



UNIVERSAL SERVICE FUND
(A Company incorporated under section 42
of the Companies Act, 2017)

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF UNIVERSAL SERVICE FUND**Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of **UNIVERSAL SERVICE FUND** (the Company), which comprise the statement of financial position as at June 30, 2021 and the statement of income and expenditure and other comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including the summary of 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 explanation given to us, the statement of financial position, statement of income and expenditure and other comprehensive income and 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, 2021 and of the surplus, other comprehensive income, 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 *Auditors 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.

Emphasis of Matter

We draw your attention to note 17.1.4 of the financial statements which describes that PTCL has filed legal suit in court of law against receivable and payable balances with PTCL including late delivery charges which is pending adjudication at the year end. Honorable District Court has ordered to maintain the status quo until outcome of the case is ascertained. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors 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 is responsible for overseeing the Company's financial reporting process.

Auditors 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 auditors 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.
- 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 auditors 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 auditors 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure and other comprehensive income 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).





Other Matter

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants, who had expressed an unqualified opinion vide their report dated October 19, 2020.

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

ISLAMABAD

DATED: 14 SEP 2021


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS


UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

| | Note | 2021 Rupees | 2020 Rupees |
|--------------------------------------|------|-----------------------------|-----------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 5 | 125,028,592 | 16,141,873 |
| Intangible assets | 6 | 25,905,249 | 32,028,972 |
| Long term deposits | 7 | 4,135,500 | 127,500 |
| Long term advances | 8 | 1,265,420 | 2,267,085 |
| | | <u>156,334,761</u> | <u>50,565,430</u> |
| CURRENT ASSETS | | | |
| Advances | 9 | 3,132,117,643 | 1,891,923,984 |
| Short-term prepayments | 10 | 9,844,266 | 6,331,777 |
| Interest accrued | | 46,566,478 | 133,093,896 |
| Other receivables | 11 | 1,722,238,808 | 1,722,438,824 |
| Cash and bank balance | 12 | 3,311,414,707 | 2,877,921,554 |
| | | <u>8,222,181,902</u> | <u>6,631,710,035</u> |
| TOTAL ASSETS | | <u><u>8,378,516,663</u></u> | <u><u>6,682,275,465</u></u> |
| FUNDS AND LIABILITIES | | | |
| General fund | | - | - |
| NON-CURRENT LIABILITIES | | | |
| Fund balance (restricted) | 13 | 5,392,530,546 | 5,754,152,775 |
| Deferred capital grant | 14 | 150,933,841 | 48,170,845 |
| Lease liability | 15 | 20,171,726 | - |
| | | <u>5,563,636,113</u> | <u>5,802,323,620</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 16 | 2,790,832,550 | 879,951,845 |
| Current portion of lease liabilities | 15 | 24,048,000 | - |
| | | <u>2,814,880,550</u> | <u>879,951,845</u> |
| TOTAL FUNDS AND LIABILITIES | | <u><u>8,378,516,663</u></u> | <u><u>6,682,275,465</u></u> |
| CONTINGENCIES AND COMMITMENTS | 17 | - | - |

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE



DIRECTOR

UNIVERSAL SERVICE FUND**(A Company incorporated under Section 42 of the Companies Act, 2017)****STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED JUNE 30, 2021**

| | Note | 2021 Rupees | 2020 Rupees |
|---|------|---------------------------|----------------------------|
| INCOME | | | |
| Amortization of deferred capital grant | 14 | 38,119,951 | 19,589,046 |
| EXPENDITURE | | | |
| Administrative and general expenses | 18 | 437,602,565 | 392,333,759 |
| Subsidy grant for projects | 19 | 6,146,569,436 | 4,026,608,808 |
| Technical and Monitoring audit fee | 20 | 92,964,197 | 24,268,108 |
| | | 6,677,136,198 | 4,443,210,675 |
| | | <u>(6,639,016,247)</u> | <u>(4,423,621,629)</u> |
| FUNDS (RESTRICTED) RECOGNIZED AS GRANT AGAINST EXPENDITURE | 13 | 6,639,016,247 | 4,423,621,629 |
| NET SURPLUS FOR THE YEAR | | <u>-</u> | <u>-</u> |
| OTHER COMPREHENSIVE INCOME | | | |
| Item not to be reclassified to income and expenditure account in subsequent periods | | | |
| Re-measurement loss on defined benefit plan | | (5,934,437) | (10,317,726) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | <u><u>(5,934,437)</u></u> | <u><u>(10,317,726)</u></u> |

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE

DIRECTOR

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Subsidy grant disbursement | | (5,365,658,506) | (5,472,282,626) |
| Technical & Monitoring audit fee | | (88,510,760) | (24,268,108) |
| Liquidated damages, profit on deposit account and others | | 214,462,452 | 251,171,979 |
| Payment to suppliers and employees | | (554,211,527) | (461,973,851) |
| Net cash used in operating activities | | <u>(5,793,918,341)</u> | <u>(5,707,352,606)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Procurement of property and equipment | | <u>(72,588,506)</u> | <u>(18,085,490)</u> |
| Net cash used in investing activities | | <u>(72,588,506)</u> | <u>(18,085,490)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Grant received | | <u>6,300,000,000</u> | <u>4,890,000,000</u> |
| Net cash generated from financing activities | | <u>6,300,000,000</u> | <u>4,890,000,000</u> |
| Net increase/(decrease) in cash and cash equivalents | | 433,493,153 | (835,438,096) |
| Cash and cash equivalents at beginning of year | | 2,877,921,554 | 3,713,359,650 |
| Cash and cash equivalents at end of year | 12 | <u>3,311,414,707</u> | <u>2,877,921,554</u> |

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE



DIRECTOR

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND ACTIVITIES

The Universal Service Fund (the Company) was incorporated in Pakistan on December 12, 2006 as a public company, limited by guarantee, not having a share capital and as a not-for-profit organization licensed under section 42 of the repealed Companies Ordinance, 1984 (repealed through the enactment of the Companies Act, 2017). The Company was formed under Section 10 of the Universal Service Fund Rules, 2006 (the Rules) and its registered office was changed from 5th floor, HBL Tower, Jinnah Avenue, Islamabad to Office # 310-312, 3rd Floor, Evacuee Trust Complex, F-5/1, Islamabad.

Pursuant to Section 16 of the Rules, operations of the Company are funded by the Ministry of Information Technology and Telecommunication (MoIT&T), Government of Pakistan through the Universal Service Fund (USF), a separate entity established under section 33 A of the Telecommunication Re-organization Act, 1996. USF is kept in the non-lapsable public fund account of the Federal Government maintained with the Federal Treasury Office. The account is maintained and operated by Ministry of Information Technology and Telecommunication (MoIT&T). The primary objective of the Company is to plan, develop, finance and execute communication network projects and services to un-served or under-served areas of Pakistan as defined under Section 26 of the Rules mainly through disbursement of grants received from Government of Pakistan, in the form of subsidies to selected contributories to USF, for execution of the related telecom projects.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.



2.2 Basis of measurement

These Financial Statements have been prepared under the historical cost convention except for liability for gratuity, which is carried at present value of defined benefit obligation net of fair value of plan asset.

2.3 Functional and presentation currency

These Financial Statements have been presented in Pakistan Rupees which is the Company's functional and presentation currency.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED STANDARDS

3.1 Standards / amendments that are effective in current year and relevant to the Company

The Company has adopted the standards / amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

| | Effective date (annual periods beginning on or after) |
|---|--|
| Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework. | January 01, 2020 |
| Amendments to IFRS 3 'Business Combinations' - Definition of a business | January 01, 2020 |
| Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform | January 01, 2020 |
| Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions | June 01, 2020 |
| Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material | January 01, 2020 |

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and

interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| | Effective date (annual periods beginning on or after) |
|---|--|
| Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) | January 01, 2021 |
| Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework | January 01, 2022 |
| Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions | April 01, 2021 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current | January 01, 2023 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies | January 01, 2023 |
| Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates | January 01, 2023 |
| Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction | January 01, 2023 |
| Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use | January 01, 2022 |
| Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract | January 01, 2022 |

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

| | |
|---------|--|
| IFRS 1 | First Time Adoption of International Financial Reporting Standards |
| IFRS 17 | Insurance Contracts |

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies have been applied consistently to all periods presented in these Financial Statements.

Am

4.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment losses (if any). Cost comprises of acquisition cost, non-refundable indirect taxes and any other directly attributable costs.

Depreciation is charged on assets using the straight line method, at the rates stated in note 5.2. A full month's depreciation is charged in the month of acquisition of an asset, while no depreciation is charged in the month of an assets' retirement.

Useful lives are determined by the management based on the expected usage of an asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effects of adjustments to residual values, useful lives and methods are recognized prospectively as a change in accounting estimates.

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

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment is recognized in the income and expenditure statement as incurred.

4.2 Right-of-use assets and their related lease liability

4.2.1 Right of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.



4.2.2 Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. Remeasurements of lease liabilities only occur in cases where the terms of the lease are changed during the lease tenor. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the income and expenditure statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.3 Intangibles

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and that cost of such an asset can also be measured reliably.

Intangible assets are measured on initial recognition at cost, being the fair value of the consideration given. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment, if any.

The useful lives of intangible assets are assessed either as finite or indefinite. The Company does not have an intangible asset with indefinite useful life. Intangible assets with finite useful lives are amortized over the period of their useful life, at rate mentioned in note 6. In respect of additions and disposal of intangible assets during a year, amortization is charged to income and expenditure statement from the month of acquisition and up to the month preceding the disposal of such intangible assets.

Gains and losses arising from the de-recognition of intangible assets are measured as the difference between the net disposal proceeds and carrying amount of the asset, and recognized in income and expenditure statement when the asset is de-recognized.

Changes in expected useful lives or the expected pattern of consumption of future economic benefits, embodied in intangible assets, are accounted for by changing the useful life or amortization method, as appropriate, and treated as a change in accounting estimate.

4.4 Advances, deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the asset's recoverable amount and its carrying value.

Pr

4.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position in case of local currency balances and at closing exchange rate, in case of foreign currency balances.

4.6 Fund balance (restricted)

The management is following deferral method of accounting for amount received from MoIT&T and included in the fund balance. Any income earned on these funds is also included in the fund. Expenditure incurred, as reduced by the income earned on these funds, is transferred from the fund balance to the income and expenditure statement to match the net expenditure incurred during the year.

4.7 Deferred capital grant

Restricted funds utilized for capital expenditure are transferred from the Fund balance (restricted) and accounted for as a deferred capital grant. An amount equal to the charge for depreciation and amortization for the year, on property and equipment acquired, is then recognized in the income and expenditure statement.

4.8 Trade and other payables

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

4.9 Provision

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, 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.

4.10 Staff benefits

i) Defined benefit plan

The Company operates a funded gratuity scheme for employees who have completed the minimum qualifying period of service to the Company. Provision for gratuity is made to cover obligations under the scheme in accordance with the actuarial recommendations using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at June 30, 2021, details are given in the note 16 of the financial statements.

ii) Compensated absences

The compensated absences provides a short-term leave encashment benefit to its employees whereby, employees can carry forward up to a maximum of 10 leaves for a year. Employees can either avail these leaves or en-cash them.



4.11 Taxation

i) Current

Provision for taxation is based on taxable profits, at the current rates of taxation, after taking into account tax credits and tax rebates, if any. The Company is subject to 100% tax credit as per section 100C of Income Tax Ordinance (ITO). Further, the Company's income is not liable for minimum tax, under Section 113 of the Income Tax Ordinance, 2001, as the Company considers the amount received from the MoIT&T as grant.

ii) Deferred

The Company being registered under section 42 of the repealed Companies Ordinance, 1984, as a non profit Company. Accordingly, the income of the Company is subject to 100% tax credit as per section 100C of Income Tax Ordinance, 2001. Therefore, no tax expense or deferred tax expense is recognized in the financial statements.

4.12 Income

i) Profit on bank deposits

Profit on bank deposit is accrued using the effective interest rate method.

ii) Other income

Any other income is recorded on an accrual basis.

Profit on bank deposits and other receipts are made part of fund balance (restricted) and are adjusted against future funding from MoIT&T.

4.13 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the statement of financial position date. Gains and losses on translation are taken to the income and expenditure statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.14 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.



Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the income and expenditure statement.

4.14.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

(i) Debt instruments designated at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; 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.

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective

interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Amortized cost and effective interest rate method:

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the "finance income - interest income" line item.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to income and expenditure statement on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in income and expenditure.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Impairment of financial assets:

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.



(ii) Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 360 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets:

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in income and expenditure statement.

AK

(v) Measurement and recognition of expected credit losses:

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

Derecognition of financial assets:

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in income and expenditure statement. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments

revaluation reserve is reclassified to income and expenditure statement. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to income and expenditure statement, but is transferred to retained earnings.

4.14.2 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the consolidated statement of income and expenditure statement to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch income and expenditure statement. The remaining amount of change in the fair value of liability is recognized in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to income and expenditure statement; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in income and expenditure statement.

(ii) Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial

liability derecognized and the consideration paid and payable is recognized in income and expenditure statement.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income and expenditure statement.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less cost to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in the prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss 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 loss had been recognized.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The Company does not measure any of its assets or liabilities at fair value, except plan assets for gratuity, under the gratuity scheme.

4.16 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires 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 historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

4.16.1 Property, equipment and intangible assets

The Company reviews the appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation/ amortization on an annual basis. Any change in estimates in the future years might affect the carrying amounts of the respective items of property

and equipment and intangible assets, with a corresponding effect on the depreciation and amortization charge.

4.16.2 Employee benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations. Changes in these assumptions in future years may affect the liability under this scheme in those years.

4.16.3 Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws, and decisions taken by the taxation authorities. In instances where the Company's views differ from the views taken by the income tax department at the assessment stage, and where the Company considers that its views on items of a material nature are in accordance with the law, the related amounts are disclosed as contingent liabilities.

4.16.4 Provisions and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost, if any.

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, it is disclosed as contingent liability.

| | | 2021 Rupees | 2020 Rupees |
|----------|-------------------------------|--------------------|-------------------|
| 5 | PROPERTY AND EQUIPMENT | | |
| | | | |
| | Right of use assets | 46,679,457 | - |
| | Operating fixed assets | 78,349,135 | 16,141,873 |
| | | <u>125,028,592</u> | <u>16,141,873</u> |

5.1 Right of use (ROU) assets

| | | | |
|----------------------------|-------|-------------------|----------|
| Opening net book value | | - | - |
| - Cost | | 64,633,094 | - |
| - Accumulated depreciation | 5.1.1 | (17,953,637) | - |
| - Net book value | | <u>46,679,457</u> | <u>-</u> |

Depreciation rate per annum 3years

5.1.1 Depreciation for the year is charged to administrative and general expenses (refer to note 18).

5.2 OPERATING FIXED ASSETS

| Description | Vehicles | Furniture and Equipment | Computer and accessories | Communication equipment | Leasehold Improvements | Total |
|--|--------------|-------------------------|--------------------------|-------------------------|------------------------|---------------|
| Net carrying value basis year ended June 30, 2021 | | | | | | |
| Opening net book value (NBV) | 70 | 11,790,057 | 3,229,731 | 1,122,015 | - | 16,141,873 |
| Additions (at cost) | - | 39,211,268 | 6,339,881 | 88,200 | 28,223,588 | 73,862,937 |
| Disposals: | | | | | | |
| Cost | - | (2,289,147) | (7,090,682) | - | - | (9,379,829) |
| Accumulated depreciation | - | 2,200,607 | 7,090,222 | - | - | 9,290,829 |
| | - | (88,540) | (460) | - | - | (89,000) |
| Depreciation charge | - | (7,559,507) | (3,152,009) | (384,766) | (470,393) | (11,566,675) |
| Net book value | 70 | 43,353,278 | 6,417,143 | 825,449 | 27,753,195 | 78,349,135 |
| Gross carrying value basis year ended June 30, 2021 | | | | | | |
| Cost | 29,704,498 | 88,425,444 | 36,271,284 | 2,236,946 | 28,223,588 | 184,861,760 |
| Accumulated depreciation | (29,704,428) | (45,072,166) | (29,854,141) | (1,411,497) | (470,393) | (106,512,625) |
| Net book value | 70 | 43,353,278 | 6,417,143 | 825,449 | 27,753,195 | 78,349,135 |
| Net carrying value basis year ended June 30, 2020 | | | | | | |
| Opening net book value (NBV) | 281,542 | 15,763,051 | 7,364,588 | 1,270,882 | - | 24,680,063 |
| Additions (at cost) | - | 338,767 | 780,587 | 180,707 | - | 1,300,061 |
| Depreciation charge | (281,472) | (4,311,761) | (4,915,444) | (329,574) | - | (9,838,251) |
| Net book value | 70 | 11,790,057 | 3,229,731 | 1,122,015 | - | 16,141,873 |
| Gross carrying value basis year ended June 30, 2020 | | | | | | |
| Cost | 29,704,498 | 51,503,323 | 37,022,085 | 2,148,746 | - | 120,378,652 |
| Accumulated depreciation | (29,704,428) | (39,713,266) | (33,792,354) | (1,026,731) | - | (104,236,779) |
| Net book value | 70 | 11,790,057 | 3,229,731 | 1,122,015 | - | 16,141,873 |
| Depreciation rate per annum | 20% | 20% | 33% | 20%-33% | 20% | |

5.3 Depreciation for the year is charged to administrative and general expenses (refer to note 18).

6 INTANGIBLE ASSETS

| Description | Digital Maps | Software | Capital work in Progress (CWIP)-Softwares | Total |
|--|--------------|--------------|---|--------------|
| Net carrying value basis year ended June 30, 2021 | | | | |
| Opening net book value (NBV) | 10 | 15,243,533 | 16,785,429 | 32,028,972 |
| Additions (at cost) | - | 1,483,416 | 992,500 | 2,475,916 |
| Amortization | - | (8,599,639) | - | (8,599,639) |
| Net book value | 10 | 8,127,310 | 17,777,929 | 25,905,249 |
| Gross carrying value basis year ended June 30, 2021 | | | | |
| Cost | 7,500,000 | 41,436,943 | 17,777,929 | 66,714,872 |
| Accumulated depreciation | (7,499,990) | (33,309,633) | - | (40,809,623) |
| Net book value | 10 | 8,127,310 | 17,777,929 | 25,905,249 |
| Net carrying value basis year ended June 30, 2020 | | | | |
| Opening net book value (NBV) | 10 | 24,994,328 | - | 24,994,338 |
| Additions (at cost) | - | - | 16,785,429 | 16,785,429 |
| Depreciation charge | - | (9,750,795) | - | (9,750,795) |
| Net book value | 10 | 15,243,533 | 16,785,429 | 32,028,972 |
| Gross carrying value basis year ended June 30, 2020 | | | | |
| Cost | 7,500,000 | 39,953,527 | 16,785,429 | 64,238,956 |
| Accumulated depreciation | (7,499,990) | (24,709,994) | - | (32,209,984) |
| Net book value | 10 | 15,243,533 | 16,785,429 | 32,028,972 |
| Depreciation rate per annum | 20% | 33% | | |

6.1 Amortization for the year is charged to administrative and general expenses (refer to note 18).

6.2 Capital Work in progress (CWIP) software represents accounting software (Oracle) installed by the Company which is currently in its testing phase. Additions during the year represent other softwares purchased.

7 **LONG TERM DEPOSITS**

This includes security deposits amounting to Rs. 4.008 million equals to two months office rent on the basis of 16,197 Sqft office area at Rs. 120 per Sqft and 1,006 Sqft at Rs. 60 per Sqft of common area amounting to Rs. 2,004,000 per month on the 3rd floor in the Evacuee Trust Complex, F - 5/1, Islamabad. Amortized cost of long term deposit is not materially different from its carrying amount.

| | 2021 Rupees | 2020 Rupees |
|---|------------------|------------------|
| 8 LONG TERM ADVANCES | | |
| Advance against gratuity balance to employees | 6,318,413 | 6,914,677 |
| Current portion | (5,052,993) | (4,647,592) |
| | <u>1,265,420</u> | <u>2,267,085</u> |

8.1 This represents advances issued against employees' gratuity in accordance with Company's service rules with repayment terms of maximum twenty four (24) months and carries no markup.

| | Note | 2021 Rupees | 2020 Rupees |
|------------------------------------|------|----------------------|----------------------|
| 9 ADVANCES | | | |
| Considered good - secured | | | |
| To employees | | | |
| Against gratuity - current portion | | 5,052,993 | 4,647,592 |
| Against expenses | | 97,748 | - |
| Advance against projects | 9.1 | 3,126,966,902 | 1,887,276,392 |
| | | <u>3,132,117,643</u> | <u>1,891,923,984</u> |

9.1 This represents unutilized portion of advances paid to service providers, in respect of following projects. The advances are secured against bank guarantees.

| | 2021 Rupees | 2020 Rupees |
|--------------------------------------|----------------|----------------|
| Advances to related parties: | | |
| PTML-NG-BSD Gwadar | 90,000,000 | - |
| PTML-NG-BSD Kech | 368,803,021 | - |
| PTML-NG-BSD Small Lot-P4 | - | 9,800,000 |
| Telenor-NG- BSD Chitral | 274,417,010 | - |
| Telenor-BSD Kohistan | - | 331,087,248 |
| Telenor-NG- BSD Dadu | - | 67,206,683 |
| Telenor-NG-BSD NH&MW Lot-2(NH 25&65) | - | 65,167,259 |
| Telenor-NG-BSD NH&MW Lot-3(NH 50&70) | - | 86,347,029 |
| Telenor-NG-BSD Hyderabad | - | 112,423,036 |
| Telenor-NG-BSD Bahawalpur | 85,926,925 | 257,780,779 |
| Telenor-NG-BSD Small Lot S3 | 16,942,374 | 16,942,374 |

A

| | Note | 2021 Rupees | 2020 Rupees |
|--|-------------------------------|----------------------|----------------------|
| Telenor-NG-BSD Tharparker | | - | 479,093,772 |
| Telenor-NG-BSD Sanghar | | - | 117,633,831 |
| Telenor-NG-BSD Muzaffargarh | | - | 130,043,980 |
| Telenor-NG-BSD Small Lot Islamabad 1 | | - | 6,049,105 |
| PTCL-OFC-UC-SD-Lot-1 | | 262,000,000 | - |
| PTCL-OFC-UC-SD-Lot-2 | | 351,293,163 | - |
| PTCL-OFC-UC-SD-Lot-3 | | 420,000,000 | - |
| PTCL-OFC FATA PACKAGE-2 | | 511,972,996 | - |
| Advances to other than related parties: | | | |
| PMCL-NG-BSD Ghotki | | 23,457,517 | - |
| PMCL-BSD South Waziristan | | - | 18,019,269 |
| PMCL-NG-BSD Bahawalnagar | | - | 33,322,227 |
| PMCL-NG-BSD Rahimyarkhan | | - | 39,705,142 |
| PMCL-NG-BSD Dera Ghazi Khan | | - | 98,205,509 |
| PMCL-NG-BSD Kurram | | - | 18,449,149 |
| PMCL-NG-BSD Jhelum | | 50,944,193 | - |
| PMCL-BSD North Waziristan | | 5,405,781 | - |
| CM PAK-NG BSD Small Lot S4 | | 4,803,922 | - |
| Nayatel-OFC-UC-PB-Lot-4 | | 316,000,000 | - |
| Nayatel-OFC-UC-PB-Lot-5 | | 345,000,000 | - |
| | | <u>3,126,966,902</u> | <u>1,887,276,392</u> |
| 10 | SHORT-TERM PREPAYMENTS | | |
| Insurance | | 1,763,588 | 1,721,258 |
| Others | | 8,080,678 | 4,610,519 |
| | | <u>9,844,266</u> | <u>6,331,777</u> |
| 11 | OTHER RECEIVABLES | | |
| Secured - considered good | | | |
| PTCL Mastung | | 281,929,919 | 281,929,919 |
| PTCL OFC BP-05 | | 1,387,060,677 | 1,387,060,677 |
| PTCL BB HTR | | 53,193,552 | 53,193,552 |
| Others | | 54,660 | 254,676 |
| | 11.1 & 17.1.4 | <u>1,722,238,808</u> | <u>1,722,438,824</u> |

11.1

This includes receivables against late delivery charges amounting to Rs. 1,636.801 million and receivable against descoping from Pakistan Telecommunication Company Limited (PTCL) amounts Rs. 85.383 million. Late delivery charges are recognized on delay in implementation of projects milestones as per contract. PTCL has filed law suits in District Court Islamabad against the balances as detailed in note 17.1.4 to the financial statements. Receivable from PTCL are secured against performance bank guarantee provided by PTCL amounting to Rs. 1.946 billion.

M

11.2 Maximum outstanding balance at end of any month during the year amounts to Rs. 1,722.238 million (2020: 1,722.438 million).

11.3 Aging of other receivables at reporting date is as follows;

| | Note | 2021 Rupees | 2020 Rupees |
|---------------------|------|----------------------|----------------------|
| Past due 1-30 days | | - | - |
| Past due 30-90 days | | - | - |
| Past due 90 days | | 1,722,238,808 | 1,722,438,824 |
| | | <u>1,722,238,808</u> | <u>1,722,438,824</u> |

12 CASH AND BANK BALANCE

| | Note | 2021 Rupees | 2020 Rupees |
|---|------|----------------------|----------------------|
| Cash in hand | | 47,229 | 24,494 |
| Cash at bank | | | |
| Sub-assignment account with National Bank of Pakistan | 12.1 | 3,300,000,000 | 2,877,897,060 |
| Deposit account - local currency | 12.2 | 11,367,478 | 2,877,921,554 |
| | | <u>3,311,414,707</u> | <u>2,877,921,554</u> |

12.1 This represents sub-Assignment non-lapsable account opened on June 30, 2021 with National Bank of Pakistan. Accountant General Pakistan Revenues (AGPR) issued authorization on June 30, 2021 for placement of funds for payment up to a ceiling of Rs. 3,300 million. The authorization is made to arrange payment for withdrawals from this account against the Company approved budget.

Subsequent to the year end, funds amounting to Rs. 2,917.942 million have been withdrawn from the account. The company is allowed to make payments and issue cheques directly from this account.

12.2 This carries mark-up at rate 5.50% & 6.10% per annum (June 30, 2020: 6.10% to 12% per annum). The profit on bank deposit is receivable with reference to the daily balance in the bank account.

13 FUND BALANCE (RESTRICTED)

| | Note | 2021 Rupees | 2020 Rupees |
|---|--------|----------------------|----------------------|
| Balance at the beginning of the period/year | | 5,754,152,775 | 5,017,064,385 |
| Grant received during the period/year | 13.1 | 6,300,000,000 | 4,890,000,000 |
| Profit on deposit account | 13.2 | 121,554,114 | 298,360,152 |
| Miscellaneous receipts | | 2,657,288 | 753,083 |
| | | 6,424,211,402 | 5,189,113,235 |
| Grants transferred to: | | | |
| -Deferred capital grant | 14 | (140,882,947) | (18,085,490) |
| -Income and expenditure statement | | (6,639,016,247) | (4,423,621,629) |
| | | (6,779,899,194) | (4,441,707,119) |
| -Remeasurement loss on defined benefit plan | 16.3.4 | (5,934,437) | (10,317,726) |
| | | <u>5,392,530,546</u> | <u>5,754,152,775</u> |

13.1 Profit on deposit account and Miscellaneous receipts are included in the fund balance, being income of USF Fund MoIT&T, Government of Pakistan and are adjusted against future release of grants/funding to USF Company.

13.2 This includes amount of Rs. 785,972 (2020: Rs. 215,776) against liquidated damages, recovered from operators.

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|--------------------|-------------------|
| 14 DEFERRED CAPITAL GRANT | | | |
| Balance at beginning of the year | | 48,170,845 | 49,674,401 |
| Transferred from fund balance (restricted) | 13 | 140,882,947 | 18,085,490 |
| Depreciation/amortization charged | | (38,119,951) | (19,589,046) |
| Balance at end of the period/year | | <u>150,933,841</u> | <u>48,170,845</u> |

15 LEASE LIABILITY

| | | | |
|---------------------------------|--|-------------------|----------|
| Opening balance - IFRS-16 | | - | - |
| Add: Addition during the year | | 64,633,094 | - |
| | | <u>64,633,094</u> | <u>-</u> |
| Interest expense | | 3,634,632 | |
| Less: Lease payments | | (24,048,000) | |
| | | <u>44,219,726</u> | <u>-</u> |
| As at June 30, | | | |
| Less: Current lease liabilities | | (24,048,000) | |
| Non-current liabilities | | <u>20,171,726</u> | <u>-</u> |

Maturity analysis - contractual undiscounted cash flows:

| | | | |
|---|--|-------------------|----------|
| Less than one year | | 24,048,000 | - |
| More than one year and less than five years | | 24,048,000 | - |
| More than five years | | - | - |
| Total undiscounted lease | | <u>48,096,000</u> | <u>-</u> |
| Future finance charges | | (3,876,274) | - |
| Present value of lease payments | | <u>44,219,726</u> | <u>-</u> |

Amount recognized in statement of profit or loss

| | | | |
|---------------------------------------|--|------------------|----------|
| Interest expense on lease liabilities | | <u>3,634,632</u> | <u>-</u> |
|---------------------------------------|--|------------------|----------|

16 TRADE AND OTHER PAYABLES

| | | | |
|--------------------------------------|---------------|----------------------|--------------------|
| Project subsidy | 16.1 & 17.1.4 | 2,762,587,102 | 741,985,662 |
| Technical and monitoring auditor fee | | 4,556,178 | 102,741 |
| Payable to suppliers | | 8,294,103 | 7,192,302 |
| Rent payable | | - | 10,502,800 |
| Accrued liabilities | | 2,523,129 | 2,370,924 |
| Payable to gratuity fund | 16.2 | 12,662,038 | 16,787,416 |
| Earnest money | 16.4 | 210,000 | 101,010,000 |
| | | <u>2,790,832,550</u> | <u>879,951,845</u> |

16.1 This includes an amount of Rs. 2,503.312 million (June 30, 2020: 728.622 million) payable to related parties which also includes the amount payable to PTCL amounting to Rs. 626.222. The Company is in litigation with PTCL on receivable and payables as explained in notes 17.1.4 to the financial statements.

| | 2021 Rupees | 2020 Rupees |
|--|---------------------|---------------------|
| 16.2 Payable to gratuity fund | | |
| The movement in net liability is as follows: | | |
| Balance at beginning of the year | 16,787,416 | 5,273,612 |
| Charge for the year | 14,158,734 | 13,708,184 |
| Remeasurement gain | 5,934,437 | 10,317,726 |
| Contribution | <u>(24,218,549)</u> | <u>(12,512,106)</u> |
| Balance at end of the year | <u>12,662,038</u> | <u>16,787,416</u> |

16.3 The details of actuarial valuation carried out as at June 30, 2021 are as follows:

| | 2021 Rupees | 2020 Rupees |
|--|---------------------|---------------------|
| 16.3.1 Reconciliation of payable to gratuity fund | | |
| Present value of the defined benefit obligation | 91,943,017 | 87,489,648 |
| Fair value of the plan assets | <u>(79,280,979)</u> | <u>(70,702,232)</u> |
| | <u>12,662,038</u> | <u>16,787,416</u> |

16.3.2 Change in the present value of defined benefit obligation

| | | | |
|--|--------|-------------------|-------------------|
| Opening balance | | 87,489,648 | 77,754,649 |
| Current service cost | 16.3.3 | 13,888,116 | 13,850,638 |
| Interest cost on defined benefit obligatio | 16.3.3 | 7,159,905 | 9,812,439 |
| Benefits paid | | (16,665,462) | (20,165,308) |
| Benefits due but not paid | | (3,505,077) | - |
| Actuarial gain / (loss) | | <u>3,575,887</u> | <u>6,237,230</u> |
| | | <u>91,943,017</u> | <u>87,489,648</u> |

16.3.3 Expense Charge for the year is as follows:

| | | |
|--------------------------------|-------------------|-------------------|
| Current service cost | 13,888,116 | 13,850,638 |
| Interest expense | 7,159,905 | 9,812,439 |
| Interest income on plan assets | (6,889,287) | (9,954,893) |
| Interest income - net | 270,618 | (142,454) |
| Expense Chargeable to P&L | <u>14,158,734</u> | <u>13,708,184</u> |

AR

| 16.3.4 Total Remeasurement Chargeable to Other Comprehensive Income | 2021 Rupees | 2020 Rupees |
|--|-------------------------|--------------------------|
| <u>Remeasurement of Plan Obligations</u> | | |
| Actuarial (gains)/losses from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses from changes in financial assumptions | 180,360 | 3,868,182 |
| Remeasurement loss on defined benefit plan | <u>3,395,527</u> | <u>2,369,048</u> |
| | 3,575,887 | 6,237,230 |
| Return on plan assets excluding the interest income | <u>2,358,550</u> | <u>4,080,496</u> |
| | <u><u>5,934,437</u></u> | <u><u>10,317,726</u></u> |

16.3.5 Change in fair value of plan assets

| | | |
|---|--------------------------|--------------------------|
| Opening balance | 70,702,232 | 72,481,037 |
| Interest income | 6,889,287 | 9,954,893 |
| Contribution made directly to gratuity fund | 24,218,549 | 9,086,760 |
| Payments made on behalf of the gratuity fund | - | 3,425,346 |
| Benefits paid | (16,665,462) | (20,165,308) |
| Benefits due but not paid | (3,505,077) | - |
| Return on plan assets, except amount included in interest | <u>(2,358,550)</u> | <u>(4,080,496)</u> |
| | <u><u>79,280,979</u></u> | <u><u>70,702,232</u></u> |

Major categories of the plan assets as a percentage of total plan assets are as follows:

| | 2021 Rupees | 2020 Rupees |
|--------------------------|------------------------|------------------------|
| Cash and other deposits: | | |
| -Bank A/c | <u>79,280,979</u> | <u>70,702,232</u> |
| -Percentage | <u>100%</u> | <u>100%</u> |

16.3.6 The principal actuarial assumptions used were as follows:

Actuarial valuation of the plan was carried out as at June 30, 2021, by an independent valuer using projected unit credit method, on following assumptions:

| | 2021 | 2020 |
|--|-------------|-------------|
| Discount rate used for Interest Cost in P&L Charge | 9.25% | 14.50% |
| Discount rate used for year end obligation | 10.25% | 9.25% |
| Salary increase used for year end obligation | N/A | N/A |
| Salary Increase FY 2021 Onward | 9.75% | 8.75% |
| Next salary is increased on | 1-Jul-21 | 1-Jul-20 |

| | 2021 | 2020 |
|-----------------------|----------------------------------|----------------------------------|
| Mortality rates | SLIC 2001-2005 Setback 1 year | SLIC 2001-2005 Setback 1 year |
| Withdrawal rates | Age-Based (per appendix) | Age-Based (per appendix) |
| Retirement assumption | Age 60 | Age 60 |

| 16.3.7 Estimated expenses to be charged to income & expenditure | 2022 Rupees | 2021 Rupees |
|---|-------------------|-------------------|
| Current service cost | 16,600,577 | 13,888,116 |
| Interest cost on defined benefit obligation | 9,209,252 | 7,902,458 |
| Interest income on plan assets | (9,152,594) | (6,928,307) |
| | <u>16,657,235</u> | <u>14,862,267</u> |

16.3.8 For a change of 100 basis points in these assumptions, keeping other present value of defined benefit obligation as at June 30, 2021 would have been as follows:

| | 2021 | | 2020 | |
|----------------------|-----------------------------|--------------------|-----------------------------|-------------------|
| | Present value of obligation | | Present value of obligation | |
| | 1 % Increase | 1 % decrease | 1 % Increase | 1 % decrease |
| | -----Rupees----- | | -----Rupees----- | |
| Discount rate | <u>82,435,952</u> | <u>103,033,734</u> | <u>78,122,839</u> | <u>98,470,418</u> |
| Salary increase rate | <u>103,120,919</u> | <u>82,189,169</u> | <u>98,557,355</u> | <u>77,877,524</u> |

| | 2021 | 2020 |
|--|----------|----------|
| The average duration of the defined benefit obligation | 11 Years | 11 Years |

16.3.9 Historical information

| | 2021 | 2020 | 2019 | 2018 |
|--|--------------------|------------|-----------|-----------|
| | ----- Rupees ----- | | | |
| Net staff retirement benefit | 12,662,038 | 16,787,416 | 5,273,612 | 7,079,152 |
| Remeasurement loss on defined benefit plan | 5,934,437 | 10,317,726 | 4,013,072 | 4,206,951 |

| 16.4 Earnest money | 2021 Rupees | 2020 Rupees |
|--------------------|----------------|--------------------|
| Bid bonds | | |
| Telenor | - | 30,000,000 |
| PTML | - | 30,000,000 |
| PMCL | - | 10,000,000 |
| CM-PAK | - | 30,000,000 |
| Others | 210,000 | 1,010,000 |
| | <u>210,000</u> | <u>101,010,000</u> |

16.4.1 This represents the bid amount along with the bids obtained from bidders through pay order. Project Bid amount is obtained from service providers as bid bond which is Rs. 10 million for each project (Rs. 5 million for each small Lot). Bid amounts are returned/released immediately to unsuccessful bidders. Bid amount of successful bidders are released on signing of contract with the lowest evaluated bidder.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 During FY 2013-14, the Additional Commissioner Inland Revenue (ACIR) raised a demand in respect of tax years 2008 to 2013, amounting to Rs. 3,939,571,607 by treating the grant received from MoIT&T as taxable income, after giving benefit for the Company's administrative and general expenses. The Company filed appeals against this demand, with the Commissioner Inland Revenue Appeals [CIR(A)], for re-examining of facts for, ignoring the provision of clause 59 of part of 2nd Schedule, limiting the scope of Charitable purpose under section 2(11A) and ignoring the provisions of section 9, of Income Tax Ordinance, 2001 as well as limiting the admissibility of expense by disallowing expenses for projects subsidy grant and projects technical auditors fee. CIR (A) set aside all the orders and remanded back for admissibility of expenses not allowed and instructions that taxation should be made as is done on normal business/profession.

The Company filed appeals with the Appellate Tribunal Inland Revenue (ATIR) against the ACIR's & CIR(A) refusal to treat the Company funding from Government as Government Grants and its operations not of welfare organizations. ATIR during current year decided the appeals of TY 2011 and TY 2012 in Company's favour. Department has filed reference to High Court. The decision of the ATIR for remaining years is pending for adjudication.

Further, management believes that it is not chargeable to tax as the objective of incorporation of the Company is to pursue and implement the objective of the telecom policy announced by Federal Government (FG) to develop communication network in unserved and underserved areas, for this purpose it intends to obtain tax exemption from FG and is hopeful of successful outcome.

Also, based upon the advice of its tax advisors, the Company is confident of a favorable outcome of the above cases. Accordingly, no provision in this regard has been recognized.

M

- 17.1.2 The Deputy Commissioner Inland Revenue DCIR(Audit), passed the orders for Tax years 2015 to 2020 and raised the demand of Rs. 10,812,425,505, by disallowing the USF Projects Subsidy expense for non withholding u/s 153 & 174(N) and advertisement expense u/s 21(n) considering capital in nature. Company filed appeals to the Commissioner Inland Revenue CIR(A) for ignoring the facts and not considering subsidy payments as exempt. CIR (A) maintained the orders of DCIR(Audit). Company has filed appeals with ATIR. ATIR granted the stay orders till disposal of Appeals. Decision of ATIR is pending for adjudication.
- 17.1.3 The Deputy Commissioner Inland Revenue DCIR(Enforcement), issued notice for 2nd quarter of Tax year 2021 and raised the demand of Rs. 590,651,166 as advance, by considering receipt of grants to USF Co as Turnover u/s 147. Company filed the reply. DCIR (Enforcement) issued notice u/s 138 for payment .of advance tax. USF Co filed the appeal to Islamabad High Court and stay is granted by High Court.
- 17.1.4 Notice of default had been issued to PTCL by USF claiming the amount of late delivery (LD) / deduction of subsidy on the basis of actual BOQ. During the year 2021, PTCL has filed a law suits claiming recovery of amount Rs. 1,460,631,583 in the court of law which are pending in District courts of Islamabad. PTCL has contended that work has been completed in accordance with the contract and delay in the completion of work is protected under force majeure clause to the contract However, USF Co's contests the suit on the grounds that PTCL failed to the project in agreed time. The Honorable court has ordered the parties to maintain the status quo and has restrained from recovery and encashment of bank guarantee till the final outcome of the case. USF anticipates favorable outcome of the case.
- 17.1.5 There are some litigations filed against the USF, in which the Company is involved as proforma defendant/respondent and has no direct financial impact even if cases are decided against USF. Further litigations filed by Company or where Company is Petitioner/Appellant, management is of the opinion that USF has good prima facie cases and cases are likely to be decided in favor of Company and so no provision is made for these litigations in these financial statements.

| 17.2 | Commitments | Note | 2021 Rupees | 2020 Rupees |
|-----------|--|------|----------------|----------------|
| | Subsidy grant commitments | 19 | 26,669,344,219 | 10,168,293,254 |
| | Technical auditor's fee | 20 | 81,670,411 | 99,457,812 |
| | Monitoring auditor's fee | 20.2 | 12,853,693 | 9,545,293 |
| 18 | ADMINISTRATIVE AND GENERAL EXPENSES | | | |
| | Salaries and benefits | 18.1 | 289,242,731 | 271,575,565 |
| | Training & HR development | | 1,198,014 | 2,366,574 |
| | Legal and professional charges | | 42,045,173 | 22,358,480 |
| | Rent | | 14,322,000 | 31,508,400 |
| | Utilities and office supplies | | 3,139,097 | 2,543,253 |
| | Communication charges | | 1,359,014 | 1,293,483 |
| | Entertainment | | 832,545 | 718,728 |
| | Traveling | | 9,339,611 | 11,666,274 |

| | | 2021 | 2020 |
|----------------------------------|------|--------------------|--------------------|
| | | Rupees | Rupees |
| Printing and stationery | | 2,545,315 | 1,748,646 |
| Vehicle fuel expenses | | 12,125,181 | 10,174,291 |
| Repairs and maintenance | | 10,903,214 | 5,204,257 |
| Advertisement | | 6,533,572 | 8,547,563 |
| Depreciation | 5 | 29,520,312 | 9,838,251 |
| Amortization of intangible asset | 6 | 8,599,639 | 9,750,795 |
| Interest on finance lease | 15 | 3,634,632 | - |
| Auditors' remuneration | 18.2 | 326,100 | 446,000 |
| Insurance expense | | 1,908,051 | 2,572,881 |
| Bank charges | | 28,364 | 20,318 |
| | | <u>437,602,565</u> | <u>392,333,759</u> |

18.1 Salaries and benefits include Rs. 14,158,734 (June 30, 2020: Rs. 13,708,184) charged in respect of defined benefit scheme.

| 18.2 Auditors' remuneration: | | 2021 | 2020 |
|--|--|----------------|----------------|
| | | Rupees | Rupees |
| Annual audit fee | | 160,000 | 200,000 |
| Interim audit fee | | 75,000 | 100,000 |
| Review of Code of Corporate Governance | | 25,000 | 50,000 |
| Out of Pocket Expense | | 21,121 | 35,000 |
| Sales Tax | | 44,979 | 61,000 |
| | | <u>326,100</u> | <u>446,000</u> |

| Sr. No. | Project / Lot | Allotted to | Contract date | Total subsidy as per contract | Subsidy due | | | Subsidy disbursed | | | Liquidated damages for the year | Balance commitment | Bank guarantee | Milestones achieved | |
|---------|---------------|-------------|---------------|-------------------------------|--------------------|--------------|------|--------------------|--------------------|--------------|---------------------------------|--------------------|----------------|---------------------|--------------------|
| | | | | | As of 30 June 2020 | For the year | | As of 30 June 2021 | As of 30 June 2020 | For the year | | | | | As of 30 June 2021 |
| | | | | | | Capex | Opex | | | | | | | | |

Rupees

C) OPTICAL FIBER CABLE- OFC

| | | | | | | | | | | | | | | | | |
|---------------|-------------------------------|----------------|-----------|----------------|---------------|-------------|---|-------------|---------------|---------------|---------------|---------------|---|----------------|---------------|-------------------|
| 1 | Balochistan Package-2 | PTCL**** | 25-Jun-09 | 1,200,000,000 | 960,000,000 | - | - | - | 960,000,000 | 960,000,000 | - | 960,000,000 | - | 240,000,000 | 480,000,000 | Up to 3rd |
| 2 | Balochistan- Punjab Package-3 | Wateen Telecom | 24-Nov-09 | 986,000,000 | 591,600,000 | - | - | - | 591,600,000 | 591,600,000 | - | 591,600,000 | - | 394,400,000 | - | Up to 2nd |
| 3 | Balochistan- Punjab Package-5 | PTCL**** | 17-May-10 | 1,498,000,000 | 1,498,000,000 | - | - | - | 1,498,000,000 | 898,800,000 | - | 898,800,000 | - | - | 599,200,000 | Completed |
| 4 | KPK | PTCL**** | 8-Mar-18 | 779,894,680 | 779,894,680 | - | - | - | 779,894,680 | 779,894,680 | - | 779,894,680 | - | - | 320,000,000 | Completed/BG |
| 5 | FATA-Package-1 | PTCL**** | 27-Jun-18 | 684,486,049 | 280,000,000 | 404,486,049 | - | - | 684,486,049 | 280,000,000 | 280,000,000 | 560,000,000 | - | - | 280,000,000 | Completed |
| 6 | OFC-UC-SD-LOT1 | PTCL**** | 18-Nov-20 | 1,310,000,000 | - | - | - | - | - | - | 262,000,000 | 262,000,000 | - | 1,310,000,000 | 524,000,000 | Mobilization Adv. |
| 7 | OFC-UC-SD-LOT2 | PTCL**** | 18-Nov-20 | 1,756,465,815 | - | - | - | - | - | - | 351,293,163 | 351,293,163 | - | 1,756,465,815 | 702,586,326 | Mobilization Adv. |
| 8 | OFC-UC-SD-LOT3 | PTCL**** | 25-Jan-21 | 2,100,000,000 | - | - | - | - | - | - | 420,000,000 | 420,000,000 | - | 2,100,000,000 | 840,000,000 | Mobilization Adv. |
| 9 | OFC-KPK(FATA) Pck2 | PTCL**** | 25-Jan-21 | 2,559,864,984 | - | - | - | - | - | - | 511,972,996 | 511,972,996 | - | 2,559,864,984 | 1,023,945,994 | Mobilization Adv. |
| 10 | OFC-UC-PB-LOT4 | Navatel | 9-Apr-21 | 1,580,000,000 | - | - | - | - | - | - | 316,000,000 | 316,000,000 | - | 1,580,000,000 | 632,000,000 | Mobilization Adv. |
| 11 | OFC-UC-PB-LOT5 | Navatel | 9-Apr-21 | 1,725,000,000 | - | - | - | - | - | - | 345,000,000 | 345,000,000 | - | 1,725,000,000 | 690,000,000 | Mobilization Adv. |
| 12 | OFC-UC-PB-LOT6 | PTCL**** | 28-Apr-21 | 1,165,000,000 | - | - | - | - | - | - | - | - | - | 1,165,000,000 | 466,000,000 | Contract Signed |
| 13 | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | |
| Sub-total (C) | | | | 17,344,711,528 | 4,109,494,680 | 404,486,049 | - | 404,486,049 | 4,513,980,729 | 3,510,294,680 | 2,486,266,159 | 5,996,560,839 | - | 12,830,730,799 | 6,557,732,320 | |

D) BROADBAND

| | | | | | | | | | | | | | | | | |
|---|-----|----------|-----------|-------------|-------------|---|---|---|-------------|-------------|---|-------------|---|---|------------|-----------|
| 1 | HTR | PTCL**** | 24-Nov-09 | 196,295,292 | 196,295,292 | - | - | - | 196,295,292 | 169,273,356 | - | 169,273,356 | - | - | 84,636,679 | Completed |
| 2 | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | |

Sub-total (D)

196,295,292 196,295,292 - - - 196,295,292 169,273,356 - 169,273,356 - 84,636,679

E) SPECIAL PROJECTS- TELECENTERS

| | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------------|
| 1 | | | | | | | | | | | | | | | | Terminated |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------------|

Sub-total (E)

- - - - - - - - - - - - - - - - - -

F) SPECIAL PROJECTS-OTHER ICT SERVICES

| | | | | | | | | | | | | | | | | |
|---------------|--|---|-----------|---------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|------------|------------|--------------------------------------|
| 1 | Computer labs- Government Girls School- ICT Rural Areas FDE-I | Establishment of 107 Computer labs in Government Girls School in Rural Areas of ICT-Computer Marketing Co Pvt Ltd | 5-Jun-17 | 168,538,758 | 157,302,839 | 5,617,959 | - | 5,617,959 | 162,920,798 | 157,302,839 | 5,617,959 | 162,920,798 | - | 5,617,960 | 2,808,980 | Up to 3rd (1st year) |
| 2 | ICTGS-HR-FDE-1 | Recruitment, Management, Deployment & Monitoring Operations of 202 Computer Teachers in Govt Girls Schools of Rural Area of ICT-Pak Multi Services Pvt. Ltd | 24-Oct-17 | 540,975,890 | 325,200,370 | 6,578,459 | 127,130,387 | 133,708,846 | 458,909,216 | 320,967,120 | 137,387,569 | 458,354,689 | - | 82,066,674 | 1,166,537 | Task-2/Salary Up to June-21 |
| 3 | Women Empowerment Centers-WECIII | Establishment of 45 Computer Labs in Women Empowerment Centers -Analytical Solutions Pvt Ltd | 24-Oct-17 | 52,475,700 | 48,977,320 | 1,749,190 | - | 1,749,190 | 50,726,510 | 48,977,320 | 1,749,190 | 50,726,510 | 306,985 | 1,749,190 | 1,749,200 | Up to 3rd (1st Year) |
| 4 | Computer labs- Government Girls School- ICT Rural Areas FDE-II | Establishment of 119 Computer labs in Government Girls School in Rural Areas of ICT-Analytical Solutions Pvt Ltd | 24-Oct-17 | 228,089,222 | 211,214,073 | 9,400,574 | - | 9,400,574 | 220,614,647 | 211,214,073 | 9,400,574 | 220,614,647 | 478,987 | 7,474,575 | 3,801,487 | Up to 3rd (2nd Y Warranty)/ BB YS3Q4 |
| 5 | Computer labs-ICT For National Library & Sp. edu Ins of CADD | Establishment of 6 Computer labs - Analytical Solutions Pvt Ltd | 8-May-18 | 23,913,000 | 22,318,800 | 797,100 | - | 797,100 | 23,115,900 | 22,318,800 | 797,100 | 23,115,900 | - | 797,100 | 797,100 | Up to 1st (2nd Y Warranty) |
| 6 | Computer labs-ICT at Six Girls Educational Institutions | Establishment of 6 Computer labs - Analytical Solutions Pvt Ltd | 31-Dec-18 | 10,959,000 | 9,863,100 | 365,300 | - | 365,300 | 10,228,400 | 9,863,100 | 365,300 | 10,228,400 | - | 730,600 | 1,095,900 | Up to 1st |
| Sub-total (F) | | | | 1,024,951,570 | 774,876,502 | 24,508,582 | 127,130,387 | 151,638,969 | 926,515,471 | 770,643,252 | 155,317,692 | 925,960,944 | 785,972 | 98,436,099 | 11,419,204 | |

| Sr. No. | Project / Lot | Allotted to | Contract date | Total subsidy as per contract | Subsidy due | | | Subsidy disbursed | | | Liquidated damages for the year | Balance commitment | Bank guarantee | Milestones achieved | |
|---------|---------------|-------------|---------------|-------------------------------|--------------------|--------------|------|--------------------|--------------------|--------------|---------------------------------|--------------------|----------------|---------------------|--------------------|
| | | | | | As of 30 June 2020 | For the year | | As of 30 June 2021 | As of 30 June 2020 | For the year | | | | | As of 30 June 2021 |
| | | | | | | Capex | Opex | | | | | | | | |

Rupees

G) SPECIAL PROJECTS- DIGITAL INCLUSION

| | | | | | | | | | | | | | | | | |
|-----------------------|---|------------------------------------|----------|----------------|----------------|---------------|-------------|---------------|----------------|----------------|---------------|----------------|---------|----------------|---------------------|--|
| 1 | Empowerment of SME/MSMES through E-Commerce | Excellence Delivered(ExD) Pvt. Ltd | 1-Aug-18 | - | - | - | - | - | - | - | - | - | - | - | Contract Terminated | |
| Sub-total (G) | | | | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total (A+B+C+D+E+F+G) | | | | 69,572,742,440 | 36,756,828,785 | 5,822,802,384 | 323,767,052 | 6,146,569,436 | 42,903,398,221 | 37,987,502,872 | 5,365,658,506 | 43,353,161,378 | 785,972 | 26,669,344,219 | 24,396,766,329 | |

- * Telenor Pakistan (Private) Limited (Telenor) (a related party)
- ** Pakistan Mobile Communications Limited (PMCL)
- *** Warid Telecom (Private) Limited (Warid)
- **** Pakistan Telecommunication Company Limited (PTCL) (a related party)
- ***** CM Pak Limited
- ***** Pakistan Telecomm Mobile Limited (PTML Ufone) (a related party)

19.1 SUBSIDY GRANT FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total subsidy as per contract | Subsidy due | | | Subsidy disbursed | | | Liquidated damages for the year | Balance commitment | Bank guarantee | Milestones achieved | | |
|---------------|----------------|-------------|---------------|-------------------------------|--------------------|--------------|------|--------------------|--------------------|---------------|---------------------------------|--------------------|----------------|---------------------|--------------------|-----------|
| | | | | | As of 30 June 2019 | For the year | | As of 30 June 2020 | As of 30 June 2019 | For the year | | | | | As of 30 June 2020 | |
| | | | | | | Capex | Opex | | | | | | | | | Total |
| Rupees | | | | | | | | | | | | | | | | |
| 8 | FATA-Package-1 | PTCL**** | 27-Jun-18 | 700,000,000 | - | 280,000,000 | - | 280,000,000 | 280,000,000 | 140,000,000 | 140,000,000 | 280,000,000 | - | 420,000,000 | 280,000,000 | Up to 1st |
| Sub-total (C) | | | | 7,951,894,680 | 6,077,987,722 | 819,506,958 | - | 819,506,958 | 6,897,494,680 | 5,698,400,000 | 599,894,680 | 6,298,294,680 | - | 1,054,400,000 | 3,192,800,000 | |

D) BROADBAND

| | | | | | | | | | | | | | | | | |
|---------------|-------|-------------------|-----------|---------------|---------------|---|---|---|---------------|---------------|---|---------------|---|---|---------------|----------------|
| 1 | FTR | PTCL**** | 27-Apr-09 | 1,183,720,000 | 1,183,720,000 | - | - | - | 1,183,720,000 | 1,183,720,000 | - | 1,183,720,000 | - | - | - | Completed |
| 2 | FTR-1 | Wateen Telecom | 27-Apr-09 | 238,832,000 | 238,832,000 | - | - | - | 238,832,000 | 238,832,000 | - | 238,832,000 | - | - | - | Completed |
| 3 | MTR | PTCL**** | 25-Jun-09 | 1,152,452,500 | 1,152,452,500 | - | - | - | 1,152,452,500 | 1,152,452,500 | - | 1,152,452,500 | - | - | - | Completed |
| 4 | STR-1 | PTCL**** | 25-Jun-09 | 480,651,511 | 480,651,511 | - | - | - | 480,651,511 | 480,651,511 | - | 480,651,511 | - | - | - | Completed |
| 5 | MTR | Worldcall Telecom | 28-Jul-09 | 745,323,255 | 745,323,255 | - | - | - | 745,323,255 | 745,323,255 | - | 745,323,255 | - | - | - | Completed |
| 6 | HTR | PTCL**** | 24-Nov-09 | 196,295,292 | 196,295,292 | - | - | - | 196,295,292 | 169,273,356 | - | 169,273,356 | - | - | 84,636,679 | Completed |
| 7 | HTR | Wateen Telecom | 24-Nov-09 | 54,799,000 | 54,799,000 | - | - | - | 54,799,000 | 54,799,000 | - | 54,799,000 | - | - | - | Completed |
| 8 | GTR | PTCL**** | 22-Mar-10 | 394,283,250 | 394,283,250 | - | - | - | 394,283,250 | 394,283,250 | - | 394,283,250 | - | - | - | Completed |
| 9 | GTR | Worldcall Telecom | 30-Mar-10 | 426,245,870 | 426,245,870 | - | - | - | 426,245,870 | 426,245,870 | - | 426,245,870 | - | - | - | Completed |
| 10 | GTR | Wateen Telecom | 13-Apr-10 | 244,869,250 | 244,869,250 | - | - | - | 244,869,250 | 244,869,250 | - | 244,869,250 | - | - | - | SSA terminated |
| 11 | CTR | Wateen Telecom | 28-Apr-10 | - | - | - | - | - | - | - | - | - | - | - | - | Completed |
| 12 | CTR | PTCL**** | 28-Apr-10 | 503,272,000 | 503,272,000 | - | - | - | 503,272,000 | 503,272,000 | - | 503,272,000 | - | - | - | Completed |
| 13 | STR-V | PTCL**** | 8-May-12 | 941,132,300 | 941,132,300 | - | - | - | 941,132,300 | 941,132,300 | - | 941,132,300 | - | - | 482,470,000 | Completed |
| 14 | RTR | PTCL**** | 11-Dec-13 | 1,391,972,500 | 1,391,972,500 | - | - | - | 1,391,972,500 | 1,391,972,500 | - | 1,391,972,500 | - | - | 556,789,000 | Completed |
| 15 | NTR-1 | PTCL**** | 11-Dec-13 | 1,162,000,000 | 1,162,000,000 | - | - | - | 1,162,000,000 | 1,162,000,000 | - | 1,162,000,000 | - | - | - | Completed |
| Sub-total (D) | | | | 9,115,848,728 | 9,115,848,728 | - | - | - | 9,115,848,728 | 9,088,826,792 | - | 9,088,826,792 | - | - | 1,123,895,679 | |

E) SPECIAL PROJECTS- TELECENTERS

| | | | | | | | | | | | | | | | | |
|---------------|-------------------------------|------------|-----------|------------|------------|---|---|---|------------|------------|---|------------|---|---|---|----------------|
| 1 | Broadband for Mera Baghwal | NAYATEL | 15-Mar-10 | 9,210,918 | 9,210,918 | - | - | - | 9,210,918 | 9,210,918 | - | 9,210,918 | - | - | - | Completed |
| 2 | Broadband for Pilot MCT Sites | PTCL | 16-Mar-10 | 27,899,147 | 27,899,147 | - | - | - | 27,899,147 | 27,899,147 | - | 27,899,147 | - | - | - | Project Closed |
| 3 | Broadband for Pilot MCT Sites | World Call | 31-Mar-10 | 5,944,157 | 5,944,157 | - | - | - | 5,944,157 | 5,944,157 | - | 5,944,157 | - | - | - | Completed |
| 4 | Telecenters (Ten Sites) | PMCL** | 14-Apr-17 | - | - | - | - | - | - | - | - | - | - | - | - | Terminated |
| Sub-total (E) | | | | 43,054,222 | 43,054,222 | - | - | - | 43,054,222 | 43,054,222 | - | 43,054,222 | - | - | - | |

F) SPECIAL PROJECTS-OTHER ICT SERVICES

| | | | | | | | | | | | | | | | | |
|---|---|---|-----------|------------|------------|---|---|---|------------|------------|---|------------|---|---|---|----------------------|
| 1 | Rawalpindi / Sukkur / Kohat | Alshifa Trust-ICT for Disabled-Up gradation / Establishment of Computerized Low | 8-Jul-08 | 24,716,660 | 24,716,660 | - | - | - | 24,716,660 | 24,716,660 | - | 24,716,660 | - | - | - | Completed |
| 2 | Rawalpindi / Islamabad | Pakistan Foundation Fighting Blindness-PFFB - ICT for Disabled- Up | 15-Sep-08 | 6,494,118 | 6,494,118 | - | - | - | 6,494,118 | 6,494,118 | - | 6,494,118 | - | - | - | Completed |
| 3 | Rawalpindi / Karachi / Multan | Oratier Technologies Pvt Ltd - Telemedicine Project | 14-Oct-11 | 59,657,213 | 59,657,213 | - | - | - | 59,657,213 | 59,657,213 | - | 59,657,213 | - | - | - | Completed |
| 4 | Petaro | Cadet College Petaro- Model ICT Labs | 2-Apr-11 | 23,690,883 | 23,690,883 | - | - | - | 23,690,883 | 23,690,883 | - | 23,690,883 | - | - | - | Completed |
| 5 | Educational Institutions, Bait ul Mall, Sweet Homes | Establishment of 13 Computer labs in Selected Institutions-Analytical | 5-Nov-15 | 26,793,249 | 26,793,249 | - | - | - | 26,793,249 | 26,793,249 | - | 26,793,249 | - | - | - | Up to 4th (3rd Year) |

19.1 SUBSIDY GRANT FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total subsidy as per contract | Subsidy due | | | Subsidy disbursed | | | Liquidated damages for the year | Balance commitment | Bank guarantee | Milestones achieved | | |
|---------------|--|---|---------------|-------------------------------|--------------------|--------------|-------------|--------------------|--------------------|--------------|---------------------------------|--------------------|----------------|---------------------|--------------------|--|
| | | | | | As of 30 June 2019 | For the year | | As of 30 June 2020 | As of 30 June 2019 | For the year | | | | | As of 30 June 2020 | |
| | | | | | | Capex | Opex | | | | | | | | | Total |
| Rupees | | | | | | | | | | | | | | | | |
| 6 | Women Empowerment Centers- WEC1 | Establishment of 50 Computer labs- Computer Marketing Co Pvt Ltd | 17-May-16 | 108,448,711 | 101,218,797 | 7,229,914 | - | 7,229,914 | 108,448,711 | 101,218,797 | 7,229,914 | 108,448,711 | 215,776 | - | 4,019,808 | Completed |
| 7 | Women Empowerment Centers- WECII | Establishment of 50 Computer labs Analytical Solutions Pvt Ltd | 9-Jan-17 | 98,950,950 | 92,354,220 | 6,596,730 | - | 6,596,730 | 98,950,950 | 92,354,220 | 6,596,730 | 98,950,950 | - | - | - | Completed |
| 8 | Computer labs-Government Girls School-ICT Rural Areas FDE-1 | Establishment of 107 Computer labs in Government Girls School in Rural Areas of | 5-Jun-17 | 168,538,758 | 151,684,881 | 5,617,958 | - | 5,617,958 | 157,302,839 | 151,684,881 | 5,617,958 | 157,302,839 | - | 11,235,919 | 16,853,876 | Up to 3rd (1st year) |
| 9 | ICTGS-HR-FDE-1 | Recruitment, Management, Deployment & Monitoring Operations of 202 | 24-Oct-17 | 413,081,568 | 186,804,791 | 6,581,817 | 131,813,762 | 138,395,579 | 325,200,370 | 182,559,224 | 138,407,896 | 320,967,120 | - | 87,881,198 | 2,524,156 | Task-2/Salary June & Admin June |
| 10 | Women Empowerment Centers- WECIII | Establishment of 45 Computer Labs in Women Empowerment Centers -Analytical | 24-Oct-17 | 52,475,700 | 47,228,130 | 1,749,190 | - | 1,749,190 | 48,977,320 | 47,228,130 | 1,749,190 | 48,977,320 | - | 3,498,380 | 1,749,200 | Up to 3rd (1st Year) |
| 11 | Computer labs-Government Girls School-ICT Rural Areas FDE-II | Establishment of 119 Computer labs in Government Girls School in Rural Areas of | 24-Oct-17 | 228,089,222 | 202,776,499 | 7,474,574 | 963,000 | 8,437,574 | 211,214,073 | 202,776,499 | 8,437,574 | 211,214,073 | - | 16,875,149 | 7,602,974 | Up to 3rd (1st Y Warranty)/ BB up to 6th Qtr |
| 12 | Computer labs-ICT For National Library & Sp. edu Ins of CADD | Establishment of 6 Computer labs - Analytical Solutions Pvt Ltd | 8-May-18 | 23,913,000 | 21,521,700 | 797,100 | - | 797,100 | 22,318,800 | 21,521,700 | 797,100 | 22,318,800 | - | 1,594,200 | 797,100 | Up to 1st (1st Y Warranty) |
| 13 | Computer labs-ICT at Six Girls Educational Institutions | Establishment of 6 Computer labs - Analytical Solutions Pvt Ltd | 31-Dec-18 | 10,959,000 | 9,863,100 | - | - | - | 9,863,100 | 9,863,100 | - | 9,863,100 | - | 1,095,900 | 1,095,900 | Up to 1st |
| Sub-total (F) | | | | 1,245,809,032 | 954,804,241 | 36,047,283 | 132,776,762 | 168,824,045 | 1,123,628,286 | 950,558,674 | 168,836,362 | 1,119,395,036 | 215,776 | 122,180,746 | 34,643,014 | |

G) SPECIAL PROJECTS- DITIGAL INCLUSION

| | | | | | | | | | | | | | | | | |
|-----------------------|---|-----------------------------------|----------|----------------|----------------|---------------|-------------|---------------|----------------|----------------|---------------|----------------|---------|----------------|----------------|-----------------|
| 1 | Empowerment of SME/MSMES through E-Commerce | Excellence Delivered(ExD)Pvt Ltd. | 1-Aug-18 | 409,000,000 | - | - | - | - | - | - | - | - | - | 409,000,000 | 40,900,000 | Contract Signed |
| Sub-total (G) | | | | 409,000,000 | - | - | - | - | - | - | - | - | - | 409,000,000 | 40,900,000 | |
| Total (A+B+C+D+E+F+G) | | | | 62,336,244,172 | 48,141,342,110 | 3,371,827,656 | 654,781,152 | 4,026,608,808 | 52,167,950,918 | 47,926,342,379 | 5,472,282,626 | 53,398,625,005 | 215,776 | 10,168,293,254 | 21,399,020,155 | |

- * Telenor Pakistan (Private) Limited (Telenor) (a related party)
- ** Pakistan Mobile Communications Limited (PMCL)
- *** Warid Telecom (Private) Limited (Warid)
- **** Pakistan Telecommunication Company Limited (PTCL) (a related party)
- ***** CM Pak Limited
- ***** Pakistan Telecomm Mobile Limited (PTML Ufone) (a related party)

Handwritten signature

20 FEE TO TECHNICAL AUDITORS FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total cost as per contract | Technical audit fee due | | | Technical audit fee disbursed | | | Balance commitment | Milestones achieved |
|---------|---------------|-------------|---------------|----------------------------|-------------------------|--------------|---------------------|-------------------------------|--------------|---------------------|--------------------|---------------------|
| | | | | | As of 30 June, 2020 | For the year | As of 30 June, 2021 | As of 30 June, 2020 | For the year | As of 30 June, 2021 | | |

Rupees

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

| | | | | | | | | | | | | |
|----------------------|------------------|------------------|-----------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|-----------------|
| 1 | Turbat | Technology at | 21-May-14 | 5,636,303 | 4,252,911 | - | 4,252,911 | 4,150,170 | - | 4,150,170 | 1,383,392 | Up to 4th |
| 2 | Kohistan | Futurist Pvt Ltd | 20-Dec-17 | 11,500,000 | 4,600,000 | 2,300,000 | 6,900,000 | 4,600,000 | 2,300,000 | 6,900,000 | 4,600,000 | Up to 3rd |
| 3 | Khyber | Exceleron | 14-Feb-19 | 7,495,156 | 7,482,243 | 12,913 | 7,495,156 | 7,482,243 | 12,913 | 7,495,156 | - | Completed |
| 4 | North Waziristan | Ranop Solutions | 17-Dec-19 | 6,888,050 | - | 1,528,146 | 1,528,146 | - | 1,528,146 | 1,528,146 | 5,359,904 | Up to 2nd |
| 5 | South Waziristan | Ranop Solutions | 17-Dec-19 | 8,209,404 | - | - | - | - | - | - | 8,209,404 | Contract Signed |
| 6 | Dera Bugti | Komkonsult **** | 20-Feb-20 | 2,921,074 | - | 2,921,074 | 2,921,074 | - | 2,921,074 | 2,921,074 | - | Completed |
| 7 | Mohmand | Komkonsult **** | 20-Feb-20 | 6,579,069 | - | 2,723,870 | 2,723,870 | - | 2,723,870 | 2,723,870 | 3,855,199 | Up to 2nd |
| Sub-total (A) | | | | 49,229,056 | 16,335,154 | 9,486,003 | 25,821,157 | 16,232,413 | 9,486,003 | 25,718,416 | 23,407,899 | |

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

| | | | | | | | | | | | | |
|----------------------|-------------------------|--------------------|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| 1 | NH&MW Lot-1 | Komkonsult **** | 23-Jul-19 | 4,950,498 | 3,470,426 | 1,005,656 | 4,476,082 | 3,470,426 | 1,005,656 | 4,476,082 | 474,416 | Up to 4th |
| 2 | Dadu | Myson Engineering | 25-Nov-19 | 10,388,000 | 4,761,000 | 2,784,000 | 7,545,000 | 4,761,000 | 2,784,000 | 7,545,000 | 2,843,000 | Up to 3rd |
| 3 | NH&MW Lot-2(NH 25&65) | Myson Engineering | 03-Feb-20 | 3,819,450 | 752,468 | 707,900 | 1,460,368 | 752,468 | 707,900 | 1,460,368 | 2,359,082 | Up to 2nd |
| 4 | NH&MW Lot-3(NH 50&70) | Myson Engineering | 03-Feb-20 | 3,455,806 | 949,560 | 1,175,316 | 2,124,876 | 949,560 | 1,175,316 | 2,124,876 | 1,330,930 | Up to 3rd |
| 5 | Hyderabad | Komkonsult Private | 20-Feb-20 | 7,664,893 | - | 7,664,893 | 7,664,893 | - | 7,664,893 | 7,664,893 | - | Completed |
| 6 | Bahawalpur | Komkonsult Private | 20-Feb-20 | 5,985,310 | 771,355 | 1,526,932 | 2,298,287 | 771,355 | 1,526,932 | 2,298,287 | 3,687,023 | Up to 3rd |
| 7 | Bahawalnagar | Komkonsult Private | 06-May-20 | 4,595,985 | - | 2,813,951 | 2,813,951 | - | 2,813,951 | 2,813,951 | 1,782,034 | Up to 3rd |
| 8 | Rahimyarkhan | Komkonsult Private | 06-May-20 | 5,495,586 | - | 2,414,803 | 2,414,803 | - | 2,414,803 | 2,414,803 | 3,080,783 | Up to 2nd |
| 9 | Dera Ghazi Khan | Komkonsult Private | 06-May-20 | 6,997,725 | - | 2,585,179 | 2,585,179 | - | 2,585,179 | 2,585,179 | 4,412,546 | Up to 1st |
| 10 | Small Lot S3 | Myson Engineering | 06-May-20 | 1,307,500 | - | - | - | - | - | - | 1,307,500 | Contract Signed |
| 11 | Tharparker | Ranop Solutions | 25-May-20 | 4,569,017 | - | 2,878,905 | 2,878,905 | - | 2,878,905 | 2,878,905 | 1,690,112 | Up to 3rd |
| 12 | Sanghar | Myson Engineering | 25-Nov-20 | 6,687,825 | - | 4,210,000 | 4,210,000 | - | 4,210,000 | 4,210,000 | 2,477,825 | Up to 3rd |
| 13 | Kurram | Exceleron | 01-Dec-20 | 2,106,417 | - | - | - | - | - | - | 2,106,417 | Contract Signed |
| 14 | Small Lot Islamabad-1 | Exceleron | 01-Dec-20 | 495,095 | - | - | - | - | - | - | 495,095 | Contract Signed |
| 15 | Small Lot P4 | Exceleron | 01-Dec-20 | 722,744 | - | 455,016 | 455,016 | - | 455,016 | 455,016 | 267,728 | Up to 1st |
| 16 | Muzaffargarh | Myson Engineering | 10-Dec-20 | 7,281,150 | - | 1,326,000 | 1,326,000 | - | 1,326,000 | 1,326,000 | 5,955,150 | Up to 1st |
| 17 | Small Lot Baluchistan-2 | Myson Engineering | 26-Mar-21 | 618,850 | - | 396,000 | 396,000 | - | 396,000 | 396,000 | 222,850 | Up to 1st |
| 18 | Small Lot Baluchistan-3 | Myson Engineering | 26-Mar-21 | 354,600 | - | 201,000 | 201,000 | - | 201,000 | 201,000 | 153,600 | Up to 1st |
| 19 | Bolan | LCC | 01-Apr-21 | 8,043,300 | - | 5,286,000 | 5,286,000 | - | 5,286,000 | 5,286,000 | 2,757,300 | up to 3rd |
| 20 | Ghotki | LCC | 01-Apr-21 | 8,925,655 | - | - | - | - | - | - | 8,925,655 | Contract Signed |
| 21 | Jaffarabad | Relacom | 18-May-21 | 3,903,500 | - | - | - | - | - | - | 3,903,500 | Contract Signed |
| Sub-total (B) | | | | 98,368,906 | 10,704,809 | 37,431,551 | 48,136,360 | 10,704,809 | 37,431,551 | 48,136,360 | 50,232,546 | |

C) OPTICAL FIBER CABLE- OFC

| | | | | | | | | | | | | |
|----------------------|-----------------------------|--------------------|-----------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|------------------|------------------------|
| 1 | Balochistan Package-2 | Shaukat Hayat | 21-May-10 | 8,601,988 | 6,245,588 | - | 6,245,588 | 6,245,588 | - | 6,245,588 | 2,356,400 | Up to 3rd, 2 Idle days |
| 2 | Balochistan-Punjab Package- | TEACH *** | 16-Apr-14 | 8,974,928 | 4,487,464 | - | 4,487,464 | 4,487,464 | - | 4,487,464 | 4,487,464 | Up to 3rd |
| 3 | FATA Package-1 | Global Enterprises | | 8,450,135 | 3,166,209 | 5,283,926 | 8,450,135 | 3,166,209 | 5,283,926 | 8,450,135 | - | Completed |
| Sub-total (C) | | | | 26,027,051 | 13,899,261 | 5,283,926 | 19,183,187 | 13,899,261 | 5,283,926 | 19,183,187 | 6,843,864 | |

| Sr. No. | Project / Lot | Allotted to | Contract date | Total cost as per contract | Technical audit fee due | | | Technical audit fee disbursed | | | Balance commitment | Milestones achieved |
|---------|---------------|-------------|---------------|----------------------------|-------------------------|--------------|---------------------|-------------------------------|--------------|---------------------|--------------------|---------------------|
| | | | | | As of 30 June, 2020 | For the year | As of 30 June, 2021 | As of 30 June, 2020 | For the year | As of 30 June, 2021 | | |

Rupees

D) BROADBAND

| | | | | | | | | | | | | |
|---|------------|--------------|-----------|-----------|-----------|---|-----------|-----------|---|-----------|---------|-------------------------|
| 1 | HTR-PTCL | People Logic | 27-Jul-10 | 4,217,788 | 3,387,516 | - | 3,387,516 | 3,422,676 | - | 3,422,676 | 830,272 | Up to 4th & Idle days |
| 2 | HTR-Wateen | People Logic | 27-Jul-10 | 2,343,463 | 1,987,633 | - | 1,987,633 | 1,987,633 | - | 1,987,633 | 355,830 | Up to 4th and Idle days |
| | | | | | | | | | | | | |

Sub-total (D)

| | | | | | | | |
|-----------|-----------|---|-----------|-----------|---|-----------|-----------|
| 6,561,251 | 5,375,149 | - | 5,375,149 | 5,410,309 | - | 5,410,309 | 1,186,102 |
|-----------|-----------|---|-----------|-----------|---|-----------|-----------|

Total (A+B+C+D)

| | | | | | | | |
|-------------|------------|------------|------------|------------|------------|------------|------------|
| 180,186,264 | 46,314,373 | 52,201,480 | 98,515,853 | 46,246,792 | 52,201,480 | 98,448,272 | 81,670,411 |
|-------------|------------|------------|------------|------------|------------|------------|------------|

* Telecom Services & Consultants (Private) Limited- Tel-e-Com

** Optiwave Technologies (Pvt.) Ltd.

*** Telecom Engineering & Consultancy House (Pvt) Limited- TEACH

**** Komkonsult Private Limited

**** GloTech Services Pakistan Pvt Ltd



20.1 FEE TO TECHNICAL AUDITORS FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total cost as per contract | Technical audit fee due | | | Technical audit fee disbursed | | | Balance commitment | Milestones achieved |
|---------|---------------|-------------|---------------|----------------------------|-------------------------|--------------|---------------------|-------------------------------|--------------|---------------------|--------------------|---------------------|
| | | | | | As of 30 June, 2019 | For the year | As of 30 June, 2020 | As of 30 June, 2019 | For the year | As of 30 June, 2020 | | |

Rupees

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

| | | | | | | | | | | | | |
|---------------|------------------|--------------------|-----------|-------------|-------------|-----------|-------------|-------------|-----------|-------------|------------|----------------------------|
| 1 | Malakand | Telecom Services * | 02-Aug-08 | 5,000,000 | 5,000,000 | - | 5,000,000 | 5,000,000 | - | 5,000,000 | - | Contract Closed |
| 2 | DG Khan | Telecom Services * | 01-Jan-09 | 12,594,400 | 12,594,400 | - | 12,594,400 | 12,594,400 | - | 12,594,400 | - | Completed |
| 3 | Sukkur | Optiwave ** | 01-Jan-09 | 11,327,700 | 11,327,700 | - | 11,327,700 | 11,327,700 | - | 11,327,700 | - | Completed |
| 4 | Bahawalpur | Telecom Services * | 26-Mar-09 | 8,975,000 | 8,975,000 | - | 8,975,000 | 8,975,000 | - | 8,975,000 | - | Completed |
| 5 | Dadu | Myson Engineering | 15-Apr-09 | 6,400,000 | 6,400,000 | - | 6,400,000 | 6,400,000 | - | 6,400,000 | - | Completed |
| 6 | Pishin | Myson Engineering | 15-Apr-09 | 6,700,000 | 6,700,000 | - | 6,700,000 | 6,700,000 | - | 6,700,000 | - | Completed |
| 7 | Mansehra | Optiwave ** | 09-Dec-09 | 5,264,040 | 5,264,040 | - | 5,264,040 | 5,264,040 | - | 5,264,040 | - | Up to 2nd, Contract Closed |
| 8 | MirpurKhas | Telecom Services * | 30-Dec-09 | 3,375,000 | 3,375,000 | - | 3,375,000 | 3,375,000 | - | 3,375,000 | - | Completed |
| 9 | Nasirabad | Technology at | 08-Feb-10 | 7,809,678 | 7,809,678 | - | 7,809,678 | 7,809,678 | - | 7,809,678 | - | Completed/Idle days |
| 10 | Turbat | Technology at | 21-May-14 | 5,636,303 | 4,252,911 | - | 4,252,911 | 4,150,170 | - | 4,150,170 | 1,383,392 | Up to 4th |
| 11 | Mastung | Komkonsult **** | 23-May-14 | 2,895,572 | 2,895,572 | - | 2,895,572 | 2,895,572 | - | 2,895,572 | - | Completed |
| 12 | Chitral | Myson Engineering | 03-Nov-15 | 10,108,262 | 10,108,262 | - | 10,108,262 | 10,108,262 | - | 10,108,262 | - | Completed |
| 13 | Sibi | Komkonsult **** | 11-May-16 | 3,818,570 | 3,818,570 | - | 3,818,570 | 3,818,570 | - | 3,818,570 | - | Completed |
| 14 | Shangla | GloTech Services | 30-Jun-16 | 3,457,792 | 3,457,792 | - | 3,457,792 | 3,457,792 | - | 3,457,792 | - | Completed |
| 15 | Zhob | Myson Engineering | 05-Dec-16 | 5,163,991 | 5,163,991 | - | 5,163,991 | 5,163,991 | - | 5,163,991 | - | Completed |
| 16 | Khuzdar | GloTech Services | 28-Mar-17 | 5,525,869 | 5,525,869 | - | 5,525,869 | 5,525,869 | - | 5,525,869 | - | Completed |
| 17 | Chagai | Futurist Pvt Ltd | 24-Mar-17 | 2,530,079 | 2,530,079 | - | 2,530,079 | 2,530,079 | - | 2,530,079 | - | Completed |
| 18 | Awaran-Lasbela | Komkonsult **** | 31-Jul-17 | 3,667,540 | 3,667,540 | - | 3,667,540 | 3,667,540 | - | 3,667,540 | - | Completed |
| 19 | Kharan-Washuk | Komkonsult **** | 20-Dec-17 | 5,624,665 | 4,165,764 | 1,458,901 | 5,624,665 | 4,165,764 | 1,458,901 | 5,624,665 | - | Completed |
| 20 | Kohistan | Futurist Pvt Ltd | 20-Dec-17 | 11,500,000 | 2,300,000 | 2,300,000 | 4,600,000 | 2,300,000 | 2,300,000 | 4,600,000 | 6,900,000 | up to 2nd |
| 21 | Khyber | Exceleron | 14-Feb-19 | 9,195,579 | 3,801,900 | 3,680,343 | 7,482,243 | 3,801,900 | 3,680,343 | 7,482,243 | 1,713,336 | Up to 4th |
| 22 | DI Khan | Myson Engineering | 14-Feb-19 | 11,111,750 | 10,986,750 | 125,000 | 11,111,750 | 10,986,750 | 125,000 | 11,111,750 | - | Completed |
| 23 | North Waziristan | Ranop Solutions | 17-Dec-19 | 6,888,050 | - | - | - | - | - | - | 6,888,050 | Contract Signed |
| 24 | South Waziristan | Ranop Solutions | 17-Dec-19 | 8,209,404 | - | - | - | - | - | - | 8,209,404 | Contract Signed |
| 25 | Dera Bugti | Komkonsult **** | 20-Feb-20 | 5,375,831 | - | - | - | - | - | - | 5,375,831 | Contract Signed |
| 26 | Mohmand | Komkonsult **** | 20-Feb-20 | 6,579,069 | - | - | - | - | - | - | 6,579,069 | Contract Signed |
| Sub-total (A) | | | | 174,734,144 | 130,120,818 | 7,564,244 | 137,685,062 | 130,018,077 | 7,564,244 | 137,582,321 | 37,049,082 | |

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

| | | | | | | | | | | | | |
|---------------|-----------------------|--------------------|-----------|------------|---|------------|------------|---|------------|------------|------------|-----------------|
| 1 | NH&MW Lot-1 | Komkonsult **** | 23-Jul-19 | 4,950,498 | - | 3,470,426 | 3,470,426 | - | 3,470,426 | 3,470,426 | 1,480,072 | Up to 3rd |
| 2 | Dadu | Myson Engineering | 25-Nov-19 | 10,388,000 | - | 4,761,000 | 4,761,000 | - | 4,761,000 | 4,761,000 | 5,627,000 | Up to 2nd |
| 3 | NH&MW Lot-2(NH 25&65) | Myson Engineering | 03-Feb-20 | 3,819,450 | - | 752,468 | 752,468 | - | 752,468 | 752,468 | 3,066,982 | Up to 1st |
| 4 | NH&MW Lot-3(NH 50&70) | Myson Engineering | 03-Feb-20 | 3,455,806 | - | 949,560 | 949,560 | - | 949,560 | 949,560 | 2,506,246 | Up to 1st |
| 5 | Hyderabad | Komkonsult Private | 20-Feb-20 | 7,861,555 | - | - | - | - | - | - | 7,861,555 | Contract Signed |
| 6 | Bahawalpur | Komkonsult Private | 20-Feb-20 | 5,985,310 | - | 771,355 | 771,355 | - | 771,355 | 771,355 | 5,213,955 | Up to 1st |
| 7 | Bahawalnagar | Komkonsult Private | 06-May-20 | 4,595,985 | - | - | - | - | - | - | 4,595,985 | Contract Signed |
| 8 | Rahimyarkhan | Komkonsult Private | 06-May-20 | 5,495,586 | - | - | - | - | - | - | 5,495,586 | Contract Signed |
| 9 | Dera Ghazi Khan | Komkonsult Private | 06-May-20 | 6,997,725 | - | - | - | - | - | - | 6,997,725 | Contract Signed |
| 10 | Small Lot S3 | Myson Engineering | 06-May-20 | 1,307,500 | - | - | - | - | - | - | 1,307,500 | Contract Signed |
| 11 | Tharparker | Ranop Solutions | 25-May-20 | 4,569,017 | - | - | - | - | - | - | 4,569,017 | Contract Signed |
| Sub-total (B) | | | | 59,426,432 | - | 10,704,809 | 10,704,809 | - | 10,704,809 | 10,704,809 | 48,721,623 | |

20.1 FEE TO TECHNICAL AUDITORS FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total cost as per contract | Technical audit fee due | | | Technical audit fee disbursed | | | Balance commitment | Milestones achieved |
|---------|---------------|-------------|---------------|----------------------------|-------------------------|--------------|---------------------|-------------------------------|--------------|---------------------|--------------------|---------------------|
| | | | | | As of 30 June, 2019 | For the year | As of 30 June, 2020 | As of 30 June, 2019 | For the year | As of 30 June, 2020 | | |

Rupees

C) OPTICAL FIBER CABLE- OFC

| | | | | | | | | | | | | |
|---|-----------------------------|--------------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|-----------|----------------------------|
| 1 | Sindh-Package | Technology at | 29-Sep-09 | 12,002,488 | 12,002,488 | - | 12,002,488 | 12,002,488 | - | 12,002,488 | - | Completed & Idle days |
| 2 | Balochistan Package-1 | Technology at | 17-Mar-10 | 7,226,443 | 7,226,443 | - | 7,226,443 | 7,226,443 | - | 7,226,443 | - | Completed, 2 Idle days |
| 3 | Balochistan Package-2 | Shaukat Hayat | 21-May-10 | 8,601,988 | 6,245,588 | - | 6,245,588 | 6,245,588 | - | 6,245,588 | 2,356,400 | Up to 3rd, 2 Idle days |
| 4 | Balochistan-Punjab Package- | Teralight Limited | 27-Sep-10 | 835,858 | 835,858 | - | 835,858 | 835,858 | - | 835,858 | - | Up to 1st, Contract Closed |
| 5 | Balochistan-Punjab Package- | TEACH *** | 19-May-11 | 1,425,000 | 1,425,000 | - | 1,425,000 | 1,425,000 | - | 1,425,000 | - | Up to 2nd/3rd 50% |
| 6 | Balochistan-Punjab Package- | TEACH *** | 28-Oct-13 | 3,952,193 | 3,952,193 | - | 3,952,193 | 3,952,193 | - | 3,952,193 | - | Completed |
| 7 | Balochistan-Punjab Package- | TEACH *** | 16-Apr-14 | 8,974,928 | 4,487,464 | - | 4,487,464 | 4,487,464 | - | 4,487,464 | 4,487,464 | Up to 3rd |
| 8 | FATA Package-1 | Global Enterprises | | 8,823,350 | - | 3,166,209 | 3,166,209 | - | 3,166,209 | 3,166,209 | 5,657,141 | Up to 1st |

Sub-total (C)

51,842,248 36,175,034 3,166,209 39,341,243 36,175,034 3,166,209 39,341,243 12,501,005

D) BROADBAND

| | | | | | | | | | | | | |
|----|----------------|---------------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|---------|--------------------------|
| 1 | STR-1 | BIDCON | 27-Jul-10 | 13,689,376 | 13,689,376 | - | 13,689,376 | 13,689,376 | - | 13,689,376 | - | Completed |
| 2 | HTR-PTCL | People Logic | 27-Jul-10 | 4,217,788 | 3,387,516 | - | 3,387,516 | 3,422,676 | - | 3,422,676 | 830,272 | Up to 4th & Idle days |
| 3 | HTR-Wateen | People Logic | 27-Jul-10 | 2,343,463 | 1,987,633 | - | 1,987,633 | 1,987,633 | - | 1,987,633 | 355,830 | Up to 4th and Idle days |
| 4 | MTR-World call | Emerging Systems | 27-Jul-10 | 7,336,740 | 7,336,740 | - | 7,336,740 | 7,336,740 | - | 7,336,740 | - | Completed |
| 5 | MTR-PTCL | Emerging Systems | 27-Jul-10 | 10,567,406 | 10,567,406 | - | 10,567,406 | 10,567,406 | - | 10,567,406 | - | Completed |
| 6 | CTR | Optiwave ** | 05-Aug-11 | - | - | - | - | - | - | - | - | Advance refunded, |
| 7 | GTR-World call | Technology at | 05-Aug-11 | 3,508,042 | 3,508,042 | - | 3,508,042 | 3,508,042 | - | 3,508,042 | - | Completed |
| 8 | GTR-Wateen | Technology at | 05-Aug-11 | 1,590,300 | 1,590,300 | - | 1,590,300 | 1,590,300 | - | 1,590,300 | - | Completed |
| 9 | GTR-PTCL | Technology at | 05-Aug-11 | 2,783,025 | 2,783,025 | - | 2,783,025 | 2,783,025 | - | 2,783,025 | - | Completed |
| 10 | FTR-PTCL | Technology at | 18-Apr-14 | 5,492,920 | 5,492,920 | - | 5,492,920 | 5,492,920 | - | 5,492,920 | - | Completed, Descoped |
| 11 | FTR-Wateen | Technology at | 18-Apr-14 | 1,386,228 | 1,386,228 | - | 1,386,228 | 1,386,228 | - | 1,386,228 | - | Completed |
| 12 | STR-V PTCL | Seronic Pvt Limited | 22-May-14 | 2,766,000 | 2,766,000 | - | 2,766,000 | 2,766,000 | - | 2,766,000 | - | upto 2nd Contract Closed |
| 13 | NTR-1 PTCL | Seronic Pvt Limited | 17-Oct-14 | 4,840,500 | 4,840,500 | - | 4,840,500 | 4,840,500 | - | 4,840,500 | - | Completed |
| 14 | RTR-1 PTCL | Makkays | 23-Oct-14 | 3,678,350 | 3,678,350 | - | 3,678,350 | 3,678,350 | - | 3,678,350 | - | Completed |
| 15 | STR-V PTCL | Emerging Systems | 26-Dec-18 | 8,331,900 | 5,499,054 | 2,832,846 | 8,331,900 | 5,499,054 | 2,832,846 | 8,331,900 | - | Completed |

Sub-total (D)

72,532,038 68,513,090 2,832,846 71,345,936 68,548,250 2,832,846 71,381,096 1,186,102

Total (A+B+C+D)

358,534,862 234,808,942 24,268,108 259,077,050 234,741,361 24,268,108 259,009,469 99,457,812

- * Telecom Services & Consultants (Private) Limited- Tel-e-Com
- ** Optiwave Technologies (Pvt.) Ltd.
- *** Telecom Engineering & Consultancy House (Pvt) Limited- TEACH
- **** Komkonsult Private Limited
- ***** GloTech Services Pakistan Pvt Ltd

AL

20.2 FEE TO MONITORING AUDITORS FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total cost as per contract | Technical audit fee due | | | Technical audit fee disbursed | | | Balance commitment | Milestones achieved |
|---------|---------------|-------------|---------------|----------------------------|-------------------------|--------------|---------------------|-------------------------------|--------------|---------------------|--------------------|---------------------|
| | | | | | As of 30 June, 2020 | For the year | As of 30 June, 2021 | As of 30 June, 2020 | For the year | As of 30 June, 2021 | | |

Rupees

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

| | | | | | | | | | | | | |
|----|----------------|--------------------|------------|-----------|---|-----------|-----------|---|-----------|-----------|-----------|-----------------|
| 1 | Turbat | Exceleron | 03-Mar-20 | 1,028,890 | - | 1,028,890 | 1,028,890 | - | 1,028,890 | 1,028,890 | - | Contract Signed |
| 2 | Awaran-Lasbela | Exceleron | 03-Mar-20 | 1,125,071 | - | 1,125,071 | 1,125,071 | - | 1,125,071 | 1,125,071 | - | Completed |
| 3 | Mastung | Ranop Solutions | 10-Mar-20 | 758,200 | - | 758,200 | 758,200 | - | 758,200 | 758,200 | - | Completed |
| 4 | Chitral | Ranop Solutions | 10-Mar-20 | 653,150 | - | 653,150 | 653,150 | - | 653,150 | 653,150 | - | Completed |
| 5 | DI Khan | Ranop Solutions | 10-Mar-20 | 850,000 | - | 850,000 | 850,000 | - | 850,000 | 850,000 | - | Completed |
| 6 | Nasirabad | Myson Engineering | 04-Jun-20 | 999,240 | - | 999,240 | 999,240 | - | 999,240 | 999,240 | - | Completed |
| 7 | Khuzdar | Komkonsult Private | 04-Jun-20 | 1,990,000 | - | 1,990,000 | 1,990,000 | - | 1,990,000 | 1,990,000 | - | Completed |
| 8 | Chagai | Komkonsult Private | 04-Jun-20 | 1,217,647 | - | 1,217,647 | 1,217,647 | - | 1,217,647 | 1,217,647 | - | Completed |
| 9 | Kalat | Exceleron | 04-Jun-20 | 882,960 | - | 882,960 | 882,960 | - | 882,960 | 882,960 | - | Completed |
| 10 | Kharan-Washuk | Global Enterprises | 11-Aug-20 | 2,436,000 | - | 2,436,000 | 2,436,000 | - | 2,436,000 | 2,436,000 | - | Completed |
| 11 | Sibi | Global Enterprises | 11-Aug-20 | 1,914,000 | - | 1,914,000 | 1,914,000 | - | 1,914,000 | 1,914,000 | - | Completed |
| 12 | Shangla | Exceleron | 05-Oct-20 | 1,197,530 | - | 1,197,530 | 1,197,530 | - | 1,197,530 | 1,197,530 | - | Completed |
| 13 | Small Lot B-1 | Exceleron | 05-Oct-20 | 653,472 | - | 653,472 | 653,472 | - | 653,472 | 653,472 | - | Completed |
| 14 | Zhob | Netkom | 16-Oct-20 | 1,668,932 | - | 1,668,932 | 1,668,932 | - | 1,668,932 | 1,668,932 | - | Completed |
| 15 | Khyber | Myson Engineering | 22-Dec-20 | 725,000 | - | 725,000 | 725,000 | - | 725,000 | 725,000 | - | Completed |
| 16 | Chaghai | Myson Engineering | 12-Mar-21 | 800,000 | - | 800,000 | 800,000 | - | 800,000 | 800,000 | - | Completed |
| 17 | Kalat | Myson Engineering | 12-Mar-21 | 975,000 | - | 975,000 | 975,000 | - | 975,000 | 975,000 | - | Completed |
| 18 | Mastung | Global Enterprises | 16-Mar-21 | 1,345,000 | - | 1,345,000 | 1,345,000 | - | 1,345,000 | 1,345,000 | - | Completed |
| 19 | Khuzdar | Global Enterprises | 16-Mar-21 | 2,838,817 | - | 2,838,817 | 2,838,817 | - | 2,838,817 | 2,838,817 | - | Completed |
| 20 | Chitral | Global Enterprises | 16-Mar-21 | 3,620,991 | - | 3,620,991 | 3,620,991 | - | 3,620,991 | 3,620,991 | - | Completed |
| 21 | DI Khan | Komkonsult Private | 16-Mar-21 | 1,348,836 | - | 1,348,836 | 1,348,836 | - | 1,348,836 | 1,348,836 | - | Completed |
| 22 | Turbat | Komkonsult Private | 16-Mar-21 | 1,107,714 | - | 1,107,714 | 1,107,714 | - | 1,107,714 | 1,107,714 | - | Completed |
| 23 | Shangla | Netkom | 19-Mar-21 | 2,669,500 | - | 2,669,500 | 2,669,500 | - | 2,669,500 | 2,669,500 | - | Completed |
| 24 | Awaran-Lesbla | Ranop Solutions | 05-Apr-21 | 2,000,000 | - | - | - | - | - | - | 2,000,000 | Contract Signed |
| 25 | Kharan-Washuk | Ranop Solutions | 05-Apr-21 | 2,299,992 | - | - | - | - | - | - | 2,299,992 | Contract Signed |
| 26 | Nasirabad | Ranop Solutions | 05-Apr-21 | 1,400,000 | - | 1,400,000 | 1,400,000 | - | 1,400,000 | 1,400,000 | - | Completed |
| 27 | Sibi | Exceleron | 05-May-21 | 4,453,437 | - | 4,453,437 | 4,453,437 | - | - | - | - | Completed |
| 28 | Small Lot B-1 | Myson Engineering | 06/05/2021 | 700,000 | - | - | - | - | - | - | 700,000 | Contract Signed |
| 29 | Khyber | Netkom | 18/05/2021 | 3,347,731 | - | - | - | - | - | - | 3,347,731 | Contract Signed |

Sub-total (A)

47,007,110 - 38,659,387 38,659,387 - 34,205,950 34,205,950 8,347,723

B) OPTICAL FIBER CABLE- OFC

| | | | | | | | | | | | | |
|---|---------------------------|-------|-----------|-----------|---|-----------|-----------|---|-----------|-----------|-----------|-----------|
| 1 | Sindh-Package | TEACH | 23-Apr-21 | 2,926,170 | - | - | - | - | - | - | 2,926,170 | |
| 2 | FATA Package-1(KPK) | TEACH | 23-Apr-21 | 2,103,330 | - | 2,103,330 | 2,103,330 | - | 2,103,330 | 2,103,330 | - | Completed |
| 3 | Balochistan Package-1 | Joyn | 30-Apr-21 | 594,000 | - | - | - | - | - | - | 594,000 | |
| 4 | Balochistan-Punjab Pckg-4 | Joyn | 30-Apr-21 | 985,800 | - | - | - | - | - | - | 985,800 | |
| 5 | Balochistan Package-2 | | | | | | | | | | | |
| 6 | Balochistan-Punjab Pckg-3 | | | | | | | | | | | |
| 7 | Balochistan-Punjab Pckg-5 | | | | | | | | | | | |
| 8 | | | | | | | | | | | | |

Sub-total (B)

6,609,300 - 2,103,330 2,103,330 - 2,103,330 2,103,330 4,505,970

Total (A+B)

53,616,410 - 40,762,717 40,762,717 - 36,309,280 36,309,280 12,853,693

20.2 FEE TO MONITORING AUDITORS FOR PROJECTS

| Sr. No. | Project / Lot | Allotted to | Contract date | Total cost as per contract | Technical audit fee due | | | Technical audit fee disbursed | | | Balance commitment | Milestones achieved |
|---------|---------------|-------------|---------------|----------------------------|-------------------------|--------------|---------------------|-------------------------------|--------------|---------------------|--------------------|---------------------|
| | | | | | As of 30 June, 2019 | For the year | As of 30 June, 2020 | As of 30 June, 2019 | For the year | As of 30 June, 2020 | | |

Rupees

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

| | | | | | | | | | | | | |
|----------------------|----------------|--------------------|-----------|------------------|---|---|---|---|---|---|------------------|-----------------|
| 1 | Turbat | Exceleron | 03-Mar-20 | 1,028,890 | - | - | - | - | - | - | 1,028,890 | Contract Signed |
| 2 | Awaran-Lasbela | Exceleron | 03-Mar-20 | 1,125,071 | - | - | - | - | - | - | 1,125,071 | Contract Signed |
| 3 | Mastung | Ranop Solutions | 10-Mar-20 | 758,200 | - | - | - | - | - | - | 758,200 | Contract Signed |
| 4 | Chitral | Ranop Solutions | 10-Mar-20 | 653,150 | - | - | - | - | - | - | 653,150 | Contract Signed |
| 5 | DI Khan | Ranop Solutions | 10-Mar-20 | 850,000 | - | - | - | - | - | - | 850,000 | Contract Signed |
| 6 | Nasirabad | Myson Engineering | 04-Jun-20 | 999,240 | - | - | - | - | - | - | 999,240 | Contract Signed |
| 7 | Khuzdar | Komkonsult Private | 04-Jun-20 | 1,990,000 | - | - | - | - | - | - | 1,990,000 | Contract Signed |
| 8 | Chagai | Komkonsult Private | 04-Jun-20 | 1,217,647 | - | - | - | - | - | - | 1,217,647 | Contract Signed |
| 9 | Kalat | Exceleron | 04-Jun-20 | 923,095 | - | - | - | - | - | - | 923,095 | Contract Signed |
| Sub-total (A) | | | | 9,545,293 | - | - | - | - | - | - | 9,545,293 | |

Am

21 FINANCIAL ASSETS AND LIABILITIES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarized as follows:

| Description | As of 30 June, 2021 | | | | Non interest / mark up bearing |
|----------------------------------|-------------------------|--------------------------|-------------------------|-----------|--------------------------------|
| | Total | Interest/mark up bearing | | Sub total | |
| | | Maturity up to one year | Maturity after one year | | |
| Rupees | | | | | |
| Financial assets | | | | | |
| At amortized cost | | | | | |
| Long term advances | 1,265,420 | - | - | - | 1,265,420 |
| Interest accrued | 46,566,478 | - | - | - | 46,566,478 |
| Other receivables | 1,722,238,808 | - | - | - | 1,722,238,808 |
| Bank balances | 3,311,414,707 | - | - | - | 3,311,414,707 |
| | <u>5,081,485,413</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,081,485,413</u> |
| Financial liabilities | | | | | |
| Carried at amortised cost | | | | | |
| Trade and other payables | 2,778,170,512 | - | - | - | 2,778,170,512 |
| | <u>2,778,170,512</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,778,170,512</u> |
| On balance sheet gap | <u>2,303,314,901</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,303,314,901</u> |
| Off balance sheet item | | | | | |
| Financial commitment | 26,763,868,323 | - | - | - | 26,763,868,323 |
| Total gap | <u>(24,460,553,422)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(24,460,553,422)</u> |

Effective interest rate has been mentioned in the respective note. The risk does not have any impact on company financial position as projects are funded by Government of Pakistan.

| Description | As of 30 June, 2020 | | | | Non interest / mark up bearing |
|-----------------------------------|------------------------|--------------------------|-------------------------|-----------|--------------------------------|
| | Total | Interest/mark up bearing | | Sub total | |
| | | Maturity up to one year | Maturity after one year | | |
| Rupees | | | | | |
| Financial assets | | | | | |
| At amortized cost | | | | | |
| Long term advances | 2,267,085 | - | - | - | 2,267,085 |
| Interest accrued | 133,093,896 | - | - | - | 133,093,896 |
| Other receivables | 1,722,438,824 | - | - | - | 1,722,438,824 |
| Bank balances | 2,877,921,554 | - | - | - | 2,877,921,554 |
| | <u>4,735,721,359</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,735,721,359</u> |
| Financial liabilities | | | | | |
| Carried at amortised cost: | | | | | |
| Trade and other payables | 863,164,429 | - | - | - | 863,164,429 |
| | <u>863,164,429</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>863,164,429</u> |
| On balance sheet gap | <u>3,872,556,930</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,872,556,930</u> |
| Off balance sheet item | | | | | |
| Financial commitment | 10,277,296,359 | - | - | - | 10,277,296,359 |
| Total gap | <u>(6,404,739,429)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(6,404,739,429)</u> |

Effective interest rate has been mentioned in the respective note. The risk does not have any impact on company financial position as projects are funded by Government of Pakistan.

AM

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

22.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Company's credit risk is primarily attributable to advances, deposits, interest accrued, other receivables and balance at bank.

The Company limits its exposure to credit risk by maintaining bank account only with counterparties that have a credit rating of at least A1 and A. Considering the high credit rating, the credit risk in respect of bank balance is considered to be low. The Company's other financial assets are not significant to its operations. The carrying values of financial assets represents the maximum credit exposure at the reporting date are as follows:

| | 2021 | 2020 |
|--------------------|----------------------|----------------------|
| | Rupees | Rupees |
| Long term advances | 1,265,420 | 2,267,085 |
| Interest accrued | 46,566,478 | 133,093,896 |
| Other receivables | 1,722,238,808 | 1,722,438,824 |
| Bank balance | <u>3,311,414,707</u> | <u>2,877,921,554</u> |
| | <u>5,081,485,413</u> | <u>4,735,721,359</u> |

The credit quality of financial assets, for which the counter party is a bank, can be assessed by reference to external credit ratings as shown below:



| | | | 2021 Rupees | 2020 Rupees |
|---------------------------|---------------|----------------------|----------------------|----------------------|
| Bank name: | Rating | Rating Agency | | |
| National Bank of Pakistan | AAA/A-1+ | JCR-VIS/PACRA | | |
| Bank balance | | | 3,311,414,707 | 2,877,921,554 |
| Interest accrued | | | 46,566,478 | 133,093,896 |
| | | | <u>3,357,981,185</u> | <u>3,011,015,450</u> |

The management believes that no expected credit loss allowance is required in respect of these financial assets unless explicitly stated in the respective notes.

22.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring any unacceptable loss or damage to the Company's reputation.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

| | Carrying amount | Contractual cash flows | Maturity up to 1 year | Maturity over 1 year and up to 5 years |
|-------------------------------|----------------------|---------------------------|--------------------------|--|
| | -----Rupees----- | | | |
| 2021 | | | | |
| Project subsidy payable | 2,762,587,102 | 2,762,587,102 | 2,762,587,102 | - |
| Technical auditor fee payable | 4,556,178 | 4,556,178 | 4,556,178 | - |
| Payable to suppliers | 8,294,103 | 8,294,103 | 8,294,103 | - |
| Accrued liabilities | 2,523,129 | 2,523,129 | 2,523,129 | - |
| Earnest money | 210,000 | 210,000 | 210,000 | - |
| | <u>2,778,170,512</u> | <u>2,778,170,512</u> | <u>2,778,170,512</u> | <u>-</u> |
| 2020 | | | | |
| Project subsidy | 741,985,662 | 741,985,662 | 741,985,662 | - |
| Technical auditor fee payable | 102,741 | 102,741 | 102,741 | - |
| Payable to suppliers | 7,192,302 | 7,192,302 | 7,192,302 | - |
| Accrued liabilities | 2,370,924 | 2,370,924 | 2,370,924 | - |
| Earnest money | 101,010,000 | 101,010,000 | 101,010,000 | - |
| | <u>852,661,629</u> | <u>852,661,629</u> | <u>852,661,629</u> | <u>-</u> |

It is not expected that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

22.3 Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, due to changes in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk. The Company is not significantly exposed to market risk.

22.3.1 Currency risk

Currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is not exposed to currency risks as it has no transaction in foreign currency.

22.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate.

The Company has no significant long-term interest bearing financial asset and liability whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include Rs. 11,367,478 (2020: Rs. 2,877,897,060) which earn interest. Applicable interest rates for financial assets have been indicated in note 12.2.

As the interest rates on the Company's financial assets are fixed, there is no exposure to any fluctuation in future cash flows.

Fair value sensitivity analysis for fixed rate instruments

The Company does not hold any financial asset at fair value through profit and loss. Therefore a change in interest rate at reporting date would not affect income and expenditure account of the Company.

22.3.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

22.4 Off-setting of financial assets and liabilities

The Company does not off-set any of its financial assets and financial liabilities.

22.5 Determination of fair values

Fair values of financial and non-financial assets and liabilities are determined for measurement and/or disclosure on the basis of accounting policies disclosed in the financial statements. As at the reporting date, carrying value of the Company's financial assets and liabilities are reasonable approximation of their fair value. Accordingly, no fair value information has been disclosed in these financial statements.

22.6 Capital risk management

The Board of Directors monitors the Company's performance against target set on an annual basis. All of the financing required by the Company, for its activities, is provided through Grant from MoIT&T. The outstanding balance of the Grant is normally adequate for a year's operation. MoIT&T remains committed to met the requirements of the company.

23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company is governed by the Ministry of Information Technology, Government of Pakistan (GoP). Therefore, all departments and agencies controlled by the GoP ("State-controlled entities") are related parties of the Company. Other related parties include directors, members, key management personnel, USF Employees' Gratuity Fund and entities under common directorship. Remuneration to the chief executive, directors and executives is disclosed in note 24 to these financial statements. Balances with related parties are disclosed in note 9, 11, 16 and 19 to the financial statements and significant transactions with related parties

| | Note | 2021 | 2020 |
|--|------|----------------------|----------------------|
| State-controlled entities | | | |
| - MoIT&T- grant received during the year | | <u>6,300,000,000</u> | <u>4,890,000,000</u> |
| Associate due to common directorship | | | |
| Subsidy grant disbursement | 19 | | |
| - Pakistan Telecommunication Company Limited | | 1,825,266,159 | 599,894,680 |
| - Pak Telecom Mobile Limited (Ufone) | | 1,240,241,108 | 1,322,100,387 |
| | | <u>1,213,274,753</u> | <u>3,063,415,965</u> |
| - Telenor Pakistan Private Limited-Telenor | | <u>4,278,782,020</u> | <u>4,985,411,032</u> |
| USF Employees' Gratuity Fund | | | |
| Contributions paid by the Company | 16.2 | <u>24,218,549</u> | <u>12,512,106</u> |

24 **REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive Officer, Directors and Executives of the Company is as follows:

| | 2021 | | | 2020 | | |
|-------------------------|-------------------------|------------------|--------------------|-------------------------|------------------|--------------------|
| | Chief Executive Officer | Directors | Executives | Chief Executive Officer | Directors | Executives |
| | (Rupees) | | | | | |
| Meeting fee | - | 2,550,000 | - | - | 2,740,000 | - |
| Managerial remuneration | 9,060,484 | - | 84,499,230 | 1,599,315 | - | 83,751,751 |
| Allowances | 7,119,580 | - | 70,863,646 | 1,129,426 | - | 69,880,835 |
| Bonus | - | - | 14,833,899 | 4,407,000 | - | 24,064,141 |
| | <u>16,180,064</u> | <u>2,550,000</u> | <u>170,196,775</u> | <u>7,135,741</u> | <u>2,740,000</u> | <u>177,696,727</u> |
| Number of persons | <u>1</u> | <u>9</u> | <u>33</u> | <u>1</u> | <u>9</u> | <u>33</u> |

24.1 This includes monetization allowance, amounting to Rs.13,180,468 (2020: Rs. 11,619,688) provided in lieu of the Company maintained car to the entitled employees. Further, the Chief Executive Officer is also entitled to gratuity on leaving the Company.

24.2 The Directors of the Company were not paid any remuneration during the year except for the meeting fee.

M

25 FUNDS MANAGEMENT

The Board of Directors of the company monitors the performance along with the fund required for the sustainable operations and the company is not subject to externally imposed fund requirements.

26 IMPACT OF COVID-19

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. In March, 2020, the Government of the Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth continued its operations in order to maintain business performance despite slowed down economic activity. The management has assessed the accounting implications of these developments on these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

| | 2021 | 2020 |
|--|------|------|
| 27 NUMBER OF EMPLOYEES | | |
| Employees at the period end (Number) | 93 | 88 |
| Average employees during the period (Number) | 91 | 88 |

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. Following significant reclassification is made during the year:

| Description | Reclassified from | Reclassified to | Amount |
|-------------------------|-------------------|--------------------------|-------------|
| Project subsidy payment | Other receivables | Trade and other payables | 626,221,936 |

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 14 SEP 2021.

30 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee unless otherwise stated.


CHIEF EXECUTIVE


DIRECTOR