

# Condensed Interim Financial Statements

For the Half Year ended  
December 31st, 2017

(Un-Audited)



Pakistan Poverty Alleviation Fund



## UN-AUDITED FINANCIAL STATEMENTS

### Attachments:

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- **Management Review**
- **Company Information**
- **Un-audited Condensed Interim Financial Statements for the Quarter ended December 31, 2017**
  - Balance Sheet
  - Income and Expenditure Account
  - Cash Flow Statement
  - Statement of Changes in Equity and Reserves
  - Notes to the Financial Statements



## 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 December 31, 2017.

During six months (July-December, 2017) PPAF continued its focus on creating opportunities, building institutions, and devising pathways out of poverty for the poor and disadvantaged communities across Pakistan through its ongoing programs i.e. Program for Poverty Reduction (PPR), Livelihood Support and Promotion of Small Community Infrastructure Program (LACIP), Hydropower and Renewable Energy program (HRE), Prime Minister's Interest Free Loans scheme (PMIFL), Poverty Graduation of Afghan Refugees and Hosting Families and other projects financed from its own resources. Through its associate company (Pakistan Microfinance Investment Company – PMIC), PPAF is providing responsible financial services to the poor and financially excluded individuals of Pakistan.

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

The Company's operations continued steadily during the first half year of the financial year 2017-18. Total funds managed during six months were Rs. 18,518 million (Jul – Dec 16: Rs 19,611 million). Total income generated during six months was Rs. 1,264 million compared to Rs. 1,189 million during the corresponding period last year indicating an increase of 6%. Service charges on loans to partner organizations and Pakistan Microfinance Investment company (PMIC) increased by 1% to Rs. 576 million (Jul - Dec 16: Rs. 572 million). Income on investments/saving accounts was Rs 531 million as compared to Rs 517 million for corresponding period last year. The Company received Rs. 36 million as operational support from donors (Jul - Dec 16: Rs. 30 million). Amortized income (difference between present value and loan proceeds recognizable as income over loan period) during six months was Rs 75 million as compared to Rs 70 million during corresponding period last year. Surplus before project and relief activities during six months was Rs. 780 million (Jul - Dec 16: Rs. 782 million).

The general and administrative expenses increased by 21% to Rs 282 million (Jul - Dec 16: Rs. 233 million) mainly on account of increase in salary and travel expenses. Salary increased due to hiring of staff for National Poverty Graduation Program (NPGP) and impact of annual increment. Travel expenses corresponded to enhanced activities in projects. Other expenses included fee to PMIC on account of management of PPAF's loan portfolio - Rs. 36 million (Jul – Dec 2016: 12 million); seminar, workshops and training expenses - Rs 3 million (Jul – Dec 2016: Rs 8 million); technical and other studies - Rs. 38 million (Jul – Dec 2016: Rs. 30 million); financial charges - Rs 126 million (Jul – Dec 2016: Rs. 124 million). In addition, an amount of Rs 45 million (Jul – Dec 2016: Rs 92 million) was spent on projects and relief activities from PPAF's own resources.

Over the periods, PPAF continued to make steady progress towards sustainable growth. Its equity has grown over Rs. 17.4 billion which is a key element in the sustainability of the organization. As of December 31, 2017, total equity and reserves stood at Rs 17,401 million (June 30, 2017: Rs 16,667 million), total assets at Rs 31,146 million (June 30, 2017: Rs 31,259 million) and loans receivable from POs and PMIC at Rs 11,809 million (June 30, 2017: Rs 12,526 million).

By the end of half year December 2017, PPAF has cumulatively disbursed Rs 193 billion (credit Rs 121 billion: Grants Rs 72 billion) through 137 partner organizations since inception. PPAF deployed resources in both urban and rural areas of the country. Aggregately, PPAF has by December 31, 2017 completed more than 34,500 water and infrastructure projects, supported and financed more than 3,000 health and education facilities, transferred 110,000 productive assets to ultra and vulnerable poor (46% women), provided skills training to more than 415,000 individuals (46% women), trained more than 260,000 community members (65% women) on institutional development and issued more than 387,000 interest free loans to individuals (65% 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

## **Key Events**

Financing Agreements for US\$ 150 million National Poverty Graduation Programme (NPGP) signed between Government of Pakistan, IFAD and PPAF. NPGP focuses on graduation of poor out of poverty through asset transfers, interest free loans and social mobilization. With a nation-wide spread across all four provinces and 3 special regions, the programme will be implemented in 372 union councils of 17 of the poorest districts of Pakistan, and directly impact 313,511 households with 156,240 asset transfers and 157,271 households with access to finance.

PPAF and KfW signed a 10 million Euros agreement for implementation of 'Livelihood Support and Promotion of Small Community Infrastructure Program' (LACIP II) in KPK. The project will be executed in three years and will contribute to greater political participation of villagers in decision making in tehsil and village councils by supporting the implementation of decentralization reform in districts Lakki Marwat, Buner and Shangla in the province of KPK.

PPAF has successfully implemented first phase of UNHCR project in Pishin and Swabi districts for Rs. 7.98 million. The project is focused on Poverty Graduation of Afghan Refugees and Hosting Families.

PPAF sponsored a leadership conference titled “Leadership Conference for Persons with Disabilities 2017” hosted by STEP (Special Talent Exchange Program) on the 26th-27th of September in Islamabad. The objective of the conference was to stimulate leadership of persons with disabilities in order to achieve Inclusive Sustainable Development Goals (SDGs) and to accelerate the momentum of enacting Pakistan Disability Act.

**Conclusion**

All that we strive for as a human family – dignity and hope, progress and prosperity – depends on equitable and inclusive development. As always, our objective is restoring hope, securing the future and ending poverty.

March 5, 2018

Qazi Azmat Isa  
Chief Executive Officer



# Company Information

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## Board of Directors:

Ms. Roshan Khursheed Bharucha  
*Chairperson*

Syed Ahmad Raza Asif

Mr. Kamal Hyat

Mr. Ahlullah Khan

Dr. Ijaz Nabi

Mr. Ahmad Hanif Orakzai

Mr. Aijaz Ahmed Qureshi

Dr. M. Suleman Shaikh

Mr. Qazi Azmat Isa  
*Chief Executive Officer*

## BOD Committees:

### Audit Committee:

Dr. M. Suleman Shaikh  
*Chairman*

Syed Ahmad Raza Asif

Ms. Roshan Khursheed Bharucha

### Board Compensation Committee:

Ms. Roshan Khursheed Bharucha  
*Chairperson*

Mr. Aijaz Ahmed Qureshi

## Company Secretary:

Mr. Amir Naeem

## Auditors:

EY Ford Rhodes, Chartered Accountants

## Legal Advisors:

Azam Chaudhry Law Associates

## Tax Advisors:

A. F. Ferguson & Company, Chartered Accountants

## Bankers:

Faysal Bank Limited, Allied Bank of Pakistan, Habib Bank Limited, National Bank of Pakistan, Silk Bank Limited, Standard Chartered Bank Limited, Bank Al Habib, Bank Al Falah, MCB Bank Limited, United Bank Limited, Askari Commercial Bank Limited, JS Bank, Khushhali Bank, Tameer Microfinance Bank

## Registered Office:

14, Street No: 22, Mauve Area, G-8/1, Islamabad, Pakistan.

UAN: (+92-51) 111-000-102, Ph: (+92-51)8439450 -79

Fax: (+92-51)2282262- 4, Email: [info@ppaf.org.pk](mailto:info@ppaf.org.pk)

Website: [www.ppaf.org.pk](http://www.ppaf.org.pk)

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**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Ordinance, 1984)**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT DECEMBER 31, 2017**

	Note	December 31, 2017	June 30, 2017
		(Rupees in '000)	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		37,545	52,065
Intangible assets		248	368
Investment in associate	4	2,927,495	2,881,509
Long term investments	5	907,259	1,783,356
Long term loans to associate	6	6,700,000	1,818,000
Long term loans to Partner Organizations	6	740,000	809,665
Long term deposits and prepayments		7,003	7,556
		11,319,550	7,352,519
<b>CURRENT ASSETS</b>			
Grant fund receivable	7	119,132	60,127
Loans and advances	8	57,190	17,228
Short term prepayments		13,038	24,511
Profit/service charges receivable	9	719,096	503,410
Other receivables		22,172	18,320
Current maturity of long term investments	5	875,000	875,000
Current maturity of loans	6	3,394,395	8,923,734
Short term investments	10	12,664,178	11,698,012
Tax refunds due from the Government		426,785	345,090
Bank balances-specific to projects	11	577,940	991,611
Cash and bank balances	12	957,733	449,567
		19,826,659	23,906,610
		31,146,209	31,259,129
<b>FUND AND RESERVES</b>			
Endowment fund	13	1,000,000	1,000,000
Grant fund and Reserve for grant based activities	14	10,011,144	9,340,591
Accumulated surplus		6,390,109	6,326,367
		17,401,253	16,666,958
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	15	9,909,561	10,474,762
Deferred benefit	15.5.1	1,798,156	1,872,752
		11,707,717	12,347,514
<b>CURRENT LIABILITIES</b>			
Deferred liabilities - grant fund	16	576,923	992,452
Deferred income - grant fund		13,375	13,375
Current portion of long term loans	15	1,279,596	1,100,515
Trade and other liabilities		33,487	39,885
Management fee payable		110,489	74,428
Service charges payable		23,369	24,002
		2,037,239	2,244,657
		31,146,209	31,259,129

The annexed notes 1 to 24 are an integral part of these financial statements.

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

\_\_\_\_\_  
**Senior Group Head**  
**Financial Management & Corporate Affairs**



**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Ordinance, 1984)**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Note	for the quarter ended		for the half year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
(Rupees in '000)					
<b>INCOME</b>					
Service charges on loans to Partner Organizations		211,224	307,740	430,915	571,690
Income from associate	17	121,552	-	191,552	-
Income on investments and saving accounts	18	276,565	257,074	530,958	516,955
Amortization of deferred income - grant fund		16,551	13,045	35,903	29,765
Amortization of deferred benefit of below market rate of interest on long term loan	15.5.1	37,337	35,567	74,596	69,173
Other income		55	1,216	377	1,702
		663,284	614,642	1,264,301	1,189,285
<b>EXPENDITURE</b>					
General and administrative expenses	19	147,621	113,422	281,658	233,435
Management fee		14,479	12,071	36,061	12,071
Seminars, workshops and trainings	20	1,108	4,809	2,551	7,554
Technical and other studies		20,582	23,914	38,590	30,692
Financial charges	21	64,016	63,673	125,845	123,745
		247,806	217,889	484,705	407,497
<b>EXCESS OF INCOME OVER EXPENDITURE BEFORE PROJECT AND RELIEF ACTIVITIES</b>					
		415,478	396,753	779,596	781,788
Project and relief activities	22	16,846	33,568	45,301	91,985
<b>EXCESS OF INCOME OVER EXPENDITURE</b>					
		398,632	363,185	734,295	689,803
<b>OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR</b>					
		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR</b>					
		398,632	363,185	734,295	689,803

The annexed notes 1 to 24 are an integral part of these financial statements.

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

\_\_\_\_\_  
Senior Group Head  
Financial Management & Corporate Affairs

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company incorporated under Section 42 of the Companies Ordinance, 1984)**  
**CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	<u>Note</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the half year ended		734,295	689,803
Adjustment for non cash and other item:			
Depreciation		5,248	8,248
Amortization of intangible assets		120	530
Amortization of deferred Income-grant fund		(35,903)	(29,765)
Transfer of deferred liabilities-grant fund to other income			
Amortization of deferred benefit		(74,596)	(69,173)
Financial charges		97,965	94,124
		<u>(7,166)</u>	<u>2,601</u>
Working capital changes		727,129	692,404
Decrease / (Increase) in current assets:			
Loan and Advances		(39,962)	(104,347)
Other Receivables		(3,852)	-
Tax refunds and long term deposits		(81,142)	-
Short term prepayments		11,473	-
Profit/service charges receivables		(215,686)	83,498
Increase / (decrease) in current liabilities:			
Trade and other liabilities		29,663	(30,240)
		<u>(299,506)</u>	<u>(51,089)</u>
Cash generated from operations		427,623	641,315
Disbursements to partner organizations:			
Loan			
to Partner Organizations		-	(5,415,142)
to associate		(4,882,000)	-
Grants		(779,587)	(1,110,118)
Recoveries of loans from partner organizations		5,599,004	5,400,803
Financial charges paid		(24,002)	(25,488)
		<u>(86,585)</u>	<u>(1,149,945)</u>
Cash utilized in operating activities		341,038	(508,630)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments - net purchases		(90,069)	2,656,082
Investment in associate		(45,986)	(2,883,258)
Capital expenditure incurred		(4,888)	(8,875)
Proceeds from disposal of fixed assets		14,160	1,510
Cash generated from/ (utilized in) investing activities		<u>(126,783)</u>	<u>(234,541)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loans - repaid		(460,716)	(395,591)
Deferred liabilities - grant fund receipts		305,053	1,151,321
Deferred income - grant fund receipts		35,903	30,065
Cash generated from financing activities		<u>(119,760)</u>	<u>785,795</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		94,495	42,624
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE HALF YEAR</b>		1,441,178	1,184,291
<b>CASH AND CASH EQUIVALENTS AT END OF THE HALF YEAR</b>	11 & 12	<u><u>1,535,673</u></u>	<u><u>1,226,915</u></u>

The annexed notes 1 to 24 are an integral part of these financial statements.

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

\_\_\_\_\_  
Senior Group Head  
Financial Management & Corporate Affairs

**PAKISTAN POVERTY ALLEVIATION FUND**  
**(A Company Incorporated under Section 42 of the Companies Ordinance, 1984)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS AND RESERVES - UNAUDITED**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Note	Endowment Fund	Grant fund	Reserve for grant based activities (Rupees in '000)	Accumulated Surplus	Total
<b>Balance as at June 30, 2016</b>		1,000,000	7,519,584	1,139,402	5,860,255	15,519,241
Total comprehensive income for the half year						
Surplus for the half year ended December 31, 2016		-	-	-	689,803	689,803
Other comprehensive income		-	-	-	-	-
		-	-	-	689,803	689,803
Transfer from accumulated surplus to grant fund		-	314,201	-	(314,201)	-
Transfer from accumulated surplus to reserve for grant based activities		-	-	204,659	(204,659)	-
<b>Balance as at December 31, 2016</b>		<u>1,000,000</u>	<u>7,833,785</u>	<u>1,344,061</u>	<u>6,031,198</u>	<u>16,209,044</u>
Total comprehensive income for the half year						
Surplus for half year ended June 30, 2017		-	-	-	460,608	460,608
Other comprehensive income		-	-	-	(2,694)	(2,694)
		-	-	-	457,914	457,914
Transfer from accumulated surplus to grant fund		-	(109,323)	-	109,323	-
Transfer from accumulated surplus to reserve for grant based activities		-	-	272,068	(272,068)	-
Transfer from Reserve from grant based activities to grant fund		-	1,616,129	(1,616,129)	-	-
<b>Balance as at June 30, 2017</b>		<u>1,000,000</u>	<u>9,340,591</u>	<u>-</u>	<u>6,326,367</u>	<u>16,666,958</u>
Total comprehensive income for the half year						
Surplus for the half year ended December 31, 2017		-	-	-	734,295	734,295
Other comprehensive income		-	-	-	-	-
		-	-	-	734,295	734,295
Transfer from accumulated surplus to grant fund		-	493,911	-	(493,911)	-
Transfer from accumulated surplus to reserve for grant based activities	23	-	-	176,642	(176,642)	-
<b>Balance as at December 31, 2017 - Unaudited</b>		<u>1,000,000</u>	<u>9,834,502</u>	<u>176,642</u>	<u>6,390,109</u>	<u>17,401,253</u>

The annexed notes 1 to 24 are an integral part of these financial statements.

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

\_\_\_\_\_  
Senior Group Head  
Financial Management & Corporate Affairs

**PAKISTAN POVERTY ALLEVIATION FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31,2017**

**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 Ordinance, 1984. The registered office of the Company is situated at plot 14, street 12, Mauve Area, G-8/1, Islamabad, Pakistan.

The Company's license under section 42 of the Companies Ordinance, 1984, issued by the Securities and Exchange Commission of Pakistan (SECP), expired in January, 2015. The Company's application for the renewal of the license, to SECP, submitted in January 2015, is awaiting clearance from the Ministry of Interior, Government of Pakistan. The management of the Company is confident that the license will be renewed in due course.

- 1.2 The primary object of the Company is to help the poor, the landless and the asset-less 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 December 31, 2017 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 June 30, 2017. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended June 30, 2017, whereas, comparative condensed interim income and expenditure account, condensed interim cash flow statement, and condensed interim statement of changes in fund and reserves are stated from unaudited condensed interim financial statements for the half year ended December 31, 2016.
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 June 30, 2017.

	<b>Note</b>	<b>December 31, 2017</b>	<b>June 30, 2017</b>
(Rupees '000)			
<b>4. INVESTMENT IN ASSOCIATE</b>			
Investment in Shares of PMICL	4.1	2,881,509	2,883,258
Share of income/(loss) from associate	4.2	45,986	(1,749)
		<u>2,927,495</u>	<u>2,881,509</u>

- 4.1 This represents investment in 49% shares of Pakistan Microfinance Investment Company Limited (PMICL). The investment is accounted for using equity method of accounting.
- 4.2 This represents 49% shares of net profit of PMICL estimated on the basis of un-audited financial statements for the nine months ended September 30th, 2017.
- 4.3 PMICL was established in August 2016 and is registered as an Investment Finance Company under NBFCs regulations with Securities and Exchange Commission of Pakistan (SECP). It is setup to catalyze and lead the next phase of growth in the microfinance sector of Pakistan. PMIC has been formed to provide a wide range of financial services, including wholesale funding to promote financial inclusion in Pakistan to alleviate poverty and contribute to broad based development. Other promoters of PMIC include Karandaaz Pakistan and KfW, a German Development Company.

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	<b>Note</b>	<b>December 31, 2017</b>	<b>June 30, 2017</b>
(Rupees '000)			
<b>5. LONG TERM INVESTMENTS - held to maturity</b>			
Specific to Endowment fund			
Pakistan Investment Bonds (PIBs)	5.1	1,000,000	1,000,000
Specific to others			
Pakistan Investment Bonds (PIBs)	5.2	800,000	1,675,000
		<u>1,800,000</u>	<u>2,675,000</u>
Net unamortised discount on purchase of Pakistan Investment Bonds	5.3	17,741	16,644
		<u>1,782,259</u>	<u>2,658,356</u>
Less: Long term investments maturing within next twelve months shown as current asset		875,000	875,000
		<u>907,259</u>	<u>1,783,356</u>

- 5.1 Represents investments in PIBs as follows:

Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
200.0 million	22-07-2010	22-07-2020	12.00	Semi annually
200.0 million	22-07-2010	22-07-2020	12.00	Semi annually
200.0 million	18-08-2011	18-08-2021	12.00	Semi annually
400.0 million	29-04-2014	19-07-2022	12.00	Semi annually

5.2	Principal (Rupees)	Issue Date	Maturity Date	Coupon rate % per annum	Payment terms
	800.0 million	17-07-2014	17-07-2019	11.50	Semi annually

5.3 Amortisation of net premium for the half year amounts to Rs 131 thousand (July-Dec 2016: net discount Rs 285 thousand)

6.	Note	December 31, 2017	June 30, 2017
		(Rupees in '000')	
<b>Long term loans to Partner Organizations</b>			
considered good		11,134,847	11,851,851
considered doubtful		674,153	674,153
	6.1	11,809,000	12,526,004
Less: Loan loss provision against loans to other entities	6.2	974,605	974,605
		10,834,395	11,551,399
Less: Amount receivable within next twelve months shown as current asset		3,394,395	8,923,734
		<u>7,440,000</u>	<u>2,627,665</u>

**6.1 Breakup of loans to:**

**Associated company:**

Pakistan Microfinance Investment Company 6.1.1 6,700,000 1,818,000

**Partner Organizations:**

Kashf Foundation		451,750	1,931,000
National Rural Support Programme		946,388	1,820,224
Development Action for Mobilization and Emancipation		457,530	946,786
Thardeep Rural Development Programme		570,482	823,417
ASA Pakistan Limited		271,250	499,859
Rural Community Development Society		284,196	433,640
Jinnah Welfare Society		197,800	409,400
Mojaz Foundation		62,333	367,583
Farmers Friend Organization		201,064	331,107
Sindh Agricultural & Forestry Workers Coordinating Organization		95,480	329,905
Khushhali Bank		-	320,000
BRAC Pakistan		136,998	316,846
Punjab Rural Support Programme		67,651	305,179
CEIP		44,476	266,903
Centre for Women Cooperative Development		257,839	257,839
Asasah		197,096	197,096
Al Mehran Rural Development and Welfare Organization		115,895	155,895
Orangi Charitable Trust		122,043	122,043
Soon Valley Development Programme		16,523	110,869
Shah Sachal Sami Welfare Association		90,163	100,555
AGAHE		65,000	89,833
SAATH Development Society		69,354	75,354
Organization for Participatory Development		74,733	74,733
Shadab Rural Development Organization		69,000	71,000
Narowal Rural Development Programme		58,455	63,455
Dia Welfare Organization		37,437	50,206
Buksh Foundation		49,925	49,925
Ghazi Brotha Taraqiatee Idara		-	48,560
Sayya Foundation		18,325	40,388
Mehran Education Society		21,748	21,748
Baidarie		19,147	19,647
Badbaan Enterprise Development Forum		2,865	16,555
Khajji Cooperative Society		12,620	12,620
Bunyad Literacy Community Council		5,900	9,750
Young Pioneers Society		6,650	6,650
Save The Poor		4,872	4,872
Women Social Organization		3,680	4,228
Poverty Eradication Network		1,827	1,827
Mashal Development Organization		505	505
	6.1.2	<u>11,809,000</u>	<u>12,526,004</u>

6.1.1 These loans were issued in accordance with the requirements of Companies Ordinance 1984. The agreements were signed in pursuance of the Master Subordinated Loan Framework Agreement, dated November 17, 2016 signed between PPAF and PMICL for provision of subordinated loans to PMICL. PPAF signed the following subordinated loan agreements with PMIC:

	Date of Agreement	Amount (Rs.000)	Markup Rate	Repayment period	First Repayment date
1	31-May-17	824,000	6 months KIBOR + 1%	13 years	30-Sep-18
2	29-Jun-17	994,000	6 months KIBOR + 1%	13 years	30-Sep-18
3	8-Aug-17	1,663,000	6 months KIBOR + 1%	13 years	31-Dec-18
4	3-Nov-17	2,869,000	6 months KIBOR + 1%	13 years	31-Dec-18
5	28-Dec-17	350,000	6 months KIBOR + 1%	13 years	31-Dec-18

6.1.2 The Company disbursed microcredit loans to POs under respective Financing Agreements at service charges based upon including KIBOR. These loans are secured through letter of hypothecation on receivables of POs created out of financing obtained from the Company. Further, the Company maintains a first charge on all assets / capital items created out of financing provided for capacity building and under the exclusive lien of the Company until full repayment of the principal, service charges and other outstanding amounts payable to the Company. These loans are repayable on quarterly basis within two years under the respective financing agreements signed between the Company and the POs.

Effective April 1, 2013 rates for service charges are revised on the basis of classification of POs into "for-profit" and "not-for-profit" and further sub categories into geographical areas 4.00% p.a. to 9.00% p.a. (June 2015: 4.61% p.a. to 11.68% p.a.). All financing agreements signed after September 30, 2015 with "for profit" Microfinance Institutional and Microfinance Banks are charged interest on the basis of internal rating system of PPAF 9.5% p.a (June 2017: 9.5%). All other financing facilities that have completed two years of subsidized funding are charged standard rate based on KIBOR, 8% p.a (June 2017: 8%)

6.2	Movement of loan loss provision	December 31, 2017			June 30, 2017
		(Rupees '000)			Rupees '000'
		Specific	General	Total	Total
	Opening balance	674,153	300,452	974,605	943,102
	Provision during the period	-	-	-	31,503
	Closing balance	674,153	300,452	974,605	974,605

6.3	Movement of loans	December 31, 2017	June 30, 2017
		(Rupees in '000)	
	Opening balance	12,526,004	14,716,386
	Disbursements during the period	4,812,336	7,094,853
		17,338,340	21,811,239
	Recoveries during the period	(5,529,340)	(9,285,235)
		11,809,000	12,526,004
	Less: Loan loss provision	(974,605)	(974,605)
		10,834,395	11,551,399

## 7 GRANT FUND RECEIVABLE

Considered good, unsecured	7.1	119,132	60,127
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7.1 This represents the amounts disbursed to POs, from the Company's own financial resources, in respect of the Poverty Reduction through Rural Development Activities- PPR (refer to note 15.3).

	Note	December 31, 2017	June 30, 2017
		----- Rupees '000 -----	
<b>8</b>	<b>Loans and advances</b>		
	<b>Loans - considered good, secured</b>		
	Employees	2,111	1,708
	<b>Advances - considered good, unsecured</b>		
	Employees	51,405	15,346
	Suppliers	3,674	174
		55,079	15,520
		<b>57,190</b>	<b>17,228</b>

8.1 This represents the advance salary loans and car loans given to the employees of the Company, carrying annual mark-up of NIL (June 2017: 3%) and NIL (June 2017: 8%), respectively. The principal amount is repayable within a maximum period of five years in equal in installments.

	December 31, 2017	June 30, 2017
	----- Rupees '000 -----	
<b>9. PROFIT / SERVICE CHARGES RECEIVABLE</b>		
Profit receivable on		
Endowment fund investments	51,738	51,600
Short term investments others	238,174	242,266
Short term investments specific to projects	-	12,575
	289,912	306,441
Service charge receivable on loans to POs	568,722	336,507
Less: Provision for doubtful service charges	(139,538)	(139,538)
	429,184	196,969
	719,096	503,410

0

	Note	December 31, 2017	June 30, 2017
		(Rupees in '000')	
<b>10. SHORT TERM INVESTMENTS</b>			
Specific to projects	10.1	-	420,000
Specific to others	10.2	12,664,178	11,278,012
		12,664,178	11,698,012

10.1 Investments are classified as investments specific to others, except investments related to projects and endowment fund. These include following:

	Note	December 31, 2017	June 30, 2017
		(Rupees in '000')	
Treasury bills	10.1.1	2,089,797	-
Term Deposit Receipts (TDRs)	10.1.2	10,574,381	11,278,012
		12,664,178	11,278,012

10.1.1 These funds are invested in Government Treasury Bills maturing within one year from the date of investment, at annual mark up rates ranging from 5.99% p.a to 6.01% p.a (June 2017: 5.91% p.a to 6.92% p.a).

10.1.2 These funds are invested in term deposit receipts maturing within one year from the date of investment, at annual mark up rates ranging from 5.80% p.a to 9.00% p.a (June 2016: 5.97% p.a to 8.80% p.a).

	<b>December 31, 2017</b>	<b>June 30, 2017</b>
	----- Rupees '000 -----	
<b>11. BANK BALANCES - SPECIFIC TO PROJECTS</b>		
Current accounts		
Specific to KfW - Livelihood and Community Infrastructure I	102,106	102,107
Specific to KfW - Livelihood and Community Infrastructure II	130,648	
Specific to KfW - Renewable Energy	70,023	3,623
Specific to Italian Project - Poverty Reduction Through Rural Development Activities in Baluchistan, KPK and FATA	6,162	338,109
Specific to Prime Minister's Interest Free Loan Scheme (PMIFL)	268,112	547,772
UNHCR-Poverty Graduation for Afghan Refugees in Balochista	889	-
	<b>577,940</b>	<b>991,611</b>

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

	<b>Note</b>	<b>December 31, 2017</b>	<b>June 30, 2017</b>
		----- Rupees '000 -----	
<b>12. CASH AND BANK BALANCES</b>			
Cash in hand		100	102
Cash at banks in:			
Cash at banks - current accounts		655	1,835
Cash at banks - deposit accounts	12.1	956,978	447,630
		957,633	449,465
		<b>957,733</b>	<b>449,567</b>

12.1 These balances carry a per annum mark-up ranging between 3.5% to 6.00% (June 2017: 3.5% to 6.07%).

**13. ENDOWMENT FUND -**

This represents the amounts paid by GOP for endowment fund under the Subsidiary Financing Agreements (SFAs) for IDA I and IDA II projects. Under the SFA, the fund is to be invested in the government schemes / bonds and income generated therefrom shall be utilized for revenue and capital expenditure of the Company.

<b>14. GRANT FUND AND RESERVE FOR GRANT BASED ACTIVITIES</b>	<b>December 31, 2017</b>	<b>June 30, 2017</b>
	----- Rupees '000 -----	
Grant Fund	9,834,502	9,340,591
Reserve for grant based activities	176,642	-
	<b>10,011,144</b>	<b>9,340,591</b>

Any unutilized reserve will be reclassified as grant fund at the end of the year.



	<b>Note</b>	<b>December 31, 2017</b>	<b>June 30, 2017</b>
----- Rupees '000 -----			
<b>15. LONG TERM LOANS - Unsecured</b>			
Government of Pakistan - PPAF - I (IDA financing)	15.1	986,743	1,096,387
Government of Pakistan- PPAF - II (IDA financing)	15.2	6,445,238	6,624,234
Government of Pakistan - MIOP (IFAD financing)	15.3	840,994	879,221
Government of Pakistan - PRISM (IFAD financing)	15.4	1,718,092	1,786,816
Government of Pakistan- PPAF - III (IDA financing)	15.5	2,996,246	3,061,371
		<u>12,987,313</u>	<u>13,448,029</u>
Less: Amount payable within next twelve months shown as current liability		<u>(1,279,596)</u>	<u>(1,100,515)</u>
		<u>11,707,717</u>	<u>12,347,514</u>
Less: Deferred benefit of below market rate of interest on long-term financing - Government of Pakistan - PPAF - III (IDA financing)	15.5.1	<u>(1,798,156)</u>	<u>(1,872,752)</u>
		<u><b>9,909,561</b></u>	<u><b>10,474,762</b></u>

**15.1 Government of Pakistan - PPAF - I (IDA financing)**

Opening balance	1,096,387	1,315,674
Amount repaid	<u>(109,644)</u>	<u>(219,287)</u>
	<u>986,743</u>	<u>1,096,387</u>

The principal amount of loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments payable on each May 15, and November 15 commencing from November 15, 2007 and ending on May 15, 2022. Each installment upto and including the installment payable on May 15, 2013 shall be equal to 2.083% of such principal amounts and each installment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % p.a.

	<b>December 31, 2017</b>	<b>June 30, 2017</b>
----- Rupees '000 -----		
<b>15.2 Government of Pakistan- PPAF - II (IDA financing)</b>		
Opening balance	6,624,234	6,982,227
Amount repaid	<u>(178,996)</u>	<u>(357,993)</u>
	<u>6,445,238</u>	<u>6,624,234</u>

The principal amount of loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each February 01, and August 01 commencing from February 01, 2012 and ending on August 01, 2026. Each installment upto and including the installment payable on August 01, 2017 shall be equal to 2.083% of such principal amounts and each installment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % p.a.

	<u>December 31, 2017</u>	<u>June 30, 2017</u>
	----- Rupees '000 -----	
<b>15.3 Government of Pakistan - (IFAD financing MIOP)</b>		
Opening balance	879,221	955,675
Amount repaid	<u>(38,227)</u>	<u>(76,454)</u>
	<u>840,994</u>	<u>879,221</u>

The loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each June 01, and December 01 commencing from June 01, 2014 and ending on December 01, 2028 in thirty equal semi annual installments. These loans carry a service charge of 0.75 % p.a.

	<u>December 31, 2017</u>	<u>June 30, 2017</u>
	----- Rupees '000 -----	
<b>15.4 Government of Pakistan - (IFAD financing PRISM)</b>		
Opening balance	1,786,816	1,924,264
Amount repaid	<u>(68,724)</u>	<u>(137,448)</u>
	<u>1,718,092</u>	<u>1,786,816</u>

The loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty equal semi-annual installments commencing from December 01, 2015 and ending on June 01, 2030. These loans carry a service charge of 0.75 % p.a.

	<u>Note</u>	<u>December 31, 2017</u>	<u>June 30, 2017</u>
		----- Rupees '000 -----	
<b>15.5 Government of Pakistan- PPAF - III (IDA financing)</b>			
Opening balance		3,061,371	3,126,496
Amount repaid		<u>(65,125)</u>	<u>(65,125)</u>
		2,996,246	3,061,371
Less: Deferred benefit of below market rate of interest on long term loan	15.5.1	<u>(1,798,156)</u>	<u>(1,872,752)</u>
		<u>1,198,090</u>	<u>1,188,619</u>

The loan is repayable over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each June 15, and December 15 commencing from June 15, 2017 and ending on December 15, 2031. Each installment upto and including the installment payable on December 15, 2022 shall be equal to 2.083% of such principal amounts and each installment thereafter shall be equal to 4.167% of such principal amount. These loans carry a service charge of 0.75 % p.a.

15.5.1 The loan is carried at present value computed at market based interest rate. The difference between present value and loan proceeds is recognised as deferred benefit. The deferred benefit is recognized as income using the effective interest method over the period of the loan. Movement of deferred benefit during the year is as follows:

	<u>December 31, 2017</u>	<u>June 30, 2017</u>
	----- Rupees '000 -----	
<b>Deferred benefit</b>		
Opening balance	1,872,752	2,014,837
Amortization during the period	<u>(74,596)</u>	<u>(142,085)</u>
	<u>1,798,156</u>	<u>1,872,752</u>

16. DEFERRED LIABILITIES - GRANT FUND

December 31, 2017 June 30, 2017

(Rupees '000')

Government of Pakistan - KfW Renewable Energy (RE)	64,787	-
Government of Pakistan - KfW Livelihood Support and Protection of Small Community Infrastructure (LACIP) I	105,170	104,956
Government of Pakistan - KfW Livelihood Support and Protection of Small Community Infrastructure (LACIP) II	130,648	-
Government of Pakistan - Poverty Reduction through Rural Development Activities	(119,132)	331,199
Government of Pakistan - Prime Minister's Interest Free Loan (PMIFL) Scheme	265,312	544,971
Others	11,006	11,326
	<u>457,791</u>	<u>992,452</u>

16.1 Deferred liabilities grant fund represents amounts payable to POs/(receivable from donors) on non-reimbursable basis under respective financing agreements.

16.2 Movement during the year:

	KfW Renewabl e Energy	KfW Livelihood I	KfW Liveliho od II	Italian	PMIFL	OTHER FUNDS	31-Dec-17	30-Jun-17
<b>Note</b>								
Opening balance	(60,127)	104,956	-	331,199	544,971	11,326	932,325	339,722
Amount received/(transferred)	200,953	-	130,648	-	-	9,356	340,957	2,882,210
Project activities reported by POs	-	-	-	-	-	-	-	6,193
Transferred to deferred income	(10,472)	-	-	(25,432)	-	-	(35,904)	(110,011)
	130,354	104,956	130,648	305,767	544,971	20,682	1,237,378	3,118,114
Less: Disbursements for								
Water and infrastructure	-	-	-	207,103	-	-	207,103	879,070
Social sector development	-	-	-	135,074	-	-	135,074	481,049
Capacity/Institutional building	65,567	(214)	-	21,802	279,659	-	366,814	303,698
Social mobilization	-	-	-	7,914	-	-	7,914	27,316
Livelihood enhancement and protection	-	-	-	53,006	-	-	53,006	249,374
Other projects	-	-	-	-	-	9,676	9,676	245,282
16.9	65,567	(214)	-	424,899	279,659	9,676	779,587	2,185,789
	<u>64,787</u>	<u>105,170</u>	<u>130,648</u>	<u>(119,132)</u>	<u>265,312</u>	<u>11,006</u>	<u>457,791</u>	<u>932,325</u>
<b>Represented by:</b>								
Deferred liabilities - grant fund	64,787	105,170	130,648	-	265,312	11,006	576,923	992,452
Grant fund receivable	-	-	-	(119,132)	-	-	(119,132)	(60,127)
	<u>64,787</u>	<u>105,170</u>	<u>130,648</u>	<u>(119,132)</u>	<u>265,312</u>	<u>11,006</u>	<u>457,791</u>	<u>932,325</u>

### 16.3 **Grants from Government of Pakistan - Kfw - Renewable Energy**

On June 22, 2012 PPAF and German Financial Cooperation - Kfw signed financing and project agreement under which Kfw has agreed to make available an amount of EUR 10 million to the Company as grant on non reimbursable basis for the development of mini/micro hydro power plants, solar lighting systems, integrated water efficient solar irrigation systems and pilot projects in renewable energy in Khyber Pakhtunkhwa (North West Frontier Province-NWFP). The agreement will expire on December 31, 2017.

### 16.4 **Grants from Government of Pakistan - KfW - Livelihood Support and Promotion of Small Community Infrastructure (LACIP I)**

On 12 June, 2010 the Company and German Financial Cooperation - KfW signed a loan, financing and project agreement under which KfW has agreed to make available an amount of EUR 31,562,661 to PPAF, as a grant on a non-reimbursable basis, for the support of livelihood measures and the promotion of small community economic and social infrastructure in Khyber Pakhtunkhwa (North West Frontier Province-NWFP). PPAF has entered into separate financing agreements with twenty three (23) POs for the implementation of the project. The agreement was to expire on 31 December, 2015, however, the project duration has now been extended to June 30, 2018.

### 16.5 **Grants from Government of Pakistan - KfW - Livelihood Support and Promotion of Small Community Infrastructure (LACIP II)**

On August 18, 2017, PPAF and KfW signed a 10 million Euros agreement for implementation of 'Livelihood Support and Promotion of Small Community Infrastructure Program' (LACIP II) in KPK. The project will be executed in three years and will contribute to greater political participation of villagers in decision making in tehsil and village councils by supporting the implementation of decentralization

### 16.6 **Poverty Reduction Through Rural Development Activities in Baluchistan, Khyber Pakhtunkhwa, and Federally Administered Tribal Areas (Italian Project)**

On 14 January, 2011, the Government of Italy and the Government of Pakistan signed a program agreement for the Italian Project. A financing agreement was signed between GoP and Artigiancassa S.p.A. (on behalf of Government of Italy) on 21 March, 2011 under which the Government of Italy has agreed to make available an amount of EUR 40 million to PPAF on a non-reimbursable basis. A Subsidiary Financing Agreement was signed between the GoP and PPAF on 02 December, 2011. The project focuses on poverty reduction through rural development in Baluchistan, Khyber-Pakhtunkhwa, Federally Administered Tribal Areas and neighboring areas. Under the Agreement, the World Bank would act as a Supervision Body, PPAF as Project Executing Agency, and interventions will be operated through POs. The financing part of the agreement has been extended till 30 September, 2018

### 16.7 **Prime Minister's Interest Free Loan Scheme**

On May 14, 2014 Government of Pakistan has agreed to provide non-repayable grant of Rs. 3,500,000 thousand for provision of interest free loans to the poor and marginalized communities and those lacking access to financial services. The objective of the sheme is to reach marginalized men, women and youth not tapped by microfinance sector, support female participation by disbursing 50% of the loans, encourage behavioural change of beneficiaries and strengthen community-based institutions.

### 16.8 **Other Funds**

#### 16.8.1 **UNHCR - Afghan Refugees**

UNHCR and PPAF has signed an agreement to work for the betterment of Afghan Refugees in two districts of Pakistan.

16.9 Disbursement to:

	UN-AUDITED					AUDITED	
	KfW Renewable Energy	KfW Livelihood	ITALIAN	PMIFL	Other funds	December 31, 2017	June 30, 2017
Awami Development Organization	-	-	-	8,500	-	8,500	77,617
Association of Gender Awareness and Human Empowerment	-	-	-	7,000	-	7,000	62,103
AHO	-	(268)	-	-	-	(268)	50,225
AKHUWAT	-	-	-	44,600	-	44,600	123,490
AKPBS-Water and Sanitation Extension Programme	-	-	-	-	-	-	52,230
Aga Khan Rural Support Programme	30,945	-	17,125	-	-	48,070	163,010
AL Mehran Rural Development and Welfare Organization	-	-	-	6,000	-	6,000	33,000
Awaz Foundation Pakistan - Centre for Development Services	-	-	-	-	-	-	(135)
AZAT Foundation	-	-	-	-	-	-	47,469
Baanhn Beli	-	-	-	-	-	-	8,250
Baidarie	-	-	-	-	-	-	(2,650)
Balochistan Rural Development Society	-	-	-	-	-	-	42,673
Balochistan Environmental and Educational Journey	-	-	-	-	-	-	81,742
Bunyad Literacy Community Council	-	-	-	2,700	-	2,700	19,566
BRAC - Pakistan	-	-	-	-	-	-	102,973
Balochistan Rural Development & Research Society	-	-	(1)	-	-	(1)	30,402
Badin Rural Development Society	(32,131)	-	-	-	-	-	32,131
Balochistan Rural Support Programme	-	-	142,151	12,926	-	155,077	400,586
CGNP	-	-	-	-	-	-	268
Change in Education	-	(17)	-	-	-	(17)	13,749
Community Mobilisation and Development	-	-	-	-	-	-	80,867
Courage Development Foundation	-	-	-	-	-	-	8,032
Community Support Concern	-	-	-	-	-	-	118,668
Community Support Foundation	-	-	-	-	-	-	25,097
Community Uplift Programme	-	-	-	-	-	-	6,309
Environment Protection Society	-	-	14,249	5,600	-	19,849	206,988
Farmers Development Organization	-	-	-	11,512	-	11,512	103,389
Farmers Friend Organization	-	-	-	2,000	-	2,000	1,000
Ghazi Brotha Taraqiatee Idara	-	-	-	7,094	-	7,094	129,779
Hazara Development and Advocacy Foundation	-	-	-	-	-	-	53,414
Health and Nutrition Development Society	-	-	-	6,000	-	6,000	66,094
Human Development Foundation	-	-	21,758	-	-	21,758	48,001
Heartfile	-	-	-	-	-	-	755
Indus Earth Trust	-	-	-	-	-	-	81,258
Indus Resource Centre	-	-	-	-	-	-	16,277
Idara Taleem O Agahi	-	-	-	-	-	-	3,721
Jinnah Welfare Society	-	-	-	-	-	-	34
Kashf Foundation	-	-	-	3,000	-	3,000	20,666
Khwendo Kor Women and Children Development Programme	-	-	13,547	-	-	13,547	60,961
Mehran Education Society	-	-	-	-	-	-	15,264
Mountain and Glacier Protection Organization	-	-	-	-	-	-	(16)
Mountain Institute of Educational Development	-	-	-	-	-	-	23,822
Mojaz Foundation	-	-	-	11,100	-	11,100	66,139
Narowal Rural Development Programme	-	-	-	-	-	-	30,000
National Rural Support Programme	-	-	177,905	-	-	177,905	875,423
Pakistan Foundation Fighting for Blindness	-	-	-	-	-	-	2,755
Participatory Integrated Development Society	-	-	-	-	-	-	92,057
Punjab Rural Support Programme	-	-	-	4,000	-	4,000	31,488
Rural Community Development Society	-	-	-	16,700	-	16,700	137,575
Rural Development Project	-	-	-	-	-	-	24,358
SAATH Development Society	-	-	-	-	-	-	18,028
Social Action Bureau for Assistance in Welfare and Organisation Network	3,618	-	-	-	-	3,618	65,513
Sindh Agricultural & Forestry Workers Coordinating Organization-SSF	-	-	-	14,400	-	14,400	29,271
Sindh Agricultural & Forestry Workers Coordinating Organization-SAFWCO	-	-	-	-	-	-	15,277
Salik Development Foundation	-	-	-	-	-	-	10,779
South Asia Partnership Pakistan	-	-	-	-	-	-	44,561
Sarhad Rural Support Programme	31,005	1	-	-	-	31,006	652,958
Save The Poor	-	-	-	-	-	-	200
Sayya Foundation	-	-	-	4,496	-	4,496	15,757
Society for Conservation and Protection of Environment	-	-	-	-	-	-	1,034
SEHER	-	-	7,589	-	-	7,589	78,592
Sustainable Development, Education, Rural Infrastructure, Veterinary Care & Environment	-	-	-	65,443	-	65,443	59,765
Sindh Rural Support Programme	-	-	-	-	-	-	11,818
SOS Children's Village	-	-	-	-	-	-	(53)
SPADO	-	-	-	-	-	-	18,582
Shadab Rural Development Organization	-	-	-	-	-	-	6,648
Sindh Rural Support Organization	-	-	-	12,000	-	12,000	61,226
Shah Sachal Sami Welfare	-	-	-	-	-	-	5,462
Sungi Development Foundation	-	-	-	-	-	-	1,532
SUSG-Central Asia	-	-	-	-	-	-	27,540
Soon Valley Development Programme	-	-	-	-	-	-	214
Support With Working Solutions	-	-	-	-	-	-	19,301
Taraqee Foundation	-	-	-	-	-	(1)	169,985
Thardeep Rural Development Programme	-	-	-	13,400	-	13,400	147,753
Villagers Development Organization	-	-	-	-	-	-	(409)
Water Environment & Sanitation Society	-	-	-	-	2,586	2,586	205
Women Social Organisation	-	-	-	-	-	-	12,081
Lasooona	-	-	14,811	-	-	14,811	52,722
CERD	-	-	-	-	-	-	14,611
YO (Youth)	-	-	15,678	-	3,545	19,223	33,758
HHRD	-	-	-	-	3,545	3,545	122,760
	43,097	350,000	#N/A	-	-	#N/A	-
NIDA	-	-	-	-	-	-	13,016
CSC Empowerment & Inclusion Programme	-	-	-	13,188	-	13,188	-
Direct expenses on project activities	-	70	87	-	-	157	76,973

16.9 Disbursement to:

UN-AUDITED					AUDITED	
KfW Renewable Energy	KfW Livelihood	ITALIAN	PMIFL	Other funds	December 31, 2017	June 30, 2017
65,567	(214)	#N/A	279,659	9,676	779,587	5,456,334

	for the quarter ended		for the half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- Rupees '000 -----		----- Rupees '000 -----	
<b>17 Income from Associate</b>				
Service charges on loans to Associate	95,566	-	145,566	-
Income from investment in associate	25,986	-	45,986	-
	<u>121,552</u>	<u>-</u>	<u>191,552</u>	<u>-</u>
<b>18 Income on investments and saving accounts</b>				
Profit on investments				
Specific to Endowment Fund	33,795	31,884	64,042	63,177
Specific to projects	477	2,041	3,564	16,937
Specific to Grant Fund	107,687	152,084	221,943	296,644
Specific to others and savings accounts	134,606	71,065	241,409	140,197
	<u>276,565</u>	<u>257,074</u>	<u>530,958</u>	<u>516,955</u>
<b>19. GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and other benefits	108,180	77,596	200,542	160,943
Rent, rates and taxes	7,971	8,253	16,876	16,653
Repairs and maintenance	2,496	1,723	4,884	3,516
Traveling, lodging and conveyance	10,887	10,979	27,663	18,531
Communication	774	1,402	1,599	2,709
Printing and stationery	632	1,126	913	1,718
Insurance	2,247	3,014	4,494	5,468
Vehicles running and maintenance	2,133	5,029	4,478	8,196
Utilities	1,592	236	3,579	1,072
Legal and professional charges	6,051	945	6,277	1,407
Advertisement	-	-	-	126
Marketing and communication (438)	192	238	438	437
Newspapers, books and periodicals	73	90	146	205
Depreciation	1,673	531	5,329	8,026
Amortization	36	285	120	530
Security services	664	402	1,107	1,010
Others	2,020	1,573	3,213	2,888
	<u>147,621</u>	<u>113,422</u>	<u>281,658</u>	<u>233,435</u>
<b>20. SEMINARS, WORKSHOPS AND TRAININGS</b>				
Training	754	1,075	1,960	2,750
Seminar and workshops	354	3,734	591	4,804
	<u>1,108</u>	<u>4,809</u>	<u>2,551</u>	<u>7,554</u>
<b>21. FINANCIAL CHARGES</b>				
On long term loans	25,953	27,174	49,797	53,136
Imputed interest on below market rate long term loan	37,337	35,567	74,596	69,173
Bank charges	726	932	1,452	1,436
	<u>64,016</u>	<u>63,673</u>	<u>125,845</u>	<u>123,745</u>
<b>22. EXPENDITURE ON PROJECT AND RELIEF ACTIVITIES</b>				
Flood relief	-	-	-	22,420
Project and other activities	16,846	33,568	45,301	69,565
	<u>16,846</u>	<u>33,568</u>	<u>45,301</u>	<u>91,985</u>
<b>23. MOVEMENT IN RESERVE FOR GRANT BASED ACTIVITIES</b>				
Income earned during the period on grant fund investment	221,943	152,084	221,943	296,644
Less: expenditure on project and relief activities	16,846	33,568	45,301	91,985
	<u>238,789</u>	<u>185,652</u>	<u>176,642</u>	<u>204,659</u>
<b>24. COMPARATIVE FIGURES</b>				
Comparative figures have been rearranged and reclassified, wherever necessary, for better presentation.				

Chief Executive Officer

Senior Group Head  
Financial Management & Corporate Affairs