



**Punjab Population
Innovation Fund**



Punjab Population Innovation Fund

**Annual
Report**

2016-17



**Punjab Population
Innovation Fund**



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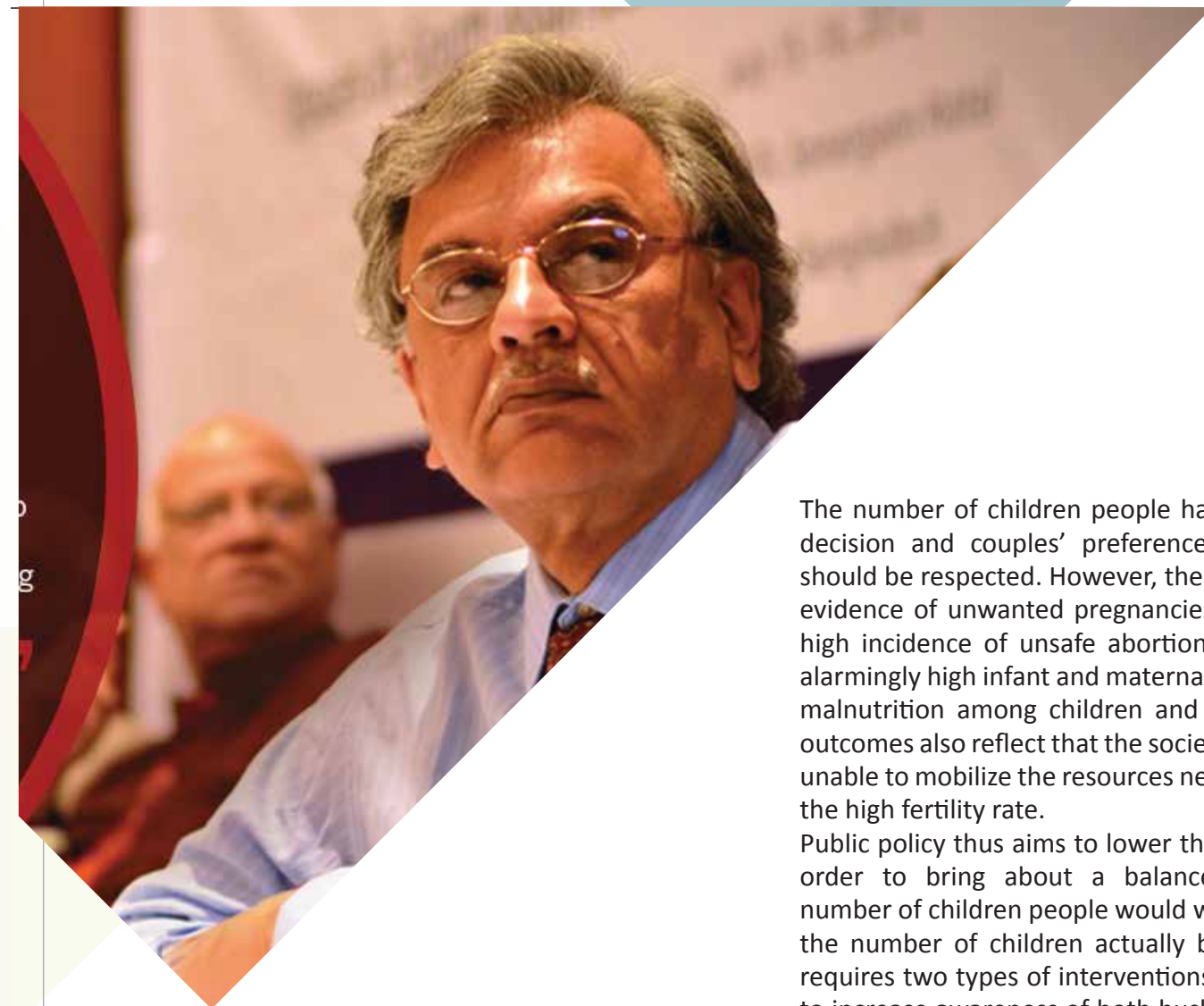
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ACRONYMS

ADP:	Annual Development Plan
AHKRC:	Akhter Hameed Khan Resource Center
BOD:	Board of Directors
CPR:	Contraceptive Prevalence Rate
DFID:	Department for International Development
EOI:	Expression of Interest
HANDS:	Health and Nutrition Development Society
ICT:	Information and Communication Technology
LHVs:	Lady Health Visitors
LARC:	Long Acting Reversible Method
PPIF:	Punjab Population Innovation Fund



Chairman's Message

The fertility rate according to all estimates is extremely high in Pakistan especially given the resources of the country; research has also shown that there is a huge gap between the demand and supply of services which needs to be addressed, that too in the most cost effective manner.

The Chief Minister has established the Punjab Population Innovation Fund to complement the efforts of Government departments and agencies by harvesting promising new ideas and putting them through the implementation test to determine their efficacy. We are also actively reaching out to key international players to learn from their experience and apply high impact practices in Punjab. These strategies when implemented on scale would bridge the gap between the need for FP services and their availability allowing Punjab to bring the fertility rate down to levels preferred by the couples.

The number of children people have is a complex decision and couples' preference in this regard should be respected. However, there is widespread evidence of unwanted pregnancies as seen in the high incidence of unsafe abortions. Furthermore, alarmingly high infant and maternal mortality rates, malnutrition among children and poor education outcomes also reflect that the society is unwilling or unable to mobilize the resources needed to support the high fertility rate. Public policy thus aims to lower the fertility rate in order to bring about a balance between the number of children people would want to have and the number of children actually being born. This requires two types of interventions. One that aims to increase awareness of both husbands and wives on available methods for birth control --- be it for limiting or spacing births ---- while the other complements the first by making available family planning services, products and counseling, at the doorstep or at conveniently accessible locations.

Punjab Population Innovation Fund (PPIF) was established to roll out these two types of interventions. Set up as a section 42 company with an independent Board of Directors comprising of highly accomplished individuals, PPIF invites private parties and NGOs to deliver efficient and sustainable programs with defined monitoring and evaluation parameters in the ambit of the two types of services. To that end, PPIF has already awarded contracts under its first call for proposals and is now preparing to roll out programs under the second call. We therefore, seek to augment the capacity of the Population Welfare Department as it fulfills the family welfare mandate for Punjab.

Dr. Ijaz Nabi



Chief Executive Officer's Review

Punjab's population is estimated to be over 104 million and with a current growth rate of 2.1% it is likely to double over the next three decades. High population growth contributes to the large numbers of out of school children and unemployed youth, while escalating challenges for provision of healthcare and other basic services in Punjab. Thus, changing outcomes in the population sector can positively impact many other social outcomes. For instance, research has unequivocally linked increased uptake of family planning services with reduced maternal and infant mortality rates. The high incidence of abortions in Punjab and surveys on preferred family size indicate that the existing fertility rate is much higher than the level desired by couples. However, sole reliance on public sector services has led to low uptake of services and stagnation of the contraceptive prevalence rate, despite high unmet demand for family planning services in Punjab.

PPIF was, therefore, envisioned as a Fund that would make family planning services more accessible by increasing the number of providers, particularly private providers, meeting information needs of clients, dispelling misconceptions about contraceptive use and addressing concerns regarding quality of services. However, PPIF is unique in its design as it aims to meet these objectives by incentivizing private sector involvement through funding of innovative, financially viable and sustainable projects that would continue service delivery beyond the funding period. Innovation could either mean the adoption of a new approach based on evidence of client needs or the replication of a high impact practice after adapting it to local realities. The PPIF is still a nascent organization which from its very onset has invested in rigorous impact evaluation to determine through empirical evidence whether an intervention truly worked before investment in large-scale implementation.

Financing of projects on an experimental basis is the mechanism whereby outcomes are ensured for maximizing returns on investment in the scale up phase. Therefore, projects are funded as an experimental study with a predefined learning agenda and there is strong emphasis on evaluability assessment before the award of projects. Third-party monitoring and evaluation firms are engaged to monitor progress throughout the course of the project and to validate reported outcomes.

We have successfully launched our first program cycle after the compliance with regulatory processes even as we were setting up the company and ensuring that the foundational requirements were being met. The company has made significant progress in its journey towards fulfilling its mandate of reducing fertility and unmet need and increasing the prevalence of modern contraceptives through funding of innovative and scalable projects. We were guided in our efforts by an experienced Board comprising of experts from the public and private sectors and I am grateful for their strategic guidance. I would also like to appreciate the efforts of the PPIF team who have come together as a cohesive unit and worked towards the achievement of the organizational goals with diligence and dedication.

Jawad A. Qureshi

Directors' Report

On behalf of the Board of Directors of the Company, I am pleased to present the operational performance and audited financial statements of the Company for the year ended June 30, 2017.

General

After its incorporation on October 04, 2016, PPIF started its operations, the core management was hired from April '17 onwards and the company established its separate office and initiated the procurement process for operational and capital needs. On the programme side, the company initiated competitive process for awarding first cycle grants. Moreover, the company's strategic documents and procedures and policies were developed with simultaneous preparation of budget for the financial year 2017-18.

Performance

PROGRAM:

PPIF defined its process for selection of innovative projects and their implementation in different districts of Punjab. The company has taken steps to ensure that the areas of intervention are selected on the basis of evidence and that the projects are designed to efficiently deliver results and to be measurable in their impact. The key components of the PPIF fund awarding process are as follows:



Launch of First Cycle of Funding

The Board of Directors made the following decisions for the launch of the first round of funding.



a Geographical Areas

The districts identified for the first round of funding included Lahore, Faisalabad, Multan Rawalpindi, Bahawalpur, Rahimyarkhan, Gujranwala and Muzaffargarh.

b Areas of Intervention

For the first call for EOIs the following areas were approved by the Board of Directors:

- 1 Mitigating information related obstacles that lower the demand for and access to modern family planning methods among current and potential users, including both men and women.
- 2 Increasing the uptake of these methods through advisory services and counseling that help address concerns related to usage.
- 3 Delivering contraceptive products and services to users at their doorstep in communities not adequately served by community health workers.
- 4 Enabling private health service providers including non-physician female and male cadres to initiate and sustain provision of an adequate range of quality family planning services for underserved communities and households with unmet need
- 5 Any other innovations that address acceleration of efforts to address unmet need for modern family planning services.

c Eligible Organizations

the Board decided that this cycle of funding would be open to private organizations, not-for-profit organizations and universities

Invitation for Proposals

In compliance with the PPRA rules, PPIF published a call for Expressions of Interest and received 34 EOIs in response. Out of these five (5) proposals were selected for the second stage based on the feasibility of the proposed project and the capacity of the organization proposing the idea to deliver results. Requests for detailed proposals were made to these selected applicants.

Award of Contracts

After compliance with government regulatory requirements and a rigorous evaluation process, three (3) proposals were approved by the Board of Directors for award of contracts. The finally approved projects were:

A Community Driven Model for Sustained Family Planning in Low Income Urban Communities' proposed by
Akhtar Hameed Khan Resource Center



Reducing Informational Obstacles and Social Stigma About Family Planning: Provision of Information in Pocket And Community Mobilization' proposed by
Institute of Social and Cultural Studies (ICSC), University of the Punjab



Increase demand and access to high quality Family planning services in underserved areas proposed by
Health and Nutrition Development Society (HANDS)



The contracts for projects' implementation were signed on August 25, 2017 amounting to Rs. 66 Million. Each project partner has agreed to go through a process of monthly tracking of output indicators and a detailed quarterly review of the progress against milestones by the PPIF M&E, Grants and Finance teams. A schedule of quarterly payments has been defined in the service agreements with partners, linked with the achievement of pre-defined quarterly milestones.

Monitoring and Evaluation

The PPIF has put into effect a monitoring and evaluation regime to ensure that all contract partners follow the terms of the contracts in letter and spirit and adhere to the timelines mentioned for the achievement of output and outcome related milestones.

The projects funded by the PPIF will undergo a three-tiered monitoring process:

- i) The project partners designing and implementing their own monitoring plans;
- ii) Process monitoring by third party evaluators engaged by the PPIF; and
- iii) Indicator tracking and quarterly reviews by the PPIF team.

The following proposed activities corresponding to the phases of the project implementation cycle will be conducted.

- i) Baseline evaluation: To be conducted prior to active implementation of the project
- ii) Regular process monitoring: During the implementation period starting with the first monthly progress tracking indicator report
- iii) Data collection and analysis to identify trends: During the implementation period
- iv) Project evaluation: At the culmination of project life
- v) Program Evaluation: Over two to three years to assess incremental impact

Third Party Monitoring

Third party monitors are in the process of hiring for the following purposes:

Baseline Surveys

to be conducted at the commencement of the project against indicators mutually agreed with the contract partners



Endline Surveys

to assess the impact at the end of the project



Process Monitoring and Data Collection

concurrent with the project for monitoring progress and quality assurance



Operational

The following policy/strategic documents were prepared by PPIF in house and were approved by the Board;

- i) **Employee Service Rules**
- ii) **Program Manual**
- iii) **Implementation plan for 2017-18**
- iv) **Financial Management Manual**
- v) **Fiduciary Risk Management Framework**

Plans for 2017-2018

The roll out of the first cycle is followed by successive rounds of project funding for partner organizations with the aim of introducing innovative, scalable and nationally and internationally recognized best practices for raising awareness on family planning and increasing uptake of modern contraceptives, in different districts of Punjab. The second cycle of project funding is expected to be rolled out in the second quarter of 2017-18.

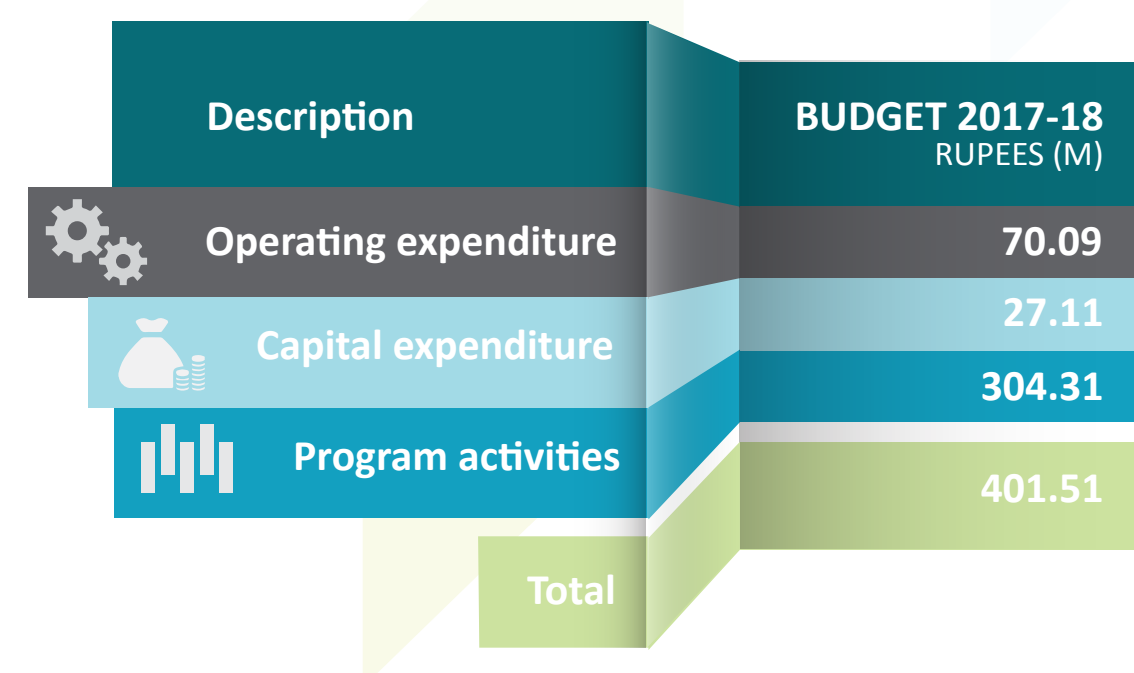
Financials: As per audited accounts

Particulars	2016-17
Fixed Assets	2,897,217
Long term security deposit – Office rent	1,275,000
Prepayments – Office rent	538,333
Cash and bank balances	184,685,910
Total Assets	189,396,460
Deferred grant	189,121,481
Trade and other payables	274,979
Total funds and liabilities	189,396,340
Program expenses	3,845,133
Operational expenses	7,033,386
Total Expenses	10,878,519
Surplus of Income over Expenses	

The World Bank provided financial assistance for the establishment of the PPIF under the ongoing Health Sector Reform Project and further funding on meeting certain DLIs. Government funding of Rs 200 million was approved through the ADP 2016-17 for Population Welfare Department was released into the PPIF account in December 2016. The funds are kept in The Bank of Punjab, Civil Secretariat Branch of Lahore.

Additional funds of Rs. 250 million have been allocated to PPIF in the Annual Development Plan 2017-18.

The Annual Budget for the company has been reviewed and approved by the Board of Directors in a recently held meeting along with other strategic documents for operationalizing the including Financial Manual and the Annual Implementation Plan 2017-18. The budgetary approval for the year can be broadly summarized as under;



Auditors:

Quality of financial reporting continues to be of prime concern to the stakeholders-sponsors, Board of Directors and Management. Therefore, the company will continue to exercise due diligence and care in the selection of Auditors as it had done in the past.

Grant Thornton Anjum Rahman was appointed as the company external auditor for the year 2016-17 and have expressed their willingness to accept re-appointment.

Board of Directors



Dr. Ijaz Nabi
Chairman of the Board



Makhdum Hashim
Director



Naved Hamid
Director



Prof. Dr. Muhammad Tayyab
Director



Mr. Hamid Yaqub Sheikh
Secretary Finance Department



Dr. Ismat Tahira
Secretary Population Welfare Department



Najam Ahmed Shah
Secretary Specialized Healthcare Director & Medical Education Department



Faisal Farid
Director



Ali Cheema
Director



Ms. Shahima Rehman
Director



Dr. Naeem Uddin Mian
Director



Ali Jan
Secretary Primary & Secondary Healthcare Department



Dr. Shabana Haider
Member Health, P&D Department

Composition of the Board

The board members have been nominated by the Government of the Punjab. The composition of the board is as follows:

- A) Five (5) Directors from amongst the Government Departments in Ex-Officio capacity
- B) Eight (8) Directors as independent members

Committees of the Board

1. Technical Committee:

Chair: Dr. Ali Cheema

Independent Members:

Dr. Naved Hamid

Mr. Faisal Farid

Dr. Naeem Uddin Mian

Ms. Shahima Rehman

Ex officio Members:

Member HNP, P&D Board

Secretary Population Welfare Department

2. Human Resource Committee

Chair: Mr. Faisal Farid

Independent Members:

Prof. Dr. Muhammad Tayyab

Ex officio Members:

Member HNP, P&D Board

Secretary Specialized Healthcare and Medical Education Department

Secretary Finance Department

3. Audit and Finance Committee:

Chair: Makhdum Hashim Jawan Bakht

Independent Member:

Dr. Naved Hamid

Ex officio Member:

Secretary Primary and Secondary Healthcare Department

Board Meetings

Three (03) meetings of the Board of Directors were held since the incorporation of the Company on October 04, 2016. Attendance of BOD Members is as follows:

Sr. #	Name of BoD Member	Designation	No. of Meetings attended
1	Dr. Ijaz Nabi	Chairman of the Board	3
2	Dr. Shabana Haider Member Health, P&D Department	Acting CEO-PPIF/ Board Secretary	3
3	Secretary Finance Department	Director	1
4	Secretary Population Welfare Department	Director	3
5	Secretary Primary & Secondary Healthcare Department	Director	1
6	Secretary Specialized Healthcare & Medical Education Department	Director	Nil
7	Dr. Ali Cheema	Director	2
8	Dr. Naeem Uddin Mian	Director	1
9	Mr. Faisal Farid	Director	2
10	Mr. Naveed Hamid	Director	3
11	Makhdum Hashim Jawan Bakht	Director	2
12	Prof.Dr. Muhammad Tayyab	Director	3
13	Ms. Shahima Rehman*	Director	3

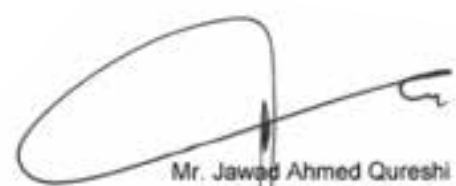
Note:

1. *Ms Shahima Rehman resigned from the PPIF Board w.e.f March 22, 2017
2. Mr. Jawad Ahmed Qureshi assumed the charge of Chief Executive Officer of the Company w.e.f. May 08, 2017.

Acknowledgement:

The Board wishes to place on record its appreciation for the untiring efforts of all PPIF employees in taking the company forward

On the behalf of the Board


Mr. Jawad Ahmed Qureshi
Director/Chief Executive
Officer

Senior Management



Syed Rashid Ali
CFO

In the inception phase of PPIF, our greatest priority has been to establish a strong foundation for the company and develop effective mechanisms and systems that would safeguard the proper use of the public resources that have been put at the company's disposal. As a fund mandated to disburse as well as to receive financial assistance from partners, our primary concern has been to put in place financial rules and procedures that conformed to the highest standards. Therefore, the development of the Financial Manual and the Fiduciary Risk Manual were significant milestones that would pave the way for effective financial regulation in the company.



Haroon Ahmed Shabbir
GM Operations

The PPIF is still in its nascent phase where subsequent to incorporation with the SECP in October 2016, the Board of Directors was established and the vacancies against key staff positions, including the Chief Executive Officer and the senior management were filled. However, to facilitate the seamless execution of the company's mandate, administrative processes and procedures were developed and put into effect including the rules governing employment at the PPIF. We have also prioritized fostering a culture of innovation within the organization and developing an office environment where ideas can proliferate while the team performs as an effective and cohesive unit.



Amna-Akhsheed
GM Grants

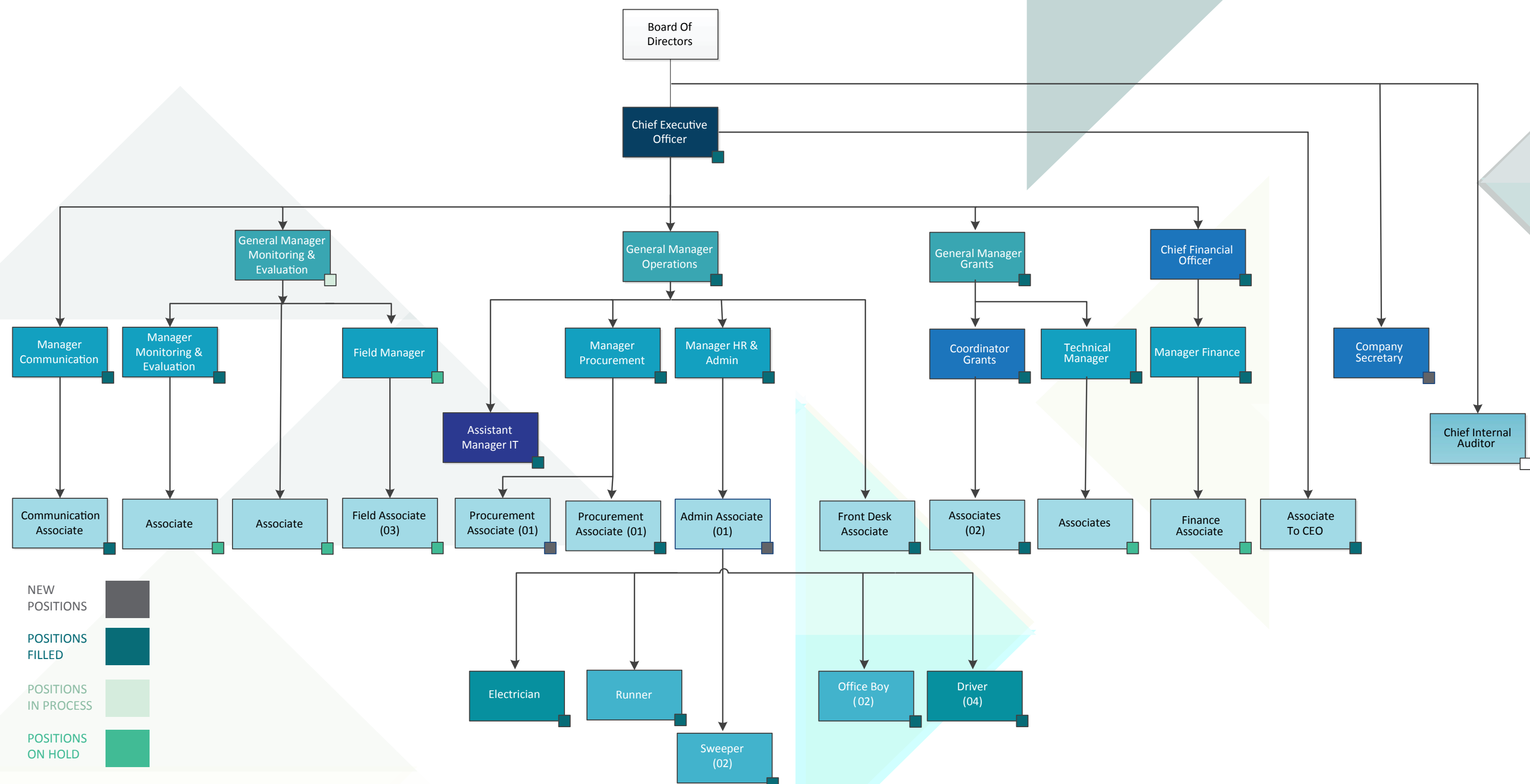
Pakistan is the sixth most populous country in the world and its most densely populated province, Punjab houses half of the national population of women (3.1million) with unmet need for contraception. PPIF has been envisaged as a catalyst for innovative and potentially scalable solutions to address family planning challenges, particularly the barriers perpetuating unmet need and arresting the pace of fertility decline. As the custodian of the programmatic mandate of the company, the Grants section's priority is to cultivate actionable and measurable initiatives that harness technology, reach unserved and marginalized populations, create effective synergies and collaborations that deliver value for money and leverage untapped potential of existing service delivery points.



Zeeshan Ahmed
GM Monitoring and Evaluation

PPIF offers a unique platform to work on innovative projects for targeting challenges relating to uptake of FP services. From the outset, the company has laid a great deal of emphasis on developing monitoring and evaluation protocols that would ensure that the partner organizations take effective measures to attain the outcomes expected from the funded projects. Our approach has been to agree to a schedule of payments linked with the achievement of milestones with partner organizations at the outset. Our M&E framework also allows for engagement of third party monitoring and evaluation firms that would monitor the progress of partners throughout the project duration and then capture evidence of its impact after completion. An unprecedented level of knowledge about the FP sector would be generated through this implementation research.

Organizational Chart*



*(PPIF EMPLOYEE SERVICE RULES)



Implementing Partner

Partner: Health and Nutrition Development Society (HANDS)

Founded in 1979 by a group of volunteers, HANDS has evolved, as one of the largest non-profit organizations of the country with an integrated and holistic development model centred around reproductive health, mental health, nutrition, adolescent health etc. HANDS Pakistan has a network of 31 district branches across the country and has access to more than 23 million population of nearly 21,000 villages and settlements in 48 districts. Major donors for HANDS include the Packard Foundation, DFID and the Government of Sindh. Among these projects, several have been scaled up with the support of development partner and Health & Population Welfare Department such as community health workers (MARVI), community midwifery training, financial assistance through output-based vouchers for maternal and neonatal care, and tele-health care diagnostic. HANDS has been certified by Pakistan Centre for Philanthropy (PCP)-an organization authorized by Govt. of Pakistan for the assessment of management standards in Non-Profit organizations. The organization has also accredited with USAID and European Union.

Project: Doorstep Family Planning Services and Mobile Academy

The projects consists of creating a class of doorstep service providers called NOORs in the local communities not being served by the LHW Program to deliver FP services while generating income for themselves through the sale of household items. These items are collectively described as a business-in-box as it is a means for the community-based worker to make door-to-door sales. These entrepreneurs are linked to a network of suppliers for continued provision of sale items. The social entrepreneurs called 'Noors' are initially provided a stipend which is gradually withdrawn once they reach a sustainable level of income generation through sale of items. The items include household products of everyday use that women in the communities. The 'Noor' workers also refer clients to lady health visitors and private and public health practitioners for long acting contraceptives.

A total of 160 'Noor' workers have been engaged in the project for an underserved rural population of Muzaffargarh (15 Union Councils) with a total population of around 270,000. The project aims to increase the CPR in the intervention area through an increase in the number of additional users, promote the use of modern contraceptives, particularly the long-acting reversible methods, meet couples' demand for information about family planning services and bring about a reduction in unintended pregnancies.



Integration of Technology

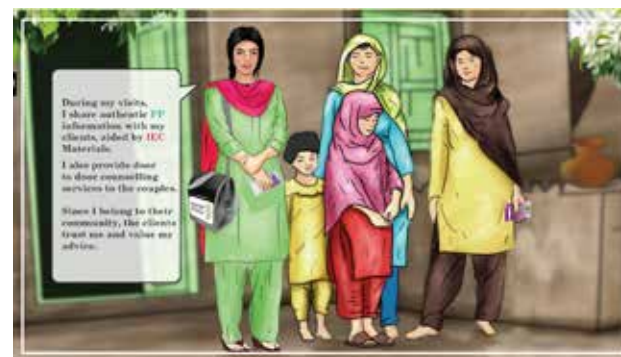
The successful BBC Media Action's 'Ananya' Program in India has provided the basis for integrating technology to enhance the Noor's inter-personal communication skills. It comprises of a family planning specific audio learning course that the 'Noor' worker can access through her mobile device. Visual aids will be developed to assist the 'Noor' in her communication with clients. Additionally, video content will be developed which is used in community awareness sessions by the LHWs linked with the project. A smart ICT-based monitoring system will include maintain a register of all married women of reproductive age of the area, maintain clients data generated through LHWs during their counseling sessions and provide a check-list based verification system for assessing quality of services on standard indicators.



Learning Agenda

An independent post project evaluation will help determine the effectiveness of the project particularly with respect to the following aspects:

- The willingness and capacity of the clients in rural Muzaffargarh to pay for family planning services, particularly the long acting reversible methods.
- Untapped potential of mobile technology for dissemination of information and for capacity building of
- The sustainability of the Business-in-Box model as a self-sustaining income generation model for community workers



Partner: Ahkter Hameed Khan Resource Center (AHKRC)

AKHRC is a renowned development institution, working since 2011, Akhter Hameed Khan is working to empower women in low income urban communities, by undertaking various community-based projects and conducting research studies on social mobilization, family planning choices and uptake, women's empowerment, gender-based violence etc., AHKRC have executed 14 community-based projects in collaboration with prestigious donor and partner organizations including UNFPA, DKT, HANDS, NUST and USAID.

Project: Reducing Informational Obstacles and Social Stigma About Family Planning: Provision of Information in Pocket And Community Mobilization

AKHRC will establish a systems approach that can encompasses demand creation and supply of services through a women entrepreneurship model in urban slums of Dhok Hassu and Dhok Mangtal, in Rawalpindi district. Similar to the 'MARVI' project in Sindh, community mobilizers called 'Noors' will provide door-step counselling and short-term contraceptive services to MWRAs. They will also generate income for themselves by selling various household items of everyday use to women at their doorstep and by charging a referral fee from private providers.



Integration of Technology

An innovation introduced by the AHKRC, 'Noor' workers will also be trained to refer clients seeking long acting methods to empaneled private providers, for which they will be paid a referral fee from the provider. The sustainable income generation aspect of the service delivery model will ensure that the services being provided by the 'Noors' continue beyond the duration of the project. The project aims to increase the contraceptive prevalence rate for modern methods (mCPR) by increasing the use of long acting reversible methods (LARC) and addressing the information barriers that cause discontinuation among users of modern contraceptives.

AHKRC will employing Cognitive Behavior Therapy techniques to bring about behavior change in the communities with respect to contraceptive use for addressing family planning myths and misconceptions. The increase in the use of long acting reversible contraceptives (LARC) will be ensured by addressing misconceptions as well as referring clients to a quality assured referral network of private health providers.



Learning Agenda

At the completion of the project a third-party evaluation will inter alia assess the success of the project with respect to the following:

- Self-sustainability of the family planning service delivery model based on social entrepreneurship and incentivized referrals.
- Effectiveness of the Positive Deviance Inquiry and Cognitive Behavior Therapy as a behavior change intervention for family planning.
- Increase in uptake of long acting reversible methods (LARC) and willingness of the clients from urban slums to pay for these methods



Statement of Accounts

Statement of Accounts

i)

Statement of compliance with the public
sector companies'
Corporate Governance Rules, 2013

ii)

Explanation for non-compliance with the
public sector companies'
Corporate Governance Rules, 2013

iii)

Audited accounts for the year ended
June 30, 2017

Schedule I

STATEMENT OF COMPLIANCE WITH
THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE RULES, 2013)

Name of Company	Punjab Population Innovation Fund
Name of the line Ministry	Population Welfare Department, Government of the Punjab
For the Year Ended	June 30, 2017

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

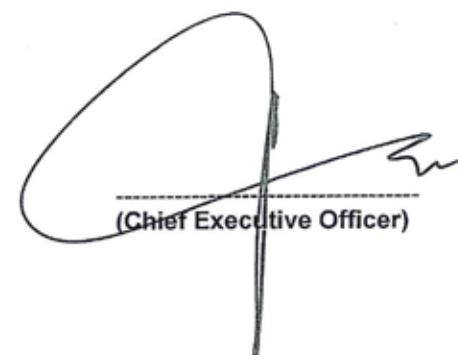
II. The company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule no.	Y	N																																
			Tick the relevant box																																	
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	Y																																	
2	<div>The Board has the requisite percentage of independent directors. At present the board includes:</div> <table><tr><th>Category</th><th>Name</th><th>Date of Joining</th></tr><tr><td rowspan="7">Independent Directors / Non-Executive</td><td>Dr. Ijaz Nabi</td><td>07-11-2016</td></tr><tr><td>Mr. Makhdum Hashim Jawad Bakht</td><td>07-11-2016</td></tr><tr><td>Dr. Naeem Ud Din Mian</td><td>07-11-2016</td></tr><tr><td>Prof. Dr. Muhammad Tayyab</td><td>07-11-2016</td></tr><tr><td>Dr. Naved Hamid</td><td>07-11-2016</td></tr><tr><td>Dr. Ali Cheema</td><td>07-11-2016</td></tr><tr><td>Mr. Faisal Farid</td><td>07-11-2016</td></tr><tr><td>Executive Director</td><td>Mr. Jawad Ahmed Qureshi (CEO, PPIF)</td><td>08-05-2017</td></tr><tr><td rowspan="5">Government Nominated / Non-Executive Directors</td><td>Member Health, Nutrition & Population, P&D Board</td><td>19-08-2016</td></tr><tr><td>Secretary Finance</td><td>19-08-2016</td></tr><tr><td>Secretary PWD</td><td>19-08-2016</td></tr><tr><td>Secretary Specialized Health Care and Medical Education</td><td>19-08-2016</td></tr><tr><td>Secretary Primary & Secondary Health Care</td><td>19-08-2016</td></tr></table>	Category	Name	Date of Joining	Independent Directors / Non-Executive	Dr. Ijaz Nabi	07-11-2016	Mr. Makhdum Hashim Jawad Bakht	07-11-2016	Dr. Naeem Ud Din Mian	07-11-2016	Prof. Dr. Muhammad Tayyab	07-11-2016	Dr. Naved Hamid	07-11-2016	Dr. Ali Cheema	07-11-2016	Mr. Faisal Farid	07-11-2016	Executive Director	Mr. Jawad Ahmed Qureshi (CEO, PPIF)	08-05-2017	Government Nominated / Non-Executive Directors	Member Health, Nutrition & Population, P&D Board	19-08-2016	Secretary Finance	19-08-2016	Secretary PWD	19-08-2016	Secretary Specialized Health Care and Medical Education	19-08-2016	Secretary Primary & Secondary Health Care	19-08-2016	3(2)	Y	
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3.	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3A(2)	N/A																																	
4.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(4)		N																																

5	The appointing authorities have applied the fit and proper criteria given in the annexure in making nominations of the persons for election as board members under the provisions of the Ordinance.	3(6)	Y	
6.	The chairman of the board is working separately from the Chief Executive of the Company.	4(1)	Y	
7	The chairman has been elected from amongst the independent directors.	4(4)	Y	
8	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	Y	
9.	(a) The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (Address of website to be indicated " www.ppif.org.pk ") (b) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	Y	
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)		N
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	Y	
12.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)		N
13.	(a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service. (b) A Committee has been formed to investigating deviations from the company's code of conduct.	5(5)(c)(ii)	Y	
14.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services, in accordance with the PPRA Rules.	5(5)(c)(iii)	Y	
15.	The board has developed a vision or mission statement, corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(6)	Y	
16.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and have submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17.	a) The board has met at least four times during the year. b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	Y	

18.	The board has carried out performance evaluation of its members, including the chairman and the chief executive, on the basis of a process, based on specified criteria, developed by it. The board has also monitored and assessed the performance of senior management on annual/half-yearly/quarterly basis*. * Strike out whichever is not applicable	8		N															
19.	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9		N															
20.	The board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the company's website. Monthly accounts were also prepared and circulated amongst the board members.	10		N															
21.	All the board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11		N															
22	a) The board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the board members. d) The committees were chaired by the following non-executive directors: <table border="1"><thead><tr><th>Committee</th><th>No. of Members</th><th>Name of Chair</th></tr></thead><tbody><tr><td>HR Committee (HRC)</td><td>5</td><td>Faisal Farid</td></tr><tr><td>Technical Committee</td><td>6</td><td>Dr. Ali Cheema</td></tr><tr><td>Audit Committee</td><td>3</td><td>Makhdum Hashim Jawan Bakht</td></tr><tr><td>Nomination Committee of Board</td><td>0</td><td></td></tr></tbody></table>	Committee	No. of Members	Name of Chair	HR Committee (HRC)	5	Faisal Farid	Technical Committee	6	Dr. Ali Cheema	Audit Committee	3	Makhdum Hashim Jawan Bakht	Nomination Committee of Board	0		12	Y	Y
		Committee	No. of Members	Name of Chair															
		HR Committee (HRC)	5	Faisal Farid															
		Technical Committee	6	Dr. Ali Cheema															
		Audit Committee	3	Makhdum Hashim Jawan Bakht															
		Nomination Committee of Board	0																
N																			
Y																			
23.	The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.	13/14		N															
24.	The company has adopted International Financial Reporting Standards notified by the Commission under clause (i) of sub- section (3) of section 234 of the Ordinance.	16	Y																
25.	The directors' report for this year has been prepared in compliance with the requirements of the Ordinance and the Rules and fully describes the salient matters required to be disclosed.	17	Y																
26.	The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.	18	N/A																

27.	A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place. The annual report of the company contains criteria and details of remuneration of each director.	19	N/A													
28.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer, before approval of the board.	20	Y													
29.	The board has formed an audit committee and having the following members:	21		N												
	<table><tr><th>Name of Member</th><th>Category</th><th>Professional background</th></tr><tr><td>Makhdum Hashim Jawan Bakht</td><td>Chair</td><td>MPA</td></tr><tr><td>Dr. Naveed Hamid</td><td>Member</td><td>Prof. at LUMS</td></tr><tr><td>Ali Jan Khan</td><td>Member</td><td>Secretary. Primary & Secondary Health Care</td></tr></table>				Name of Member	Category	Professional background	Makhdum Hashim Jawan Bakht	Chair	MPA	Dr. Naveed Hamid	Member	Prof. at LUMS	Ali Jan Khan	Member	Secretary. Primary & Secondary Health Care
	Name of Member				Category	Professional background										
	Makhdum Hashim Jawan Bakht				Chair	MPA										
	Dr. Naveed Hamid				Member	Prof. at LUMS										
Ali Jan Khan	Member	Secretary. Primary & Secondary Health Care														
The chief executive and chairman of the Board are not members of the Audit Committee.																
30.	The board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee, and which worked in accordance with the applicable standards.	22		N												
31.	The company has appointed its external auditors in line with the requirements envisaged under the Rules.	23	Y													
32.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	Y													
33.	The external auditors have not been appointed to provide non- audit services and the auditors have confirmed that they have observed applicable guidelines issued by IFAC in this regard.	23(5)	Y													
34.	The company has complied with all the corporate and financial reporting requirements of the Rules.			N												


(Chief Executive Officer)


(Director)

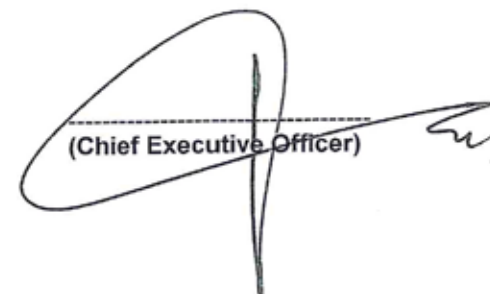
Schedule II

Explanation for Non-Compliance with The Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of June 30, 2017.

Sr. No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
1	3(4)	Compliance is confirmed other than Government nominated Directors. (Secretary of Government Department)	To be complied with before June 30, 2018
2	5(5) & 5(5)(b)(vi)	The company was incorporated in October 2016 and was in the set-up phase during the year under consideration. The core staff of the company joined from April 2017 onward.	To be complied with before June 30, 2018
3	8	This is not applicable for the year under audit, as the PPIF senior management has been hired during the period April-June 2017.	To be complied with before June 30, 2018
4	9	The board has not reviewed and approved the related party transactions because the first audit report will be presented to the Audit Committee and subsequently to the AGM for approval.	To be complied with before June 30, 2018
5	10	This was not truly applicable on the company for this year as the company was in its initials setup phase and incurred minor expenditure in fourth quarter of the year ended June 30, 2017.	Compliance will be ensured during next year 2017-18
6	11	This was not truly applicable on the company for this year as the company was in its initials setup phase.	Compliance will be ensured during next year 2017-18.
7	12(b) & 21	The company was incorporated in October 2016 and was in the set-up phase during the year under consideration. The core staff of the company joined from April 2017 onward.	To be complied in next BOD meeting.

8	13/14 & 22	PPIF is partially compliant. Board has approved appointment of CFO & Company Secretary. The appointment of Chief Internal Auditor is in process since the senior management joined in May 2017.	Compliance will be ensured during next year 2017-18
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(Chief Executive Officer)


(Director)

Statement of Accounts

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)

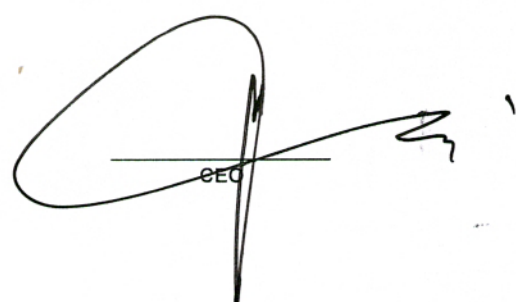
Balance Sheet

As at June 30, 2017

	Notes	2017 Rupees
Assets		
Non-current assets		
Property, plant and equipment	4	2,897,217
Long term security deposit	5	1,275,000
Total non-current assets		4,172,217
Current assets		
Prepayments	6	538,333
Cash and bank balances	7	184,685,910
Total current assets		185,224,243
Total assets		189,396,460
Funds and liabilities		
Funds		
General fund		-
Total funds		-
Liabilities		
Non current liabilities		
Deferred grant	8	189,121,481
Total non current liabilities		189,121,481
Current liabilities		
Trade & other payables	9	274,979
Total current liabilities		274,979
Total funds and liabilities		189,396,460
Contingencies and commitments	10	

The annexed notes 1 to 18 form an integral part of these financial statements.




CEO


DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)

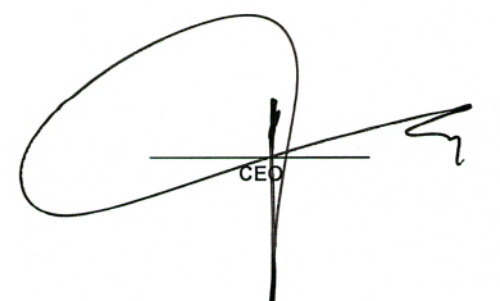
Income and expenditure Account

For the year ended June 30, 2017

	Notes	2017 Rupees
Grant income	8	10,878,519
		10,878,519
Program expenses	11	(3,845,133)
		(3,845,133)
Other expenses		
Salaries and other benefits		(4,970,092)
Admin expenses	12	(2,061,569)
		(7,031,661)
Bank charges		(1,725)
Surplus before tax		-
Taxation	13	-
Net surplus for the year		-

The annexed notes 1 to 18 form an integral part of these financial statements.





CEO

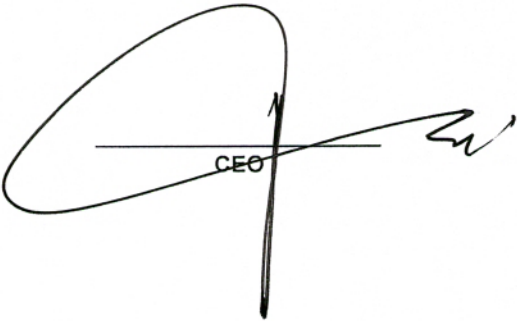

DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Statement of Changes in Funds
For the year ended June 30, 2017

	General Fund Rs.
Opening balance as on October 04, 2016	-
Net surplus for the year	-
Balance as at June 30, 2017	-

The annexed notes 1 to 18 form an integral part of these financial statements.




CEO

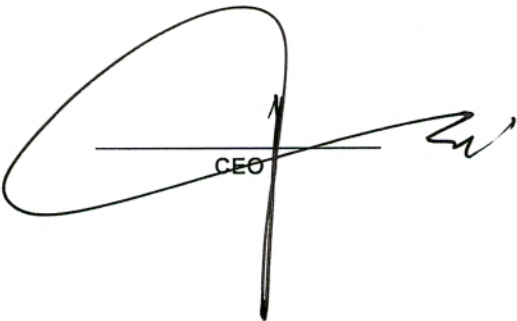

DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Statement of Changes in Funds
For the year ended June 30, 2017

	General Fund Rs.
Opening balance as on October 04, 2016	-
Net surplus for the year	-
Balance as at June 30, 2017	-

The annexed notes 1 to 18 form an integral part of these financial statements.



CEO


DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Notes to the financial statements
For the year ended June 30, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1 Punjab Population Innovation Fund (PPIF) is incorporated in Pakistan under Section 42 of the Companies Ordinance 1984 on October 04, 2016 as a public company limited by guarantee having registered office at 125, Abu Bakar Block, Garden Town, Lahore.
- 1.2 The principal object of the Company is to support the Government of the Punjab in improving the quality of life of the people of the Punjab, particularly the vulnerable and marginalized areas and sections of the population, by assisting service delivery organization in the public, non-governmental and private sectors to improve access, and the quality of family planning services in Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise International Financial Reporting Standards issued by the International Accounting Standards Board and Accounting Standards for Non-Profit Organizations (NPOs) issued by ICAP as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 New standards, amendments to approved accounting standards and new interpretations

2.2.1 Standards that are not yet effective

The following standards and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard	Effective Date
IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	1-Jan-18
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 Statement of Cash Flows - Disclosures - Disclosure Initiative - (Amendment)	1-Jan-17
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1-Jan-17
IAS 40 Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	1-Jan-18
IFRIC 22 Foreign Currency Transactions and Advance Consideration: Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018. Earlier application is permitted.
IFRIC 23 Uncertainty over Income Tax Treatments: Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	1-Jan-19

The company is in process of assessing the impact of these Standards on the financial statements of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

3.2 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

4/11/17

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Notes to the financial statements
For the year ended June 30, 2017

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements related to the useful life of depreciable assets and provisions for doubtful receivables. However, assumptions and judgements made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amount of assets and liabilities in the next year.

3.3 Revenue

Revenue is recognized to the extent that the economic benefits will flow to the entity and revenue can be reliably measured.

3.4 Borrowings

Loans and borrowings are recorded on the cash basis. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Financial charges are accounted for on accrual basis and are included in current liabilities to the extent of amount remaining unpaid, if any.

3.5 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period, when the difference reversed based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement except in case of items credited or charged to equity in which case, it is included in equity.

The company has not provided deferred taxation in these financial statements as income of the company is not taxable as the company is in process of getting registered as not for profit organization under 2 (36) of Income Tax Ordinance, 2001.

3.6 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequently, property, plant and equipment are stated at cost less accumulated depreciation and any identifiable impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate cost, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organization and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income statement during the year in which they are incurred.

Depreciation is charged to the Income and Expenditure account on straight line method method by applying the depreciation rates as disclosed in Note 4 so as to write off the depreciable amount of assets over their estimated useful lives. Depreciation on additions is charged from the date of such addition or as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of assets (calculated as the difference between the net disposal proceed and carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The assets' residual values and estimated useful lives are reviewed at least at each balance sheet date and impact on depreciation is adjusted, if significant.

4/11/17

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)

Notes to the financial statements

For the year ended June 30, 2017

3.7 Post retirement benefit

The Company operates unfunded defined benefit gratuity plan for all permanent employees who meet the qualifying service period of one year. The amount of obligation that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

3.8 Recognition of grants

Grants received for capital expenditure are presented in the balance sheet as "Deferred Income" that is recognized as income in line with depreciation charged on respective assets over the useful life of the assets.

Grants received for revenue expenditure are recognized as grant income as per terms of agreement with donors.

3.9 Trade and other payables

Trade and other payables are stated at cost which is the fair value of consideration to be paid in the future for goods and services.

3.10 Advances, prepayments and other receivables

These are stated at their nominal values net of any allowance for uncollectable amounts. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

3.11 Write-Off

All non-performing loans are written off after one month of classification as loss. However, the Company, continues its efforts for recovery of the written-off loans. Loans are classified as loss when instalment are overdue for 365 days or more.

3.12 Short term investments - held to maturity

Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition these are measured at amortised cost using the effective interest method.

3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For purpose of cash flow statement, cash and cash equivalents include cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

3.14 Provisions

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

3.15 Financial instruments

Financial assets and liabilities are recognized at fair value of consideration given or received at the time when the Company become party to contractual provisions of the instrument. Financial asset or part thereof is derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets or part thereof. Such control is deemed to be lost if the Company realizes the rights to the benefits specified in the contract, the right expires or the Company surrender those rights. A financial liability or part thereof is removed from the balance sheet when it is extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. A financial asset and financial liability is set off and the net amount is reported in the balance sheet if the Company has the legal enforceable right to set off the transaction and also intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

3.16 Impairment of financial asset

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed recoverable amount, assets are written down to their recoverable amount and the difference is charged to the profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

GPR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)

Notes to the financial statements

For the year ended June 30, 2017

	Note	June 2017 Rupees
4	PROPERTY, PLANT AND EQUIPMENT	
	Operating fixed assets	4.1 909,717
	Capital work in progress	4.2 1,987,500
	Total	2,897,217

4.1 Operating fixed assets

DESCRIPTION	2017							
	As at October 04, 2016	ADDITION during the year Rs.	As at 30 June, 2017	As at October 04, 2016	CHARGE for the year	As at 30 June, 2017	As at 30 June, 2017	RATE %
Furniture and fixtures	-	183,749	183,749	-	503	503	183,246	10%
Computer equipment	-	20,241	20,241	-	591	591	19,650	33%
Lease hold improvements	-	727,962	727,962	-	21,141	21,141	706,821	20%
As at 30 June, 2017	-	931,952	931,952	-	22,235	22,235	909,717	

	Note	June 2017 Rupees
4.2	Capital work in progress	
	Advance for purchase of vehicle	
	Advance for purchase of vehicle	4.2.1 1,987,500
	Total	1,987,500

4.2.1 Punjab Population Innovation Fund paid advance to Toyota Indus Motors for purchase of car.

5	LONG TERM DEPOSITS	
	Long term security deposits	5.1 1,275,000
	Total	1,275,000

5.1 This amount represents fixed security deposit paid for office building.

6	PREPAYMENTS	
	Prepaid rent	6.1 538,333
	Total	538,333

6.1 This amount represents rent paid in advance for one month.

7	CASH AND BANK BALANCES	
	Cash in hand	
	Cash in hand	-
	Total	-
	Cash at banks	
	Current account - Bank of Punjab (related party)	184,685,910
	Total	184,685,910
	Total	184,685,910

7.1 Cash at bank is free of lien and charges.

	Note	June 2017 Rupees
8	DEFERRED GRANT	
	Opening balance	-
	Grant received from Govt. of the Punjab - related party	8.1 200,000,000
	Less: Grants income recognised during the year	(10,878,519)
	Closing balance	189,121,481

8.1 During the year, Government of the Punjab has paid grant of Rs. 200,000,000/- to PPIF.

GPR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Notes to the financial statements
For the year ended June 30, 2017

	Note	June 2017 Rupees
9	TRADE & OTHER PAYABLES	
	Accrued liabilities	274,979
	Closing balance	274,979

- 10 CONTINGENCIES AND COMMITMENTS
- 10.1 There were no contingencies as at balance sheet date.
- 10.2 Commitments for capital expenditure as on balance sheet date amounts to Rs. 1,239,029.

	Note	June 2017 Rupees
11	PROGRAM EXPENSES	
	Training expenses	45,262
	Salaries & benefits	3,799,871
	Total	3,845,133

	Note	June 2017 Rupees
12	ADMINISTRATIVE EXPENSES	
	Advertisement expenses	155,814
	Printing & stationery expenses	101,471
	Repair & maintenance	19,835
	Travelling expenses	1,490
	Legal & professional	408,761
	Utilities	30,156
	Communication expenses	231,295
	Rent, rates & taxes	835,725
	Entertainment expenses	54,787
	Audit fee	200,000
	Depreciation	22,235
	Total	2,061,569

- 13 TAXATION
- The Company is in process of getting itself approved under section 2 (36) of the Income Tax Ordinance, 2001 for getting entitlement of tax relaxation of section 100C (100% credit of tax liability). The Company has not made any provision for taxation as its management is confident of getting such approval for tax year 2017.

- 14 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS
- The directors of the company except CEO are not charging any remuneration or benefits to the Company. Salary of Chief Executive Officer amounts to Rs. 1,241,935.

- 15 FINANCIAL RISK MANAGEMENT
- Financial instruments comprise long term deposits, advances prepayments and other receivables, cash and bank balances and trade and other payables.
- The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
 - Liquidity risk
 - Market risk
- The Board of Directors has the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

- 15.1 Credit risk and concentration of credit risk
- Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.
- Credit risk arises principally from long term deposits, advances, prepayments and other receivables and bank balances. Out of total financial assets of Rs. 186,499,243 the financial assets that are subject to credit risk amounted to Rs. 186,499,243.
- The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.
- The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

GPRC

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Notes to the financial statements
For the year ended June 30, 2017

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Bank	Short term rating	Long term rating	Rating Agency	2017 Rupees
The Bank of Punjab	A1+	AA	PACRA	184,685,910
Total				184,685,910

- 15.2 Liquidity risk
- Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation. The company is not exposed to any significant liquidity risk.

The following are contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five years (Rupees)	More than five years (Rupees)
Trade and other payables	274,979	274,979	-	-
Total	274,979	274,979	-	-

- 15.3 Market risk
- Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

- (i) Currency risk
- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk arising from various currency exposures.

- (ii) Interest rate risk
- Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to any significant interest rate risk.

15.4 Financial instruments by categories

	Loans and receivables 2017
Financial assets	
Long term deposits	1,275,000
Cash and bank balances	184,685,910
Total	185,960,910
Financial liabilities	
Trade & other payables	274,979
Total	274,979

15.5 Fair values of financial assets and liabilities

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

GPRC

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of Companies Ordinance, 1984)
Notes to the financial statements
For the year ended June 30, 2017

IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following table show the carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

	Carrying amount				Fair Value			
	Cash & Cash Equivalents	Loans and receivables	Available for sale instruments	Fair value through profit or loss	Total	Level 1	Level 2	Level 3
June 30, 2017								
Financial assets not measured at fair value								
Non-current assets								
Long term security deposits	-	1,275,000	-	-	1,275,000	-	-	-
Current assets								
Cash and bank balances	184,685,910	-	-	-	184,685,910	-	-	-
	184,685,910	1,275,000	-	-	185,960,910	-	-	-

15.6 Capital risk management

The Company's objectives when managing capital are to safeguard entity's ability to continue as a going concern, so that it can continue to provide benefits to stakeholders.

16 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, Govt of Punjab, departments of Govt of Punjab, companies where directors also hold interest, directors and key management personnel. Related party transactions and balances have been disclosed in respective notes.

17 NUMBER OF EMPLOYEES

Total number of employees at the year end	13
Average number of employees during the year	9

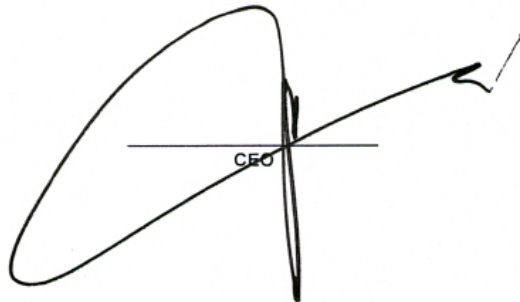
18 GENERAL

- 18.1 Figures have been rounded off to the nearest rupee.
18.2 Current year figures of the financial statements are less than 12 months.

19 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

ATK


CEO


DIRECTOR



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AUDITORS' REPORT TO THE MEMBERS


We have audited the annexed balance sheet of Punjab Population Innovation Fund ("the Company") as at June 30, 2017 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in funds together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- in our opinion:
 - the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - the expenditure incurred during the period was for the purpose of the Company's business; and
 - the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in funds together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the surplus, total comprehensive income, its cash flows and changes in funds for the year then ended; and
- in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

We draw attention towards note 13 to the financial statements which describes that the company is in process of seeking approval under section 2 (36) of the Income Tax Ordinance, 2001 and the management is confident of getting such approval, and accordingly, no provision of taxation has been made in these financial statements. Our opinion is not qualified in respect of this matter.


CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore
Dated: December 21, 2017

Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Karachi & Islamabad



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