawn and outstanding from time to time, and a commitment charge at the rate set by the IDA, on the principal amount of the loan not withdrawn from time to time. The service and commitment charges are payable on 15 May and 15 November each year.

17.2	Government of Pakistan- PPAF - II (IDA financing)	Un-audited	Audited
		31 December 2020	30 June 2020
		----- Rupees '000 -----	
	Opening balance	4,654,848	5,371,005
	Amount repaid	(358,078)	(716,157)
		<b>4,296,770</b>	4,654,848

A second DCA was signed between IDA and the GoP on 20 January 2004, in respect of PPAF II. Under the agreement IDA shall make available to GoP a sum of SDR of 168.1 million, over a period of four years, to be utilized by the GoP, through the Company.

Under an SFA dated 24 March 2004, executed between the GoP and the Company, the GoP agreed to provide 56% of the amount as a loan to the Company and the balance as a grant, on a non-reimbursable basis. The principal amount of the loan is repayable over a period of twenty three years, including the grace period of eight years, in thirty semi-annual instalments, payable on each 01 February and 01 August, commencing from 01 February 2012 and ending on 01 August 2026. Each instalment, up to and including the installment payable on 01 August 2017, shall be equal to 2.083% of such principal amount, and each instalment thereafter, shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75% per annum on the principal amount of the loan withdrawn and outstanding from time to time, and a commitment charge at the rate set by IDA, on the principal amount of the loan not withdrawn from time to time. The service and commitment charges are payable on 01 February and 01 August each year.

17.3	Government of Pakistan - (IFAD financing - MIOP)	Un-audited	Audited
		31 December 2020	30 June 2020
		----- Rupees '000 -----	
	Opening balance	649,859	726,313
	Amount repaid	(38,227)	(76,454)
		<b>611,632</b>	649,859

## (A Company incorporated under Section 42 of the Companies Act, 2017)

A programme loan agreement was signed between the International Fund for Agriculture Development (IFAD) and the GoP on January 18 2006, in respect of the Micro-finance Innovation and Outreach Programme (MIOP). Under the agreement IFAD shall make available to GoP a sum of SDR of 18.30 million over a period of five years to be utilized by GoP through the Company.

Under a Subsidiary Loan and Grant agreement (SLGA) dated 18 April, 2006, executed between the GoP and the Company, the GoP agreed to provide 50% of the amount as a loan to the Company, and the balance as a grant on a non-reimbursable basis on account of capacity building. The principal amount of the loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual instalments, commencing on 01 June 2014 and ending on 01 December 2028. These loans carry a service charge of 0.75% per annum on the principal amount of the loan withdrawn and outstanding from time to time, payable on 01 June and 01 December, each year.

	Un-audited 31 December 2020	Audited 30 June 2020
	----- Rupees '000 -----	
<b>17.4</b> Government of Pakistan - (IFAD financing - PRISM)		
Opening balance	1,374,475	1,511,923
Amount repaid	<u>(68,724)</u>	<u>(137,448)</u>
	<u>1,305,751</u>	<u>1,374,475</u>

A programme loan agreement was signed between the International Fund for Agriculture Development (IFAD) and the GoP on 22 November 2007 in respect of the Programme for Increasing Sustainable Microfinance (PRISM). Under the agreement IFAD shall make available to GoP a sum of SDR of 22.85 million over a period of five years, to be utilized by the GoP, through the Company.

Under an SFA dated 12 January 2008, executed between the GoP and the Company, the GoP agreed to provide 65% of the amount as a loan to the Company and the balance as grant, on a non-reimbursable basis, on account of capacity building. The principal amount of the loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty equal semi-annual instalments, commencing on 01 December 2015 and ending on 01 June 2030. These loans carry a service charge of 0.75% per annum on the principal amount of the loan withdrawn and outstanding from time to time, payable on 01 June and 01 December, each year.

	Note	Un-audited 31 December 2020	Audited 30 June 2020
		----- Rupees '000 -----	
<b>17.5</b> Government of Pakistan- PPAF - III (IDA financing)			
Opening balance		2,670,622	2,800,872
Amount repaid		<u>(65,125)</u>	<u>(130,250)</u>
		2,605,497	2,670,622
Less: Deferred benefit of below market rate of interest on long-term financing	17.5.1	<u>(1,331,648)</u>	<u>(1,412,759)</u>
		<u>1,273,849</u>	<u>1,257,863</u>

A financing agreement was signed between IDA and the GoP on 09 June, 2009 in respect of PPAF III. Under the agreement, IDA shall make available to GoP a sum of SDR of 167.2 million over a period of 5 years to be utilized by GoP through the Company.

Under a Subsidiary Loan Agreement (SLA) dated 15 June 2009 executed between the GoP and the Company, the GoP agreed to provide 13% of the amount as a loan to the Company, and the balance as a grant on a non-reimbursable basis. The principal amount of the loan is repayable over a period of twenty three years, including the grace period of eight years, in thirty semi-annual instalments, payable on each 15 June and 15 December commencing from 15 June 2017 and ending on 15 December 2031. Each instalment, up to and including the instalment payable on 15 December 2022, shall be equal to 2.083% of such principal amount, and each instalment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75% per annum on the principal amount of the loan withdrawn and outstanding from time to time, and a commitment charge at the rate set by IDA, on the principal amount of the loan not withdrawn from time to time. The service and commitment charges are payable on 15 June and 15 December each year.

**17.5.1** The loan is carried at its present value computed at a market based interest rate i.e. 15% per annum. The difference between the present value and the loan proceeds, is recognized as a deferred benefit. The deferred benefit is recognized as income using the Effective Interest method over the period of the loan. The movement in the deferred benefit during the year is as follows:

	Un-audited 31 December 2020	Audited 30 June 2020
	----- Rupees '000 -----	
Deferred benefit		
Opening balance	1,412,759	1,570,342
Amortization during the year	<u>(81,111)</u>	<u>(78,630)</u>
	<u>1,331,648</u>	<u>1,491,712</u>

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Act, 2017)**

	Un-audited 31 December 2020	Audited 30 June 2020
	----- Rupees '000 -----	
<b>18 DEFERRED LIABILITIES - GRANT FUND</b>		
Government of Pakistan - KfW Renewable Energy (RE)	<b>100,574</b>	168,226
Government of Pakistan - KfW Livelihood Support and Protection of Small Community Infrastructure (LACIP I)	<b>31,212</b>	64,108
Government of Pakistan - KfW Livelihood Support and Protection of Small Community Infrastructure (LACIP II)	<b>141,149</b>	450,520
Poverty Reduction through Rural Development Activities in Baluchistan, Khyber Pakhtunkhwa, Federally Administered Tribal Areas - (Italian Project)	<b>242,669</b>	298,798
Government of Pakistan - Prime Minister's Interest Free Loan (PMIFL) Scheme	<b>283,169</b>	260,720
United Nations High Commissioner for Refugees (UNHCR)	<b>99,683</b>	112,632
National Poverty Graduation Programme	<b>19,470</b>	455,883
Citifoundation	<b>4,204</b>	23,653
National Disaster Risk Management Fund	<b>57,439</b>	57,439
	<b>979,569</b>	1,891,979

## 18.1 Movement during the year:

	KfW RE	KfW LACIP I	KfW LACIP II	Italian Project	PMIFL	UNHCR-AR	NPGP	CF	NDRMF	31 December 2020	30 June 2020
----- Rupees '000 -----											
Opening balance	168,226	64,108	450,520	298,798	260,720	112,632	455,883	23,653	57,439	1,891,979	1,056,760
Receipts during the year	-	-	-	-	-	98,652	26	-	-	98,678	3,412,020
Profit on project account	-	-	9,343	-	-	2,229	-	-	-	11,572	46,411
Transfers to deferred income - grant fund	-	(9,941)	(7,185)	(7,600)	-	(3,500)	-	-	-	(28,226)	(44,074)
	168,226	54,167	452,678	291,198	260,720	210,013	455,909	23,653	57,439	1,974,003	4,471,117
Less: Disbursements / (recovery) for											
Water and infrastructure	-	-	-	790	-	4,270	-	-	-	5,060	287,635
Social sector development	-	-	-	23,637	-	-	-	-	-	23,637	39,739
Capacity/Institutional building	67,652	22,955	266,470	11,827	(22,449)	-	39,328	19,449	-	405,232	356,482
Social mobilization	-	-	-	-	-	-	31,037	-	-	31,037	15,542
Livelihood enhancement and protection	-	-	45,059	12,275	-	106,060	366,074	-	-	529,468	1,879,740
	67,652	22,955	311,529	48,529	(22,449)	110,330	436,439	19,449	-	994,434	2,579,138
Closing balance	100,574	31,212	141,149	242,669	283,169	99,683	19,470	4,204	57,439	979,569	1,891,979

**PAKISTAN POVERTY ALLEVIATION FUND**  
(A Company incorporated under Section 42 of the Companies Act, 2017)

	Note	Un-audited 31 December 2020 ----- Rupees '000 -----	Un-audited 31 December 2019
<b>19 INCOME ON INVESTMENTS AND SAVINGS</b>			
Profit on investments			
Specific to Endowment Fund		66,222	65,934
Specific to others and savings accounts		1,112,315	895,915
		<u>1,178,537</u>	<u>961,849</u>
<b>20 GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits		278,993	267,472
Rent, rates and taxes		-	19,952
Repairs and maintenance		4,368	4,689
Traveling, lodging and conveyance		26,640	48,027
Communication		1,209	4,490
Printing and stationery		1,280	1,231
Insurance		2,878	2,564
Vehicles running and maintenance		8,081	9,400
Utilities		6,956	6,143
Legal and professional charges		3,754	2,606
Advertisement		1,306	1,195
Media projection		585	130
Newspapers, books and periodicals		29	287
Depreciation of property and equipment	4	30,618	13,204
Amortization of right-of-use asset	5	21,285	-
Security services		1,939	1,428
Others		2,190	3,031
		<u>392,123</u>	<u>385,849</u>
<b>21 SEMINARS, WORKSHOPS AND TRAININGS</b>			
Training		2,043	3,768
Seminars and workshops		332	4,877
		<u>2,375</u>	<u>8,645</u>
<b>23 FINANCIAL CHARGES</b>			
On long-term financing		37,477	40,527
Imputed interest on long-term loan at below market interest rate		81,111	78,630
Interest expense on lease liability		17,357	-
Bank charges		112	20
		<u>136,057</u>	<u>119,177</u>
<b>24 MOVEMENT IN GRANT FUND / RESERVE FOR GRANT BASED ACTIVITIES</b>			
Income allocated to reserve for grant based activities		899,286	650,795
Less: Expenditure on project and relief activities		(128,278)	(35,394)
		<u>771,008</u>	<u>615,401</u>
<b>25 COMPARATIVE FIGURES</b>			
Comparative figures have been rearranged and reclassified, wherever necessary, for better presentation.			

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Senior Group Head - FMCA**