

Financial Statements

For the nine months ended March 31, 2010
(un-audited)



PAKISTAN POVERTY ALLEVIATION FUND

Title Picture:

A PPAF funded Integrated Water Efficient Irrigation (IWEI) project,
District Layyah (Punjab).

Financial Statements

For the nine months ended March 31, 2010
(un-audited)



PAKISTAN POVERTY ALLEVIATION FUND

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Pakistan Poverty Alleviation Fund

Company Information

Board Of Directors

Mr. Hussain Dawood
Chairman

Dr. Nuzhat Ahmad

Mr. Rafiud Deen Ahmad

Mr. Shahid Ahmad

Mr. Rana Assad Amin

Dr. Naved Hamid

Dr. Rajab Ali Memon

Dr. Aisha Ghaus Pasha

Mr. Asif Qadir

Mr. Zubyr Soomro

Mr. Kamal Hyat
Chief Executive/Managing Director

BOD Committees

Board Compensation Committee

Mr. Hussain Dawood
Chairman

Mr. Zubyr Soomro

Mr. Shahid Ahmad

Dr. Rajab Ali Memon

Dr. Aisha Ghaus Pasha

Audit Committee

Mr. Rafiud Deen Ahmad
Chairman

Mr. Rana Assad Amin

Dr. Nuzhat Ahmad

Dr. Naved Hamid

Mr. Asif Qadir

Company Secretary: Mr. 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, Silk Bank Limited, Standard Chartered Bank Limited

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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, 2010.

During the period under review, PPAF sustained the momentum of operations by adopting an approach which involved provision of credit, infrastructure, health, education and skill development in an integrated manner. In addition, the Company also contributed significantly in rebuilding lives, fostering resilience and restoring assets of the poor who had suffered from the earthquake and drought. The Company is making steady progress in pursuit of its objectives of poverty alleviation. It has been successful in addressing needs of the poor by following a strategy that engages diverse instruments for effective delivery and impact.

By the end of March 31, 2010, PPAF funding had been disbursed in urban and rural areas of 126 districts of the country (about 186,000 community organizations / groups) through 85 partner organizations of which 12 were focusing exclusively or predominantly on women. On cumulative basis, PPAF has financed 3,374,000 microcredit loans, of which 1,518,300 (45%) were to women. 20,000 infrastructure projects were initiated and 390,000 staff and community members were trained. In earthquake affected areas, PPAF provided financing to 122,000 households to build earthquake resistant homes and also provided training to 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 twenty million individuals from its credit programme and over thirteen 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. Total disbursements for core operations during nine months were Rs. 9,040 million compared to Rs. 6,314 million in the corresponding period last year, indicating an increase of 43%. Loan (microcredit and enterprise development facility) disbursements were Rs 5,732 million as compared to Rs 5,124 million; water and infrastructure disbursements were Rs 1,225 million as compared to Rs 491 million; capacity building disbursements were Rs 680 million against Rs 233 million; disbursements for education and health were Rs 924 million as against Rs 34 million; and disbursements for social mobilization were Rs 479 million as against Rs 432 million during the preceding period last year. In addition, disbursement for rehabilitation and reconstruction operations in earthquake affected areas was Rs 401 million as against Rs 3,034 million in the preceding period, as PPAF completed its activities in earthquake affected areas.

By the end of March 2010, cumulative disbursements for core operations crossed fifty billion mark and stood at Rs 51,962 million. Credit and enterprise development, the largest component of the PPAF, accounted for 74% of total disbursements followed by community physical infrastructure (15%); capacity building/social mobilization assistance (9%); and health & education

(2%). In addition, cumulative disbursements for relief, rehabilitation and reconstruction activities in earthquake affected areas were Rs 19,337 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: 56% of the resources deployed in Punjab, 26% 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, 2010, PPAF had disbursed Rs 25,154 million as loan from these resources.

Total equity crossed five billion mark and was Rs 5,778 million as at March 31, 2010 as against Rs 4,785 million as at June 30, 2009. Total assets of the Company on March 31, 2010 stood at Rs 21,506 million against Rs 18,509 million as at June 30, 2009. The amount of loans receivable from partner organizations was Rs 10,614 million on March 31, 2010 as against Rs 9,696 million as at June 30, 2009. PPAF continued to maintain 100% recovery rate in respect of its lending operations.

Total income generated during the period under review was Rs 1,525 million compared to Rs 1,209 million during the corresponding period last year – an increase of 26%. Service charges on loan to partner organizations increased by 22% due to high volume of amount of credit outstanding and introduction of market based rates for large partner organizations. Overall income on investments and saving accounts increased by 12% due to increase in level of investments and reserve. This includes net income of Rs 106 million that was generated on investments specific to grant based activities. Capacity building grant increased by 140% due to the availability of financing from Government of Pakistan and donor agencies for PPAF operational support.

The general and administrative expenses for the nine months increased by 33%. The main increases were in salaries/benefits and local traveling. The salaries, wages and other benefits increased due to annual increments to existing employees to provide relief against higher cost of living and recognition of performance as well as hiring of additional staff for managing expansion in core operations and new activities under different projects. Local travel expense increased due to extensive appraisal and monitoring visits to partner organizations. During the period under review, an amount of Rs 9 million was spent by the Company from its own resources. Rs 2 million on the relief activities for Internally Displaced Persons of NWFP and Rs 7 million for a pilot school milk project in Punjab. Total seminar, workshops and training expenses of Rs 31.95 million included Rs 2.31 million spent on the workshop to launch third PPAF project and Rs 15.84 million incurred on the event to mark ten years of PPAF operations. Total consultancy charges of Rs 123 million included Rs 91 million in respect of poverty scorecard survey that has been made mandatory by the World Bank for 29 of the poorest districts of the country. The financial charges are made up of commitment and service charges on long term loan and bank charges.

PPAF commemorated ten years of its operations in August 2009. The Chief Guest on the occasion, Mr. Shaukat Tarin, Federal Minister of Finance, Revenue, Economic Affairs and Statistics at that time, lauded the role of PPAF in poverty alleviation and paid rich tributes to its work. The event was followed by the workshop to launch the third PPAF Project. Mr. Humayun Aziz Kurd, Federal Minister for Livestock and Dairy Development inaugurated the workshop.

PPAF completed its Rehabilitation & Reconstruction Project that involved reconstruction of 122,000 housing units, rehabilitation of over 660 water supply and infrastructure schemes and reconstruction of 19 state-of-the-art health & educational facilities in Earthquake Rehabilitation and Reconstruction Authority designated quake-ravaged areas of NWFP and AJK. A ceremony was organized to mark successful culmination of PPAF's Reconstruction and Rehabilitation Project. Mr. Yusupha B. Crookes, Country Director, World Bank was Chief Guest on the occasion.

PPAF and Engro Foundation have decided to form an alliance to complement each other's efforts/activities and jointly fund Rs. 250 million for provision of basic infrastructure, education, health and social sector services as identified by local stakeholders in districts Ghotki and Sukkur of Sindh province over a four year period commencing January 2010. A Memorandum of Understanding to this effect has been signed.

PPAF performance and achievements have been regularly acknowledged by successive Supervision Missions of the donors. The last such supervision was carried out by World Bank in March 2010 to review the progress of Third PPAF project and Microfinance Innovation and Outreach Programme. Additionally IFAD Mission also conducted review of Programme for Increasing Sustainable Microfinance in January 2010.

On the request of USAID Pakistan, M/s KPMG Taseer Hadi and Co., Chartered Accountants, carried out pre-award assessment of PPAF. They reviewed and evaluated the managerial capacity and internal control systems of PPAF and also visited selected PPAF Partner Organizations and their communities. They also held meetings with World Bank team and discussed progress of World Bank as well as IFAD's Microfinance Innovation and Outreach Programme and Project for Restoration of Earthquake Affected Communities and Households which are being supervised by World Bank. Based on their extensive review and evaluation, M/s KPMG Taseer Hadi and Co. concluded that PPAF capacity and procedures fully satisfy minimum requirements and are sufficient for USAID/Pakistan's purposes. Overall assessment of PPAF was Low Risk.

Over the years, PPAF has earned a high level of trust and confidence of international and national stakeholders. Through these relationships and partnerships, PPAF will continue to work proactively to develop and strengthen specific as well as broad based initiatives focused on underprivileged communities and disadvantaged individuals across the country.



Kamal Hyat
Chief Executive/Managing Director

April 22, 2010

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

**Pakistan Poverty Alleviation Fund
Condensed Interim Balance Sheet
as at March 31, 2010**

	Note	Un-audited Mar 31, 2010	Audited Jun 30, 2009
		(Rupees)	
NON CURRENT ASSETS			
FIXED ASSETS - TANGIBLE		51,520,499	54,380,063
INTANGIBLE ASSETS		6,447,763	10,167,986
LONG TERM INVESTMENTS	4	800,000,000	1,000,000,000
LONG TERM LOANS TO PARTNER ORGANIZATIONS	5	991,438,339	1,721,037,948
CURRENT ASSETS			
Current maturity of loans to Partner Organizations	5	9,022,225,881	7,419,925,938
Short term investments-specific to projects	6	668,000,000	530,000,000
Short term investments-specific to grant based activities	7	1,656,675,929	-
Short term investments	8	4,083,454,501	5,224,642,173
Advances, deposits, prepayments and other receivables		80,595,165	91,288,563
Profit/service charges receivable		623,333,096	451,863,074
Cash and bank balances-specific to projects	9	3,428,065,603	1,959,485,918
Cash and bank balances	10	93,932,333	46,324,747
		<u>19,656,282,509</u>	<u>15,723,530,413</u>
		<u>21,505,689,110</u>	<u>18,509,116,410</u>
REPRESENTED BY:			
FUND AND RESERVES			
Endowment Fund	11	1,000,000,000	1,000,000,000
Reserve for grant based activities		1,763,126,605	-
Accumulated Surplus		3,014,932,948	3,785,356,163
		<u>5,778,059,553</u>	<u>4,785,356,163</u>
LONG TERM LOANS	12	11,879,292,663	11,030,865,907
CURRENT LIABILITIES			
Deferred liabilities - grant fund	13	3,609,361,401	2,451,222,148
Deferred income/(expense) - grant fund		63,642,408	60,915,780
Current portion of long term loan		109,617,378	109,617,378
Service and commitment charges payable		58,756,440	62,496,823
Accrued and other liabilities		6,959,267	8,642,211
		<u>3,848,336,894</u>	<u>2,692,894,340</u>
		<u>21,505,689,110</u>	<u>18,509,116,410</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


Chairman


Chief Executive/Managing Director

Pakistan Poverty Alleviation Fund
Condensed Interim Income and Expenditure Account (Un-audited)
for the nine months ended March 31, 2010

Note	For the quarter ended		For the nine months ended		
	Mar 31, 2010	Mar 31, 2009	Mar 31, 2010	Mar 31, 2009	
	(Rupees)		(Rupees)		
INCOME					
	Service charges on loans to Partner Organizations	259,737,412	237,562,349	724,292,904	592,700,438
	Amortization of deferred income - grant fund	41,925,181	22,112,610	211,452,539	88,507,705
14	Income on investments and saving accounts	142,768,562	171,241,854	482,540,894	526,072,408
15	Income on reserve for grant based activities	36,563,858	-	106,450,675	-
	Other income	289,183	819,203	465,920	1,525,515
		<u>481,284,196</u>	<u>431,736,016</u>	<u>1,525,202,932</u>	<u>1,208,806,066</u>
EXPENDITURE					
16	General and administrative expenses	86,675,458	67,937,808	257,400,688	192,787,448
	Relief for Internally Displaced Persons	-	-	2,000,178	-
17	Seminars, workshops and trainings	4,536,199	6,131,334	31,947,539	11,272,804
18	Consultancy charges	20,462,932	10,012,512	123,262,577	21,381,539
	Loan loss provision	28,572,696	5,748,209	45,931,596	17,147,034
19	Financial charges	40,149,778	35,293,397	71,956,965	62,797,542
		<u>180,397,063</u>	<u>125,123,260</u>	<u>532,499,543</u>	<u>305,386,367</u>
	SURPLUS FOR THE PERIOD	<u>300,887,133</u>	<u>306,612,756</u>	<u>992,703,389</u>	<u>903,419,699</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


Chairman


Chief Executive/Managing Director

Pakistan Poverty Alleviation Fund
Condensed Interim Cash Flow Statement (Un-audited)
for the nine months ended March 31, 2010

	Note	Mar 31, 2010 (Rupees)	Mar 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations			
Surplus for the period		992,703,389	903,419,699
Adjustment for non cash items:			
Depreciation		24,940,821	19,082,417
Amortization of intangible assets		3,720,223	3,240,910
Amortization of deferred income		(211,452,539)	(88,507,705)
Loan loss provision		45,931,596	17,147,034
Financial charges		71,956,965	62,797,542
		<u>(64,902,934)</u>	<u>13,760,198</u>
		927,800,455	917,179,897
Working capital changes			
(Increase) / decrease in current assets:			
Advances, deposits, prepayments and other receivables		10,693,398	(32,359,044)
Profit/service charges receivables		(171,470,022)	(424,046,244)
Increase / (decrease) in current liabilities:			
Accrued and other liabilities		(1,682,944)	(989,270)
		<u>(162,459,568)</u>	<u>(457,394,558)</u>
Cash generated from operations		765,340,887	459,785,339
Recoveries of loans from partner organizations		4,813,117,903	4,552,903,896
Disbursements to partner organizations:			
Loans		(5,731,749,833)	(5,124,471,692)
Grants		(3,708,571,727)	(4,223,630,803)
Financial charges paid		(75,697,348)	(68,249,801)
		<u>(4,702,901,005)</u>	<u>(4,863,448,400)</u>
Net cash (used in) operating activities		<u>(3,937,560,118)</u>	<u>(4,403,663,061)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments		(453,488,258)	541,003,810
Capital expenditure incurred		(22,431,156)	(11,852,808)
Proceeds from disposal of fixed assets		349,900	472,000
Net cash generated from (used in) investing activities		<u>(475,569,514)</u>	529,623,002
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(54,808,689)	(54,808,689)
Long term loans - receipts		903,235,445	269,976,524
Deferred liabilities - grant fund receipts		4,866,710,980	2,855,802,615
Deferred income - grant fund receipts		214,179,1676	64,833,947
Net cash generated from financing activities		<u>5,929,316,903</u>	<u>3,135,804,397</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		1,516,187,271	(738,235,662)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,005,810,665	3,054,444,195
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9&10	<u>3,521,997,936</u>	<u>2,316,208,533</u>

The annexed notes from 1 to 20 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 (Un-audited)
for the nine months ended March 31, 2010

	Endowment fund	Reserve for grant based activities	Accumulated surplus on reserve for grant based activities (Rupees)	Accumulated surplus	Total
Balance as at June 30, 2008	1,000,000,000	–	–	2,755,078,994	3,755,078,994
Net surplus for the nine months ended on March 31, 2009	–	–	–	903,419,699	903,419,699
Balance as at March 31, 2009	1,000,000,000	–	–	3,658,498,693	4,658,498,693
Net surplus for the quarter ended on June 30, 2009	–	–	–	126,857,470	126,857,470
Balance as at June 30, 2009	1,000,000,000	–	–	3,785,356,163	4,785,356,163
Amounts transferred from accumulated surplus from previous years	–	1,200,033,816	–	(1,200,033,816)	–
Net surplus for the nine months ended on March 31, 2010	–	–	106,450,675	886,252,714	992,703,389
Transferred from surplus for the period	–	456,642,113	–	(456,642,113)	–
Balance as at March 31, 2010	1,000,000,000	1,656,675,929	106,450,675	3,014,932,948	5,778,059,552

The annexed notes from 1 to 20 form an integral part of these financial statements.


Chairman


Chief Executive/Managing Director

Pakistan Poverty Alleviation Fund
Notes to the Condensed Interim Financial Statements (Un-audited)
for the nine months ended March 31, 2010

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 (IAS) 34: Interim Financial Reporting and revised IAS 1: Presentation of Financial Statements.
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, 2009. In addition, effect of new investment policy (given in Note 3.1) is reflected in these Financial Statements.
- 3.1 In order to safeguard against major default and provide sufficient capital adequacy, with effect from July 01, 2009, an amount of 20% of total loan receivable from partner organizations are held in investments. 35% of the surplus funds of the Company, in excess of above investments, are employed for lending activities (micro credit and enterprise development facility) and the balance 65% are held in investments, the income of which will be used for grant based health, education, infrastructure, emergency and any other activity that falls within the overall strategic framework of PPAF objectives.

Note	Un-audited Mar 31, 2010	Audited June 30, 2009
	(Rupees)	
4. LONG TERM INVESTMENTS - held to maturity		
Pakistan Investment Bonds (PIBs)	4.1 800,000,000	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	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 Mar 31, 2010	Audited June 30, 2009
	(Rupees)	
5 LOANS TO PARTNER ORGANIZATIONS - secured, considered good		
National Rural Support Programme	3,727,226,033	3,562,630,808
Punjab Rural Support Programme	369,941,574	253,913,980
Kashf Foundation	2,719,474,999	2,514,249,999
Sarhad Rural Support Programme	15,333,333	85,333,333
Thardeep Rural Development Programme	379,175,000	463,500,000
Development Action for Mobilization and Emancipation	508,475,166	473,700,325
Sindh Agricultural & Forestry Workers Coordinating Organization	229,583,474	222,618,832
Sindh Rural Support Programme	200,000	475,000
Jinnah Welfare Society	205,008,750	139,336,230
Centre for Women Cooperative Development	277,668,740	258,284,020
Rural Community Development Society	206,263,890	181,802,469
Young Pioneers Society	8,250,000	10,250,000
Women Social Organisation	9,384,000	4,520,000
Anjuman-e- Falah-o-Behbood	-	352,500
Community Support Concern	227,554,908	284,152,581
Poverty Eradication Network	2,797,000	2,800,000
Baanhn Beli	-	1,200,000
Bunyard Literacy Community Council	9,400,000	3,590,000
Indus Resource Centre	7,206,999	12,885,697
Network Leasing Corporation Limited	66,125,000	85,625,000
Organization for Participatory Development	53,692,500	74,512,500
Swabi Women Welfare Society	6,562,498	11,749,998
Orangi Charitable Trust	273,447,917	180,575,000
Community Development Concern	-	245,000
Karwan Community Development Organization	7,705,000	4,510,000
Kiran Welfare Organization	3,250,001	6,025,001
Narowal Rural Development Programme	23,325,000	18,833,333
Soon Valley Development Programme	9,470,000	6,110,000
Asasah	431,851,729	258,784,818
Baidarie	4,495,667	2,206,045
Orix Leasing Pakistan Limited	149,023,097	181,883,631
Save The Poor	22,000,000	9,747,466
Marvi Rural Development Organization	20,207,688	10,521,153
Sindh Rural Support Organization	101,270,000	85,617,225
BRAC Pakistan	479,493,250	259,863,000
Khajji Cooperative Society	6,150,000	1,576,168
AL Mehran Rural Development and Welfare Organization	18,222,154	-
Farmers Friend Organization	13,696,355	9,862,847
Mojaz Foundation	10,070,000	3,980,000
Balochistan Rural Development & Research Society	1,687,500	427,500
Badbaan Enterprise Development Forum	990,000	500,000
Buksh Foundation	4,200,000	7,000,000
Villagers Development Organization	1,425,000	-
SAATH Development Society	2,600,000	-
5.1	10,614,383,389	9,695,751,459
Less: Loan loss provision	(600,719,169)	(554,787,573)
	10,013,664,220	9,140,963,886
Less: Current maturity	(9,022,225,881)	(7,419,925,938)
	<u>991,438,339</u>	<u>1,721,037,948</u>

- 5.1 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. However, after May 06, 2009 all lending facilities (credit) will be charged annual markup rate (service charge) upto 2% below the relevant KIBOR prevailing on last working day prior to the date of execution of Financing Agreements. The KIBOR will correspond with agreement period i.e. for one year Financing Agreement, KIBOR of one year will be applicable. 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, 2010	Audited June 30, 2009
(Rupees)			
6. SHORT TERM INVESTMENTS-SPECIFIC TO PROJECTS			
Term deposit receipts - USDA	6.1	168,000,000	530,000,000
Term deposit receipts - PRISM	6.2	500,000,000	-
		<u>668,000,000</u>	<u>530,000,000</u>

- 6.1 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 10.00% p.a. to 11.30% p.a. (June 2009: 10.00% p.a. to 11.00% p.a.)
- 6.2 Represents investments in respect of Programme For Increasing Sustainable Microfinance (PRISM) activities. This includes Rs. 250 million maturing within one year from the date of investment at annual markup rate of 11.50% p.a. (June 2009: Nil) and Rs. 250 million, maturing within three months from the date of investment, at an annual markup rate of 10.75% p.a. (June 2009: Nil)

7. SHORT TERM INVESTMENTS-SPECIFIC TO GRANT BASED ACTIVITIES

These investments include term deposit receipts of various commercial banks, maturing within one year from the date of investment, at annual markup rates ranging from 11.00% p.a. to 13.00% p.a.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
(Rupees)			
8. SHORT TERM INVESTMENTS			
Pakistan Investment Bonds (PIBs)	8.1	200,000,000	-
Term deposit receipts	8.2	3,883,454,501	-
		<u>4,083,454,501</u>	<u>-</u>

- 8.1 These are invested at an annual markup rate of 14.00% p.a, maturing on December 30, 2010.
- 8.2 These represent investments of Rs. 2,122,876,678 (equivalent to 20% of the loan receivable from partner organizations) to safeguard against major default and Rs. 1,760,577,823 to provide capital adequacy and funds available for lending activities. These funds are invested in term deposit receipts of various commercial banks, maturing within one year from the date of investment, at annual markup rates ranging from 11% p.a. to 14.50% p.a. (June 2009: 11.00% p.a. to 15.40% p.a.)

Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
	(Rupees)	
9. CASH AND BANK BALANCES-SPECIFIC TO PROJECTS		
Cash at banks - current accounts		
specific to IDA-PPAF II	1,604,916,575	1,400,003,901
specific to IDA-PPAF III	1,462,509,428	-
specific to IDA-Disability Project	-	212,312,453
specific to IFAD-MIOP	84,939,846	2,577,628
specific to IFAD-REACH	4,150	99,540,804
specific to IFAD-PRISM	144,420,682	133,561,734
specific to CECF grant	80,002,958	105,379,479
specific to Kfw-RnR	-	3,508,935
	<u>3,376,793,640</u>	<u>1,956,884,934</u>
Cash at banks - deposit accounts		
specific to USDA grant	51,250,295	2,580,373
specific to CECF	21,668	20,611
	<u>51,271,963</u>	<u>2,600,984</u>
	<u>3,428,065,603</u>	<u>1,959,485,918</u>

The balances in deposit account carry average markup of 5% p.a. (June 2009: 5% p.a.).

Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
	(Rupees)	
10. CASH AND BANK BALANCES		
Cash in hand		
in head office	50,000	40,237
in centers	-	100,000
in field coordination offices	90,000	113,110
	<u>140,000</u>	<u>253,347</u>
Cash at banks - current accounts	18,680,117	14,947,783
Cash at banks - deposit accounts	75,112,216	31,123,617
	<u>93,792,333</u>	<u>46,071,400</u>
	<u>93,932,333</u>	<u>46,324,747</u>

The balances in deposit account carry average markup of 9% p.a. (June 2009: 5% p.a.).

Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
	(Rupees)	
11. ENDOWMENT FUND		
PPAF - I	500,000,000	500,000,000
PPAF - II	500,000,000	500,000,000
11.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>

- 11.1 This represent the amounts paid by GOP for endowment fund under the Subsidiary Financing Agreements (SFAs) as detailed in note 17.1 and 17.2. 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.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
(Rupees)			
12. LONG TERM LOANS - Unsecured			
Government of Pakistan - PPAF - I (IDA financing)	12.1	2,288,975,277	2,343,783,966
Government of Pakistan- PPAF - II (IDA financing)	12.2	8,321,429,227	8,321,429,227
Government of Pakistan - (IFAD financing-MIOP)	12.3	745,278,207	281,910,990
Government of Pakistan - (IFAD financing-PRISM)	12.4	461,142,752	83,741,724
Government of Pakistan- PPAF - III (IDA financing)	12.5	62,467,200	-
		<u>11,879,292,663</u>	<u>11,030,865,907</u>
12.1 Government of Pakistan - PPAF - I (IDA financing)			
Opening balance		2,453,401,344	2,563,018,722
Amount paid		(54,808,689)	(109,617,378)
		<u>2,398,592,655</u>	<u>2,453,401,344</u>
Current portion of long term loan		<u>(109,617,378)</u>	<u>(109,617,378)</u>
		<u>2,288,975,277</u>	<u>2,343,783,966</u>

A Development Credit Agreement (DCA) was signed between International Development Association (IDA) and the Government of Pakistan (GOP) on July 7, 1999. IDA made available to 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 Subsidiary Financing Agreement (SFA) dated August 18, 1999 executed between GOP and the Company, 50% of the amount was disbursed as loan to the Company and the balance as grant on non reimbursable basis. 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. Each installment upto and including the installment payable on May 15, 2013 shall be equal to two point zero eight three percent (2.083%) of such principal amounts and each installment thereafter shall be equal to four point one six seven percent (4.167%) of such principal amount.

Under the SFA the company has committed to pay a service charge of 0.75 % per annum on the principal amount of loan withdrawn and outstanding from time to time and the 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 May 15 and November 15 each year.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
(Rupees)			
12.2 Government of Pakistan- PPAF - II (IDA financing)			
Opening balance		8,321,429,227	8,197,837,189
Amount received		-	123,592,038
		<u>8,321,429,227</u>	<u>8,321,429,227</u>

Second DCA was signed between IDA and the GOP on January 20, 2004, in respect of PPAF II. As per agreement IDA shall make available to GOP a sum of Special Drawing Rights (SDR) of 168.1 million over a period of four years to be utilized by GOP through the Company.

Under SFA dated March 24, 2004 executed between GOP and the Company, the GOP agreed to provide 56% of the amount as loan to the Company and the balance as grant on non reimbursable basis. 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. Each installment upto and including the installment payable on August 01, 2017 shall be equal to two point zero eight three percent (2.083%) of such principal amounts and each installment thereafter shall be equal to four point one six seven percent (4.167%) of such principal amount.

Under the SFA the company has committed to pay a service charge of 0.75 % per annum on the principal amount of loan withdrawn and outstanding from time to time and the 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 February 01 and August 01 each year.

Note	Un-audited	Audited
	Mar. 31, 2010	June 30, 2009
	(Rupees)	
12.3 Government of Pakistan - (IFAD financing-MIOP)		
Opening balance	281,910,990	118,656,330
Amount received	463,367,217	163,254,660
	<u>745,278,207</u>	<u>281,910,990</u>

Programme Loan Agreement was signed between International Fund for Agricultural Development (IFAD) and GOP on January 18, 2006, in respect of Microfinance Innovation and Outreach Programme (MIOP). As per 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 Subsidiary Loan and Grant Agreement (SLGA) dated April 18, 2006 executed between GOP and the Company, the GOP agreed to provide 50% of the amount as loan to the Company and the balance as grant on non reimbursable basis on account of capacity building. 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.

Under the SLGA, the Company has committed to pay a service charge of 0.75 % per annum on the principal amount of loan withdrawn and outstanding from time to time. The service charge is payable on June 01 and December 01 each year.

Note	Un-audited	Audited
	Mar. 31, 2010	June 30, 2009
	(Rupees)	
12.4 Government of Pakistan - (IFAD financing-PRISM)		
Opening balance	83,741,724	-
Amount received	377,401,028	83,741,724
	<u>461,142,752</u>	<u>83,741,724</u>

Programme Loan Agreement was signed between International Fund for Agricultural Development (IFAD) and GOP on November 22, 2007, in respect of Programme for Increasing Sustainable Microfinance (PRISM). As per 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 GOP through the Company.

Under Subsidiary Loan and Grant Agreement (SLGA) dated January 12, 2008 executed between GOP and the Company, the GOP agreed to provide 65% of the amount as loan to the Company and the balance as grant on non reimbursable basis on account of capacity building. 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.

Under the SLGA, the Company has committed to pay a service charge of 0.75 % per annum on the principal amount of loan withdrawn and outstanding from time to time. The service charge is payable on June 01 and December 01 each year.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
12.5	Government of Pakistan- PPAF - III (IDA financing) Amount received	62,467,200	-
		<u>62,467,200</u>	<u>-</u>

- 12.5.1 The Financing Agreement was signed between IDA and the GOP on June 9, 2009, in respect of PPAF III. As per agreement IDA shall make available to GOP a sum of Special Drawing Rights (SDR) of 167.2 million over a period of five years to be utilized by GOP through the Company.

Under Subsidiary Loan Agreement (SLA) dated June 15, 2009 executed between GOP and the Company, the GOP agreed to provide 13% of the amount as loan to the Company and the balance as grant on non reimbursable basis. 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 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 two point zero eight three percent (2.083%) of such principal amounts and each installment thereafter shall be equal to four point one six seven percent (4.167%) of such principal amount.

Under the SLA the company has committed to pay a service charge of 0.75 % per annum on the principal amount of loan withdrawn and outstanding from time to time and the commitment charge on the principal amount of loan not withdrawn from time to time at a rate to be set by the IDA as of June 30 of each year, but not to exceed the rate of 0.50% per annum. The service and commitment charges are payable on June 15 and December 15 each year.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13. DEFERRED LIABILITIES - GRANT FUND			
Government of Pakistan - IDA II	13.1	1,496,980,230	1,539,410,346
US Agency for International Development/Pakistan	13.2	115,984,115	115,984,115
Government of Pakistan - USDA	13.3	271,437,389	552,702,419
Government of Pakistan - KfW	13.4	-	3,508,935
Government of Pakistan - IFAD (MIOP)	13.5	36,511,016	(14,986,003)
Government of Pakistan - IFAD (REACH)	13.6	21,284,658	99,540,804
Government of Pakistan - IFAD (PRISM)	13.7	174,370,615	45,444,080
Committee Encouraging Corporate Philanthropy	13.8	84,241,988	109,617,452
Government of Pakistan - IDA III	13.9	1,408,551,390	-
		<u>3,609,361,401</u>	<u>2,451,222,148</u>

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

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.1 Grants from Government of Pakistan - IDA II			
Community physical infrastructure	13.1.1	157,034,242	238,987,442
Social sector development	13.1.2	(4,727,304)	12,781,616
Capacity building - POs	13.1.3	196,979,572	340,038,783
Emergency relief	13.1.4	-	3,386,315
Rehabilitation & Reconstruction	13.1.5	(299,884,674)	(299,884,674)
Grants for Social Mobilization	13.1.6	1,463,265,898	1,032,124,235
Grants for Disability Project	13.1.7	(15,687,504)	211,976,629
		<u>1,496,980,230</u>	<u>1,539,410,346</u>

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.1.1 Community physical infrastructure			
Opening balance		238,987,442	(181,749,155)
Amount received		-	790,757,491
Foreign exchange translation differences - Net		-	-
		238,987,442	609,008,336
Less: Disbursements		81,953,200	370,020,894
		157,034,242	238,987,442
13.1.2 Social sector development			
Opening balance		12,781,616	(49,840,581)
Amount received		-	135,505,936
Foreign exchange translation differences - Net		-	-
		12,781,616	85,665,355
Less: Disbursements		17,508,920	72,883,739
		(4,727,304)	12,781,616
13.1.3 Capacity building - POs			
Opening balance		340,038,783	(221,898,926)
Amount received		-	881,918,696
Foreign exchange translation differences - Net		-	-
		340,038,783	660,019,770
Less: Disbursements		143,059,211	319,980,987
		196,979,572	340,038,783
13.1.4 Emergency relief			
Opening balance		3,386,315	(1,888,594)
Amount received		(3,386,315)	39,584,909
		-	37,696,315
Less: Disbursements		-	34,310,000
		-	3,386,315
13.1.5 Rehabilitation & Reconstruction			
Housing reconstruction and community buildings	13.1.5.1	(948,795,913)	(967,066,358)
Revitalization of affected communities / rehabilitation of CPI schemes	13.1.5.2	648,911,239	667,181,684
		(299,884,674)	(299,884,674)
13.1.5.1 Housing reconstruction and community buildings			
Opening balance		(967,066,358)	1,644,628,596
Amount received/(transferred)		-	(84,254,431)
		(967,066,358)	1,560,374,165
Less: Disbursements		(18,270,445)	2,527,440,523
		(948,795,913)	(967,066,358)
13.1.5.2 Revitalization of communities / rehabilitation of CPI schemes			
Opening balance		667,181,684	4,478,024
Amount received		-	880,993,009
		667,181,684	885,471,033
Less: Disbursements for			
revitalization of affected communities		18,270,445	159,066,335
rehabilitation of CPI schemes		-	59,223,014
		18,270,445	218,289,349
		648,911,239	667,181,684

13.1.5.3 Agreements amending the DCA was signed between IDA and GOP on December 06, 2005, in respect of Grants for Emergency Relief and Rehabilitation & Reconstruction. As per the agreement, IDA agreed to reallocate a sum of SDR 3.53 million for activities responding to the Emergency by the earthquake as disclosed in note 10.1.4 to these financial statements, and to make available to GOP an additional sum of SDR of 68.90 million under Phase II to GOP.

Second agreements amending the DCA was signed between IDA and GOP on May 02, 2007, in respect of Grants for Rehabilitation & Reconstruction. As per agreement IDA agreed to make available to GOP an additional sum of SDR of 91.80 million under Phase II to GOP.

The GOP will utilize these amounts through the Company to support the relief, reconstruction and rehabilitation of communities affected by the earthquake which occurred on October 8, 2005.

Under agreements amending the SFAs dated May 03, 2006 and June 22, 2007 executed between GOP and the Company, the GOP agreed to provide SDR 68.90 million and SDR 91.80 million respectively to the Company as grants on non reimbursable basis.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.1.6 Grant for Social Mobilization			
Opening balance		1,032,124,235	958,260,000
Amount received		2,803,240,833	785,776,100
		<u>3,835,365,068</u>	<u>1,744,036,100</u>
Less: Disbursements for			
Social Mobilization		875,235,238	711,911,865
Community Physical Infrastructure		724,801,158	-
Social Sector Development		<u>772,062,774</u>	<u>-</u>
	13.1.6.1	<u>2,372,099,170</u>	<u>711,911,865</u>
		<u>1,463,265,898</u>	<u>1,032,124,235</u>
13.1.6.1 Disbursements by components			
Trainings		586,315,496	99,668,337
Capital costs		205,703,692	236,207,700
Operating costs		277,273,877	376,035,828
Project cost		<u>1,302,806,105</u>	<u>-</u>
		<u>2,372,099,170</u>	<u>711,911,865</u>

13.1.6.2 On December 07, 2007 GOP signed a financing agreement with International Development Association - IDA (the Association) under which the association agreed to extend an amount equivalent to Forty Nine Million Special Drawing Rights (Equivalent US Dollars: 75 million) as additional financing for the second poverty alleviation fund project to support participatory development through social mobilization.

The project Includes mobilization of about one million rural poor house holds into more than fifty thousand multi functional and sustainable community organizations in rural areas of poorest districts in Pakistan, mobilization of existing community organizations to form federations at Union council level and to form local support organizations and provision of training to approximately two hundred and fifty thousand people on management of community organizations and federations to achieve long term sustainability.

On January 04, 2008 GOP signed subsidiary financing agreement with PPAF under which GOP agreed to extend an amount equivalent to Forty Nine Million Special Drawing Rights (Equivalent US Dollars: 75 million) to PPAF as grant on non reimburseable basis.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.1.7 Grant for Disability Project			
Opening balance		211,976,629	-
Amount received/(transferred)		(35,263,213)	303,110,148
		176,713,416	303,110,148
Less: Disbursements		192,400,920	91,133,519
		(15,687,504)	211,976,629
13.2 Grants from USAID/Pakistan			
Capacity building - POs	13.2.1	-	-
Enterprise development loans	13.2.2	115,984,115	115,984,115
		115,984,115	115,984,115
13.2.1 Capacity building - POs			
Opening balance		-	(1,479,621)
Amount received		-	1,479,621
		-	-
13.2.2 Enterprise Development loans			
Opening balance		115,984,115	127,585,729
Amount received/(transferred)		-	(11,656,477)
		115,984,115	115,984,115

13.2.2.1 The closing balance of the USAID grant represents amounts for disbursement to POs for EDF and service charges earned on outstanding loan. These funds cannot be used by PPAF for its operational and capital expenses till the expiry of the term of the agreement. During the nine months, Rs. 5.70 million have been disbursed to POs. Total disbursements for EDF under USAID aggregates to Rs. 346.216 million.

13.2.2.2 PPAF signed a cooperative agreement with the U.S. Agency for International Development Mission to Pakistan (USAID/Pakistan). The period of this agreement was of four years, starting from the date of award i.e. September 30, 2003 through September 30, 2007. The total programme size is US\$ 7,098,621 of which USAID/Pakistan will contribute US\$ 6,320,000 and PPAF share will be US\$ 778,621. The funds committed under this agreement will be disbursed as loans to POs under EDF and as capacity building grant for PPAF and for POs. EDF will be given to the POs in order to enable them to give loans of larger amounts (from Rs. 30,000 to Rs. 100,000) to their borrowers who have successfully completed two loan cycles. According to the agreement, PPAF will create a revolving fund from the repayments and service charges earned on EDF loans and bank account.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.3 Grants from Government of Pakistan - USDA			
Opening balance		552,702,419	1,117,938,769
Amount received/(transferred)		(22,670,002)	(19,145,427)
Profit on project bank account		36,108,349	63,382,172
		566,140,766	1,162,175,514
Less: Disbursements		294,703,377	609,473,095
		271,437,389	552,702,419

13.3.1 On August 30, 2002, the Government of United States of America and GOP signed an agreement under which U.S. Department of Agriculture (USDA) through its Commodity Credit Corporation has agreed to provide 37,800 metric tons of soybean oil to GOP. The GOP has authorized Trading Corporation of Pakistan to receive and monetize the commodity. The plan of operation of this Agreement is to use the sale proceeds to finance PPAF on non reimbursable basis. The total programme size is Rs.1,518 million, out of which Rs 400 million have been received during the year 2004-05, Rs 240 million during the year 2005-06 and Rs 878 million during 2006-07. PPAF will use these funds to implement long-term poverty reduction programmes, including: small-scale infrastructure programmes; sustainable agriculture development programmes; and establishment of a National Drought Mitigation Center (NDMC) in cooperation with the NDMC at Nebraska USA, as part of the long-term plan to mitigate the drought. Funding in respect of NDMC is recognised as deferred income.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.4 Grants from Government of Pakistan - KfW			
Housing reconstruction and community buildings	13.4.1	(39,933,690)	(39,933,690)
Revitalization of affected communities / rehabilitation of CPI schemes	13.4.2	39,933,690	43,442,625
		<u>-</u>	<u>3,508,935</u>
13.4.1 Housing reconstruction and community buildings			
Opening balance		(39,933,690)	58,918,857
Amount received		-	190,172,453
		<u>(39,933,690)</u>	<u>249,091,310</u>
Less: Disbursements:		-	289,025,000
		<u>(39,933,690)</u>	<u>(39,933,690)</u>
13.4.2 Revitalization of affected communities / rehabilitation			
Opening balance		43,442,625	48,274,043
Amount received		-	82,446,756
		<u>43,442,625</u>	<u>130,720,799</u>
Less: Disbursements:		3,508,935	87,278,174
		<u>39,933,690</u>	<u>43,442,625</u>
13.4.3			
On June 09, 2006 the Government of Pakistan and KfW Development Bank (KfW) signed a programme agreement under which KfW has extended a financial contribution of EURO 14 million as non reimbursable grant for reconstruction of rural housing and related infrastructure of communities in union councils Jabori and Sachan Kalan of North West Frontier Province (NWFP) affected by the earthquake occurred on October 08, 2005 . The allocated amount will cover the grants to affected communities for (a) reconstruction of housing (b) rehabilitation of community infrastructure (c) costs of trainings for the affected communities and staff of the POs (d) operating costs and cost of equipments to POs engaged in these activities. The period of this agreement is of two years, starting from the date of signing i.e. June 09, 2006 through June 08, 2008. Under SFA dated September 25, 2006 executed between GoP and PPAF, GOP agreed to provide EURO 14 million to the company as grant on non reimbursable basis.			
	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.5 Grants from Government of Pakistan - IFAD (MIOP)			
Opening balance		(14,986,003)	8,863,170
Amount received		180,203,224	25,871,697
		<u>165,217,221</u>	<u>34,734,867</u>
Less: Disbursements:		128,706,205	49,720,870
		<u>36,511,016</u>	<u>(14,986,003)</u>
13.6 Grants from Government of Pakistan - IFAD (REACH)			
Housing reconstruction and community buildings	13.6.1	142,092,074	108,438,552
Revitalization of affected communities / livestock	13.6.2	(120,807,416)	(8,897,748)
		<u>21,284,658</u>	<u>99,540,804</u>
13.6.1 Housing reconstruction and community buildings			
Opening balance		108,438,552	456,088,552
Amount received/(transferred)		122,348,452	-
		<u>230,787,004</u>	<u>456,088,552</u>
Less: Disbursements		88,694,930	347,650,000
		<u>142,092,074</u>	<u>108,438,552</u>
13.6.2 Revitalization of affected communities / livestock			
Opening balance		(8,897,748)	489,574
Less: Disbursements		111,909,668	9,387,322
		<u>(120,807,416)</u>	<u>(8,897,748)</u>

13.6.3 On June 14, 2006 the Government of Pakistan and International Fund for Agricultural Development (IFAD) signed a Project Loan Agreement under which IFAD has extended a financial contribution of Special Drawing Rights (SDRs) 18.350 million (equivalent to US\$ 27 million) under the project "Restoration of Earthquake Affected Communities and Households". The allocated amount will cover the grants to affected communities for (a) reconstruction of housing (b) rehabilitation of community infrastructure (c) grants for livestock (d) costs of trainings for the affected communities and staff of the POs (e) operating costs and cost of equipments to POs engaged in these activities. The period of this agreement is of three years from the effective date i.e. August 01, 2006.

Under SFA dated September 19, 2006 executed between GoP and PPAF, GOP agreed to provide SDR 18.35 million to the company as grant on non reimbursable basis.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.7 Grants from Government of Pakistan - IFAD (PRISM)			
Opening balance		45,444,080	-
Amount received		131,176,535	45,444,080
		<u>176,620,615</u>	<u>45,444,080</u>
Less: Disbursements:		2,250,000	-
		<u>174,370,615</u>	<u>45,444,080</u>
13.8 Grants from CECP			
Opening balance		109,617,452	281,745,494
Amount received		-	193,355,114
Foreign exchange translation differences - Net		1,057	12,574,431
		<u>109,618,509</u>	<u>487,675,039</u>
Less: Disbursements:		25,376,521	378,057,587
		<u>84,241,988</u>	<u>109,617,452</u>

13.8.1 On August 15, 2006 the PPAF and Committee Encouraging Corporate Philanthropy (CECP) signed a programme agreement under which CECP has agreed to make available an amount of US Dollars 12 million over a period of three years commencing from October 1, 2006 to September 30, 2009 to the Company as grant on non reimbursable basis for design, reconstruction and refurbishment of regional health centers, clinics, primary schools and secondary schools affected by the earthquake.

	Note	Un-audited Mar. 31, 2010	Audited June 30, 2009
		(Rupees)	
13.9 Grants from Government of Pakistan - IDA III			
Amount received		1,654,952,060	-
	13.9.1	<u>1,654,952,060</u>	-
Less: Disbursements:		246,400,670	-
		<u>1,408,551,390</u>	-
13.9.1 Disbursements by components			
Social mobilization		3,480,000	-
Institutional building		6,196,444	-
Livelihood enhancement and protection		4,257,779	-
Health and education		108,947,021	-
Water and infrastructure		123,519,426	-
		<u>246,400,670</u>	-

Note	For the quarter ended		For the nine months ended	
	Mar 31, 2010	Mar 31, 2009	Mar 31, 2010	Mar 31, 2009
	(Rupees)		(Rupees)	
14. INCOME ON INVESTMENTS AND SAVING ACCOUNTS				
Profit on long term investments	4,109,041	26,385,618	78,521,644	78,133,834
Profit on term deposit receipts/saving accounts	138,659,521	144,856,236	404,019,250	447,938,574
	<u>142,768,562</u>	<u>171,241,854</u>	<u>482,540,894</u>	<u>526,072,408</u>
15. INCOME ON RESERVE FOR GRANT BASED ACTIVITIES				
Income earned during the period	43,814,765	-	113,701,582	-
Less: Disbursements				
National Rural Support Program - School Milk Project	7,250,907	-	7,250,907	-
	<u>36,563,858</u>	<u>-</u>	<u>106,450,675</u>	<u>-</u>
16. GENERAL AND ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	39,801,119	32,317,430	131,209,239	93,684,573
Rent	6,433,730	4,808,771	20,276,856	14,507,211
Repairs and maintenance	1,430,702	1,383,978	5,375,129	4,507,497
Traveling, lodging and conveyance	16,644,934	11,919,203	40,423,713	28,977,115
Communication	803,415	712,186	2,529,472	2,039,000
Printing and stationery	777,090	1,912,034	3,611,056	4,332,670
Insurance	997,872	1,090,520	4,951,558	4,379,921
Vehicles running and maintenance	4,141,610	1,699,941	8,965,291	6,270,977
Utilities	938,101	818,401	2,430,622	2,009,123
Legal and professional charges	1,076,500	682,000	2,063,500	1,975,600
Auditors remuneration	-	-	-	1,009,100
Advertisement	108,000	1,163,250	1,079,300	2,819,330
Media projection	1,689,326	534,524	1,852,893	683,840
Newspapers, books and periodicals	152,076	123,830	374,468	286,082
Depreciation	9,366,043	6,754,407	24,940,820	19,082,417
Amortization	1,240,074	1,086,141	3,720,223	3,240,910
Security services	447,600	343,900	1,390,458	1,294,100
Others	627,265	587,292	2,206,090	1,687,982
	<u>86,675,458</u>	<u>67,937,808</u>	<u>257,400,688</u>	<u>192,787,448</u>
17. SEMINARS, WORKSHOPS AND TRAININGS				
Training	2,268,580	1,207,656	9,582,237	4,829,843
Seminar and workshops	2,267,619	4,923,678	6,525,890	6,442,961
PPAF ten years events	-	-	15,839,412	-
	<u>4,536,199</u>	<u>6,131,334</u>	<u>31,947,539</u>	<u>11,272,804</u>
18. CONSULTANCY CHARGES				
Social mobilization	13,323,749	213,000	90,725,903	734,667
Earthquake reconstruction and rehabilitation	6,924,923	741,452	9,647,164	4,668,316
General	214,260	9,058,060	22,889,510	15,978,556
	<u>20,462,932</u>	<u>10,012,512</u>	<u>123,262,577</u>	<u>21,381,539</u>
19. FINANCIAL CHARGES				
On micro credit loans	39,766,889	34,974,947	71,167,479	62,338,848
Bank charges	382,889	318,450	789,486	458,694
	<u>40,149,778</u>	<u>35,293,397</u>	<u>71,956,965</u>	<u>62,797,542</u>
20. COMPARATIVE FIGURES				

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


Chairman


Chief Executive/Managing Director



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