

# Condensed Interim Financial Statements

For the period ended March 31, 2009



PAKISTAN POVERTY ALLEVIATION FUND

**Title Picture:**

Government Girls High School, Village Saran in Muzaffarabad  
reconstructed by PPAF in the earthquake affected areas of AJK:  
funded by Committee Encouraging Corporate Philanthropy, USA.

# **Condensed Interim Financial Statements**

**For the period ended March 31, 2009**



**PAKISTAN POVERTY ALLEVIATION FUND**



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# Pakistan Poverty Alleviation Fund

## Company Information

### Board Of Directors

Hussain Dawood  
Chairman

Mueen Afzal

Rafiud Deen Ahmad

Rana Assad Amin

Muhammad Arif Azim

Naved Hamid

Aijaz Ahmed Qureshi

Syed Ayub Qutub

Zubyr Soomro

Fareeha Zafar

Kamal Hyat  
Chief Executive/Managing Director

### BOD Committees

#### Human Resource Committee

Hussain Dawood  
Chairman

Aijaz Ahmed Qureshi  
Member

Fareeha Zafar  
Member

#### Audit Committee

Mueen Afzal  
Chairman

Rafiud Deen Ahmad  
Member

Rana Assad Amin  
Member

Aijaz Ahmed Qureshi  
Member

### Company Secretary:

Iltifat Rasul Khan

### Auditors:

A. F. Ferguson & Company, Chartered Accountants

### Legal Advisors:

Azam Chaudhry Law Associates

### Tax Advisors:

A. F. Ferguson & Company, Chartered Accountants

### Bankers:

Allied Bank of Pakistan, Askari Commercial Bank Limited, Bank Al-Falah Limited, Citibank, Faysal Bank Limited, Habib Bank Limited, Hong Kong and Shanghai Banking Corporation Limited, National Bank of Pakistan, NDLC-IFIC Bank Limited, Royal Bank of Scotland, Saudi Pak Commercial Bank Limited, Standard Chartered Bank Limited

### Registered Office:

House No. 1, Street No. 20, Sector F-7/2, Islamabad, Pakistan.  
UAN: (+92-51) 111-000-102, Ph: 265 3304-05, 265 3597  
Fax: (+92-51) 265 2246, Email: info@ppaf.org.pk  
Website: www.pfaf.org.pk



## Management Review

The Management is pleased to present the un-audited condensed interim financial statements of the Company for the nine months ended March 31, 2009.

During the period, PPAF continued to sustain the momentum of growth by successfully following a strategy that engages poor communities and deploys diverse interventions for effective delivery and impact. This integrated approach focusing on provision of credit, infrastructure, health, education and skill development addressed the many facets of poverty and worked towards reducing vulnerability, especially with respect to gender. In addition, PPAF also continued its multi-pronged strategy for restoration of disrupted livelihoods in disaster affected areas.

By the end of March 31, 2009, PPAF funding had been disbursed in urban and rural areas of 120 districts of the country (about 130,000 community organizations / groups) through 75 partner organizations of which 12 were focusing exclusively or predominantly on women. On cumulative basis, PPAF has financed 2,700,000 microcredit loans, of which 1,215,000 (45%) were to women. 18,000 infrastructure projects were initiated and 330,000 staff and community members were trained. In earthquake affected areas, PPAF provided financing to 120,000 households to build earthquake resistant homes and also provided training to over 108,000 individuals in seismic construction and related skills.

PPAF financial and non-financial services are estimated to have, on a cumulative basis, benefited (directly or indirectly) over 15 million individuals from its credit programme and over 11 million individuals from infrastructure, health and education interventions, across the country.

### Operational and Financial Results

The overall operational and financial results during the period under review remained satisfactory. As PPAF is nearing the completion of its World Bank financed second project, its incremental disbursements have slowed due to full commitment and utilization of funds allocated by the donors. Total disbursements for core operations during nine months were Rs. 6,314 million compared to Rs. 7,789 million in the corresponding period last year. Loan (microcredit and enterprise development facility) disbursements were Rs 5,124 million as compared to Rs 6,394 million; water and infrastructure disbursements were Rs 491 million as compared to Rs 1,053 million; capacity building disbursements were Rs 233 million against Rs 239 million; and disbursements for education and health were Rs 34 million as against Rs 103 million during the preceding period last year. During nine months, Rs 432

million was disbursed for social mobilization. In addition, Rs 3,034 million (Rs 3,528 million in the preceding period) was disbursed during nine months for rehabilitation and reconstruction operations in earthquake affected areas.

By the end of March 2009, cumulative disbursements for core operations crossed forty billion mark and stood at Rs 40,088 million. Credit and enterprise development, the largest component of the PPAF, accounted for 77% of total disbursements followed by community physical infrastructure (15%); capacity building/social mobilization assistance (7%); and health & education (1%). In addition, cumulative disbursements for relief, rehabilitation and reconstruction activities in earthquake affected areas were Rs 17,550 million.

PPAF interventions are being carried out in all parts of the country. Provincial distribution of funding under the mainstream programmes remained consistent with previous allocations: 57% of the resources deployed in Punjab, 25% in Sindh, 7% in NWFP, 6% in Balochistan and 5% in Northern Areas/AJK.

Having utilized the World Bank funds allocated for microcredit component under second project, PPAF is now meeting its obligations through its own reserves built up from repayments received from partner organizations. As of March 31, 2009, PPAF had disbursed Rs 18,268 million as loan from these reserves.

Total equity crossed four billion mark and was Rs 4,658 million as at March 31, 2009 as against Rs 3,755 million as at June 30, 2008. Total assets of the Company on March 31, 2009 stood at Rs 18,644 million against Rs 18,923 million as at June 30, 2008. The amount of loans receivable from partner organizations was Rs 8,873 million on March 31, 2009 as against Rs 8,302 million as at June 30, 2008. PPAF continued to maintain 100% recovery rate in respect of its lending operations.

Total income generated during the period was Rs 1,209 million compared to Rs 1,040 million during the corresponding period last year – an increase of 16%. Service charges on loan to partner organizations increased by 71% due to high volume of credit portfolio. Income on investments and saving accounts reduced by 12% due to decrease in the level of investments as funds were channeled for lending to partner organizations. During the period, capacity building grant from Government of Pakistan and donors for PPAF operational support decreased by 6% due to slowdown of activities, nearing project completion.

The general and administrative expenses during the period increased by 8%. The main increases were in salaries/benefits and travel expenses. The salaries, wages and other benefits increased due to increments to existing employees to provide relief against higher cost of living as well as hiring of additional staff. Travel cost increased due to extensive appraisal and monitoring visits during the period under review.



The KfW Mission has appraised PPAF for EUR 32 million project on “Livelihood Support and Promotion of Small Community Infrastructure” to be implemented in the province of NWFP. The legal and financing agreements for this project are expected to be executed by September 2009.

The World Bank Team completed appraisal of third PPAF project in April 2009. The final negotiations were held between representatives of Government of Pakistan, World Bank and PPAF on April 30, 2009 in which the agreements and documents related to the third Project were agreed. The project involves total funding of US\$ 250 million over a period of five years. Under the proposed third Project, there would be stronger focus on the most vulnerable and poorest households. This would be achieved by adoption of a more participatory and integrated approach that combines strong targeting mechanisms that effectively identify the extreme-poor and poor; and building inclusive institutions of the poor with enhanced investments in sustainable livelihood opportunities. These investments would range from skill enhancement; micro-credit; improved access and linkages to markets and local government; and community managed grants for education, health and productive infrastructure. The Project is expected to be effective in September 2009.

With renewed dedication and commitments, PPAF will continue to be a responsive and agile institution fully aligned with the changing dynamics of poverty and vulnerability.

May 6, 2009



Kamal Hyat  
Chief Executive/Managing Director



**Condensed Interim  
Financial Statements  
Pakistan Poverty Alleviation Fund**

**Pakistan Poverty Alleviation Fund**  
**Condensed Balance Sheet**  
**as at March 31, 2009**

	Note	Un-audited Mar 31, 2009	Audited June 30, 2008
(Rupees)			
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS - TANGIBLE</b>		42,917,553	53,066,251
<b>INTANGIBLE ASSETS</b>		9,168,275	9,962,095
<b>LONG TERM INVESTMENTS</b>	4	1,000,000,000	1,000,000,000
<b>LONG TERM LOANS TO PARTNER ORGANIZATIONS</b>	5	3,024,765,045	1,115,405,268
<b>CURRENT ASSETS</b>			
Current maturity of loans to Partner Organizations	5	5,512,456,329	6,867,395,344
Short term investments-specific to projects	6	720,000,000	1,050,000,000
Short term investments	7	5,230,780,355	5,441,784,165
Advances, deposits, prepayments and other receivables		100,712,385	68,353,341
Profit/service charges receivable		686,546,340	262,500,096
Cash and bank balances-specific to projects	8	2,300,570,694	3,037,581,500
Cash and bank balances	9	15,637,839	16,862,695
		<u>14,566,703,942</u>	<u>16,744,477,141</u>
		<u>18,643,554,815</u>	<u>18,922,910,755</u>
<b>REPRESENTED BY:</b>			
<b>FUND AND RESERVES</b>			
Endowment fund	10	1,000,000,000	1,000,000,000
Accumulated surplus		<u>3,658,498,693</u>	<u>2,755,078,994</u>
		4,658,498,693	3,755,078,994
<b>LONG TERM LOANS</b>	11	10,985,062,698	10,769,894,863
<b>CURRENT LIABILITIES</b>			
Deferred liabilities - grant fund	12	2,882,585,743	4,250,413,931
Deferred income - grant fund		(49,966,364)	(26,292,606)
Current portion of long term loan	11	109,617,378	109,617,378
Service and commitment charges payable		54,944,726	60,396,984
Accrued and other liabilities		2,811,941	3,801,211
		<u>2,999,993,424</u>	<u>4,397,936,898</u>
		<u>18,643,554,815</u>	<u>18,922,910,755</u>

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

  
Chairman

  
Chief Executive/Managing Director

**Pakistan Poverty Alleviation Fund**  
**Condensed Interim Income and Expenditure Account**  
**for the Nine Months ended March 31, 2009 (Un-audited)**

Note	For the quarter ended		For the nine months ended	
	Mar 31, 2009	Mar 31, 2008	Mar 31, 2009	Mar 31, 2008
	(Rupees)		(Rupees)	
<b>INCOME</b>				
	237,562,349	126,592,761	592,700,438	346,004,124
Service charges on loans to Partner Organizations				
Amortization of deferred income - grant fund	22,112,610	29,538,298	88,507,705	93,874,462
Income on investments and saving accounts	171,241,854	210,462,872	526,072,408	598,214,481
Other income	819,203	874,648	1,525,515	1,765,595
	431,736,016	367,468,579	1,208,806,066	1,039,858,662
<b>EXPENDITURE</b>				
General and administrative expenses	84,081,654	76,619,016	225,441,791	208,529,805
Loan loss provision	5,748,209	85,946,577	17,147,034	140,249,977
Financial charges	35,293,397	32,644,775	62,797,542	63,939,100
	125,123,260	195,210,368	305,386,367	412,718,882
<b>SURPLUS FOR THE PERIOD</b>				
	306,612,756	172,258,211	903,419,699	627,139,780

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



Chairman



Chief Executive/Managing Director

**Pakistan Poverty Alleviation Fund**  
**Condensed Interim Cash Flow Statement**  
**for the Nine Months ended March 31,2009 (Un-audited)**

Note	For the nine months ended	
	Mar 31, 2009	Mar 31, 2008
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash generated from / (used in) operations</b>		
Surplus for the nine months	903,419,699	627,139,780
Adjustment for non cash items:		
Depreciation	19,082,417	16,695,459
Amortization of intangible assets	3,240,910	876,963
Amortization of deferred income	(88,507,705)	(93,874,462)
Loan loss provision	17,147,034	140,249,977
Financial charges	62,797,542	63,939,100
	13,760,198	127,887,037
	917,179,897	755,026,817
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
Advances, deposits, prepayments and other receivables	(32,359,044)	13,918,846
Profit/service charges receivables	(424,046,244)	(64,810,158)
Increase / (decrease) in current liabilities:		
Accrued and other liabilities	(989,270)	(2,354,632)
	(457,394,558)	(53,245,944)
Cash generated from operations	459,785,339	701,780,873
Recoveries of loans from partner organizations	4,552,903,896	4,810,875,564
Disbursements to partner organizations:		
Loans	(5,124,471,692)	6,394,463,502
Grants	(4,223,630,803)	(4,922,282,445)
Financial charges paid	(68,249,801)	(65,844,276)
Payment to gratuity fund	-	(3,046,125)
	(4,863,448,400)	(6,574,760,784)
Net cash (used in) operating activities	(4,403,663,061)	(5,872,979,911)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments	541,003,810	772,253,345
Capital expenditure incurred	(11,852,808)	(27,508,589)
Proceeds from disposal of fixed assets	472,000	-
Net cash generated from (used in) investing activities	529,623,002	744,744,756
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	(54,808,689)	(54,808,689)
Long term loans - receipts	269,976,524	56,099,890
Deferred liabilities - grant fund receipts	2,855,802,615	4,398,214,622
Ineligible costs repaid to USAID	-	(55,290,720)
Deferred income - grant fund receipts	64,833,947	19,067,572
Net cash generated from financing activities	3,135,804,397	4,363,282,675
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(738,235,662)	(764,952,480)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE NINE MONTHS</b>	3,054,444,195	3,718,131,407
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE NINE MONTHS</b> 8 & 9	2,316,208,533	2,953,178,927

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

  
Chairman

  
Chief Executive/Managing Director

**Pakistan Poverty Alleviation Fund**  
**Condensed Interim Statement of Changes in Fund and Reserves**  
**for the Nine Months ended March 31,2009 (Un-audited)**

	<u>Endowment Fund</u>	<u>Accumulated Surplus</u> (Rupees)	<u>Total</u>
<b>Balance as at June 30, 2007</b>	<b>1,000,000,000</b>	<b>1,953,072,462</b>	<b>2,953,072,462</b>
Net surplus for the nine months ended on March 31, 2008		627,139,780	627,139,780
<b>Balance as at March 31, 2008</b>	<b>1,000,000,000</b>	<b>2,580,212,242</b>	<b>3,580,212,242</b>
Net surplus for the quarter ended on June 30, 2008	-	174,866,752	174,866,752
<b>Balance as at June 30, 2008</b>	<b>1,000,000,000</b>	<b>2,755,078,994</b>	<b>3,755,078,994</b>
Net surplus for the nine months ended on March 31, 2009	-	903,419,699	903,419,699
<b>Balance as at March 31, 2009</b>	<b>1,000,000,000</b>	<b>3,658,498,693</b>	<b>4,658,498,693</b>

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



Chairman



Chief Executive/Managing Director

**Pakistan Poverty Alleviation Fund**  
**Notes to the condensed Interim Financial Statements**  
**for the Nine Months ended March 31,2009 (Un-audited)**

1. Pakistan Poverty Alleviation Fund was registered in Pakistan on February 6, 1997 as a public company with liability limited by guarantee, under Section 42 of the Companies Ordinance, 1984. The primary object of the Company is to help poor, the landless and the asset-less in order to enable them to gain access to the resources for their productive self employment and to encourage them to undertake activities of income generation, poverty alleviation and for enhancing quality of life.
2. These financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34: Interim Financial Reporting.
3. Accounting policies adopted for preparation of these financial statements are the same as those applied in preparation of the annual financial statements for the year ended June 30, 2008.

	Note	Un-audited	Audited
		Mar 31, 2009	June 30, 2008
(Rupees)			
<b>4. LONG TERM INVESTMENTS - held to maturity</b>			
Pakistan Investment Bonds (PIBs)	4.1	1,000,000,000	1,000,000,000

4.1 Represents investments in PIBs as follows:

Principal (Rupees)	Issue Date	Maturity Date	Profit rate % per annum	Payment terms
200 million	30-12-2000	30-12-2010	14.00	Semi annually
200 million	22-08-2001	22-08-2011	13.00	Semi annually
100 million	29-04-2004	28-04-2014	8.00	Semi annually
300 million	29-04-2004	28-04-2014	8.00	Semi annually
200 million	19-05-2006	19-05-2011	9.30	Semi annually

	Note	Un-audited	Audited
		Mar 31, 2009	June 30, 2008
(Rupees)			
<b>5. LOANS TO PARTNER ORGANIZATIONS - secured, considered good</b>			
Microcredit/Enterprise Development Loans - IDA financing	5.1	8,677,874,508	8,210,277,161
Enterprise Development Loans - USAID/Pakistan financing	5.2	7,890,417	52,100,830
Microfinance Innovation and Out Reach Programme (MIOP)	5.3	187,659,172	39,478,310
	5.4	8,873,424,097	8,301,856,301
Less: Loan loss provision	5.5	(336,202,723)	(319,055,689)
		8,537,221,374	7,982,800,612
Less: Current maturity		(5,512,456,329)	(6,867,395,344)
		<u>3,024,765,045</u>	<u>1,115,405,268</u>



5.1	Microcredit/Enterprise Development Loans - IDA financing	Note	Un-audited	Audited
			Mar 31, 2009	June 30, 2008
			(Rupees)	
	National Rural Support Programme		3,300,765,628	4,045,607,106
	Punjab Rural Support Programme		297,940,466	266,522,008
	Kashf Foundation		2,156,749,999	1,586,649,999
	Sarhad Rural Support Programme		63,333,333	69,000,000
	Thardeep Rural Development Programme		442,088,542	408,346,709
	Development Action for Mobilization and Emancipation		479,494,483	391,260,319
	Taraqee Foundation		2,724,394	10,354,105
	Sindh Agricultural & Forestry Workers Coordinating Organization		121,071,275	149,012,000
	Sindh Rural Support Programme		675,000	2,375,000
	Jinnah Welfare Society		99,750,000	57,941,500
	Centre for Women Cooperative Development		108,733,881	79,721,238
	Rural Community Development Society		91,091,669	75,995,371
	Young Pioneers Society		8,800,000	11,100,000
	Women Social Organisation		4,617,600	3,560,000
	Anjuman-e- Falah-o-Behbood		442,500	1,312,500
	Community Support Concern		206,384,979	166,010,626
	Poverty Eradication Network		2,800,000	2,965,000
	Baanhn Beli		2,920,000	6,700,000
	Bunyad Literacy Community Council		4,640,000	9,050,000
	Indus Resource Centre		15,809,413	12,829,000
	Network Leasing Corporation Limited		93,625,000	115,625,000
	Organization for Participatory Development		72,225,000	59,727,250
	Swabi Women Welfare Society		7,624,998	10,499,998
	Orangi Charitable Trust		124,240,000	63,576,668
	Community Development Concern		295,000	1,161,759
	Karwan Community Development Organization		5,973,000	3,345,000
	Kiran Welfare Organization		5,200,001	4,475,001
	Narowal Rural Development Programme		14,854,166	15,341,666
	Soon Valley Development Programme		5,600,000	9,203,750
	Asasah		244,322,636	236,011,916
	Baidarie		2,120,295	4,349,445
	Orix Leasing Pakistan Limited		150,165,198	89,187,631
	Save The Poor		12,330,133	13,100,219
	Marvi Rural Development Organization		9,359,999	11,803,653
	Sindh Rural Support Organization		58,703,838	53,356,864
	BRAC Pakistan		205,647,750	69,984,000
	Farmers Friend Organization		6,020,833	3,750,000.00
			8,429,141,009	8,120,812,301
	Enterprise Development Loans			
	Jinnah Welfare Society		23,087,570	11,412,360
	Sindh Agricultural & Forestry Workers Coordinating Organization		7,749,999	7,000,000
	Rural Community Development Society		54,585,800	22,000,000
	Community Support Concern		21,310,130	7,052,500
	Centre for Women Cooperative Development		142,000,000	42,000,000
			248,733,499	89,464,860
			8,677,874,508	8,210,277,161

	Note	Un-audited Mar 31, 2009	Audited June 30, 2008
		(Rupees)	
5.2	Enterprise Development Loans - USAID/Pakistan financing Centre for Women Cooperative Development Rural Community Development Society Community Support Concern	3,998,750 - 3,891,667 7,890,417	36,104,999 6,666,664 9,329,167 52,100,830
5.3	Microfinance Innovation and Out Reach Programme (MIOP) Community Support Concern Sarhad Rural Support Programme Kashf Foundation Sindh Agricultural & Forestry Workers Coordinating Organization AL Mehran Rural Development and Welfare Organization Orangi Charitable Trust Khajji Cooperative Society National Rural Support Programme Mojaz Foundation	28,169,124 56,000,000 37,500,000 21,301,000 983,048 3,700,000 2,086,000 35,000,000 2,920,000 187,659,172	17,280,050 10,000,000 - 5,600,000 3,768,260 800,000 2,030,000 - - 39,478,310

5.4 The Company disbursed Micro-credit loans and Enterprise Development Facility (EDF) to POs under respective Financing Agreements at a service charge of six percent per annum (6% p.a.) and eight percent per annum (8% p.a.). The later rate is effective on all the financing agreements executed after March 31, 2006. 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 half yearly basis within two years under the respective financing agreements signed between the Company and the POs.

With effect from January 01, 2008, the Partner Organisations, in respect of all lending facilities (credit), defined as large (Pos which are approved annual credit disbursements by PPAF of Rs. 500 million and above or POs having PPAF credit outstanding of Rs. 500 million and above, at any given point in time) will be charged annual markup rate (service charge) equal to 10% or KIBOR (Karachi Interbank Offered Rate) prevailing on first working day of January (applicable on Financing Agreements executed between January 01, to June 30) and first working day of July (applicable on Financing Agreements executed between July 01 to December 31) each year, the KIBOR of one year will be applicable. The proposed markup rate (service charge) will be applicable to all lending facilities contracted on or after January 01, 2008.

Repayment of principal amount will commence after the grace period of 12 months and shall continue over a period not exceeding 15 months. Payment of mark up (service charges) will be on quarterly basis.

	Note	Un-audited Mar 31, 2009	Audited June 30, 2008
		(Rupees)	
5.5	Loan loss provision Opening balance Provision during the period	319,055,689 17,147,034 336,202,723	174,492,535 144,563,154 319,055,689
5.6	Movement of loans to Partner Organizations Opening balance Disbursements during the period Recoveries during the period Less: Loan loss provision	8,301,856,301 5,124,471,692 13,426,327,993 (4,552,903,896) 8,873,424,097 (336,202,723) 8,537,221,374	5,816,417,842 9,075,097,135 14,891,514,977 (6,589,658,676) 8,301,856,301 (319,055,689) 7,982,800,612

**6. SHORT TERM INVESTMENTS-SPECIFIC TO PROJECTS**

Represents investments in respect of United States Department of Agriculture (USDA) project activities, maturing within one year from the date of investment at annual markup rates ranging ranging from 5.00% p.a. to 11.00% p.a. (June 2008: 10.00% p.a. to 11.00% p.a.)

**7. SHORT TERM INVESTMENTS**

Represents term deposit receipts of various commercial banks and investment banks respectively, maturing within one year from the date of investment at annual markup rates ranging from 9.50% p.a. to 15.40% p.a. (June 2008: 8.00% p.a. to 12.10% p.a.)

**8. CASH AND BANK BALANCES-SPECIFIC TO PROJECTS**

Cash at banks - current accounts

	Un-audited Mar 31, 2009	Audited June 30, 2008
	(Rupees)	
specific to USAID grant	81,842	81,842
specific to Kfw	3,352,449	107,192,900
specific to IDA	1,430,340,479	2,070,033,029
specific to IFAD-MIOP	11,569,351	59,192,170
specific to IFAD-REACH	419,790,804	456,578,126
specific to IFAD-PRISM	135,047,718	-
specific to Disability Project	163,615,593	-
specific to CECP grant	134,453,981	236,464,726
	<u>2,298,252,218</u>	<u>2,929,542,793</u>

Cash at banks - deposit accounts

specific to USDA grant	2,318,476	63,477,132
specific to CECP	-	44,561,575
	<u>2,318,476</u>	<u>108,038,707</u>
	<u>2,300,570,694</u>	<u>3,037,581,500</u>

**9. CASH AND BANK BALANCES**

Cash in hand

in head office	50,000	21,349
in centers	100,000	83,288
in field coordination offices	125,000	56,067
	<u>275,000</u>	<u>160,704</u>

Cash at banks - current accounts

Cash at banks - deposit accounts

	685,177	649,578
	<u>14,677,662</u>	<u>16,052,413</u>
	15,362,839	16,701,991
	<u>15,637,839</u>	<u>16,862,695</u>

**10. ENDOWMENT FUND**

PPAF - I

PPAF - II

	500,000,000	500,000,000
	500,000,000	500,000,000
10.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>

10.1 This represent the amounts paid by GOP for endowment fund under the subsidiary Financing Agreements (SFAs). 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>Note</b>	<b>Un-audited Mar 31, 2009</b>	<b>Audited June 30, 2008</b>
		(Rupees)	
<b>11. LONG TERM LOANS - Unsecured</b>			
Government of Pakistan - PPAF - I (IDA financing)	11.1	2,398,592,655	2,453,401,344
Government of Pakistan- PPAF - II (IDA financing)	11.2	8,324,229,927	8,197,837,189
Government of Pakistan - (IFAD financing-MIOP)	11.3	178,498,392	118,656,330
Government of Pakistan - (IFAD financing-PRISM)	11.4	83,741,724	-
		<u>10,985,062,698</u>	<u>10,769,894,863</u>
11.1 Government of Pakistan - PPAF - I (IDA financing)			
Opening balance		2,563,018,722	-
Amount received		-	2,631,238,091
Foreign exchange translation differences - Net		-	41,398,009
		<u>2,563,018,722</u>	<u>2,672,636,100</u>
Amount paid		<u>(54,808,689)</u>	<u>(164,426,067)</u>
		<u>2,508,210,033</u>	<u>2,508,210,033</u>
Current portion of long term loan		<u>(109,617,378)</u>	<u>(109,617,378)</u>
		<u>2,398,592,655</u>	<u>2,398,592,655</u>

The principal loan amount of the project is repayable in Pak Rupees 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.

	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
11.2 Government of Pakistan- PPAF - II (IDA financing)			
Opening balance		8,197,837,189	-
Amount received		126,392,738	8,324,229,927
		<u>8,324,229,927</u>	<u>8,324,229,927</u>

The principal loan amount of the project is repayable in Pak Rupees over a period of twenty three years, including a grace period of eight years, in thirty semi-annual installments, payable on each Feb 01, and August 01; commencing from February 01, 2012 and ending on August 01, 2026.

	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
11.3 Government of Pakistan - (IFAD financing-MIOP)			
Opening balance		118,656,330	-
Amount received		59,842,062	178,498,392
		<u>178,498,392</u>	<u>178,498,392</u>

The principal loan amount of the project is repayable in Pak Rupees over a period of twenty three years, including a grace period of eight years, in thirty equal semi-annual installments, commencing from June 01, 2014 and ending on December 01, 2028.

	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
11.4 Government of Pakistan - (IFAD financing-PRISM)			
Amount received		83,741,724	83,741,724
		<u>83,741,724</u>	<u>83,741,724</u>

The principal loan amount of the project is repayable in Pak Rupees 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.

Note	Un-audited	Audited
	Mar 31, 2009	June 30, 2008
	(Rupees)	
<b>12. DEFERRED LIABILITIES - GRANT FUND</b>		
Government of Pakistan - IDA	12.1 1,307,864,665	2,151,989,364
US Agency for International Development/Pakistan	12.2 126,106,108	126,106,108
Government of Pakistan - USDA	12.3 783,341,239	1,117,938,769
Government of Pakistan - KfW	12.4 3,352,449	107,192,900
Government of Pakistan - IFAD (MIOP)	12.5 60,905,845	8,863,170
Government of Pakistan - IFAD (REACH)	12.6 419,790,804	456,578,126
Government of Pakistan - IFAD (PRISM)	12.7 45,444,080	-
Committee Encouraging Corporate Philanthropy	12.8 135,780,553	281,745,494
	<u>2,882,585,743</u>	<u>4,250,413,931</u>

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

Note	Un-audited	Audited
	Mar 31, 2009	June 30, 2008
	(Rupees)	
<b>12.1 Grants from Government of Pakistan - IDA</b>		
Community physical infrastructure	12.1.1 173,407,257	(181,749,155)
Social sector development	12.1.2 10,301,657	(49,840,581)
Capacity building - POs	12.1.3 182,644,563	(221,898,926)
Emergency relief	12.1.4 (21,594,649)	(1,888,594)
Rehabilitation & Reconstruction	12.1.5 257,719,249	1,649,106,620
Grants for Social Mobilization	12.1.6 526,338,800	958,260,000
Grants for Disability Project	12.1.7 179,047,788	-
	<u>1,307,864,665</u>	<u>2,151,989,364</u>
	<b>Note</b>	<b>Cummulative to date</b>
	(Rupees)	
<b>12.1.1 Community physical infrastructure</b>		
Opening balance	(181,749,155)	-
Amount received	442,769,796	5,290,730,438
Foreign exchange translation differences - Net	-	(10,963,122)
	<u>261,020,641</u>	<u>5,279,767,316</u>
Less: Disbursements	87,613,384	5,106,360,059
	<u>173,407,257</u>	<u>173,407,257</u>
<b>12.1.2 Social sector development</b>		
Opening balance	(49,840,581)	-
Amount received	94,009,484	355,861,819
	<u>44,168,903</u>	<u>355,861,819</u>
Less: Disbursements	33,867,246	345,560,162
	<u>10,301,657</u>	<u>10,301,657</u>
<b>12.1.3 Capacity building - POs</b>		
Opening balance	(221,898,926)	-
Amount received	623,414,246	2,758,429,072
	<u>401,515,320</u>	<u>2,736,548,573</u>
Foreign exchange translation differences - Net	-	(21,880,499)
	<u>218,870,757</u>	<u>2,553,904,010</u>
Less: Disbursements	182,644,563	182,644,563
	<u>182,644,563</u>	<u>182,644,563</u>

	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
<b>12.1.4 Emergency relief</b>			
Opening balance		(1,888,594)	-
Amount received		14,603,945	289,905,622
		12,715,351	289,905,622
Less: Disbursements		34,310,000	311,500,271
		(21,594,649)	(21,594,649)
	<b>Note</b>	<b>Un-audited Mar 31, 2009</b>	<b>Audited June 30, 2008</b>
		(Rupees)	
<b>12.1.5 Rehabilitation &amp; Reconstruction</b>			
Housing reconstruction and community buildings	12.1.5.1	(622,971,358)	1,644,628,596
Revitalization of affected communities / rehabilitation of CPI Schemes	12.1.5.2	880,690,607	4,478,024
		257,719,249	1,649,106,620
	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
<b>12.1.5.1 Housing reconstruction and community buildings</b>			
Opening balance		1,644,628,596	-
Amount received		(84,254,431)	12,956,232,642
		1,560,374,165	12,956,232,642
Less: Disbursements		2,183,345,523	13,579,204,000
		(622,971,358)	(622,971,358)
<b>12.1.5.2 Revitalization of communities / rehabilitation of CPI schemes</b>			
Opening balance		4,478,024	-
Amount received		987,670,471	1,942,447,185
		992,148,495	1,942,447,185
Less: Disbursements			
revitalization of affected communities		111,457,888	657,981,480
rehabilitation of CPI schemes		-	403,775,098
		111,457,888	1,061,756,578
		880,690,607	880,690,607
<b>12.1.6 Grant for Social Mobilization</b>			
Opening balance		958,260,000	-
Amount received		-	958,260,000
		958,260,000	958,260,000
Less: Disbursements		431,921,200	431,921,200
		526,338,800	526,338,800
<b>12.1.7 Grant for Disability Project</b>			
Amount received		214,131,073	214,131,073
		214,131,073	214,131,073
Less: Disbursements		35,083,285	35,083,285
		179,047,788	179,047,788

	<b>Note</b>	<b>Un-audited Dec 31, 2008</b>	<b>Audited June 30, 2008</b>
		(Rupees)	
<b>12.2 Grants from USAID/Pakistan</b>			
Capacity building - POs		(1,479,621)	(1,479,621)
Enterprise development loans		127,585,729	127,585,729
		<u>126,106,108</u>	<u>126,106,108</u>
	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
<b>12.3 Grants from Government of Pakistan - USDA</b>			
Opening balance		1,117,938,769	-
Amount received		-	1,442,100,000
Profit on project bank account		68,897,925	220,782,479
		<u>1,186,836,694</u>	<u>1,662,882,479</u>
Less: Disbursements		403,495,455	879,541,240
		<u>783,341,239</u>	<u>783,341,239</u>
	<b>Note</b>	<b>Un-audited Dec 31, 2008</b>	<b>Audited June 30, 2008</b>
		(Rupees)	
<b>12.4 Grants from Government of Pakistan - KfW</b>			
Housing reconstruction and community buildings	12.4.1	(41,767,749)	58,918,857
Revitalization of affected communities / rehabilitation of CPI schemes	12.4.2	45,120,198	48,274,043
		<u>3,352,449</u>	<u>107,192,900</u>
	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
<b>12.4.1 Housing reconstruction and community buildings</b>			
Opening balance		58,918,857	-
Amount received		144,313,394	893,232,251
		<u>203,232,251</u>	<u>893,232,251</u>
Less: Disbursements:		245,000,000	935,000,000
		<u>(41,767,749)</u>	<u>(41,767,749)</u>
<b>12.4.2 Revitalization of affected communities / rehabilitation</b>			
Opening balance		48,274,043	-
Amount received		12,492,896	126,014,753
		<u>60,766,939</u>	<u>126,014,753</u>
Less: Disbursements:		15,646,741	80,894,555
		<u>45,120,198</u>	<u>45,120,198</u>
<b>12.5 Grants from Government of Pakistan - IFAD (MIOP)</b>			
Opening balance		8,863,170	-
Amount received		66,156,305	105,275,926
		<u>75,019,475</u>	<u>105,275,926</u>
Less: Disbursements:		14,113,630	44,370,081
		<u>60,905,845</u>	<u>60,905,845</u>

	<b>Note</b>	<b>Un-audited Mar 31, 2009</b>	<b>Audited June 30, 2008</b>
		(Rupees)	
<b>12.6 Grants from Government of Pakistan - IFAD (REACH)</b>			
Housing reconstruction and community buildings	12.6.1	428,688,552	456,088,552
Revitalization of affected communities / Livestocks	12.6.2	(8,897,748)	489,574
		<u>419,790,804</u>	<u>456,578,126</u>
	<b>Note</b>	<b>For the Nine Months</b>	<b>Cummulative to date</b>
		(Rupees)	
<b>12.6.1 Housing reconstruction and community buildings</b>			
Opening balance		456,088,552	-
Amount received		-	1,478,688,552
		<u>456,088,552</u>	<u>1,478,688,552</u>
Less: Disbursements:		27,400,000	1,050,000,000
		<u>428,688,552</u>	<u>428,688,552</u>
<b>12.6.2 Revitalization of affected communities / livestock</b>			
Opening balance		489,574	-
Amount received		-	118,062,131
		<u>489,574</u>	<u>118,062,131</u>
Less: Disbursements:		9,387,322	126,959,879
		<u>(8,897,748)</u>	<u>(8,897,748)</u>
<b>12.7 Grants from Government of Pakistan - IFAD (PRISM)</b>			
Amount received		<u>45,444,080</u>	<u>45,444,080</u>
<b>12.8 Grants from CECP</b>			
Opening balance		281,745,494	-
Amount received		213,579,000	738,972,477
Foreign exchange translation differences - Net		12,574,43	15,168,274
		<u>507,898,925</u>	<u>754,140,751</u>
Less: Disbursements:		372,118,372	618,360,198
		<u>135,780,553</u>	<u>135,780,553</u>



Note	For the quarter ended		For the half year ended	
	Mar 31, 2009	Mar 31, 2008	Mar 31, 2009	Mar 31, 2008
	(Rupees)		(Rupees)	
<b>13. INCOME ON INVESTMENTS AND SAVING ACCOUNTS</b>				
Profit on long term investments	26,385,618	26,078,356	78,133,834	71,098,091
Profit on term deposit receipts/saving accounts	144,856,236	184,384,516	447,938,574	527,116,390
	<u>171,241,854</u>	<u>210,462,872</u>	<u>526,072,408</u>	<u>598,214,481</u>
<b>14. GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and other benefits	32,317,430	25,741,559	93,684,573	76,472,914
Rent	4,808,771	3,318,130	14,507,211	11,531,390
Repairs and maintenance	1,383,978	1,472,999	4,507,497	3,828,362
Traveling, lodging and conveyance	11,919,203	7,652,995	28,977,115	17,857,266
Communication	712,186	434,895	2,039,000	1,505,956
Printing and stationery	1,912,034	406,836	4,332,670	2,661,081
Insurance	1,090,520	3,491,589	4,379,921	6,144,345
Vehicles running and maintenance	1,699,941	1,327,959	6,270,977	4,248,066
Utilities	818,401	618,709	2,009,123	1,275,554
Training	1,207,656	2,122,224	4,829,843	4,621,345
Consultancy charges	10,012,512	13,766,458	21,381,539	42,569,980
Legal and professional charges	682,000	553,000	1,975,600	2,277,100
Auditors remuneration	-	-	1,009,100	510,000
Advertisement	1,163,250	391,710	2,819,330	1,047,510
Media projection	534,524	34,550	683,840	1,401,090
Newspapers, books and periodicals	123,830	115,552	286,082	213,284
Depreciation	6,754,407	6,017,371	19,082,417	16,695,459
Amortization	1,086,141	292,321	3,240,910	876,963
Seminar and workshops	4,923,678	7,973,271	6,442,961	10,849,792
Security services	343,900	264,800	1,294,100	686,765
Others	587,292	622,088	1,687,982	1,255,583
14.1	<u>84,081,654</u>	<u>76,619,016</u>	<u>225,441,791</u>	<u>208,529,805</u>

14.1 Total general and administration expenses include Rs. 88,507,705 (Mar. 2008: Rs. 93,874,462) incurred on different programme activities.

Note	For the quarter ended		For the half year ended	
	Mar 31, 2009	Mar 31, 2008	Mar 31, 2009	Mar 31, 2008
	(Rupees)		(Rupees)	
<b>15. FINANCIAL CHARGES</b>				
On micro credit loans	34,974,947	32,643,347	62,338,848	63,912,989
Bank charges	318,450	1,428	458,694	26,111
	<u>35,293,397</u>	<u>32,644,775</u>	<u>62,797,542</u>	<u>63,939,100</u>

#### 16. COMPARATIVE FIGURES

Comparative figures have been rearranged and reclassified, wherever necessary, for better presentation.

  
Chairman

  
Chief Executive/Managing Director



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