

2018-19

Annual Report

**Punjab
Population
Innovation
Fund**



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Statement of Accounts

ACRONYMS

ADP:	Annual Development Plan
AHKRC:	Akhter Hameed Khan Resource Center
BOD:	Board of Directors
BISP:	Benazir Income Support Program
CPR:	Contraceptive Prevalence Rate
DFID:	Department for International Development
EOI:	Expression of Interest
GP:	General Practitioner
HANDS:	Health and Nutrition Development Society
ICT:	Information and Communication Technology
IRC:	International Rescue Committee
LHVs:	Lady Health Visitors
LARC:	Long Acting Reversible Method
NUST:	National University of Science And Technology
PPIF:	Punjab Population Innovation Fund
SBMR:	Standard Based Management And Recognition
UC:	Union Council



Chairman's Message

"When women have more children than they want to have, there are serious health consequences not just for those women but also for society as a whole."

The right to decide the number, spacing and timing of children has a profound impact on the life of a woman. Yet, one out of five married women in Pakistan who want to avoid pregnancy are unable to access effective family planning methods to do so.

Pakistan has one of the worst population indicators in the region, multiplying by the minute, according to the Pakistan Demographic and Health Survey taken in 2017-18. With the growth rate of 2.4, Pakistan, currently at 207.8 Million, is expected to double in population by 2050. This has consequences for all aspects of security of the citizens, be it food and water to education and health. Meeting an ever-increasing demand given the resources of the government will prove a relentless battle against the mushrooming multitude and impact its developmental targets unless the general public is sensitized to this alarming growth.

Punjab, is Pakistan's most populous province currently at 110 million and is expected to rise to 121 million by 2022. A net annual addition of an estimated 2.2 million people, of which approximately 28 million are women of reproductive age is estimated to increase to 30 million by 2020. Therefore, Punjab, with its growth rate of 2.13%, will be as big as Pakistan by the year 2050.

The critical driver of fertility, CPR is 38% and the modern contraceptive Prevalence Rate (mCPR) has gone down to 27% from 29% reported in the previous PDHS in 2012-13. This is startling that CPR has decreased for the first time from the previous survey in 2012-13 in both Pakistan and Punjab whereas only 19% of women are informed about all three quality-of service indicators (side effects, what to do in case of side effects, and other methods).

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 unmet need for Family Planning Services remains high at 15.8% indicating that millions of married couples are unable to receive adequate access to information and services to have the number of children and the spacing they desire. This is a denial of fundamental human rights. This gap between their intent and actual usage of family planning services is associated with long physical distances, costs and social barriers, and in particular with misperceptions about modern contraceptives which are more pronounced in the rural areas. All these access factors affect the poor and uneducated more seriously.

Health care services during pregnancy and childbirth as well as after delivery, are important for the survival and wellbeing of both mother and infant. Improvements in maternal and child health are a priority of all developing countries, something that is also emphasised in the Sustainable Development Goals call to action that Pakistan adheres to.

Additionally, there is widespread evidence of unwanted pregnancies as seen in the high incidence of unsafe abortions. Alarming 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 or spacing births while the other complements the first by making available family planning services, products and counselling, at the doorstep or at conveniently accessible locations. Population programs in the region need the utmost programmatic and political priority.

Punjab Population Innovation Fund was established to roll out these two types of interventions. It is a non-profit, public sector company incorporated under Section 42 of the Companies Ordinance 1984. It aims to reduce fertility to couples' desired levels by seeding and mainstreaming innovative approaches to delivery of family planning services. The fund spearheads locally responsive, scalable and sustainable family planning and reproductive health initiatives. PPIF aims to play a critical role to accelerate the fertility decline by increasing Contraceptive Prevalence in Punjab, which houses half of the national population of women with unmet need for contraception.

The Funds independent Board of Directors continues to provide strategic guidance and supervision to the management and ensures that the company remains on course in achieving its strategic objectives as set forth in PPIF's Strategic Framework 2017-2022. Therefore, based on the above situational synopsis, PPIF presents its strategic direction as outlined in this years Annual Director's Report 2018-2019.

Dr. Ijaz Nabi

Chief Executive Officer's Review

"PPIF aims to spearhead locally responsive, scalable and sustainable family planning and reproductive health initiatives"

I am proud to share this Director's Report 2018-2019 covering the many feats achieved in our short-lived existence, as next month will mark Punjab Population Innovation Funds third year since inception. I have tremendous gratitude for the continued efforts of our team members and for our Board's adaptability and commitment. PPIF has successfully closed our first round of programs, has launched our second innovation cycle on male involvement with three new partners, has co-hosted World Population Day, has held an amateur youth film competition, has designed a youth focused next program cycle, is launching the much anticipated BISP voucher scheme and has welcomed a Youth Ambassador.

The PPIF Board of Directors approved a Strategic Framework 2017-2022 to enable the organization to contribute towards the achievement of provincial population goals set in the Punjab Population Policy. The strategic areas that PPIF is focusing on are Increase Accessibility of Family Planning Services, Reduce Cost Related Barriers for the non-affording, Strengthen Male Engagement, Promote Youth Centered Information & Services, and Social & Behavior Change Communication.

Anchoring our initiatives in the Strategic Framework 2017-2022 objectives of the Board, PPIF in collaboration with the Population Welfare Department (PWD) and United Nations Population Fund (UNFPA) hosted the World Population Day celebrations emphasizing the need to use edutainment to help engage young people as agents of change to challenge prejudices and help mitigate myths surrounding the uses of family planning. PPIF Youth Ambassador Ms Amna Ilyas will use her social media presence and fan following to help demystify family planning as a female domain advocating for youth centric communication. Strengthening the strategic objective to promote youth centered information and services.

During the year PPIF has successfully developed partnerships with the government, non-profits and academia to spearhead socially relevant and culturally adaptable service delivery solutions using contemporary methodologies. PPIF has aimed to build lasting affiliations yielding long term results strengthening access to family planning services and completed two pilot projects from its first program cycle with Akhter Hameed Khan Resource Center (AHKRC) and Health and Nutrition Development Society (HANDS) that meet the organizations strategic objectives.

Family planning programs in Pakistan have often been directed at women with very few interventions focused on men to increase the contraceptive prevalence rate. PPIF, in its second cycle has designed and launched an innovative program specifically to engage and improve the accessibility for men.

Three projects were selected under the program, 'Kar Buland', by DoctHers in Rahim Yar Khan, 'Connect4FP' by International Rescue Committee in Multan and 'Mil kar Faisla, Khushali ka Waseela,' our partner Greenstar Social Marketing in Faisalabad and Bahawalpur.



The Punjab Population Innovation Fund (PPIF), Benazir Income Support Programme (BISP), and the Population Council (PC) signed an MoU on January 4, 2019 at the BISP Secretariat, Islamabad and further held a launch ceremony in June. The collaboration with would provide the rare opportunity of an integrated social development program for enhanced service provision with the benefit of poverty alleviation for female BISP beneficiaries from the most underprivileged strata of society in Rahim Yar Khan.

A key strategic objective for PPIF is to focus on reducing cost related barriers, hence PPIF designed a voucher scheme aimed at enabling poor women to have access to family planning services by reducing financial barriers and incentivizing private service providers in their vicinity to offer family planning services through reimbursement against redeemed voucher

Monitoring and learning outcomes are used to improve the design of fund management at PPIF. We have conducted an extensive review of our processes to identify critical issues that have slowed the progress and resulted in sub-optimal results. Therefore, we continue to focus on improving the way we innovate, in our programme design, in our monitoring and evaluation, and with our partners. PPIF has created a niche for itself by investing in projects that are financially viable, sustainable beyond the duration of funding and are rigorously monitored to ensure the validity of the results, an approach that is unprecedented in the context of family planning. The 2018-2019 Director's report is proof of our efforts in ensuring our monitoring and evaluation practices support our core programmatic strategies bringing accountability to the family planning sector.

Jawad A. Qureshi



DIRECTORS' REPORT 30 JUNE 2019

On behalf of the Board of Directors of the Company, we are pleased to present PPIF's operational performance together with the Audited Financial Statements and Auditor's Report for the year ended 30th June 2019.



Introduction to PPIF

PPIF is a section 42 non-profit, public sector company with an independent Board of Directors. The PPIF envisions to be a market maker with the immediate goal of accelerating a rise in contraceptive prevalence and reduction in unmet need for family planning services to meet targets and country level commitments highlighted in FP2020, Sustainable Development Goals 2030 and Punjab Population Policy Goals. Its fundamental role is to test the impact of innovations that spark off a significant increase in consumer market for family planning through greater determination and information availability, enhanced provider motivation, and wider provision of quality family planning services. Recognizing the need for increasing both acceptability and availability simultaneously, the Fund supports interventions in areas of high poverty and high unmet need for family planning.



Rationale of PPIF

• Uncovered Areas

PPIF enabled interventions would play a critical role to accelerate fertility decline, by increasing private sector involvement in areas that are underserved by the public sector (Family Welfare Centers & Lady Health Workers serve less than < 13% of Married Women of Reproductive Age and 50% of public health facilities are not providing a full range of contraceptive methods). The direct goal of all interventions will be to increase access to services, especially in the underserved urban and rural areas, through innovative approaches in communication and service delivery.

• Unmet Need

For a province which houses half of the national population of women with unmet need for contraception, the Punjab Population Innovation Fund is a route for testing out innovative models for serving the unmet need of both men and women (18% Unmet need i.e. 3 Million women), both Never users and Ever users, as well as users of traditional methods (2 Million women) to convert them into modern contraceptive users, with a special emphasis on the poor.

• Value for Money

PPIF projects provide a greater value for money as compared to the Public sector.

Performance during the year 2018-19 over programs

Strategic Focus & Innovations:

1. INCREASE ACCESSIBILITY OF FAMILY PLANNING SERVICES: Expanding access to family planning (FP) at the community level is a priority strategy for accelerating progress towards achieving Millennium Development Goals (MDGs) especially universal access to reproductive health (RH), including FP services. However, the achievement of universal access to FP and RH services remains a major challenge when 40% of Punjab is uncovered by Lady Health Worker (LHW) and merely 10% of the women given information on family planning during a postnatal checkup . PPIF aims to improve accessibility by developing new formal partnerships with public and private providers and invest in bringing family planning services to where people live and work, through door- step delivery models such as social franchising and marketing of private providers, social entrepreneurship and mobile services to improve the accessibility for family planning services. It will implement interventions which provide a wide range of FP services through an aggregated network of pharmacies/drug shops and private health service providers and explore the opportunity of integrating with other development programs specifically immunization, post-partum healthcare services.

Interventions:

The first program cycle piloted two interventions that tested the doorstep delivery model that enables the community-based women to have an additional income source by selling household items and replenishing short term contraceptives along with family planning advisory services at their doorsteps; while referring clients for family planning services to a quality assured network of private/public health practitioners. Health and Nutrition Development Society (HANDS) implemented the model in non-LHW covered 15UCs of district Muzaffargarh whereas Akhter Hameed Khan Resource Center (AHKRC) in partnership with NUST implemented the project in 4 UCs in peri-urban slums of Rawalpindi. A Video Library on FP topics was also developed by HANDS and readily made available to both the smart and regular phone users to be shown by the community workers. AKHRC employed a Positive Deviance Inquiry and Cognitive Behavior Therapy model developed by NUST that addressed family planning myths and misconceptions as well as improved the uptake of long-term contraceptive methods in the area.

Through interventions in the first program cycle, 80,000 Married Women of Reproductive Age were reached, 44,866 were served and 17,000 Additional new users were generated during 18 months. On average, there has been more than 30% uptake of long-term methods among additional new users in the interventions. 25 private providers and almost 200 community mobilizers (women) were trained to provide family planning services. These interventions foresee a 15% increase in Contraceptive Prevalence Rate (CPR) however, the exact figures can be shared after the end line evaluation of the interventions that is due to be completed by end of September 2019. PPIF is making efforts to mobilize funds to scale up the successful intervention in the 40% uncovered area in Punjab.



LHW Providing Family Planning Services

2. REDUCE COST RELATED BARRIERS: Globally, fertility is higher among poor, rural, and uneducated women than among their well- off, urban, and educated counterparts, although this disparity is much smaller in countries with strong family planning

programs. Similarly, in Pakistan, the Total Fertility Rate for the lowest and highest wealth quintile in Pakistan is 4.9 and 2.8 respectively. However, PPIF aims to ensure that family planning services are accessible especially for the poor and the marginalized through interventions that focus on clients' financial decision-making for e.g. vouchers that can be redeemed at trained private health service providers and/or family planning included in health insurance. The opportunity of integrating with poverty alleviation and other social development programs for enhanced service provision while also reinforcing the message that family planning can be an effective approach contributing to broad development goals of poverty reduction will also be explored.

Interventions:

PPIF, Population Council and BISP have collaborated to enable female BISP beneficiaries from the most underprivileged segments of the society to avail family planning services ensuring their rights of avoiding mistimed pregnancies and births and improving maternal and child health outcomes in their communities. The project will mitigate cost and information related barriers by financing the uptake of family planning services for around 20,000 BISP beneficiaries that are married women of reproductive age (MWRAs 15-49) and create community-based information channels for an additional 60,000 BISP beneficiaries through BISP Beneficiaries Committee's (BBC)/ BISP Mother Ambassadors (MAs), social mobilizers and LHWs. The intervention will be based in all four Tehsils of Rahim Yar Khan for a duration of 18 months. A quality assured network of upto 60 private health service providers as well as public sector will be developed. The intervention will have a digitized voucher management system based on a mobile application for verification and disbursement of funds to beneficiaries and providers. The transportation costs to the nearest health facilities will also be reimbursed to the BISP beneficiaries for efficient improved access to service. With the presence of more than 2 Million BISP beneficiaries in Punjab, there is immense opportunity to scale the intervention once the pilot is successfully tested.

3. STRENGTHEN MALE ENGAGEMENT: Despite husbands predominantly being the decision makers of the household and their understanding of family planning significantly affecting women's use of contraception, most family planning programs in Pakistan are still largely directed at women with limited opportunities for men to acquire information, counselling, and services. With more than 50% of the couples having a disagreement on family size and 30% men wanting more children than women require for not only engaging men individually but also as couples. PPIF aims to engage men where they live, work and recreate and enhance couple communication. To achieve that, PPIF designed and launched a program specifically to improve the accessibility for men. Three projects have been selected under the program that are collectively expected to reach more than 140,000 MWRA and generate 18,500 additional family planning users.



Reaching Couples at First Point of Contact

Male Engagement Interventions:



PPIF will be implementing three projects specifically focusing on male engagement. The first one, being implemented by DoctHERs, will reach men and women working in more than 40 factories/workplaces of Unilever and Reckitt Benckiser as well as its surrounding communities to increase accessibility to FP information and consultation via an online Community Health Worker (CHW)-assisted telemedicine platform (HD-video-consultation). Family planning is being added to the employee's health insurance system and a low-cost health insurance package will be introduced in the surrounding communities. The intervention is being implemented in districts of Lahore, RY Khan, Muzaffargarh, Multan, Bahawalpur, Gujranwala, Faisalabad and Rawalpindi. The project is expected to reach more than 40,000 MWRAs, generate 6000 Additional Family Planning Users and offer wide range of quality FP services through 40 service providers. 40% of MAWRAs availing services are expected to choose long term FP methods.



The second one, being implemented by International Rescue Committee, will offer a comprehensive client-centered FP package including FP counselling, treatment/management and referrals through a trained network of pharmacies/medical stores, private providers (Male & Female GPs) and public providers. Trained Family Planning Champions will conduct community mobilization and a performance-based remuneration will also be provided to incentivize the mobilization activities. Viamo, as technical partner, will provide high-tech and low-cost mobile solution linking clients with service providers in hard to reach communities and for data collection. The intervention will be carried out in 9 Union Councils of district Multan and is expected to reach more than 54,000 MWRAs, generate 7300 Additional Family Planning Users and offer wide range of quality FP services through 88 service providers. 30% of MAWRAs availing services are expected to choose long term FP methods.



The third one, being implemented by Greenstar Social Marketing, will reach men and couples at first point-of-contact services. It will develop a network of Male General Practitioners providing FP services at polyclinics (female provider assisted), Female Health Providers, Pharmacies, Hakims and Homeopaths. The project will involve previously inactive Male Service Providers, Hakims and Homeopaths in the family planning ecosystem. It will also establish male friendly spaces at pharmacies for the provision of FP counselling. The health clinics will also observe fixed day FP services to further accelerate the promotion of family planning services. The intervention will be carried out in 6 Union Councils of district Bahawalpur and three Union Councils of district Faisalabad. The project is expected to reach more than 47,000 MWRAs, generate 5200 Additional Family Planning Users and offer wide range of quality FP services through 175 service providers. 30% of MAWRAs availing services are expected to choose long term FP methods.

4. PROMOTE YOUTH-CENTERED INFORMATION & SERVICES: Youth have not been the focus of reproductive health information and communication campaigns in Pakistan. Young people who are able to exercise their sexual rights, including by contributing to social cohesion and public health, accessing services, have the potential to be agents of change by challenging prejudices and contributing to social cohesion and public health. Low levels of information combined with an early age of marriage and high unmet need of 18% among married women of reproductive age (15 to 19 years) in Pakistan has led to a high incidence of pregnancy in this age group. PPIF is committed to working with young people by expanding access to quality information through increased channels, integration with education programs, knowledge generation on changing youth needs and most importantly creating structures to ensure meaningful and sustainable youth engagement on reproductive health and family planning at all levels. PPIF has recently also launched a Call for Abstracts for successful youth specific interventions in the country which will contribute in developing the upcoming call for youth centered interventions.

5. ADDRESS FAMILY PLANNING BARRIERS THROUGH SOCIAL & BEHAVIOUR CHANGE COMMUNICATION (SBCC): Only less than 15% of men and women are ever exposed to main stream media messages for importance of education, early marriages and reduction in maternal and child deaths in relation to family planning. Cultural taboos, stigmatized nomenclature, myths and misconceptions play a critical role in shaping attitudes and behaviours. The Landscape study conducted by Population Council also shows that 38 percent of urban pharmacies, 22 percent of rural pharmacies in Lahore were not selling contraceptives because it was perceived as impermissible in Islam. PPIF not only aims to will design programs with effective SBCC components, paying particular attention to important demographic variables to ensure the appropriateness of SBCC messages but also strengthen the knowledge base through multiple information channels by identifying and demystifying FP misconceptions, addressing social barriers and increasing channels of access to correct information at all levels for the youth, men and women. PPIF will further advocate by targeting key institutions, engaging parliamentarians and community and religious networks.

Interventions:

PPIF has launched a call for proposals focusing on Improving Family planning knowledge, positive attitudes and practice through systematic and evidence-based Social and Behavior Change Communication Interventions especially targeted towards men. The call encourages intervention that improve informed choice by developing information pathways and create gender equitable attitudes that increase joint decision making among couples. Proposals have been received and are in the evaluation process. The focus of the proposals received includes social and mass media engagement, telefilm production, mobile solutions, interactive activities like street theatres among other very interesting ideas. PPIF is also making efforts to mobilize resources in order to support high scale interventions as part of this cycle.

Monitoring and Evaluation

The PPIF has put into effect an effective monitoring and evaluation regime to ensure that at the design phase, only those projects that adhere to the objectives defined in the strategic framework are selected and the projects being implemented in the field adhere strictly to the defined outputs and outcomes within the prescribed period.

A Monitoring and Evaluation Framework has been developed which provides guidelines for implementation of the Monitoring regime envisioned by the Board of Directors and provides checks to maintain the validity and veracity of the data collected from the field.

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

- o The project partners designing and implementing their own monitoring plans;
- o Process monitoring by third party evaluators engaged by the PPIF; and
- o 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.

- Baseline evaluation: to be conducted prior to active implementation of the project
- Regular process monitoring: during the implementation period starting with the first monthly progress tracking indicator report
- Data collection and analysis to identify trends: during the implementation period
- Project evaluation: at the culmination of project life end of the project
- Program Evaluation over two to three years to assess incremental impact

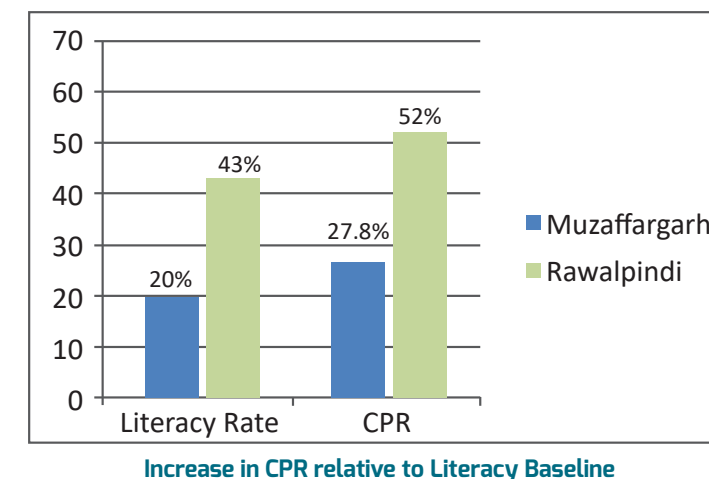
Baseline Surveys

Baseline surveys were conducted in Rawalpindi and Muzaffargarh in the intervention areas for the PPIF projects. The surveys were conducted as part of the PPIF mechanism for capturing evidence of the effectiveness of the proposed interventions. In the PPIF's testing model the focus is not just on testing the efficacy of services, but also on testing throughout the business model as well as demand generation and community mobilization activities.

Projects closed and endline survey is under-process. The aims of surveys to gage to what extent and the impact of the overall projects on family planning behaviours and outcomes for men, women and vulnerable population in the targeted area. Identify the effectiveness of project components and doorstep counselling services.

At baseline it was observed that majority of MWRA's (80%) are illiterate women, with 83% having no personal income while couples have around six to seven children on average. Around 67% are aware of at least one contraceptive method although only 37.2% of MWRA's surveyed had ever used contraceptive methods while only 27.8% were using any method at the time of survey. Of those not currently using FP methods, 37.2% expressed the intention and need for contraceptive use for limiting or spacing births.

Baseline Findings



Third Party Monitors

Ernest and Young were hired for conducting the process monitoring of the project being implemented in Muzaffargarh and Rawalpindi through a competitive bidding process.

Third party evaluation reports are received at the end of every quarter and are utilized for the purpose of verification of the progress report shared by the contract partners. A schedule of partner activities is shared with the third-party monitors to facilitate them in carrying out field monitoring activities.

Quality assurance is also a part of the monitoring process and tools like SBMR are being utilized to ensure the quality of care being received by the clients under the projects implemented.

Hiring process for third party monitoring firm is under for BISP and cycle 2.1. For BISP beneficiary payment a mobile application was developed by the Population Council where the data of beneficiaries will be populated. Upon seeking the service at Point-of-service the beneficiary will be biometrically verified and within a week beneficiary will receive amount through disbursement agency. For payment to the private service providers, Third Party Monitoring firm will verify 30% sample of clients generated through private providers. Payment will be disbursed monthly upon 100% validation of the 30% sample of clients.

Corporate Governance

PPIF, being a public sector enterprise, operates under the framework enshrined in the Public Sector Companies (Corporate Governance) Rules, 2013.

Overall superintendence of the Company vests with the Board of Directors which are accountable to the Regulatory Authorities for good corporate governance while the management is responsible for day to day operations, implementation of policies as envisaged in the Companies Act, 2017 and the Corporate Governance Rules.

Internal Audit Function

Internal audit function serves as an effective appraisal of internal controls which ensure that methods and measures are in place to safeguard the assets, monitoring compliance with the best practices of Corporate Governance, check the accuracy and reliability of accounting data and encourage adherence to prescribed rules and policies.

In line with this function, PPIF has an independent Internal Audit Company. The scope and role of the Internal Auditor, as defined in the Internal Audit Charter, has been duly approved by the Board of Directors. The role corresponds to the responsibilities envisaged for the Internal Auditor under the Public Sector Companies (Corporate Governance) Rules, 2013. Internal Auditor functionally reports directly to the Audit Committee of the Board.

Composition of the Board

The status of each director on the Board, whether non-executive, executive or independent and ex-officio has been disclosed in this report in accordance with the Public Sector Companies (Corporate Governance) Rules, 2013. The Board members are nominated by the Government of the Punjab. The composition of the Board is as follows:

- a) Five (05) Directors from amongst the Government Departments in Ex-officio capacity, name of the Government Departments and ex-officio members are as follow:
 - i. Secretary Finance Department;
 - ii. Secretary Population Welfare Department;
 - iii. Secretary Primary & Secondary HealthCare Department;
 - iv. Secretary Specialized HealthCare and Medical Education Department; &
 - v. Member HNP, P&D Board;
- b) Eight (08) Directors as independent members;

Casual Vacancies on the Board

Four (4) casual vacancies occurred during 2018-19 on the board due to the resignation.

Board Committees

In line with the requirements of the Public Sector Companies (Corporate Governance) Rules, 2013, the Board has the following six committees:

1. Audit & Finance Committee;
2. Human Resource Committee;
3. Program Design and Evaluation Committee;
4. Nomination Committee;
5. Risk Management and Investigation Committee;
6. IT Steering Committee;

Members of Audit and Finance Committee:

- I. Dr. Naved Hamid – Independent Director – Chair Audit Committee;
- II. Secretary Finance – Ex-officio member – Member Audit Committee;
- III. Secretary Primary & Secondary HealthCare Department – Ex-officio member – Member Audit Committee.

During the year 2018-19, following sub-committee meetings of the PPIF board were held:

Serial Number	Sub-Committee Meetings of the PPIF Board	Date
1	2 nd Audit & Finance Committee Meeting	December 28, 2018
2	3 rd Audit & Finance Committee Meeting	April 10, 2019
3	4 th Audit & Finance Committee Meeting	June 20, 2019
4	3 rd Human Resource Committee Meeting	June 03, 2019
5	6 th Program Design & Evaluation Committee Meeting	March 26, 2019
6	7 th Program Design & Evaluation Committee Meeting	May 21, 2019

Compliance Statement

Under section 236 of the Ordinance, specific statements to comply with the requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 are as follows:

- a) The Board has complied with the relevant principles of the Corporate Governance and has identified the rules that have not been complied with;
- b) The Financial statements, prepared by the Management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in funds and reserves;
- c) Proper books of account of the Company have been maintained;
- d) Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgement;
- e) The system of internal control is sound in design and has been effectively implemented and monitored; and
- f) The appointment of the Chairman and other members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Public Sector Company as well as in line with the best practices;

During the year under review, no salary, fees, benefits and other performance-related incentives have been paid to any Director / member of the Punjab Population Innovation Fund. All board members / directors including ex-officio members are on pro-bono status.

During the year under review, timely availability of funds was the most significant issue, for FY 2018-19, under approved ADP Rs 213 million were allocated and then released to PPIF on March 19, 2019. Due to this delay majority of approved calls could not be procured and finalized during 2018-19.

During the financial year, the company received Rs 213 million from the Government of the Punjab to meet its expenses relating to the program and non-program activities. All costs related to the program activities have been classified and accounted for as program related costs. Costs related to non-program activities include management cost, operating and capital expenditure.

Key Achievements during 2018-19

Program cycle 1 was piloted in Muzaffargarh and Rawalpindi and following outcomes were achieved:

- i. Noor Dukaans developed as points of information and short-term Family Planning Services and household items, 50 Dukaans sustained as sources of economic and social empowerment for women.
- ii. Tested model of Noor Health Houses as mediums of information and long acting services provision by weekly visits of LHVs and 80,000 couples were sensitized.
- iii. >12% Increase in CPR in intervention area and upto 30% long term contraception;
- iv. FP messaging and data monitoring through mobile App.

Key Operating and Financial Data

Punjab Population Innovation Fund Key Operating and Financial Data for the last Two (2) Years

Financial Data as per audited accounts

(Amount in Rupee)

Particulars	2018-19	2017-18
Fixed Assets	21,399,515	24,175,276
Long term Security deposit – Office Rent	1,595,716	1,545,716
Prepayments including Office Rent	2,456,587	4,389,466
Cash and bank balance	159,483,914	69,806,045
Total Assets	184,935,732	99,916,503
Deferred Grant	158,457,308	85,773,860
Deferred Liability	6,811,453	4,345,000
General Fund Payable	1,325,798	-----
Trade and other payables	18,341,173	9,797,643
Total Funds and Liabilities	184,935,732	99,916,503

Key Operation data as per audited accounts

(Amount in Rupee)

Particulars	2018-19	2017-18
Program Expenses	92,412,625	42,356,880
Operational Expenses	47,066,733	60,990,741
Total Expenses	139,479,358	103,347,621
Surplus of Income over Expenses	-	-

Following are the key performance indicators of the Punjab Population Innovation Fund relating to its social objectives which significantly reflect the work and impact of the PPIF:

2017-2022

KEY PERFORMANCE INDICATOR	EXPECTED OUTCOMES
100,000 additional new users.	400,000 couples provided with FP services.
1.4 million quality FP services provided.	5 million population reached with FP messages.
3000 more providers (by type) offering wide range of quality FP services.	10% decrease in discontinuation of contraceptive use in the intervention area.
20% FP knowledge increased in intervention area.	10% increase in CPR in intervention area.
Commitment solicited for FP policy and practice improvements.	

Currently, unapproved gratuity scheme is being observed for the employees of the Punjab Population Innovation Fund. Internal auditor has recommended that approved gratuity scheme should be introduced for PPIF employees, their recommendation shall be placed before audit & finance committee and then to the Board for their approval on AFC recommendation.

During the year under review following two (02) meetings of the Board of Directors were held and the attendance of each Director is as under:

Serial Number	Board Meeting	Date
1	9 th Board Meeting	November 02, 2018
2	10 th Board Meeting	April 11, 2019

Name of Directors	No. of Meetings Attended
1. Dr. Ijaz Nabi – (Chairman Board)	2
2. Dr. Naved Hamid– (Chair Audit & Finance Committee)	2
3. Prof. Dr. Muhammad Tayyab – (Chair Human Resource Committee)	1
4. Dr. Yasmeen Qazi – (Chair Program Design and Evaluation Committee)	0
5. Ex-officio Member HNP P&D Board	1
6. Ex-officio - Specialized HealthCare and Medical Education Department)	2
7. Ex-officio - Primary & Secondary HealthCare Department)	1
8. Ex-officio – Finance Department	1
9. Ex-officio - Population Welfare Department)	2
10. Mr. Jawad Ahmed Qureshi (CEO PPIF)	2

Note:

Following independent board member resigned during the year 2018-19:

1. Mr. Salim Ullah Ghauri resigned on May 22, 2019;

Following Ex-officio members transferred during the year 2018-19:

1. Madam Bushara Aman - Secretary Population Welfare Department;
2. Capt. Retd. Saqib Zafar - Secretary Primary and Secondary Healthcare Department;

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 Auditor as it had done in the past.

External Auditor – M/S Grant Thornton Anjum Rahman, Chartered Accountants:

- a) Mr. Imran Afzal – Deputy Partner;
- b) Mr. Naeem Sarwar – Senior Manager;

According to rule 23 of PSC (CG) Rules, 2013;

Every Public Sector Company shall ensure that its annual accounts are audited by external auditors, as envisaged under section 252 of the ordinance.

M/S Grant Thornton Anjum Rahman, Chartered Accountants, served as external auditor of Punjab Population Innovation Fund for consecutive 03 years i.e. 2016-17, 2017-18 & 2018-19.

Sub rule 6 of rule 23 of PSC (CG) Rules, 2013 states that; Every Public Sector Company in the Financial Sector shall change its external auditor every five years. Financial Sector, for this purpose, means banks, non-banking finance companies, mutual funds, modarabas, takaful companies and insurance companies. Every Public Sector Company other than those in the Financial Sector shall, at a minimum, rotate the engagement partner after every five years.

In light of above rule, M/S Grant Thornton Anjum Rahman, Chartered Accountants, has provided their consent on new fee to act as an external auditor of Punjab Population Innovation Fund for the Financial Year ending June 30th 2020.

Sub rule 7 of rule 21 of PSC (CG) Rules, 2013 narrates that; The audit committee shall be responsible for managing the relationship of Public Sector Company with the external auditors. In managing the Public Sector Company's relationship with the external auditors on behalf of the board, the audit committee's responsibilities include:

- Suggesting the appointment of the external auditor to the Board, the audit fee, and any question of resignation or dismissal;

Rule 22 of PSC (CG) Rules, 2013 states that; There shall an internal audit function in every Public Sector Company. The Chief Internal Auditor, who is the head of the internal audit function in the Public Sector Company, shall be accountable to the audit committee and have unrestricted access to the audit committee.

In the absence of Chief Internal Auditor, PPIF has appointed M/S BDO Ebrahim & CO, Chartered Accountant as internal auditor.

Internal Auditor – M/S BDO Ebrahim & Co, Chartered Accountants:

- a) Mr. Muhammad Imran– Partner;
- b) Mr. Faisal Iftikhar – Senior Auditor Associate;

Chief Financial Officer/Company Secretary



Abdul Qayyum

Annual General Meeting

For the period 2017-18, 2nd Annual General Meeting of Punjab Population Innovation Fund is pending wherein the following agenda shall be resolved:

- a) The Company's audited financial statements for the year ended June 30, 2018, together with Reports of the Auditors and Directors thereon be and the same are hereby received, considered and adopted; &
- b) The retiring auditor M/S Grant Thornton Anjum Rahman, Chartered Accountants be and hereby re-appointed as Statutory Auditor of the Company for the year ending June 30, 2018 and to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration fixed by the Board of Directors;

3rd Annual General Meeting of Punjab Population Innovation Fund was due on October 28, 2019, which could not convene due to non-finalization of audited accounts for the financial year 2018-19. The following agenda shall be resolved during 3rd Annual General Meeting:

- a) The Company's audited financial statements for the year ended June 30, 2019, together with Reports of the Auditors and Directors thereon be and the same are hereby received, considered and adopted;
- b) Appointment of External Auditor for Punjab Population Innovation Fund for future years.

Anticipated Donor Funding

The PPIF projects are funded by the Government of the Punjab as the latter continues to allocate money to the company through the provincial Annual Development Plan.

The Strategic Framework approved by the Board of Directors allows for reaching out to traditional donors as well as to underutilized resources such as corporate philanthropy for generating resources, considering the scale of the population problem in the province.

Chief Executive Officer



Jawad A. Qureshi

BOARD OF DIRECTORS



Dr. Ijaz Nabi
Chairman of the Board



Dr. Naved Hamid
Director



Dr. Yazmeen Qazi
Senior Technical Advisor Family Planning,
Bill and Melinda Gates Foundation,
Pakistan.



Dr. Sohail Saqlain
Member HNP,
Planning & Development Department



Mr. Momin Agha
Secretary, Specialized Healthcare and
Medical Education Department



Jawad Ahmed Qureshi
Executive Director



**Capt. Retired
Muhammad Usman**
Secretary, Primary and Secondary
Healthcare Department



**Mr. Hamid Yaqoob
Sheikh**
Secretary Finance



**Prof. Dr. Muhammad
Tayyab**
Director



Muhammad Hassan Iqbal
Secretary, Population Welfare
Department

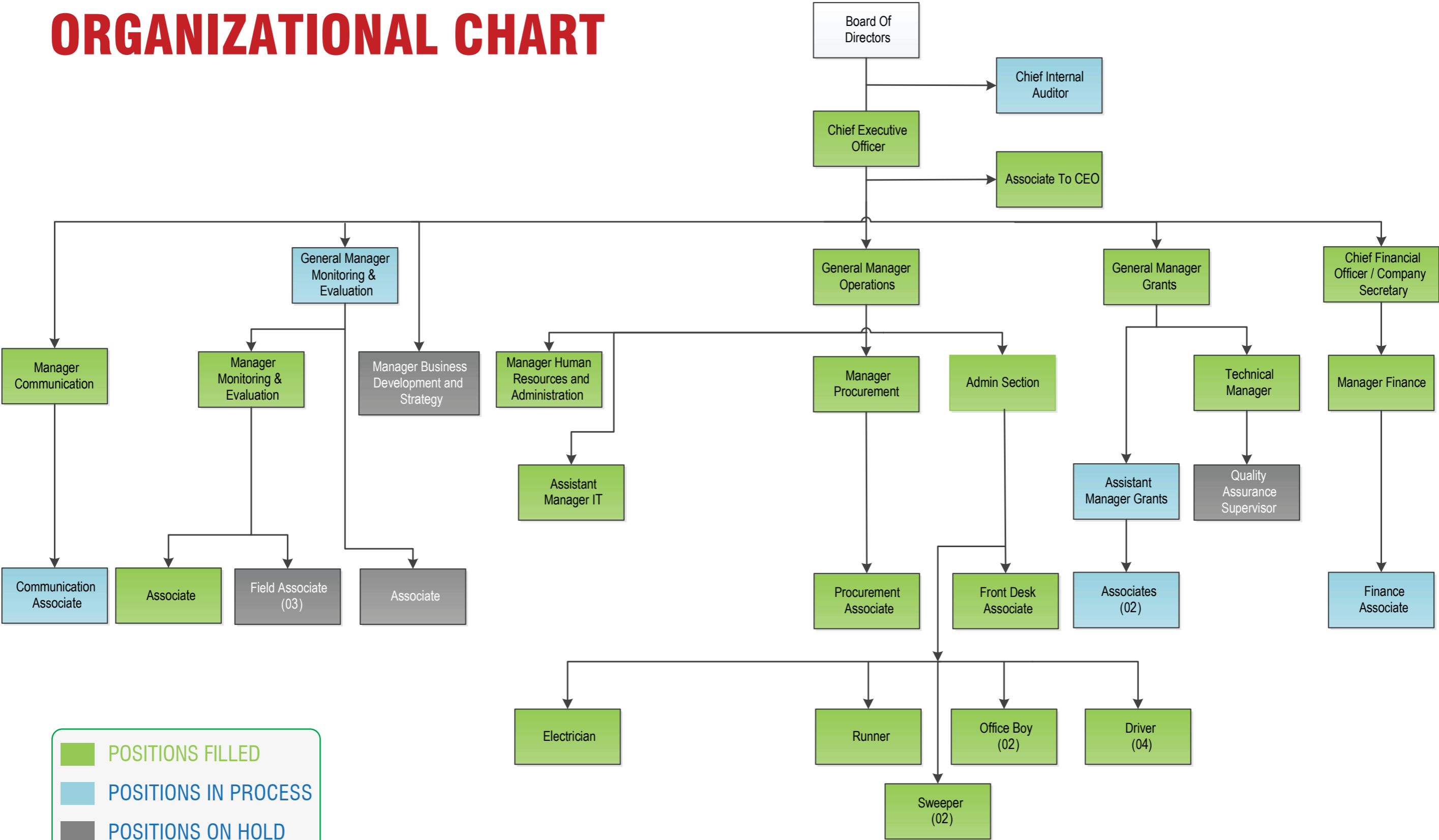
BOARD MEETINGS

1 **8th** Board Meeting
July 29, 2018

2 **9th** Board Meeting
November 2, 2018

3 **10th** Board Meeting
April 11, 2019

ORGANIZATIONAL CHART



MEET THE TEAM



Jawad Ahmad Qureshi
Chief Executive Officer



Abdul Qayyum
Chief Financial Officer



Amna Akhsheed
General Manager Grants



Sadia Malik
Communications Manager



Faheem Akhtar
Manager Finance



Jawad Khan
Manager HR



M. Hashim Hussain
Manager Procurement

MEET THE TEAM



Imran Ahmed
Manager Monitoring
and Evaluation



M. Shoaib Manzoor
Associate Procurement



Rehan Tahir
Front Desk Associate



Danish Shahid
Research Associate



M. Mohsin Khan
Assistant Manager IT



Ali Imran
Manager Technical



Tania Durrani
Associate to CEO



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Statement of Compliance with the
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Governance) Rules, 2013

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Audit of Financial Statements of
Punjab Population Innovation Fund
Pakistan for the Year Ended June
30, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Punjab Population Innovation Fund [A Company setup under section 42 of the Companies Ordinance, 1984 (repealed)]

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Punjab Population Innovation Fund - A Company setup under section 42 of the Companies Ordinance, 1984 [repealed] (the Company), which comprise the statement of financial position as at June 30, 2019, and the income and expenditure statement and other comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure statement and other comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the surplus and other comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Signature

Emphasis of Matter

We draw attention to Note 4.2 of the financial statements, which states that title of two vehicles transferred to the company during the year is still in the name of Government of Punjab. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Signature

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the income and expenditure statement and other comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

Grant Thornton
Chartered Accountants
Lahore
Date: January 29, 2020

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Statement of Financial Position

As at June 30, 2019

	Note	2019 Rupees	2018 Rupees
Assets			
Non-current assets			
Property, plant and equipment	4	19,690,922	23,051,683
Intangible assets	5	1,708,593	1,123,593
Long term security deposit	6	1,595,716	1,545,716
Total non-current assets		22,995,231	25,720,992
Current assets			
Prepayments	7	862,059	307,501
Advances	8	1,468,521	3,955,958
Income tax refundable		126,007	126,007
Cash and bank balances	9	159,483,914	69,806,045
Total current assets		161,940,501	74,195,511
Total assets		184,935,732	99,916,503
Funds and liabilities			
Funds			
General fund		1,325,798	-
Total funds		1,325,798	-
Liabilities			
Non current liabilities			
Deferred grants - restricted funds	10	158,457,308	85,773,860
Deferred liability	11	6,811,453	4,345,000
Total non current liabilities		165,268,761	90,118,860
Current liabilities			
Trade & other payables	12	18,341,173	9,797,643
Total current liabilities		18,341,173	9,797,643
Total funds and liabilities		184,935,732	99,916,503
Contingencies and commitments	13		

The annexed notes 1 to 23 form an integral part of these financial statements.

GR


CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Income and Expenditure Statement and Other Comprehensive Income

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
Grants income	10	143,716,552	103,347,621
Program expenses	14	(95,039,794)	(42,356,880)
Administration expenses			
Salaries and other benefits		(32,694,113)	(39,691,161)
Others	15	(13,060,682)	(21,295,779)
		(45,754,795)	(60,986,940)
Other expenses	16	(2,915,424)	-
Bank charges		(6,539)	(3,801)
Surplus before tax		-	-
Taxation	17	-	-
Net surplus after tax		-	-
Other comprehensive income			
Items that will not be reclassified to income & expenditure			
Remeasurement gain on post retirement benefit plan		1,325,798	-
Items that may be reclassified subsequently to income & expenditure		-	-
Total comprehensive income for year		1,325,798	-

The annexed notes 1 to 23 form an integral part of these financial statements.

6/12



CHIEF EXECUTIVE OFFICER



DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984) - now Companies Act, 2017

Statement of Changes in Funds

For the year ended June 30, 2019

	General Fund Rs.
Opening balance as on June 30, 2017	-
Total comprehensive income for the year	-
Balance as at June 30, 2018	-
Total comprehensive income for the year	1,325,798
Balance as at June 30, 2019	1,325,798

The annexed notes 1 to 23 form an integral part of these financial statements.

6/12



CHIEF EXECUTIVE OFFICER



DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984) - now Companies Act, 2017

Statement of Cash Flows

For the year ended June 30, 2019

Note	2019 Rupees	2018 Rupees
Cash flows from operating activities		
Net surplus for the year	-	-
Adjustments for non-cash items:		
Depreciation	4,182,923	3,564,429
Bank charges	6,539	3,801
Loss on disposal of assets	2,915,424	-
Provision for gratuity	5,223,021	4,345,000
	12,327,907	7,913,230
Net cash flows before working capital changes	12,327,907	7,913,230
(Increase) / decrease in current assets		
(Increase) / decrease in prepayments	(554,558)	230,832
Decrease / (Increase) in advances	2,487,437	(3,955,958)
Increase in current liabilities		
Trade and other payables	8,543,530	8,399,071
Cash generated from operations	22,804,316	12,587,175
Increase/ (decrease) in grants during the year - net	72,973,554	(103,347,621)
Tax paid	-	(126,007)
Gratuity paid	(1,430,770)	-
Net cash (used in) / from operating activities	94,347,100	(90,886,453)
Cash flows from investing activities		
Purchase of fixed assets during the year	(4,466,442)	(23,718,895)
Increase in long term deposits	(50,000)	(270,716)
Additions in intangible assets	(146,250)	-
Net cash used in investing activities	(4,662,692)	(23,989,611)
Cash flows from financing activities		
Bank charges paid	(6,539)	(3,801)
Net cash used in financing activities	(6,539)	(3,801)
Net (decrease) / increase in cash and cash equivalents	89,677,869	(114,879,855)
Cash and cash equivalents at beginning of the year	69,806,045	184,685,910
Cash and cash equivalents at the end of the year	9 159,483,914	69,806,045

The annexed notes 1 to 23 form an integral part of these financial statements.

SPK



CHIEF EXECUTIVE OFFICER



DIRECTOR

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Notes to the financial statements

For the year ended June 30, 2019

1 STATUS AND NATURE OF BUSINESS

- 1.1 Punjab Population Innovation Fund (PPIF) is incorporated in Pakistan under Section 42 of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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.
- 1.3 During the year, the Chief Minister of Punjab Committee constituted for review of issues of public sector companies in Punjab has decided to continue operations of the company along with other 30 public sector companies being managed by the Punjab Government.

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 of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Accounting Standard for Not for Profit Organizations issued by ICAP as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In cases where requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Standards, amendments or interpretations that became effective during the year

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

In addition to the above, the following two new standards have become applicable on the Company w.e.f July 1, 2018:

IFRS 9 'Financial instruments' — This standard replaces the provisions of IAS 39 that relate to the recognition, Classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On July 1, 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

IFRS 9 'Financial Instrument' in respect of companies holding financial assets due from the Government, the requirements contained in "IFRS 9 (Financial Instruments) with respect to application of Expected Credit Losses are deferred till July 2021 as a result of notification issued by the Securities and Exchange Commission of Pakistan.

IFRS 15 'Revenue from contracts with customers' — This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on the revenue recognition.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies and disclosures have been made in these financial statements.

SPK

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Notes to the financial statements

For the year ended June 30, 2019

2.3 Standards and interpretations to the published standard that are relevant but not yet effective

There are certain new standards, amendments and an interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP).

In addition to the above, following standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan;

IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The company is in process of assessing the impact of these standards on future 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.

3.2 Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed below:

- determining the recoverable amount, residual values and useful lives of property and equipment;
- determining the useful lives and residual values of intangibles assets;
- calculating the provision for impairment for advances and other receivables;
- disclosure and assessment of provision for contingencies; and
- disclosure and assessment of post retirement benefits.

3.3 Revenue

Revenue is recognized over the period of time to match them with expenses incurred. Grants related to income are accounted for in accordance with the requirement of IAS-20 "Accounting for Government Grants and Disclosure of Government Assistance" i.e. Grants are recognized as income over the periods necessary to match them with the related cost which they are intended to compensate, on a systematic basis.

Grants related to assets are recognized in income and expenditure statement over the life of the depreciable assets.

3.4 Borrowings

Loans and borrowings are initially recorded at fair values. 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.

GAZ

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Notes to the financial statements

For the year ended June 30, 2019

3.5 Taxation

Current

Tax charge for current taxation is based on taxable income at the current rates of taxation after taking into account the applicable tax credits and tax rebates, if any.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses/credits can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to equity or other comprehensive income in which case it is included in equity or statement of other comprehensive income.

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. Donated assets are recognized at fair values.

Subsequently, property, plant and equipment are stated at cost less accumulated depreciation and any identifiable impairment. Subsequent costs are included in the assets' carrying amounts 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 and expenditure statement.

Depreciation is charged to the Income and Expenditure statement on straight line method by applying the depreciation rates as disclosed in Note 5 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 and expenditure statement in the year the asset is derecognized.

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

3.7 Post retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible employees, payable at the cessation of employment. Provision is made on the basis of actuarial recommendations. The actuarial valuation is carried out using the projected unit credit method.

Eligible employees are entitled to gratuity after completing the prescribed period of service under the scheme equal to one month gross salary. All remeasurement gains and losses are recognized in other comprehensive income.

3.8 Grants / Donations

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

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

Donated assets are recognised at fair values of assets on date of receipt of donated assets.

GAZ

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Notes to the financial statements

For the year ended June 30, 2019

3.9 Trade and other payables

Trade and other payables are initially stated at fair value of consideration to be paid in the future for goods and services. Subsequently, these are stated at amortised cost.

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 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. 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 changes in value.

3.12 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 date of statement of financial position and adjusted to reflect the current best estimate.

3.13 Financial assets

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair values and subsequent to initial recognition. Changes in fair values of these financial statements are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established.

Financial assets are initially measured at fair values of the consideration given and received respectively. These financial assets are subsequently remeasured to fair values, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial assets. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

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PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984 - now Companies Act, 2017)

Notes to the financial statements

For the year ended June 30, 2019

3.14 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are charged to profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.15 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.16 Impairment of assets

Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for its trade debts except due from government customers.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Impairment is reversed if there is a change in the estimates used to determine the recoverable amount. Impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized.

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PUNJAB POPULATION INNOVATION FUND

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Notes to the financial statements

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	19,690,922	23,051,683
Total		19,690,922	23,051,683

4.1 Operating fixed assets

Depreciating fixed assets								
DESCRIPTION	2019						RATE %	
	COST			DEPRECIATION		WDV		
	As at July 1, 2018	Additions / (disposals) during the year	As at 30 June, 2019	As at July 1, 2018	For the year / (adjustments)	As at 30 June, 2019		
	Rupees							
Furniture and fixtures	5,955,144	-	5,955,144	562,007	595,514	1,157,521	4,797,623	10%
Computer equipments	5,962,240	1,004,448	6,966,688	1,338,715	1,901,401	3,240,116	3,726,572	33.33%
Lease hold improvements	2,064,494	-	2,064,494	399,742	412,899	812,641	1,251,853	20%
Office equipments	1,924,080	61,994	1,986,074	140,220	192,955	333,205	1,652,869	10%
Motor vehicles	7,601,690	3,400,000	11,001,690	859,754	1,495,910	2,355,664	8,646,026	20%
Generator equipments	3,130,699	(3,644,280)	-	286,226	(728,856)	-	-	10%
As at 30 June, 2019	26,638,347	4,466,442	27,460,609	3,586,664	4,911,779	8,498,443	19,690,922	
		(3,644,280)			(728,856)			

DESCRIPTION	2018							RATE %
	COST			DEPRECIATION		WDV		
	As at July 1, 2017	Additions during the year	As at 30 June, 2018	As at July 1, 2017	Charge for the year	As at 30 June, 2018	As at 30 June, 2018	
	Rs.							
						</		

4.1.1 Depreciation charge for the year has been allocated as follows:

	2019 Rupees	2018 Rupees
Programme cost (Operational expenses)	2,443,676	-
Administrative expenses	2,468,104	3,564,429
Total	4,911,779	3,564,429

4.2 Disposal of fixed assets

Details of disposals during the year:

Description of fixed assets	Cost	Accumulated depreciation	Book value	Sale price	Loss on disposal	Mode of disposal	Particulars of purchaser	Relationship of purchaser with company
Rupees								
Toyota Corolla XLI	1,822,140	364,428	1,457,712	-	(1,457,712)	Board of Directors Decision under cabinet order	Government of Punjab	Related Party
Toyota Corolla XLI	1,822,140	364,428	1,457,712	-	(1,457,712)	Board of Directors Decision under cabinet order	Government of Punjab	Related Party
Total	3,644,280	728,856	2,915,424	-	(2,915,424)			

4.2.1 Title of such vehicles is still in the name of Company.

4.3 Title of 2 donated vehicles amounting to Rs. 3,060,000 is in the name of the Government of Punjab (related party). The Company is in process of getting title of such assets transferred in name of the Company.

5 INTANGIBLE ASSETS

Software / Development in progress	1,708,593	1,123,593
Total	1,708,593	1,123,593

PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984) - now Companies Act, 2017

Notes to the financial statements

For the year ended June 30, 2019

6 LONG TERM DEPOSITS			
Long term security deposits	6.1	1,595,716	1,545,716
Total		1,595,716	1,545,716

6.1 This amount represents fixed security deposit paid for office building amounting to Rs. 1,275,000, hiring of security guards with arms amounting to Rs. 112,500 and fuel security amounting to Rs. 208,216.

	2019 Rupees	2018 Rupees
7 PREPAYMENTS		
Prepaid insurance	608,790	307,501
Prepaid genset maintenance	52,200	-
Prepaid internet expenses	201,069	-
Total	862,059	307,501

	Note	2019 Rupees	2018 Rupees
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8 ADVANCES - unsecured & considered good
Mobilization advances
Opening balance

Add: Advances extended during the year

Less: Charged to income and expenditure statement

		-	3,757,297
Advances to employees	8.1	1,468,521	198,661
Total		1,468,521	3,955,958

8.1 This includes advance extended to Ms. Amna Aksheed (related party) amounting to Rs. 846,155 (2018: Nil).

	2019 Rupees	2018 Rupees
9 CASH AND BANK BALANCES		
Cash at banks		
Current account - Bank of Punjab (related party)	159,483,914	69,806,045
Total	159,483,914	69,806,045

	2019 Rupees	2018 Rupees
Total	159,483,914	69,806,045

	Note	2019 Rupees	2018 Rupees
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10 DEFERRED GRANTS - RESTRICTED FUNDS

Grants related to income	10.1	155,397,308	85,773,860
Grants related to assets	10.2	3,060,000	-
Closing balance		158,457,308	85,773,860

10.1 Grants related to income
Opening balance

Grants received from Govt. of the Punjab - related party

Less: Grant income amortised during the year

	85,773,860	189,121,481
	213,000,000	-
	(143,376,552)	(103,347,021)
Closing balance	155,397,308	85,773,860

10.1.2 During the year 2018-19, the Government of the Punjab had extended grant of Rs. 213,000,000.

10.2 Grants related to assets
Opening balance

Grants received during the year (2 vehicles received)

Less: Grant income amortised during the year

	-	-
	3,400,000	-
	(340,000)	-
Closing balance	3,060,000	-

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PUNJAB POPULATION INNOVATION FUND

(A Company set up under section 42 of the repealed Companies Ordinance, 1984) - now Companies Act, 2017

Notes to the financial statements

For the year ended June 30, 2019

	2019 Rupees	2018 Rupees
11 DEFERRED LIABILITY		
Gratuity	6,811,453	4,345,000
Total	6,811,453	4,345,000
11.1	As stated in note 3.7, the Company operates a gratuity scheme for all its permanent employees subject to attainment of minimum service of prescribed period. Latest actuarial valuation of the scheme was carried out as at June 30, 2019.	
11.2	The actuarial valuation of gratuity plan was carried out as at June 30, 2019. The projected unit credit method using the following significant assumptions was used for this valuation:	
	2019 Rupees	2018 Rupees
- Discount rate - per annum compound	14.25%	-
- Expected rate of increase in salaries - per annum		
For next year	13.25%	-
For subsequent years	13.25%	-
11.3 Mortality rate		
The rates assumed were based on the SLIC (2001-2005) mortality table.		
11.4 Statement of Financial Position		
Present value of defined benefit obligation	6,811,453	4,345,000
Fair value of plan assets	-	-
11.5	6,811,453	4,345,000
11.5 Movement in net liability recognized		
Opening net liability	4,345,000	-
Current service cost	4,557,991	4,345,000
Past service cost	310,426	-
Interest cost on defined benefit obligation	354,604	-
Actuarial remeasurements - OCI	(1,325,798)	-
Benefits paid during the year	(1,430,770)	-
Closing net liability	6,811,453	4,345,000
11.6 Expense charged to income and expenditure statement		
Current service cost	4,557,991	4,345,000
Past service cost	310,426	-
Interest cost on defined benefit obligation	354,604	-
Expense chargeable to income and expenditure statement	5,223,021	4,345,000
11.7 Total Remeasurements Chargeable in Other Comprehensive Income		
Actuarial (gains)/losses from changes in demographic assumptions	-	-
Actuarial losses from changes in financial assumptions	117,599	-
Experience adjustments	(1,443,397)	-
Total remeasurements chargeable in other comprehensive income	(1,325,798)	-
11.8 Changes in Net Liability		
Liability as on 01 July	4,345,000	-
Expense chargeable to income and expenditure statement	5,223,021	4,345,000
Remeasurements chargeable in other comprehensive income	(1,325,798)	-
Benefits paid	(1,430,770)	-
Liability as on 30 June	6,811,453	4,345,000
12 TRADE & OTHER PAYABLES		
Creditors	12.1 1,552,464	4,206,095
Accrued liabilities	16,788,709	5,591,548
Closing balance	18,341,173	9,797,643

12.1 This includes an amount of Rs.197,434(2018: Nil) payable to DGPR Punjab Govt.(related party).

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PUNJAB POPULATION INNOVATION FUND

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Notes to the financial statements

For the year ended June 30, 2019

13 CONTINGENCIES AND COMMITMENTS

13.1 During last year, certain petitioners of civil society filed a petition in the Lahore High Court against legal incorporation of the Company alongwith other companies operating in Punjab u/s 42 of the Companies Ordinance, 1984. The matter is pending for adjudication before the Honorable Lahore High Court, Lahore. The management of the company is of the view that such petition would be dismissed and accordingly, there is no impact on going concern status of the Company.

13.2 Commitments as on reporting date amounts to Nil. (2018:Rs. 585,000).

	Note	2019 Rupees	2018 Rupees
14 PROGRAM EXPENSES			
Salaries and benefits	14.1	20,120,173	22,546,023
Program support (Implementing Partners)		49,405,348	7,305,821
Event dissemination		-	4,937,621
Surveys (Monitoring and Evaluation)		960,000	2,436,000
Advertisement		1,671,369	1,597,328
Meetings and workshops		53,144	489,521
Printing and stationery		373,364	45,845
Travelling and conveyance		2,384,313	1,577,037
Digital print media		162,265	270,761
Community outreach		-	44,000
Printing of annual reports & quarterly newsletters		84,570	109,423
Third party monitoring		9,702,971	997,500
Utilities		522,873	-
Rent		2,846,472	-
Postage and telephone		486,387	-
Communication		382,574	-
Entertainment		288,378	-
Repair and maintenance		195,201	-
Security		783,000	-
Insurance		534,430	-
Legal and professional		1,639,288	-
Depreciation	4.1.1	2,443,678	-
Total		95,039,794	42,356,880

14.1 This includes gratuity amounting to Rs.2,744,069 (2018: 1,445,000).

	Note	2019 Rupees	2018 Rupees
15 ADMINISTRATIVE EXPENSES			
Salaries & benefits	15.2	32,694,113	39,691,161
Printing & stationery		213,652	565,617
Repair & maintenance		195,201	311,713
Travelling & conveyance		827,584	1,458,232
Legal & professional		2,939,288	2,476,290
Utilities		522,873	890,548
Communication		868,961	2,323,183
Rent, rates & taxes		2,846,472	5,258,472
Entertainment		296,607	1,163,443
Advertisement		344,102	1,266,934
Auditor's remuneration	15.1	220,400	200,000
Insurance		534,430	445,630
Security		783,000	1,371,288
Depreciation	4.1.1	2,468,104	3,564,429
Total		45,754,795	60,986,940
15.1 Auditor's remuneration			
Audit fee		191,400	173,250
Other certifications		29,000	26,750
Total		220,400	200,000

15.2 This includes gratuity amounting to Rs.2,478,952 (2018:2,900,000).

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PUNJAB POPULATION INNOVATION FUND

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Notes to the financial statements

For the year ended June 30, 2019

16 OTHER EXPENSES

Loss on disposal of fixed assets	2,915,424	-
Total	2,915,424	-

16.1 This represents loss on disposal of vehicles made during the year (Note 4.2).

17 TAXATION

Provision for income taxation (current as well as deferred) has not been made during the year as the Company is a not for profit organization as defined under section 2(36) of Income Tax Ordinance, 2001 and is entitled for tax credit under section 100C.

18 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVES AND DIRECTORS

The directors of the company except Chief Executive Officer are not charging any remuneration or benefits from the Company. Benefits of the Chief Executive Officer and the Executives are as follows:

Benefits	2019		
	CEO (Related party) Rs.	Executives (Related parties) Rs.	Other Directors (Related parties) Rs.
Salaries	2,100,000	17,806,940	-
Gratuity	201,923	1,792,308	-
Reimbursement of medical expenses	125,000	291,620	-
Reimbursement of mobile bills	120,000	113,283	-
Total	2,546,923	20,004,151	-
Number of persons	1	3	

Benefits	2018		
	CEO (Related party) Rs.	Executives (Related parties) Rs.	Other Directors (Related parties) Rs.
Salary	8,710,484	23,184,871	-
Gratuity	1,000,000	1,400,000	-
Reimbursement of medical expenses	125,000	283,179	-
Reimbursement of mobile bill	120,000	134,760	-
Total	9,955,484	25,002,800	-
Number of persons	1	4	

18.1 The Executives and CEO have also been provided with official mobile phones while CEO is also provided with a Company's maintained 1300 CC car with a fuel limit of 350 liters per month.

19 FINANCIAL RISK MANAGEMENT

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 overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

19.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises principally from long term deposits, advances and bank balances. Out of total financial assets of Rs. 162,548,151 (2018: Rs. 75,307,719), the financial assets that are subject to credit risk amounted to Rs 162,548,151 (2018: Rs. 75,307,719).

The credit risk on liquid funds is limited because the counter party is bank 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.

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	Agency	2019	2018
The Bank of Punjab- related party	A1+	AA	PACRA	159,483,914	69,806,045
Total					

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PUNJAB POPULATION INNOVATION FUND

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Notes to the financial statements

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19.2 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 2019:

Description	2019		
	Maturity within one year	Maturity after one year	Total
	Rupees	Rupees	Rupees
Trade and other payables	18,341,173	-	18,341,173
Total	18,341,173	-	18,341,173

Description	2018		
	Maturity within one year	Maturity after one year	Total
	Rupees	Rupees	Rupees
Trade and other payables	9,797,643	-	9,797,643
Total	9,797,643	-	9,797,643

19.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest/mark-up 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 any currency risk.

(ii) Interest/mark-up rate risk

Interest/markup 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/mark-up rates. The company is not exposed to any interest rate risk.

(iii) Equity price risk

The entity is not exposed to any equity price risk.

19.4 Financial instruments by categories

	2019	
	Amortised cost	Total
	Rupees	
Financial assets		
Long term deposits	1,595,716	1,595,716
Advances	1,468,521	1,468,521
Cash and bank balances	159,483,914	159,483,914
Total	162,548,151	162,548,151

	2018		
	Cash & cash equivalents	Available for Sale	Loans and receivables
	Rupees		
Long term deposits	-	-	1,545,716
Advances	-	-	3,955,958
Cash and bank balances	69,806,045	-	-
Total	69,806,045	-	5,501,674

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PUNJAB POPULATION INNOVATION FUND

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Notes to the financial statements

For the year ended June 30, 2019

	Amortised cost	
	2019 Rupees	2018 Rupees
Financial liabilities at		
Amortised cost		
Trade and other payables	18,341,173	9,797,643
Total	18,341,173	9,797,643

19.5 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.

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			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
June 30, 2019	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Financial assets not measured at fair value								
Non-current assets								
Long term security deposits	1,595,716	-	-	1,595,716	-	-	-	-
Current assets								
Advances	1,468,521	-	-	1,468,521	-	-	-	-
Cash and bank balances	159,483,914	-	-	159,483,914	-	-	-	-
Total	162,548,151	-	-	162,548,151	-	-	-	-

Financial liabilities measured at amortised cost

Current liabilities								
Trade and other payables	18,341,173	-	-	18,341,173	-	-	-	-
Total	18,341,173	-	-	18,341,173	-	-	-	-

	Carrying amount				Fair Value			
	Cash and cash equivalents	Loans and receivables	Other financial instruments	Total	Level 1	Level 2	Level 3	Total
June 30, 2018								
Financial assets not measured at fair value								
Non-current assets								
Long term security deposits	-	1,545,716	-	1,545,716	-	-	-	-
Current assets								
Advances	-	1,468,521	-	3,955,958	-	-	-	-
Cash and bank balances	69,806,045	-	-	69,806,045	-	-	-	-
Total	69,806,045	3,014,237	-	75,307,719	-	-	-	-

Financial liabilities measured at amortised cost

Current liabilities								
Trade and other payables	-	-	9,797,643	9,797,643	-	-	-	-
Total	-	-	9,797,643	9,797,643	-	-	-	-

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PUNJAB POPULATION INNOVATION FUND

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19.6 Capital risk management

The Company is registered under section 42 of the Companies Ordinance, 1984 having no share capital. Therefore, the Company has no capital risk.

20 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, Government of Punjab, departments of Government of Punjab, companies where directors also hold interest, directors and key management personnel including CEO. Transactions with related parties other than disclosed elsewhere in these financial statements are as follows:

Party	Nature of relationship	Nature of transaction	2019	2018
			Rupees	Rupees
The Bank of Punjab	Government of Punjab owned company	Bank charges	6,539	3,801
Directorate General Public Relations	Department of Government of Punjab	Advertisement expenses	2,015,471	2,864,262
Key management personnel	Employment	Loan disbursed	3,562,725	500,000
		Loan recovered	2,716,570	500,000
Punjab Population Welfare Department (Govt. of Punjab)	Department of Government of Punjab	Vehicles disposed off	3,644,280	-
		Vehicles purchased (grant received)	3,400,000	-

	2019 Rupees	2018 Rupees
21 NUMBER OF EMPLOYEES		
Total number of employees at the year end	24	28
Average number of employees during the year	24	28

22 GENERAL

22.1 Figures have been rounded off to the nearest rupee.

22.2 Corresponding figures have been re-arranged and/ or reclassified, wherever considered necessary, for the purpose of better presentation of the financial statements. No significant reclassifications have been made in these financial statements.

23 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on Jan 29, 2020 by the Board of Directors of the Company.

GPR


CHIEF EXECUTIVE OFFICER


DIRECTOR

**Review Report to the Members
On Statement of Compliance with the Public Sector Companies (Corporate Governance)
Rules, 2013**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Punjab Population Innovation Fund - A Company setup under section 42 of the Companies Ordinance, 1984 [repealed] (the Company) for the year ended June 30, 2019.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended June 30, 2019.

Chartered Accountants
Engagement Partner: Imran Afzal
Lahore

Dated:

SCHEDULE I

[See paragraph 2(1)]

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 - Population

For the year ended: June 30, 2019

I. This statement presents the overview of the compliance 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

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

S. 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.	The Board has at least one-third of its total members as independent directors. At present the Board includes:	3(2)	Y																													
	<table><tr><th>Category</th><th>Name</th><th>Date of Joining</th></tr><tr><td rowspan="5">Independent Directors</td><td>Dr. Ijaz Nabi</td><td>07-11-2016</td></tr><tr><td>Dr. Yasmeen Qazi</td><td>29-01-2018</td></tr><tr><td>Mr. Salim Ghauri</td><td>Resigned on 22-05-2019</td></tr><tr><td>Prof. Dr. Muhammad Tayyab</td><td>07-11-2016</td></tr><tr><td>Dr. Naveed Hamid</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">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	Dr. Ijaz Nabi	07-11-2016	Dr. Yasmeen Qazi	29-01-2018	Mr. Salim Ghauri	Resigned on 22-05-2019	Prof. Dr. Muhammad Tayyab	07-11-2016	Dr. Naveed Hamid	07-11-2016	Executive Director	Mr. Jawad Ahmed Qureshi (CEO, PPIF)	08-05-2017	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			
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	Secretary Specialized Health Care and Medical Education	19-08-2016																														
	Secretary Primary & Secondary Health Care	19-08-2016																														

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3	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(5)		N
	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	Y	
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	Y	
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government	4(4)	Y	
7.	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. (Not applicable where the chief executive has been nominated by the Government)	5(2)	Y	
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board 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 ") (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	Y	
9.	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)	Y	
10.	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	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	Y	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	Y	
13.	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.	5(5)(c)(iii)	Y	

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14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	Y	
15.	The Board has developed 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(7)	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 has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	Y	
18.	(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 Y Y	N
19.	The Board has monitored and assessed the performance of senior management on annual/half-yearly/quarterly basis* and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose. * Strike out whichever is not applicable	8 (2)	Y	
20.	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	Y	
21.	(a) 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. (B)The Board has placed the annual financial statements on the company's website.	10	Y Y	
22.	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

4012

23.	(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:	12	Y Y Y Y															
<table><tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr><tr><td>Audit Committee</td><td>2 + 1 Vacant</td><td>Naved Hamid</td></tr><tr><td>Risk Management & Investigation Committee</td><td>All Board Members</td><td>Chairman</td></tr><tr><td>Human Resources Committee</td><td>2 + 1 Vacant</td><td>Dr. Muhammad Tayyab</td></tr><tr><td>Technical & Procurement</td><td>4+3 Vacant</td><td>Dr. Yasmeen Qazi</td></tr></table>				Committee	Number of Members	Name of Chair	Audit Committee	2 + 1 Vacant	Naved Hamid	Risk Management & Investigation Committee	All Board Members	Chairman	Human Resources Committee	2 + 1 Vacant	Dr. Muhammad Tayyab	Technical & Procurement	4+3 Vacant	Dr. Yasmeen Qazi
Committee	Number of Members	Name of Chair																
Audit Committee	2 + 1 Vacant	Naved Hamid																
Risk Management & Investigation Committee	All Board Members	Chairman																
Human Resources Committee	2 + 1 Vacant	Dr. Muhammad Tayyab																
Technical & Procurement	4+3 Vacant	Dr. Yasmeen Qazi																

24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13		N
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	Y	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	Y	
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	Y	
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	18	N/A (No Share Capital)	
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors have been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the company contains criteria and details of remuneration of each director.	19	N/A	
30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	Y	

4012

31.	<p>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</p> <table><tr><th>Name of Member</th><th>Category</th><th>Professional background</th></tr><tr><td>Dr. Naveed Hamid</td><td>Chair Independent</td><td>Economist</td></tr><tr><td></td><td>Member Non-Executive</td><td>Secretary, Primary & Secondary Health Care</td></tr></table> <p>The chief executive and chairman of the Board are not members of the audit committee.</p>	Name of Member	Category	Professional background	Dr. Naveed Hamid	Chair Independent	Economist		Member Non-Executive	Secretary, Primary & Secondary Health Care	21(1) and 21(2)	Y	
Name of Member	Category	Professional background											
Dr. Naveed Hamid	Chair Independent	Economist											
	Member Non-Executive	Secretary, Primary & Secondary Health Care											
32.	<p>(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.</p> <p>(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.</p> <p>(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</p>	21(3)	Y	N									
33.	<p>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.</p> <p>(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.</p> <p>(c) The internal audit reports have been provided to the external auditors for their review.</p>	22	Y	N									
34.	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										
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	Y										

APPL

Signatures
(Names in block letters)
CEO & Chairman/Independent Director

(JAWAD AHMED QURESHI)
CEO - PPIF

Jawad Hamid
Dr. Naveed Hamid
Director.

SCHEDULE II

See Paragraph 2(3)

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 next accounting year 30-06-2020.

Sr. No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
1	3(5)	<p>For ex-officio board members:</p> <p>In case of Secretary Finance, it is not possible to comply with the rule 3(5) of PSC rules 2013, because he is the board member in almost all the Public Sector Companies.</p> <p>In case of Secretary PSHD and Secretary SSHMED, request has already been made several times to provide information on their directorship in other companies, still no information received so far.</p>	As a follow up, vide letter numbers 287, 288, 313 & 314 dated March 25, 2019 & April 25, 2019, PPIF requested Sec PSHD and Sec SSHMED to provide information on their directorship in other companies.
2	6(1)	The Board shall meet at least four times during the year but due to unavailability of members and not meeting quorum requirements, the Board meetings were delayed beyond required time.	PPIF will ensure to hold board meetings in compliance with the rules in the future.
5	11	All the board members shall undergo with an orientation course to apprise them of the material developments and information. Furthermore, orientation course shall be arranged for directors to acquaint about the wider scope of responsibilities in concerning the use of public resources.	All the directors will be requested to attend such courses in future.

6	13, 21(3) (a&c), 22(b&c)	PPIF is partially compliant. Board has approved appointment of CFO & Company Secretary. The vacancy of Chief Internal Auditor was advertised but due prohibition from Government via its notification, no hiring could be made during the year.	CIA was not recruited due to the ban on the recruitment. However, internal audit firm M/S BDO Ebrahim & CO met with Audit & Finance Committee with and without presence of CFO.
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(Names in block letters)
CEO & Chairman/Independent Director

JAWAD AHMED QURESHI : DR. NAVEED HAMID
(Chief Executive) (Director).



Grant Thornton

An instinct for growth™

BAS-503-19
November 19, 2019

The Board of Directors

Punjab Population Innovation Fund
125-Abu Bakar Block,
New Garden Town,
Lahore.

Honorable Members of the Board:

**AUDIT OF FINANCIAL STATEMENTS OF PUNJAB POPULATION INNOVATION FUND
PAKISTAN FOR THE YEAR ENDED JUNE 30, 2019**

We are pleased to enclose the draft financial statements of Punjab Population Innovation Fund (the Company) for the year ended June 30, 2019 prepared by management together with draft auditor's report thereon. These financial statements have been initiated by us for the purpose of identification only.

May we apprise the Board of Directors (the Board) that until the auditors have signed their report on the financial statements, such financial statements will remain and be deemed unaudited.

We shall be pleased to sign the audit report as well as review report on Statement of compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 in the present or modified form after the Board has considered the matters raised in this letter and approved the financial statements in their present or modified form and we have received the following:

- the financial statements, with or without adjustments, approved by the Board and signed by the Chief Executive Officer and Director duly authorized in this behalf;
- signed copy of minutes of the meeting of the Board in which the financial statements are approved;
- signed Director's report alongwith Statement of Compliance of Code of Corporate Governance;
- representation letter signed by the Chief Executive Officer and the Chief Financial Officer of the Company;
- specific approval regarding items in paragraph 2 below; and
- outstanding information stated in "Annexure -A".

GR

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

Grant Thornton Anjum Rahman

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43-Jail Road, Lahore 54000,
Pakistan.
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F +92 42 37425 485
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1. Responsibilities of the Auditors and the Board of Directors in relation to the financial statements

The responsibilities of the independent auditors in a usual examination of the financial statements are explained in the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for their preparation is primarily that of the Company's Board of Directors. The Board's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and safeguarding of the assets of the Company. The audit of the financial statements does not relieve the Board of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities, in relation to the financial statements.

The inclusion, publication, or reproduction by the Company of our reports in documents containing information in addition to the financial statements and our report thereon may require us to perform additional procedures to fulfill our professional responsibilities. The management shall provide such additional information for our review. Our responsibility for other information in documents containing the Company's audited financial statements and our auditors' report thereon (for example, Management's Discussion and Analysis of Financial Condition and Results of Operations) does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate such other information contained in these documents. However, in accordance with ISA 720, we have to review/read the other information and consider whether such information, or the manner of its presentation, was materially inconsistent with information appearing in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact.

The Company may wish to place its financial statements and auditors' report on its website. It is responsibility of the management to ensure that any such placement properly presents the financial information and the auditors' report. The management of the Company would advise us of any intended electronic placement before it occurs. We reserve the right to withhold consent to the electronic placement of the report if the audited financial statements or the auditors' report are to be placed in an inappropriate manner. Management is responsible for the controls and security with regard to the website. Review of controls over the maintenance and integrity of the Company's website does not fall within the scope of the audit of the financial statements.

WPK

2. Specific approvals

Before issuing our report, we request the Board to consider and specifically approve the following:

- a) additions in operating fixed assets and intangible assets during the year;
- b) transactions with related parties (Note-20); and
- c) adoption of new standards and SRO 733/2018 (the Association with Charitable and Not for Profit Object Regulations 2018).

3. Matters for specific attention of the Board

We would like to draw attention of the Board to following matters:

- 3.1 Last year, certain petitioners of Civil Society had filed a petition in the Honorable Lahore High Court against incorporation of the Company along with certain other companies incorporated u/s 42 of the Companies Ordinance, 1984 which are operating in Punjab. Currently, proceedings of the Honorable Court are in process. The management is of the view that such petition would be dismissed and accordingly, there would be no impact on going concern status of the Company.

We trust that the Board is in agreement with the views of management of the Company.

- 3.2 During the year, Company has transferred two of its vehicles to Govt. of Punjab in exchange for two vehicles of the same category. The Company was required to derecognize the old vehicles and recognize the vehicles received in exchange. However, no recognition / derecognition has been made in these financial statements in respect of vehicles exchange. In this regard management of the Company has apprised us that there is no need to incorporate any adjustment in these financial statements.

We recommend that necessary adjustments should be made in the books of accounts of the Company.

- 3.3 We have noticed that Forms 29 of Mr. Salim Ghauri has not been filed with SECP on timely basis. Such practice may result into imposition of level 1 penalty (may extend to Rs. 500 per day during which default continues with maximum limit of Rs. 25,000).

Appropriate steps should be taken to ensure compliance of all applicable laws.

- 3.4 The Company is keeping its surplus funds in Current Account rather than Saving Account.

We suggest that the management is advised for framing an investment policy for investing surplus funds in order to fetch suitable return on available surplus funds.

- 3.5 We have reported certain non-compliances with Code of Corporate Governance (CCG) in our review report on statement of compliance with best practices of CCG, which are mentioned in Annexure B. Such practice may result into imposition of penalties.

We request that the management is advised to ensure compliance of the Code.

WPK

- 3.6 As per employee service rules of PPIF, GM Operations and HR Manager will jointly conduct interviews for various posts. However, GM Operations, Mr. Haroon Ahmad Shabbir, has resigned during the year and such position has not been filled at reporting date.

We recommend that the vacant position should be filled as per requirement of employee service rules.

4. Fraud & Error

We have been informed by the management that no case of fraud and error has been brought to their knowledge which would have occurred during the year and which could have material effects on these financial statements.

5. Related Party Transactions

We have been informed by the management that there have been no transactions with the related parties during the year other than that disclosed in **note 20** to the annexed financial statements.

6. Contingencies & Commitments

We have been informed by the management that there were no contingencies and commitments as on reporting date except those disclosed in **note 14** to the annexed financial statements.

7. Management Letter

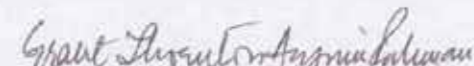
A management letter highlighting weaknesses in the internal control systems which have come to our knowledge will be forwarded to the management in due course time.

We take the opportunity to express our appreciation of the courtesy and co-operation extended to us during the course of audit by the staff and management of the Company.

8. Engagement Quality Control Review

The engagement quality control review of draft financial statements and other relevant working papers, which is required to be carried out by professional standards, is currently in progress. We expect to complete this process over the next few days and will communicate to you significant issues, if any, highlighted during the review.

Yours truly


Grant Thornton Anjum Rahman
Chartered Accountants

"Annexure- A"

OUTSTANDING INFORMATION

- I. Minutes of 11th BOD Meeting
- II. Performance Evaluations of BOD



“Annexure- B”

NON-COMPLIANCES - CCG

Sr. No	Provisions of the Rules	Rule #
1.	Some directors have not 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(5)
2	The Board has not met four times during the year.	6(1)
4	All Board members have not attended orientation course to apprise them of the material developments and information as specified in the Rules.	11
6	The Board has not approved appointment of Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13
8	(a) The chief internal auditor, and a representative of the external auditors did not attend all meetings of the audit committee at which issues relating to accounts and audit were discussed. (c) The audit committee did not meet the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21 (3) (a & c)
9	(b) The chief internal auditor has not been appointed.	22 (b) & (c)

WPK