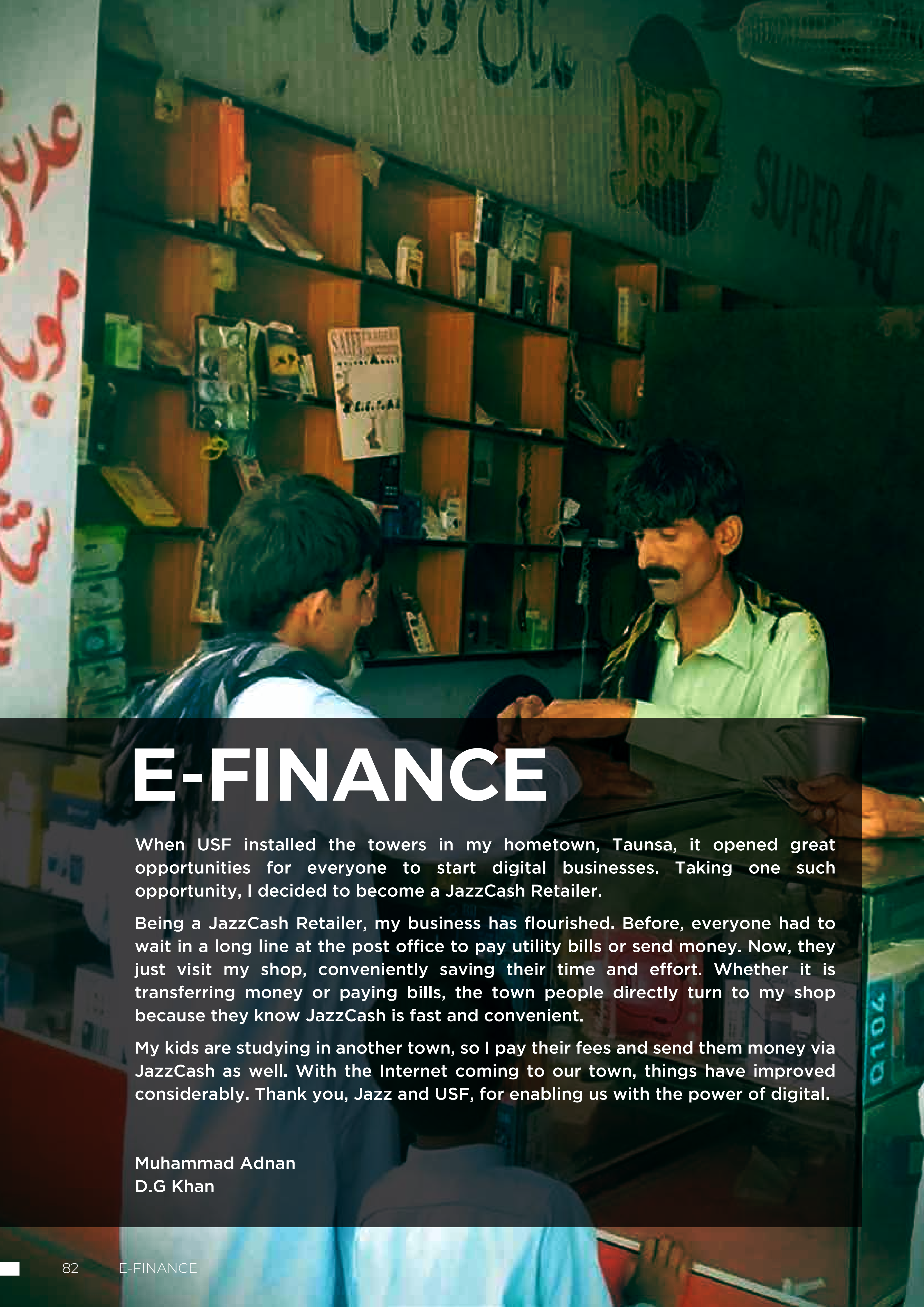

E-FINANCE

When USF installed the towers in my hometown, Taunsa, it opened great opportunities for everyone to start digital businesses. Taking one such opportunity, I decided to become a JazzCash Retailer.

Being a JazzCash Retailer, my business has flourished. Before, everyone had to wait in a long line at the post office to pay utility bills or send money. Now, they just visit my shop, conveniently saving their time and effort. Whether it is transferring money or paying bills, the town people directly turn to my shop because they know JazzCash is fast and convenient.

My kids are studying in another town, so I pay their fees and send them money via JazzCash as well. With the Internet coming to our town, things have improved considerably. Thank you, Jazz and USF, for enabling us with the power of digital.

Muhammad Adnan
D.G Khan

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2022

Grant Thornton

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Evacuee Trust Complex,
Aga Khan Road, F-5/1,
Islamabad, Pakistan.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNIVERSAL SERVICE FUND (THE COMPANY)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the **financial statements of Universal Service Fund (the Company)**, which comprise the statement of financial position as at June 30, 2022, and the statement of income and expenditure and other comprehensive income, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give 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, 2022 and of the surplus and other comprehensive loss and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw our 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. Honourable 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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:

Grant Thornton

a) proper books of accounts 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 accounts and returns;
c) investments made, expenditures 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, 2021 were audited by another firm of Chartered Accountants, who had expressed an unqualified opinion vide their report dated September 14, 2021.

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

Grant Thornton Anjum Rahman

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Islamabad
September 22, 2022
UDIN: AR2022102097slVj6JLi

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	June 2022 (Rupees)	June 2021 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	97,334,538	125,028,592
Intangible assets	6	33,618,019	25,905,249
Long term deposits	7	6,620,500	4,135,500
Long term advances	8	2,567,212	1,265,420
		140,140,269	156,334,761
CURRENT ASSETS			
Advances	9	4,843,384,057	3,132,117,643
Short-term prepayments	10	7,289,574	9,844,266
Interest accrued		13,248	46,566,478
Other receivables	11	1,722,238,808	1,722,238,808
Cash and bank balance	12	923,676,254	3,311,414,707
		7,496,601,941	8,222,181,902
TOTAL ASSETS		7,636,742,210	8,378,516,663
FUNDS AND LIABILITIES			
General fund		-	-
NON-CURRENT LIABILITIES			
Fund balance (restricted)	13	6,384,337,625	5,392,530,546
Deferred capital grant	14	130,952,557	150,933,841
Lease liability	15	-	20,171,726
		6,515,290,182	5,563,636,113
CURRENT LIABILITIES			
Trade and other payables	16	1,098,438,769	2,790,832,550
Current portion of lease liabilities	15	23,013,259	24,048,000
		1,121,452,028	2,814,880,550
TOTAL FUNDS AND LIABILITIES		7,636,742,210	8,378,516,663
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

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, 2022

	Note	June 2022 (Rupees)	June 2021 (Rupees)
INCOME			
Amortization of deferred capital grant	14	**55,333,259**	38,119,951
EXPENDITURE			
Administrative and general expenses	18	**513,295,673**	437,602,565
Subsidy grant for projects	19	**17,073,290,920**	6,146,569,436
Technical and monitoring audit fee	20	**200,666,866**	92,964,197
		17,787,253,459	6,677,136,198
		(17,731,920,200)	(6,639,016,247)
FUNDS (RESTRICTED) RECOGNIZED AS GRANT AGAINST EXPENDITURE	13	**17,731,920,200**	6,639,016,247
NET SURPLUS FOR THE YEAR		**-**	-
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to statement of income and expenditure:			
Remeasurement loss on defined benefit plan		**(4,889,349)**	(5,934,437)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(4,889,349)**	(5,934,437)

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

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, 2022

	Note	June 2022 (Rupees)	June 2021 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Subsidy grant disbursement		(20,487,160,337)	(5,365,658,506)
Technical & monitoring audit fee		(189,960,605)	(88,510,760)
Liquidated damages, profit on deposit account and others		60,522,253	214,462,452
Payment to suppliers and employees		(487,223,304)	(554,211,527)
Net cash used in operating activities		(21,103,821,993)	(5,793,918,341)
CASH FLOWS FROM INVESTING ACTIVITIES			
Procurement of property, equipment and intangibles		(33,916,460)	(72,588,506)
Net cash used in investing activities		(33,916,460)	(72,588,506)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		18,750,000,000	6,300,000,000
Net cash generated from financing activities		18,750,000,000	6,300,000,000
Net (decrease)/ increase in cash and cash equivalents		(2,387,738,453)	433,493,153
Cash and cash equivalents at beginning of year		3,311,414,707	2,877,921,554
Cash and cash equivalents at end of year	12	923,676,254	3,311,414,707

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

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, 2022

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 is located at 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 Public Account of the Federal Government which is maintained and operated by MoIT&T. A Non-Lapsable assignment account is maintained by USF Compnay for withdrawal of funds. 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.

The Company is certified from Pakistan Centre for Philanthropy (PCP), a certifying body for all local and international NGOs having certification No. PCP- 2021/871, dated August 10, 2021 to August 10, 2024.

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 AND REVISED STANDARDS AND INTERPRETATIONS

Following are the standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company. These standards, amendments and interpretations are anticipated to have no significant impact on the Company's Financial Statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 01, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	January 01, 2023
IAS 12 Income Taxes (Amendments)	January 01, 2023
IFRS 4 Insurance Contracts (Amendments)	January 01, 2023
IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
IAS 41 Agriculture (Amendments)	January 01, 2022
IFRS 3 Business Combinations (Amendments)	January 01, 2022
IFRS 9 Financial Instruements (Amendments)	January 01, 2022
IFRS 16 Leases (Amendments)	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

The following interpretation issued by the International Accounting Standards Board (IASB) has been waived by the Securities and Exchange Commission of Pakistan (SECP):

IFRIC 12	Service Concession Arrangements

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

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 certain remeasurement of lease liability.

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.

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, 2022, details are given in the note 16.2 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. The Company has applied to Commissioner for getting recognition under section 2(36) of Income Tax Ordinance, 2001 as a not for profit entity for the tax year ended on June 30, 2022. Management and its tax advisor are confident that such approval will be obtained due to which no provision for taxation has been made in these financial statements.

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 these 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.

<u>Classification of financial assets:</u>

(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

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 income and expenditure statement 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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in income and expenditre statement.

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

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 instrument, 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 instrument, 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 policy:

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.

(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.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

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 statement of income and expenditure to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the income and expenditure statement 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.

<u>Derecognition of financial liabilities:</u>

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.

5 PROPERTY AND EQUIPTMENT	Note	June 2022 Rupees	June 2021 Rupees
Right of use assets	5.1	**25,135,086**	46,679,457
Operating fixed assets	5.2	**72,199,452**	78,349,135
		97,334,538	125,028,592

5.1 Right of use (ROU) assets	Note	June 2022 Rupees	June 2021 Rupees
Cost			
Opening balance as at July 01		**64,633,094**	-
Additions		-	64,633,094
Disposals	5.1.1	-	-
Closing balance as at June 30		**64,633,094**	64,633,094
Accumulated depreciation			
Opening balance as at July 01		**(17,953,637)**	-
Charge for the year		**(21,544,371)**	(17,953,637)
Disposals		-	-
Closing balance as at June 30		**(39,498,008)**	(17,953,637)
Net book value at June 30		**25,135,086**	**46,679,457**
Depreciation rate per annum		**3 years**	

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

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5.2 OPERATING FIXED ASSETS

Description	Vehicles	Furniture and equipment	Computer and accessories	Communication equipment	Leasehold improvements	Total
	---(Rupees in '000)---					
Cost						
Opening balance as at July 01, 2021	29,704,498	88,425,444	36,271,284	2,236,946	28,223,588	184,861,760
Additions	-	2,514,533	11,383,931	2,696,440	466,895	17,061,799
Disposals	-	-	(6,021,098)	-	-	(6,021,098)
Closing balance as at June 30, 2022	29,704,498	90,939,977	41,634,117	4,933,386	28,690,483	195,902,461
Accumulated depreciation						
Opening balance as at July 01, 2021	(29,704,428)	(45,072,166)	(29,854,141)	(1,411,497)	(470,393)	(106,512,625)
Charge for the year	-	(11,629,950)	(5,253,483)	(646,604)	(5,681,035)	(23,211,072)
Disposals	-	-	6,020,688	-	-	6,020,688
Closing balance as at June 30, 2022	(29,704,428)	(56,702,116)	(29,086,936)	(2,058,101)	(6,151,428)	(123,703,009)
Net book value as at June 30,2022	70	34,237,861	12,547,181	2,875,285	22,539,055	72,199,452
Cost						
Opening balance as at July 01, 2020	29,704,498	51,503,323	37,022,085	2,148,746	-	120,378,652
Additions	-	39,211,268	6,339,881	88,200	28,223,588	73,862,937
Disposals	-	(2,289,147)	(7,090,682)	-	-	(9,379,829)
Closing balance as at June 30, 2021	29,704,498	88,425,444	36,271,284	2,236,946	28,223,588	184,861,760
Accumulated depreciation						
Opening balance as at July 01, 2020	(29,704,428)	(39,713,266)	(33,792,354)	(1,026,731)	-	(104,236,779)
Charge for the year	-	(7,559,507)	(3,152,009)	(384,766)	(470,393)	(11,566,675)
Disposals	-	2,200,607	7,090,222	-	-	9,290,829
Closing balance as at June 30, 2021	(29,704,428)	(45,072,166)	(29,854,141)	(1,411,497)	(470,393)	(106,512,625)
Net book value as at June 30, 2021	70	43,353,278	6,417,143	825,449	27,753,195	78,349,135
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).

5.4 Cost and accumulated depreciation of fully depreciated assets is Rs. 85,428,897 (2021: Rs. 87,609,538) and Rs. 85,426,307 (2021: Rs. 87,606,858) respectively, having carrying amount of Rs. 2,590 (2021: Rs. 2,680).

6 INTANGIBLE ASSETS

Description	Digital maps	Software	Capital work in progress (CWIP)-softwares	Total
	-----(Rupees in '000)-----			
Cost				
Opening balance as at July 01, 2021	7,500,000	41,436,943	17,777,929	66,714,872
Additions	-	14,359,370	12,010,035	26,369,405
Transfers	-	-	(8,078,809)	(8,078,809)
Disposals/ write off	-	(758,876)	-	(758,876)
Closing balance as at June 30, 2022	7,500,000	55,037,437	21,709,155	84,246,592
Accumulated amortisation				
Opening balance as at July 01, 2021	(7,499,990)	(33,309,633)	-	(40,809,623)
Amortization charge	-	(10,577,816)	-	(10,577,816)
Disposals/ write off	-	758,866	-	758,866
Closing balance as at June 30, 2022	(7,499,990)	(43,128,583)	-	(50,628,573)
Net book value as at June 30,2022	10	11,908,854	21,709,155	33,618,019
Cost				
Opening balance as at July 01, 2020	7,500,000	39,953,527	16,785,429	64,238,956
Additions	-	1,483,416	992,500	2,475,916
Closing balance as at June 30, 2021	7,500,000	41,436,943	17,777,929	66,714,872
Accumulated amortisation				
Opening balance as at July 01, 2020	(7,499,990)	(24,709,994)	-	(32,209,984)
Charge for the year	-	(8,599,639)	-	(8,599,639)
Closing balance as at June 30, 2021	(7,499,990)	(33,309,633)	-	(40,809,623)
Net book value as at June 30, 2021	10	8,127,310	17,777,929	25,905,249
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) represents accounting software (Oracle) installed by the Company which is currently in its testing phase. Additions during the year represent other softwares purchased.

6.3 Cost and accumulated amortisation of fully depreciated assets is Rs. 46,694,651 (2021: Rs. 23,713,125) and Rs. 46,694,331 (2021: Rs. 23,712,865) respectively, having carrying amount of Rs. 320 (2021: Rs. 260).

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7 LONG TERM DEPOSITS

This includes security deposits amounting to Rs. 4.008 million (June 30, 2021: 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.

8 LONG TERM ADVANCES	June 2022 (Rupees)	June 2021 (Rupees)
Advance against gratuity balance to employees	**7,880,230**	6,318,413
Current portion	**(5,313,018)**	(5,052,993)
	2,567,212	1,265,420

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.

9 ADVANCES	Note	June 2022 (Rupees)	June 2021 (Rupees)
Considered good - secured			
To employees			
- against gratuity - current portion		**5,313,018**	5,052,993
- against expenses		**278,187**	97,748
Advance against projects	9.1	**4,837,742,852**	3,126,966,902
To suppliers/employee		**50,000**	-
		4,843,384,057	3,132,117,643

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

Advances to related parties:	June 2022 (Rupees)	June 2021 (Rupees)
PTML-NG-BSD Gwadar	-	90,000,000
PTML-NG-BSD Kech	**55,320,454**	368,803,021
PTML-NG-BSD Killa Saifullah	**692,365,800**	-
PTML-NG-BSD Loralai	**508,351,940**	-
Telenor-NG- BSD Chitral	-	274,417,010
Telenor-NG-BSD Bahawalpur	-	85,926,925
Telenor-NG-BSD Small Lot S3	-	16,942,374
Telenor-NG-BSD Chaghi	**86,762,344**	-
Telenor-NG-BSD Buner	**407,562,150**	-
Telenor NG-BSD Jhang	**451,319,841**	-
Telenor NG-BSD Small Lot S6	**73,283,201**	-
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	**211,967,617**	511,972,996
PTCL-OFC-UC-PB-Lot-6	**93,200,000**	-
PTCL-OFC-UC-PB-Lot-7	**47,500,000**	-
PTCL-OFC-UC-PB-Lot-8	**104,978,843**	-
PTCL-OFC-UC-PB-Lot-10	**237,256,249**	-
PTCL-OFC-UC-PB-Lot-12	**249,367,123**	-
PTCL-OFC-SMALL LOT-3	**47,000,000**	-
PTCL-OFC-UC-SD-LOT-11	**289,800,000**	-
PTCL-OFC-UC-BL-LOT-13	**392,254,624**	-

Advances to other than related parties:	June 2022 (Rupees)	June 2021 (Rupees)
PMCL-BSD South Waziristan	-	5,405,781
PMCL-NG-BSD Ghotki	-	23,457,517
PMCL-NG-BSD Jhelum	-	50,944,193
PMCL-NG-BSD Pishin	**22,313,829**	-
PMCL-NG-BSD NH&MW M-5	**30,958,018**	-
PMCL-NG-BSD TD-K1	**196,876,286**	-
PMCL-NG-BSD TD-K2	**85,111,064**	-
PMCL-NG-BSD Mianwali	**47,973,914**	-
PMCL-NH&MW-Hakla-DIKhan	**33,782,118**	-
PMCL-Small Lot Punjab-10	**4,520,388**	-
PMCL-Small Lot Islamabad-2	**2,204,742**	-
PMCL-Sialkot	**124,960,439**	-
PMCL-Nankana Sahib	**93,779,545**	-
PMCL-Lodhran	**237,986,913**	-
PMCL-NH&MW Lot-8 (M-4)	**8,985,410**	-
Nayatel-OFC-UC-PB-Lot-4	-	316,000,000
Nayatel-OFC-UC-PB-Lot-5	-	345,000,000
CM PAK-NG BSD Small Lot S4	-	4,803,922
	4,837,742,852	3,126,966,902

10 SHORT-TERM PREPAYMENTS

Insurance	**2,096,584**	1,763,588
Others	**5,192,990**	8,080,678
	7,289,574	9,844,266

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**	54,660
	11.1 & 17.1.4	**1,722,238,808**	1,722,238,808

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 contracts. 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.

11.2 Maximum outstanding balance at end of any month during the year amounts to Rs. 1,722.238 million (2021: Rs. 1,722.238 million).

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

	June 2022 Rupees	June 2021 Rupees
Past due 1-30 days	-	-
Past due 30-90 days	-	-
Past due 90 days	**1,722,238,808**	1,722,238,808
	1,722,238,808	1,722,238,808

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12 CASH AND BANK BALANCES	Note	June 2022 Rupees	June 2021 Rupees
Cash in hand		**21,183**	47,229
Cash at bank :			
Assignment account with NBP	12.3	**923,410,167**	-
Sub-assignment account with NBP	12.1	**-**	3,300,000,000
Deposit account - local currency saving account	12.2	**244,904**	11,367,478
		923,676,254	3,311,414,707

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 authorized have been withdrawn from the account. The Company is allowed to make payments and issue cheques directly from this account. The account is closed in Nov-21 & new assignment account is opened for making payments by Company through AGPR.

12.2 This carries mark-up at rate 5.50 to 12.25% per annum (June 30, 2021: 5.50 to 6.10 % per annum). The profit on bank deposit is receivable with reference to the daily balance in the bank account.

13 FUND BALANCE (RESTRICTED)	Note	June 2022 Rupees	June 2021 Rupees
Balance at the beginning of the year		**5,392,530,546**	5,754,152,775
Grant received during the year		**18,750,000,000**	6,300,000,000
Profit on deposit account	13.1	**701,528**	121,554,114
Miscellaneous receipts	13.2	**13,267,075**	2,657,288
		18,763,968,603	6,424,211,402
Grants transferred to:			
-Deferred capital grant	14	**(35,351,975)**	(140,882,947)
-Income and expenditure statement		**(17,731,920,200)**	(6,639,016,247)
		(17,767,272,175)	(6,779,899,194)
-Remeasurement loss on defined benefit plan	16.3.4	**(4,889,349)**	(5,934,437)
		6,384,337,625	5,392,530,546

13.1 Profit on deposit account and miscellaneous receipts are included in the fund bal e, 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. 9,461,875** (2021: Rs. 785,972) against liquidated damages, recovered from operators.

14 DEFERRED CAPITAL GRANT	Note	June 2022 Rupees	June 2021 Rupees
Balance at beginning of the year		**150,933,841**	48,170,845
Transferred from fund balance (restricted) - net	13	**35,351,975**	140,882,947
Depreciation/amortization charged		**(55,333,259)**	(38,119,951)
Balance at end of the year		**130,952,557**	150,933,841

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15	LEASE LIABILITY	June 2022 Rupees	June 2021 Rupees
	Opening balance	44,219,726	-
	Add: Addition during the year	-	64,633,094
		44,219,726	64,633,094
	Interest expense	2,841,533	3,634,632
	Less: Lease payments	(24,048,000)	(24,048,000)
		23,013,259	44,219,726
	As at June 30,		
	Less: Current lease liabilities	(23,013,259)	(24,048,000)
	Non-current liabilities	-	20,171,726
	Maturity analysis - contractual undiscounted cash flows:		
	Less than one year	24,048,000	24,048,000
	More than one year and less than five years	-	24,048,000
	Total undiscounted lease	24,048,000	48,096,000
	Future finance charges	(1,034,741)	(3,876,274)
	Present value of lease payments	23,013,259	44,219,726
	Amount recognized in statement of income and expenditure		
	Interest expense on lease liabilities	2,841,533	3,634,632

16	TRADE AND OTHER PAYABLES	Note		
	Project subsidy	16.1 & 17.1.4	1,059,493,635	2,762,587,102
	Technical and monitoring auditor fee		15,262,439	4,556,178
	Payable to suppliers		11,036,449	8,294,103
	Accrued liabilities		5,360,783	2,523,129
	Withholding income taxes payable		1,195,402	-
	Withholding sales tax payable		557,962	-
	Payable to gratuity fund	16.2	5,432,099	12,662,038
	Earnest money		100,000	210,000
			1,098,438,769	2,790,832,550

16.1 This includes an amount of Rs. 1,059.49 million (June 30, 2021: 2,503.31 million) payable to related parties which also includes the amount payable to PTCL amounting to Rs. 675.947 million (June 30, 2021: 674.213 million). The Company is in litigation with PTCL on receivable and payables as explained in notes 17.1.4 to the financial statements.

	June 2022 Rupees	June 2021 Rupees
16.2 Payable to gratuity fund		
The movement in net liability is as follows:		
Balance at beginning of the year	**12,662,038**	16,787,416
Charge for the year	**17,199,985**	14,158,734
Remeasurement loss	**4,889,349**	5,934,437
Contribution	**(29,319,273)**	(24,218,549)
Balance at end of the year	**5,432,099**	12,662,038

16.3 The details of actuarial valuation carried out as at June 30, 2022 are as follows:

	Note	June 2022 Rupees	June 2021 Rupees
16.3.1 Reconciliation of payable to gratuity fund			
Present value of the defined benefit obligation		**98,676,438**	91,943,017
Fair value of the plan assets		**(93,244,339)**	(79,280,979)
		5,432,099	12,662,038
16.3.2 Change in the present value of defined benefit obligation			
Opening balance		**91,943,017**	87,489,648
Current service cost	16.3.3	**17,404,739**	13,888,116
Interest cost on defined benefit obligation	16.3.3	**8,337,444**	7,159,905
Benefits paid	16.3.5	**(21,204,197)**	(16,665,462)
Benefits due but not paid		**-**	(3,505,077)
Actuarial loss		**2,195,435**	3,575,887
		98,676,438	91,943,017
16.3.3 Expense charge for the year is as follows:			
Current service cost		**17,404,739**	13,888,116
Interest expense		**8,337,444**	7,159,905
Interest income on plan assets		**(8,542,198)**	(6,889,287)
Interest income - net		**(204,754)**	270,618
Expense chargeable to income and expenditure		**17,199,985**	14,158,734

	June 2022 Rupees	June 2021 Rupees
16.3.4 Total remeasurement chargeable to other comprehensive income		
Remeasurement of plan obligations		
Actuarial losses from changes in demographic assumptions	**840,312**	-
Actuarial losses from changes in financial assumptions	**616,784**	180,360
Remeasurement loss on defined benefit plan	**738,339**	3,395,527
	2,195,435	3,575,887
Return on plan assets excluding the interest income	**2,693,914**	2,358,550
	4,889,349	5,934,437

16.3.5 Change in fair value of plan assets

Opening balance	**79,280,979**	70,702,232
Interest income	**8,542,198**	6,889,287
Contribution made directly to gratuity fund	**29,319,273**	24,218,549
Benefits paid	**(21,204,197)**	(16,665,462)
Benefits due but not paid	-	(3,505,077)
Return on plan assets, except amount included in interest	**(2,693,914)**	(2,358,550)
	93,244,339	79,280,979

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

	June 2022 Rupees	June 2021 Rupees
Cash and other deposits:		
-Bank A/c	**93,244,339**	79,280,979
-Percentage	**100%**	100%

16.3.6 The principal actuarial assumptions used were as follows:

Actuarial valuation of the plan was carried out as at June 30, 2022, by an independent valuer using projected unit credit method, on following assumptions:

	June 2022	June 2021
Discount rate used for interest cost in Income and Expenditure charge	**10.25%**	9.25%
Discount rate used for year end obligation	**13.25%**	10.25%
Salary increase used for year end obligation	**N/A**	9.75%
Salary increase FY 2022 onward	**12.75%**	9.75%
Next salary is increased on	**1-Jul-22**	1-Jul-21
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 and expenditure

	2023 Rupees	2022 Rupees
Current service cost	18,684,948	16,600,577
Interest cost on defined benefit obligation	12,670,842	9,209,252
Interest income on plan assets	(13,893,490)	(9,152,594)
	17,462,300	16,657,235

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, 2022 would have been as follows:

	June 2022		June 2021	
	Present value of obligation		Present value of obligation	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
	------Rupees------		------Rupees------	
Discount rate	**89,848,658**	**108,814,360**	82,435,952	103,033,734
Salary increase rate	**108,936,932**	**89,584,513**	103,120,919	82,189,169

				June 2022	June 2021
	The average duration of the defined benefit obligation			11 Years	11 Years
16.3.9	**Historical information**	**2022**	**2021**	**2020**	**2019**
		Rupees			
	Net staff retirement benefit	5,432,099	12,662,038	16,787,416	5,273,612
	Remeasurement loss on defined benefit plan	4,889,349	5,934,437	10,317,726	4,013,072

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 FY 2020-21 decided the appeals of TY 2011 and TY 2012 in Company's favour. The Department has filed reference to High Court against the order to ATIR. While decision of the ATIR for remaining years is pending for adjudication.

Management believes that it is not chargeable to tax as the objective of incorporation of the Company is to purse 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 and accordingly, no provision in this regard has been recognized in these financial statements.

17.1.2 The Deputy Commissioner Inland Revenue DCIR(Audit), passed the orders for Tax years 2015 to 2021 and raised the demand of Rs. 12,626,001,130 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. The 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). The Company has filed appeals with ATIR where the matter is currently pending adjudication. Based on advice of tax consultant, the Company is confident that there are reasonable grounds for favorable decision and accordingly no provision in this regard has been recognized in the financial statements.

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 the Company on turnover u/s 147. The Company filed the reply. DCIR (Enforcement) issued notice u/s 138 for payment of advance tax. The Company filed the appeal to Islamabad High Court (IHC) and stay is granted by IHC. As the Company is confident that the matter would be settled in its favour, consequently, no provision in this regard has been made in these financial statements in respect of the above mentioned notices.

17.1.4 Notice of default had been issued to PTCL by the Company claiming the amount of late delivery (LD) / deduction of subsidy on the basis of actual bill of quantity (BOQ). In prior year, PTCL has filed a law suits claiming recovery of amount Rs. 1,460,631,584 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, the Company contests the suit on the grounds that PTCL failed to complete the projects in agreed time. During the year, the Company has submitted the bank guarantee for encashment, however, the Honorable Court has ordered the parties to maintain the status quo and has restrained from recovery and encashment of bank guarantees till the final outcome of the case. Next date of hearing is fixed on September 17, 2022. The Company anticipates favorable outcome of the case.

17.1.5 There are some litigations filed against the USF, in most of which the Company involved as proforma defendant/respondent and has no direct financial impact even if cases are decided against USF. Further litigations filed by the Company or where the 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.

		Note	June 2022 Rupees	June 2021 Rupees
17.2	**Commitments**			
	Subsidy grant commitments	19	39,590,847,544	26,669,344,219
	Technical auditor's fee	20	91,321,912	81,670,411
	Monitoring auditor's fee	20.2	2,000,000	12,853,693
18	**ADMINISTRATIVE & GENERAL EXPENSES**			
	Salaries and benefits	18.1	335,605,510	289,242,731
	Training and human resource development		1,737,818	1,198,014
	Legal and professional charges		44,311,559	42,045,173
	Rent		-	14,322,000
	Utilities and office supplies		5,600,673	3,139,097
	Communication charges		1,417,898	1,359,014
	Entertainment		1,122,613	832,545
	Traveling		14,160,903	9,339,611
	Printing and stationery		2,776,437	2,545,315
	Vehicle fuel expenses		17,753,518	12,125,181
	Repairs and maintenance		14,523,805	10,903,214
	Advertisement		13,416,639	6,533,572
	Depreciation	5.2	44,755,443	29,520,312
	Amortization of intangible asset	6	10,577,816	8,599,639
	Interest on finance lease	15	2,841,533	3,634,632
	Auditors' remuneration	18.2	420,500	326,100
	Insurance expense		2,272,221	1,908,051
	Bank charges		787	28,364
			513,295,673	437,602,565

18.1 Salaries and benefits include **Rs. 17,199,985** (2021: Rs. 14,158,734) charged in respect of defined benefit scheme.

	June 2022 Rupees	June 2021 Rupees
18.2 Auditors' remuneration:		
Annual audit fee	187,500	160,000
Interim audit fee	100,000	75,000
Review of Code of Corporate Governance	75,000	25,000
Out of pocket expense	-	21,121
Sales tax	58,000	44,979
	420,500	326,100

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19 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 2021	For the year			As of 30 June 2022	As of 30 June 2021	For the year	As of 30 June 2022				
						Capex	Opex	Total								
									Rupees							
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM																
1	Mastung	PTCL****	31-May-12	2,407,732,977	2,405,999,643	-	1,733,334	1,733,334	2,407,732,977	2,443,391,334	-	2,443,391,334	-	-	-	Completed
2	Chitral	Telenor*	19-Feb-15	1,884,485,898	1,881,924,095	-	2,561,803	2,561,803	1,884,485,898	1,867,998,858	16,487,040	1,884,485,898	-	-	-	Completed
3	Zhob	Telenor*	7-Aug-15	3,324,771,598	3,324,771,601	-	(3)	(3)	3,324,771,598	3,322,433,212	2,338,386	3,324,771,598	-	-	-	Completed
4	Sibi	PTML******	14-Sep-15	3,175,494,908	3,175,494,908	-	-	-	3,175,494,908	3,167,516,176	7,978,732	3,175,494,908	-	-	1,278,100,000	Completed
5	Kalat	PTML******	16-Dec-15	2,037,836,380	2,037,836,383	-	(3)	(3)	2,037,836,380	2,036,508,635	1,327,745	2,037,836,380	-	-	875,800,000	Completed
6	Khuzdar	PTML******	9-Sep-16	2,350,354,555	2,346,926,574	-	3,427,981	3,427,981	2,350,354,555	2,331,139,815	19,214,740	2,350,354,555	-	-	967,400,000	Completed
7	Chagai	PTML******	9-Sep-16	1,219,703,340	1,219,703,340	-	-	-	1,219,703,340	1,218,777,102	926,238	1,219,703,340	-	-	520,780,000	Completed
8	Awaran-Lasbela	PTML******	2-Jan-17	2,257,557,475	2,257,557,475	-	-	-	2,257,557,475	2,257,557,475	-	2,257,557,475	-	-	932,199,600	Completed
9	Kohistan	Telenor*	14-Mar-17	3,476,718,692	2,750,923,058	645,258,442	28,812,899	674,071,341	3,424,994,399	2,710,782,389	685,267,847	3,396,050,236	-	51,724,293	1,402,819,846	Completed
10	Kharan-Washuk	PTML******	31-May-17	885,602,064	885,602,064	-	-	-	885,602,064	885,602,064	-	885,602,064	-	-	473,999,600	Completed
11	Dera Bugti	PTML******	31-May-17	989,757,065	976,729,131	-	6,175,032	6,175,032	982,904,163	804,700,896	176,490,358	981,191,254	-	6,852,902	633,600,000	Completed
12	Khyber	PTML******	20-Oct-17	1,937,947,014	1,909,908,791	-	21,916,670	21,916,670	1,931,825,461	1,874,623,620	56,621,561	1,931,245,181	-	6,121,553	794,000,000	Completed
13	Small Lot Punjab-1	PTML******	25-Oct-17	117,046,260	117,046,260	-	-	-	117,046,260	117,046,260	-	117,046,260	-	-	48,000,000	Completed
14	Small Lot Punjab-2	Telenor*	3-Nov-17	30,480,571	30,346,928	-	133,643	133,643	30,480,571	30,159,827	320,744	30,480,571	-	-	12,192,228	Completed
15	Small Lot Sindh-1	PTML******	4-Jan-18	23,000,000	23,000,000	-	-	-	23,000,000	23,000,000	-	23,000,000	-	-	9,200,000	Completed
16	Small Lot Balochistan-1	PTML******	4-Jan-18	365,000,000	365,000,000	-	-	-	365,000,000	365,000,000	-	365,000,000	-	-	146,000,000	Completed
17	Mohmand	Telenor*	12-Jan-18	849,647,146	436,449,531	145,483,177	27,972,155	173,455,332	609,904,863	145,483,177	290,966,354	436,449,531	-	239,742,283	339,858,858	up to 3rd
18	D.I.Khan	Telenor*	26-Jan-18	594,415,438	583,355,925	-	11,059,513	11,059,513	594,415,438	570,316,497	18,148,560	588,465,057	-	-	238,647,735	Completed
19	North Waziristan	PMCL**	11-Dec-18	192,083,284	81,246,447	-	20,240,191	20,240,191	101,486,638	27,082,149	63,272,384	90,354,533	-	90,596,646	76,833,314	up to 2nd
20	South Waziristan	PMCL**	26-Jun-19	90,096,348	12,613,488	5,405,781	-	5,405,781	18,019,269	18,019,269	-	18,019,269	-	72,077,079	36,092,114	Mobilization Adv.
	Sub-total (A)			28,289,731,013	26,822,435,642	796,147,400	124,033,215	920,180,615	27,742,616,257	26,217,138,755	1,339,360,689	27,556,499,444	-	467,114,756	8,783,443,295	
B) NEXT GENERATION- BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM																
1	NH&MW Lot-1(NH 10&25)	PTML******	11-Dec-18	754,930,908	754,930,908	-	-	-	754,930,908	607,200,000	147,730,908	754,930,908	-	-	303,600,000	Completed
2	Dadu	Telenor*	26-Jun-19	207,239,861	173,436,604	33,803,257	-	33,803,257	207,239,861	173,436,604	33,803,257	207,239,861	-	-	86,718,303	Completed
3	NH&MW Lot-2(NH 25&65)	Telenor*	26-Jun-19	228,791,440	150,385,983	78,405,457	-	78,405,457	228,791,440	100,257,322	128,534,118	228,791,440	2,343,599	-	100,257,322	Completed
4	NH&MW Lot-3(NH 50&70)	Telenor*	26-Jun-19	391,928,446	328,941,064	62,987,382	-	62,987,382	391,928,446	328,941,064	62,987,382	391,928,446	2,716,335	-	164,470,533	Completed
5	Hyderabad	Telenor*	22-Jul-19	449,692,145	449,692,145	-	-	-	449,692,145	449,692,145	-	449,692,145	-	-	179,876,859	Completed
6	Bahawalpur	Telenor*	23-Sep-19	343,707,705	189,039,239	154,668,466	-	154,668,466	343,707,705	274,966,164	68,741,541	343,707,705	-	-	137,483,083	Completed
7	Bahawalnagar	PMCL**	30-Oct-19	165,883,604	133,288,908	32,594,696	-	32,594,696	165,883,604	66,644,454	99,239,150	165,883,604	4,201,921	-	66,644,456	Completed
8	Rahimyarkhan	PMCL**	30-Oct-19	191,822,718	119,115,426	72,707,292	-	72,707,292	191,822,718	79,410,284	112,412,434	191,822,718	-	-	79,410,285	Completed
9	Dera Ghazi Khan	PMCL**	13-Dec-19	477,890,871	196,411,018	183,274,342	-	183,274,342	379,685,360	98,205,509	281,479,851	379,685,360	-	98,205,511	196,411,019	up to 3rd
10	Small Lot Sindh-3	Telenor*	23-Dec-19	-	-	-	-	-	-	16,942,374	(16,942,374)	-	-	-	33,884,748	Terminated
11	Tharparkar	Telenor*	23-Dec-19	1,197,734,430	958,187,544	239,546,886	-	239,546,886	1,197,734,430	718,640,658	479,093,772	1,197,734,430	-	-	479,093,773	Completed
12	Sanghar	Telenor*	2-Mar-20	588,169,155	470,535,324	117,633,831	-	117,633,831	588,169,155	235,267,662	352,901,493	588,169,155	-	-	235,267,662	Completed
13	Kurram	PMCL**	9-Mar-20	92,245,746	18,449,149	-	-	-	18,449,149	18,449,149	-	18,449,149	-	73,796,597	36,898,298	Mobilization Adv.
14	Small Lot Punjab-4	PTML******	5-Jun-20	37,812,923	37,812,923	-	-	-	37,812,923	9,800,000	28,012,923	37,812,923	-	-	19,600,000	Completed
15	Muzaffargarh	Telenor*	5-Jun-20	624,494,754	260,087,960	364,406,794	-	364,406,794	624,494,754	260,087,960	364,406,794	624,494,754	-	-	260,087,961	Completed
16	Small Lot Islamabad-1	Telenor*	5-Jun-20	30,245,525	30,245,525	-	-	-	30,245,525	6,049,105	24,196,420	30,245,525	-	-	12,098,210	Completed
17	Small Lot Baluchistan-3	PTML******	16-Aug-20	47,000,000	47,000,000	-	-	-	47,000,000	9,400,000	37,600,000	47,000,000	-	-	18,800,000	Completed
18	Bolan	PTML******	16-Aug-20	471,000,000	229,600,000	57,400,000	69,301,988	126,701,988	356,301,988	57,400,000	285,411,491	342,811,491	-	114,698,012	188,400,000	Completed
19	Ghotki	PMCL**	18-Sep-20	583,811,542	93,830,069	489,981,473	-	489,981,473	583,811,542	117,287,586	466,523,956	583,811,542	-	-	234,575,173	Completed
20	Small Lot Baluchistan-2	PTML******	18-Sep-20	220,000,000	220,000,000	-	-	-	220,000,000	44,000,000	176,000,000	220,000,000	-	-	88,000,000	Completed
21	Jaffarabad	CM Pak *****	18-Sep-20	87,073,393	7,590,379	22,043,108	9,124,015	31,167,123	38,757,502	7,590,379	27,689,012	35,279,391	-	48,315,891	35,214,675	up to 3rd
22	Small Lot Sindh-4	CM Pak *****	11-Nov-20	21,516,623	-	21,516,623	-	21,516,623	21,516,623	4,803,922	16,712,701	21,516,623	-	-	9,607,843	Completed
23	Mastung	PTML******	11-Nov-20	652,000,000	130,400,000	391,200,000	-	391,200,000	521,600,000	130,400,000	391,200,000	521,600,000	-	130,400,000	260,800,000	up to 3rd
24	Chitral	Telenor*	11-Nov-20	1,372,085,052	-	548,834,020	-	548,834,020	548,834,020	274,417,010	274,417,010	548,834,020	-	823,251,032	548,834,021	Up to 1st
25	Chagai	Telenor*	25-Jan-21	1,369,655,940	-	409,022,474	868,893	409,891,367	409,891,367	-	495,784,818	495,784,818	-	959,764,573	548,130,549	Up to 1st
26	Gwadar	PTML******	25-Jan-21	450,000,000	-	450,000,000	-	450,000,000	450,000,000	90,000,000	360,000,000	450,000,000	-	-	180,000,000	Completed
27	Kech	PTML******	25-Jan-21	2,077,763,109	-	682,285,588	12,892,136	695,177,724	695,177,724	368,803,021	368,803,021	737,606,042	-	1,382,585,385	831,105,244	Up to 1st
28	Jhelum	PMCL**	25-Jan-21	254,720,966	-	152,832,579	-	152,832,579	152,832,579	50,944,193	101,888,386	152,832,579	-	101,888,387	101,888,386	up to 2nd
29	Pishin	PMCL	22-Apr-21	1,319,809,195	-	126,445,034	-	126,445,034	126,445,034	-	148,758,863	148,758,863	-	1,193,364,161	527,923,678	Mobilization Adv.
30	Multan	PMCL	23-Apr-21	154,078,229	-	154,078,229	-	154,078,229	154,078,229	-	154,078,229	154,078,229	-	-	61,631,292	Completed
31	Shikarpur	PMCL	24-Apr-21	344,190,302	-	275,352,240	-	275,352,240	275,352,240	-	206,514,180	206,514,180	-	68,838,062	137,676,121	up to 2nd
32	Panjgur	PTML	28-Apr-21	590,000,000	-	236,000,000	-	236,000,000	236,000,000	-	236,000,000	236,000,000	-	354,000,000	236,000,000	Up to 1st
33	Swabi	Telenor	30-Apr-21	555,000,000	-	111,000,000	-	111,000,000	111,000,000	-	111,000,000	111,000,000	-	444,000,000	222,000,000	Mobilization Adv.
34	Swat	Telenor	30-Apr-21	781,469,991	-	156,293,998	-	156,293,998	156,293,998	-	156,293,998	156,293,998	-	625,175,993	312,587,997	Mobilization Adv.
35	Small Lot Baluchistan-5	PTML	19-Jul-21	136,361,000	-	131,333,000	1,047,500	132,380,500	132,380,500	-	131,961,500	131,961,500	-	3,980,500	54,544,400	Completed
36	Attock	PMCL	19-Jul-21	308,924,164	-	247,139,328	-	247,139,328	247,139,328	-	185,354,496	185,354,496	-	61,784,836	123,569,665	up to 2nd
37	Bannu	PMCL	19-Jul-21	201,531,669	-	120,919,000	-	120,919,000	120,919,000	-	120,919,000	120,919,000	-	80,612,669	80,612,667	up to 2nd
38	Small Lot Punjab-5	Telenor	4-Aug-21	23,880,315	-	23,880,315	-	23,880,315	23,880,315	-	23,880,315	23,880,315	-	-	9,552,126	Completed
39	Small Lot Punjab-6	Telenor	4-Aug-21	12,727,210	-	12,727,210	-	12,727,210	12,727,210	-	12,727,210	12,727,210	-	-	5,090,884	Completed
40	Small Lot Punjab-7	Telenor	4-Aug-21	16,597,305	-	16,597,305	-	16,597,305	16,597,305	-	16,597,305	16,597,305	-	-	6,638,922	Completed
41	Sahiwal	Telenor	4-Aug-21	681,284,742	-	272,513,896	-	272,513,896	272,513,896	-	272,513,896	272,513,896	-	408,770,846	272,513,897	Up to 1st
42	Kambar Shahdadkot	PMCL	25-Oct-21	246,405,845	-	197,124,676	-	197,124,676	197,124,676	-	197,124,676	197,124,676	-	49,281,169	98,562,338	Up to 3rd
43	Naushahro Feroze	PMCL	25-Oct-21	451,645,455	-	270,987,273	-	270,987,273	270,987,273	-	270,987,273	270,987,273	-	180,658,182	180,658,182	Up to 2nd
44	NH&MW M-3	PMCL	25-Oct-21	140,238,734	-	84,143,238	-	84,143,238	84,143,238	-	84,143,238	84,143,238	-	56,095,496	56,095,494	Up to 2nd
45	NH&MW M-5	PMCL	25-Oct-21	154,790,091	-	92,874,054	-	92,874,054	92,874,054	-	123,832,072	123,832,072	-	61,916,037	61,916,036	Up to 3rd
46	TD-K1	PMCL	21-Dec-21	1,172,958,500	-	-	-	-	-	-	196,876,286	196,876,286	-	1,172,958,500	469,183,400	Mobilization Adv.
47	TD-K2	PMCL	21-Dec-21	883,360,268	-	85,111,065	-	85,111,065	85,111,065	-	170,222,129	170,222,129	-	798,249,203	354,344,107	Mobilization Adv.

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, 2022

19 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 2021	For the year			As of 30 June 2022	As of 30 June 2021	For the year	As of 30 June 2022				
						Capex	Opex	Total								
									Rupees							
48	Small Lot Sindh-5	PMCL	21-Dec-21	17,506,346	-	3,501,269	-	3,501,269	3,501,269	-	3,501,269	3,501,269	-	14,005,077	7,002,538	Mobilization Adv.
49	Mianwali	PMCL	21-Dec-21	1,599,130,467	-	271,852,179	-	271,852,179	271,852,179	-	319,826,093	319,826,093	-	1,327,278,288	639,652,187	Mobilization Adv.
50	Lasbella	PTML	22-Dec-21	1,773,747,000	-	343,794,400	-	343,794,400	343,794,400	-	343,794,400	343,794,400	-	1,429,952,600	709,498,800	Mobilization Adv.
51	Small Lot Punjab-9	Telenor	22-Dec-21	49,593,870	-	9,918,774	-	9,918,774	9,918,774	-	9,918,774	9,918,774	-	39,675,096	19,837,548	Mobilization Adv.
52	Buner	Telenor	22-Dec-21	2,037,810,752	-	-	-	-	-	-	407,562,150	407,562,150	-	2,037,810,752	815,124,301	Mobilization Adv.
53	NH&MW-Hakla-DIKhan	PMCL	25-Mar-22	375,356,871	-	41,289,256	-	41,289,256	41,289,256	-	75,071,374	75,071,374	-	334,067,615	150,142,748	Mobilization Adv.
54	Small Lot Punjab-10	PMCL	25-Mar-22	22,601,942	-	-	-	-	-	-	4,520,388	4,520,388	-	22,601,942	9,040,777	Mobilization Adv.
55	Small Lot 12	PMCL	25-Mar-22	11,023,710	-	-	-	-	-	-	2,204,742	2,204,742	-	11,023,710	4,409,484	Mobilization Adv.
56	Killa Saifullah	PTML	29-Mar-22	3,572,973,000	-	-	-	-	-	-	692,365,800	692,365,800	-	3,572,973,000	1,429,189,200	Mobilization Adv.
57	Jhang	Telenor	31-Mar-22	2,256,599,207	-	-	-	-	-	-	451,319,841	451,319,841	-	2,256,599,207	902,639,683	Mobilization Adv.
58	Loralai	PTML	22-Jun-22	2,600,000,000	-	-	-	-	-	-	508,351,940	508,351,940	-	2,600,000,000	1,040,000,000	Mobilization Adv.
59	Sialkot	PMCL	22-Jun-22	624,802,198	-	-	-	-	-	-	124,960,439	124,960,439	-	624,802,198	249,920,879	Mobilization Adv.
60	Nankana Sahib	PMCL	22-Jun-22	468,897,727	-	-	-	-	-	-	93,779,545	93,779,545	-	468,897,727	187,559,091	Mobilization Adv.
61	Lodhran	PMCL	22-Jun-22	1,189,934,567	-	-	-	-	-	-	237,986,913	237,986,913	-	1,189,934,567	475,973,827	Mobilization Adv.
62	NH&MW Lot-8 (M-4)	PMCL	22-Jun-22	44,927,050	-	-	-	-	-	-	8,985,410	8,985,410	-	44,927,050	17,970,820	Mobilization Adv.
63	Small Lot Sindh-6	Telenor	22-Jun-22	366,416,006	-	-	-	-	-	-	73,283,201	73,283,201	-	366,416,006	146,566,403	Mobilization Adv.
	Sub-total (B)			38,575,790,584	4,998,980,168	7,850,020,007	93,234,532	7,943,254,539	12,942,234,707	4,599,036,565	11,345,845,009	15,944,881,574	9,461,875	25,633,555,877	15,512,787,895	
	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	-	-	-	Completed-Payable
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
5	FATA-Package-1	PTCL****	27-Jun-18	684,486,049	684,486,049	-	-	-	684,486,049	560,000,000	124,486,049	684,486,049	-	-	280,000,000	Completed
6	OFC-UC-SD-LOT1	PTCL****	18-Nov-20	1,301,314,173	-	1,301,314,173	-	1,301,314,173	1,301,314,173	262,000,000	1,039,314,173	1,301,314,173	-	-	524,000,000	Completed
7	OFC-UC-SD-LOT2	PTCL****	18-Nov-20	1,734,270,614	-	1,734,270,614	-	1,734,270,614	1,734,270,614	351,293,163	1,382,977,451	1,734,270,614	-	-	702,586,326	Completed
8	OFC-UC-SD-LOT3	PTCL****	25-Jan-21	2,099,972,634	-	1,679,972,634	-	1,679,972,634	1,679,972,634	420,000,000	1,259,972,634	1,679,972,634	-	420,000,000	840,000,000	Up to 3rd
9	OFC-KPK(FATA) Pck2	PTCL****	25-Jan-21	2,541,444,752	-	793,558,143	-	793,558,143	793,558,143	511,972,996	493,552,764	1,005,525,760	-	1,747,886,609	1,023,945,994	Up to 1st
10	OFC-UC-PB-LOT4	Nayatel	9-Apr-21	1,580,000,000	-	632,000,000	-	632,000,000	632,000,000	316,000,000	316,000,000	632,000,000	-	948,000,000	632,000,000	Up to 1st
11	OFC-UC-PB-LOT5	Nayatel	9-Apr-21	1,725,000,000	-	1,035,000,000	-	1,035,000,000	1,035,000,000	345,000,000	690,000,000	1,035,000,000	-	690,000,000	690,000,000	Up to 2nd
12	OFC-UC-PB-LOT6	PTCL****	28-Apr-21	1,165,000,000	-	605,006,548	-	605,006,548	605,006,548	-	698,206,548	698,206,548	-	559,993,452	466,000,000	Up to 2nd
13	OFC-UC-PB-LOT-7	PTCL****	19-Jul-21	950,000,000	-	332,500,000	-	332,500,000	332,500,000	-	380,000,000	380,000,000	-	617,500,000	380,000,000	Up to 1st
14	OFC-UC-PB-LOT-8	PTCL****	22-Dec-21	614,000,000	-	-	-	-	-	-	104,978,843	104,978,843	-	614,000,000	245,600,000	Mobilization Adv.
15	OFC-UC-SD-LOT-10	PTCL****	22-Dec-21	1,429,000,000	-	-	-	-	-	-	237,256,249	237,256,249	-	1,429,000,000	571,600,000	Mobilization Adv.
16	OFC-UC-SD-LOT-12	PTCL****	24-Dec-21	1,988,914,000	-	-	-	-	-	-	249,367,123	249,367,123	-	1,988,914,000	795,565,600	Mobilization Adv.
17	OFC-SMALL LOT-3	PTCL****	30-Mar-22	235,000,000	-	-	-	-	-	-	47,000,000	47,000,000	-	235,000,000	94,000,000	Mobilization Adv.
18	OFC-UC-SD-LOT-11	PTCL****	30-Mar-22	1,610,000,000	-	-	-	-	-	-	289,800,000	289,800,000	-	1,610,000,000	644,000,000	Mobilization Adv.
19	OFC-UC-BL-LOT-13	PTCL****	22-Jun-22	1,995,482,850	-	-	-	-	-	-	392,254,624	392,254,624	-	1,995,482,850	798,193,140	Mobilization Adv.
	Sub-total (C)			26,117,779,752	4,513,980,729	8,113,622,112	-	8,113,622,112	12,627,602,841	5,996,560,839	7,705,166,458	13,701,727,297	-	13,498,176,911	9,487,491,060	
	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-Payable
2	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
	Sub-total (D)			1,137,427,592	1,137,427,592	-	-	-	1,137,427,592	1,110,405,656	-	1,110,405,656	-	-	567,106,679	
	E) SPECIAL PROJECTS-OTHER ICT SERVICES															
1	FDE-1 (107 Labs)	Computer Marketing Co Pvt Ltd	5-Jun-17	168,538,757	162,920,798	5,617,959	-	5,617,959	168,538,757	162,920,798	5,617,959	168,538,757	-	-	-	Completed
2	ICTGS-HR-FDE-1 (202 Teachers)	Pak Main services Pvt Ltd	24-Oct-17	538,773,447	458,909,216	4,047,011	75,817,220	79,864,231	538,773,447	458,354,689	80,418,758	538,773,447	-	-	-	Completed
3	WEC-III (45 Labs)	Analytical Solutions Pvt Ltd	24-Oct-17	52,475,700	50,726,510	1,749,190	-	1,749,190	52,475,700	50,726,510	1,749,190	52,475,700	-	-	-	Completed
4	FDE-II (119 Labs)	Analytical Solutions Pvt Ltd	24-Oct-17	228,089,221	220,614,647	7,474,574	-	7,474,574	228,089,221	220,614,647	7,474,574	228,089,221	-	-	-	Completed
5	National Library & Sp. edu Ins of CADD (6 Labs)	Analytical Solutions Pvt Ltd	8-May-18	23,913,000	23,115,900	797,100	-	797,100	23,913,000	23,115,900	797,100	23,913,000	-	-	-	Completed
6	Girls Educational Institutions (6 Labs)	Analytical Solutions Pvt Ltd	31-Dec-18	10,959,000	10,228,400	730,600	-	730,600	10,959,000	10,228,400	730,600	10,959,000	-	-	-	Completed
	Sub-total (E)			1,022,749,125	926,515,471	20,416,434	75,817,220	96,233,654	1,022,749,125	925,960,944	96,788,181	1,022,749,125	-	-	-	
	Total (A+B+C+D+E)			95,063,478,066	38,399,339,682	16,780,205,953	293,084,967	17,073,290,920	55,472,630,522	38,849,102,759	20,487,160,337	59,336,263,096	9,461,875	39,590,847,544	34,350,828,929	

* Telenor Pakistan (Private) Limited (Telenor) (a related party)
** Pakistan Mobile Communications Limited (PMCL)
*** Wateen Telecom (Private) Limited (Wateen)
**** Pakistan Telecommunication Company Limited (PTCL) (a related party)
***** CM Pak Limited
****** Pakistan Telecom 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 2020	For the year			As of 30 June 2021	As of 30 June 2020	For the year	As of 30 June 2021				
						Capex	Opex	Total								
				Rupees												
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM																
1	Mastung	PTCL****	31-May-12	2,407,732,977	2,400,799,643	-	5,200,000	5,200,000	2,405,999,643	2,443,391,334	-	2,443,391,334	-	1,733,334	1,262,400,000	Completed
2	Turbat	CM Pak *****	21-Feb-13	3,496,727,885	3,496,727,885	-	-	-	3,496,727,885	3,479,822,540	16,905,345	3,496,727,885	-	-	-	Completed
3	Chitral	Telenor*	19-Feb-15	1,884,709,142	1,862,428,763	-	19,495,332	19,495,332	1,881,924,095	1,859,643,716	8,355,142	1,867,998,858	-	2,785,047	762,157,340	Completed
4	Shangla	Telenor*	15-Jun-15	1,948,463,034	1,946,298,119	-	2,164,915	2,164,915	1,948,463,034	1,938,999,468	9,463,566	1,948,463,034	-	-	-	Completed
5	Zhob	Telenor*	7-Aug-15	3,324,771,601	3,317,013,472	-	7,758,129	7,758,129	3,324,771,601	3,315,454,543	6,978,669	3,322,433,212	-	-	-	Completed
6	Sibi	PTML******	14-Sep-15	3,175,494,908	3,163,526,812	-	11,968,096	11,968,096	3,175,494,908	3,159,537,444	7,978,732	3,167,516,176	-	-	1,278,100,000	Completed
7	Kalat	PTML******	16-Dec-15	2,037,836,383	2,035,844,758	-	1,991,625	1,991,625	2,037,836,383	2,035,180,883	1,327,752	2,036,508,635	-	-	873,800,000	Completed
8	Khuzdar	PTML******	9-Sep-16	2,350,354,559	2,321,818,115	-	25,108,459	25,108,459	2,346,926,574	2,312,015,286	19,124,529	2,331,139,815	-	3,427,985	967,400,000	Completed
9	Chagai	PTML******	9-Sep-16	1,219,703,340	1,216,214,509	-	3,488,831	3,488,831	1,219,703,340	1,214,886,900	3,890,202	1,218,777,102	-	-	520,700,000	Completed
10	Awaran-Lasbela	PTML******	2-Jan-17	2,257,557,475	2,257,557,475	-	-	-	2,257,557,475	2,257,557,475	-	2,257,557,475	-	-	932,199,600	Completed/BG
11	Kohistan	Telenor*	14-Mar-17	3,503,205,629	2,376,051,649	331,087,248	43,784,161	374,871,409	2,750,923,058	2,691,177,919	19,604,470	2,710,782,389	-	752,282,571	1,402,819,846	up to 3rd
12	Kharan-Washuk	PTML******	31-May-17	885,602,064	885,435,407	-	166,657	166,657	885,602,064	885,435,407	166,657	885,602,064	-	-	473,999,600	Completed
13	Dera Bugti	PTML******	31-May-17	992,146,577	310,301,600	663,858,169	2,569,362	666,427,531	976,729,131	310,301,600	494,399,296	804,700,896	-	15,417,446	633,600,000	Completed
14	Khyber	PTML******	23-Oct-17	1,937,947,014	1,864,908,787	-	45,000,004	45,000,004	1,909,908,791	1,861,272,701	13,350,919	1,874,623,620	-	28,038,223	794,000,000	Completed
15	Small Lot Punjab-1	PTML******	25-Oct-17	117,046,260	117,046,260	-	-	-	117,046,260	117,046,260	-	117,046,260	-	-	48,000,000	Completed/BG
16	Small Lot Punjab-2	Telenor*	3-Nov-17	30,480,571	29,892,540	-	454,388	454,388	30,346,928	29,839,083	320,744	30,159,827	-	133,643	12,192,228	Completed
17	Small Lot Sindh-1	PTML******	4-Jan-18	23,000,000	23,000,000	-	-	-	23,000,000	23,000,000	-	23,000,000	-	-	9,200,000	Completed/BG
18	Small Lot Balochistan-1	PTML******	4-Jan-18	365,000,000	365,000,000	-	-	-	365,000,000	365,000,000	-	365,000,000	-	-	146,000,000	Completed/BG
19	Mohmand	Telenor*	12-Jan-18	849,647,146	145,483,177	290,966,354	-	290,966,354	436,449,531	145,483,177	-	145,483,177	-	413,197,615	339,858,858	upto 2nd
20	D.I.Khan	Telenor*	26-Jan-18	595,660,731	555,869,219	-	27,486,706	27,486,706	583,355,925	551,112,583	19,203,914	570,316,497	-	12,304,806	238,647,735	Completed
21	North Waziristan	PMCL**	11-Dec-18	192,083,284	27,082,149	54,164,298	-	54,164,298	81,246,447	27,082,149	-	27,082,149	-	110,836,837	76,833,314	upto 2nd
22	South Waziristan	PMCL**	26-Jun-19	90,096,348	-	12,613,488	-	12,613,488	12,613,488	18,019,269	-	18,019,269	-	77,482,860	36,092,114	Mobilization Adv.
	Sub-total (A)			33,685,266,928	30,718,300,339	1,352,689,557	196,636,665	1,549,326,222	32,267,626,561	31,041,259,737	621,069,937	31,662,329,674	-	1,417,640,367	10,808,000,635	
B) NEXT GENERATION- BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM																
1	NH&MW Lot-1(NH 10&25)	PTML******	11-Dec-18	754,930,908	607,200,000	147,730,908	-	147,730,908	754,930,908	607,200,000	-	607,200,000	-	-	303,600,000	Completed
2	Dadu	Telenor*	26-Jun-19	216,795,758	62,870,770	110,565,834	-	110,565,834	173,436,604	130,077,453	43,359,151	173,436,604	-	43,359,154	86,718,303	upto 3rd
3	NH&MW Lot-2(NH 25&65)	Telenor*	26-Jun-19	250,643,306	35,090,063	115,295,920	-	115,295,920	150,385,983	100,257,322	-	100,257,322	-	100,257,323	100,257,322	upto 1st
4	NH&MW Lot-3(NH 50&70)	Telenor*	26-Jun-19	411,176,333	78,123,503	250,817,561	-	250,817,561	328,941,064	164,470,532	164,470,532	328,941,064	-	82,235,269	164,470,533	upto 3rd
5	Hyderabad	Telenor*	22-Jul-19	449,692,145	157,392,251	292,299,894	-	292,299,894	449,692,145	269,815,287	179,876,858	449,692,145	-	-	179,876,859	Completed
6	Bahawalpur	Telenor*	23-Sep-19	343,707,707	17,185,385	171,853,854	-	171,853,854	189,039,239	274,966,164	-	274,966,164	-	154,668,468	137,483,083	upto 3rd
7	Bahawalnagar	PMCL**	30-Oct-19	166,611,139	-	133,288,908	-	133,288,908	133,288,908	33,322,227	33,322,227	66,644,454	-	33,322,231	66,644,456	upto 3rd
8	Rahimyarkhan	PMCL**	30-Oct-19	198,525,713	-	119,115,426	-	119,115,426	119,115,426	39,705,142	39,705,142	79,410,284	-	79,410,287	79,410,285	upto 2nd
9	Dera Ghazi Khan	PMCL**	13-Dec-19	491,027,547	-	196,411,018	-	196,411,018	196,411,018	98,205,509	-	98,205,509	-	294,616,529	196,411,019	upto 1st
10	Small Lot Sindh-3	Telenor*	23-Dec-19	84,711,871	-	-	-	-	-	16,942,374	-	16,942,374	-	84,711,871	33,884,748	Mobilization Adv.
11	Tharparker	Telenor*	23-Dec-19	1,197,734,432	-	958,187,544	-	958,187,544	958,187,544	479,093,772	239,546,886	718,640,658	-	239,546,888	479,093,773	upto 3rd
12	Sanghar	Telenor*	2-Mar-20	588,169,155	-	470,535,324	-	470,535,324	470,535,324	117,633,831	117,633,831	235,267,662	-	117,633,831	235,267,662	upto 3rd
13	Kurram	PMCL**	9-Mar-20	92,245,746	-	18,449,149	-	18,449,149	18,449,149	18,449,149	-	18,449,149	-	73,796,597	36,898,298	Mobilization Adv.
14	Small Lot Punjab-4	PTML******	5-Jun-20	37,812,923	-	37,812,923	-	37,812,923	37,812,923	9,800,000	-	9,800,000	-	-	19,600,000	Completed
15	Muzaffargarh	Telenor*	5-Jun-20	650,219,902	-	260,087,960	-	260,087,960	260,087,960	130,043,980	130,043,980	260,087,960	-	390,131,942	260,087,961	upto 1st
16	Small Lot Islamabad-1	Telenor*	5-Jun-20	30,245,525	-	30,245,525	-	30,245,525	30,245,525	6,049,105	-	6,049,105	-	-	12,098,210	Completed
17	Small Lot Balochistan-3	PTML******	16-Aug-20	47,000,000	-	47,000,000	-	47,000,000	47,000,000	-	9,400,000	9,400,000	-	-	18,800,000	Completed
18	Bolan	PTML******	16-Aug-20	471,000,000	-	229,600,000	-	229,600,000	229,600,000	-	57,400,000	57,400,000	-	241,400,000	188,400,000	upto 3rd
19	Ghotki	PMCL**	18-Sep-20	586,437,933	-	93,830,069	-	93,830,069	93,830,069	-	117,287,586	117,287,586	-	492,607,864	234,575,173	Mobilization Adv.
20	Small Lot Baluchistan-2	PTML******	18-Sep-20	220,000,000	-	220,000,000	-	220,000,000	220,000,000	-	44,000,000	44,000,000	-	-	88,000,000	Completed
21	Jaffarabad	CM Pak *****	18-Sep-20	88,036,687	-	7,590,379	-	7,590,379	7,590,379	-	7,590,379	7,590,379	-	80,446,308	35,214,675	Mobilization Adv.
22	Small Lot Sindh-4	CM Pak *****	11-Nov-20	24,019,608	-	-	-	-	-	-	4,803,922	4,803,922	-	24,019,608	9,607,843	Mobilization Adv.
23	Mastung	PTML******	11-Nov-20	652,000,000	-	130,400,000	-	130,400,000	130,400,000	-	130,400,000	130,400,000	-	521,600,000	260,800,000	Mobilization Adv.
24	Chitral	Telenor*	11-Nov-20	1,372,085,052	-	-	-	-	-	-	274,417,010	274,417,010	-	1,372,085,052	548,834,021	Mobilization Adv.
25	Chaghi	Telenor*	25-Jan-21	1,369,635,940	-	-	-	-	-	-	-	-	-	1,369,655,940	548,130,549	Contract Signed
26	Gwadar	PTML******	25-Jan-21	450,000,000	-	-	-	-	-	-	90,000,000	90,000,000	-	450,000,000	180,000,000	Mobilization Adv.
27	Kech	PTML******	25-Jan-21	2,077,763,109	-	-	-	-	-	-	368,803,021	368,803,021	-	2,077,763,109	831,105,244	Mobilization Adv.
28	Jhelum	PMCL**	25-Jan-21	254,720,966	-	-	-	-	-	-	50,944,193	50,944,193	-	254,720,966	101,888,386	Mobilization Adv.
29	Pishin	PMCL	22-Apr-21	1,319,809,195	-	-	-	-	-	-	-	-	-	1,319,809,195	527,923,678	Contract Signed
30	Multan	PMCL	23-Apr-21	154,078,229	-	-	-	-	-	-	-	-	-	154,078,229	61,631,292	Contract Signed
31	Shikarpur	PMCL	24-Apr-21	344,190,302	-	-	-	-	-	-	-	-	-	344,190,302	137,676,121	Contract Signed
32	Panjur	PTML	28-Apr-21	590,000,000	-	-	-	-	-	-	-	-	-	590,000,000	236,000,000	Contract Signed
33	Swabi	Telenor	30-Apr-21	555,000,000	-	-	-	-	-	-	-	-	-	555,000,000	222,000,000	Contract Signed
34	Swat	Telenor	30-Apr-21	781,469,991	-	-	-	-	-	-	-	-	-	781,469,991	312,587,997	Contract Signed
	Sub-total (B)			17,321,517,122	957,861,972	4,041,118,196	-	4,041,118,196	4,998,980,168	2,496,031,847	2,103,004,718	4,599,036,565	-	12,322,536,954	6,934,977,491	

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, 2022

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 2020	For the year			As of 30 June 2021	As of 30 June 2020	For the year	As of 30 June 2021				
						Capex	Opex	Total								
									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	-	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	Nayatel	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	Nayatel	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 Signd
	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
	Sub-total (D)			196,295,292	196,295,292	-	-	-	196,295,292	169,273,356	-	169,273,356	-	-	84,636,679	
F) SPECIAL PROJECTS-OTHER ICT SERVICES																
1	FDE-I (107 Labs)	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	Upto 3rd (1st year)
2	ICTGS-HR-FDE-1 (202 Teachers)	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 Upto June-21
3	WEC-III (45 Labs)	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	Upto 3rd (1st Year)
4	FDE-II (119 Labs)	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	Upto 3rd (2nd Y Warranty)/ BB YS3Q4
5	National Library & Sp. eds Ins of CADD (6 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	Upto 1st (2nd Y Warranty)
6	Girls Educational Institutions (6 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	Upto 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	
G) SPECIAL PROJECTS- DITIGAL 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)*

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
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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, 2021	For the year	As of 30 June, 2022	As of 30 June, 2021	For the year	As of 30 June, 2022		
							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	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
3	South Waziristan	Ranop Solutions	17-Dec-19	8,209,404	-	-	-	-	-	-	8,209,404	Contract Signed
4	Mohmand	Komkonsult ****	20-Feb-20	6,579,069	2,723,870	1,711,240	4,435,110	2,723,870	1,711,240	4,435,110	2,143,959	Up to 3rd
5	Kohistan	Komkonsult ****	04-Nov-21	8,318,500	-	8,048,500	8,048,500		-	-	270,000	Contract Signed
	Sub-total (A)			35,631,326	8,504,927	9,759,740	18,264,667	8,402,186	1,711,240	10,113,426	17,366,659	
B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM												
1	NH&MW Lot-1	Komkonsult ****	23-Jul-19	4,576,082	4,476,082	100,000	4,576,082	4,476,082	100,000	4,576,082	-	Completed
2	Dadu	Myson Engineering	25-Nov-19	9,680,000	7,545,000	2,135,000	9,680,000	7,545,000	2,135,000	9,680,000	-	Completed
3	NH&MW Lot-2(NH 25&65)	Myson Engineering	03-Feb-20	3,819,450	1,460,368	1,492,951	2,953,319	1,460,368	455,144	1,915,512	866,131	Up to 3rd
4	NH&MW Lot-3(NH 50&70)	Myson Engineering	03-Feb-20	3,180,126	2,124,876	1,055,250	3,180,126	2,124,876	1,055,250	3,180,126	-	Completed
5	Bahawalpur	Komkonsult Private	20-Feb-20	4,188,400	2,298,287	1,890,113	4,188,400	2,298,287	1,890,113	4,188,400	-	Completed
6	Bahawalnagar	Komkonsult Private	06-May-20	3,726,842	2,813,951	912,891	3,726,842	2,813,951	912,891	3,726,842	-	Completed
7	Rahimyarkhan	Komkonsult Private	06-May-20	4,041,907	2,414,803	1,627,104	4,041,907	2,414,803	1,627,104	4,041,907	-	Completed
8	Dera Ghazi Khan	Komkonsult Private	06-May-20	6,997,725	2,585,179	2,593,372	5,178,551	2,585,179	2,593,372	5,178,551	1,819,174	Up to 2nd
9	Small Lot Sindh-3	Myson Engineering	06-May-20	-	-	-	-	-	-	-	-	Contract Terminated
10	Tharparker	Ranop Solutions	25-May-20	3,983,405	2,878,905	1,104,500	3,983,405	2,878,905	1,104,500	3,983,405	-	Completed
11	Sanghar	Myson Engineering	25-Nov-20	6,544,700	4,210,000	2,334,700	6,544,700	4,210,000	2,334,700	6,544,700	-	Completed
12	Kurram	Exceleron	01-Dec-20	2,106,417	-	-	-	-	-	-	2,106,417	Contract Signed
13	Small Lot Islamabad-1	Exceleron	01-Dec-20	385,705	-	385,705	385,705	-	385,705	385,705	-	Completed
14	Small Lot Punjab-4	Exceleron	01-Dec-20	483,361	455,016	28,345	483,361	455,016	28,345	483,361	-	Completed
15	Muzaffarghar	Myson Engineering	10-Dec-20	6,871,460	1,326,000	5,545,460	6,871,460	1,326,000	5,545,460	6,871,460	-	Completed
16	Small Lot Baluchistan-2	Myson Engineering	26-Mar-21	551,000	396,000	155,000	551,000	396,000	155,000	551,000	-	Completed
17	Small Lot Baluchistan-3	Myson Engineering	26-Mar-21	316,000	201,000	115,000	316,000	201,000	115,000	316,000	-	Completed
18	Bolan	LCC Pakistan Pvt	01-Apr-21	6,947,000	5,286,000	1,661,000	6,947,000	5,286,000	1,661,000	6,947,000	-	Completed
19	Ghotki	LCC Pakistan Pvt	01-Apr-21	8,055,400	-	8,055,400	8,055,400	-	8,055,400	8,055,400	-	Completed
20	Jaffarabad	Relacom Services	18-May-21	3,903,500	-	2,071,400	2,071,400	-	2,071,400	2,071,400	1,832,100	up to 3rd
21	Small Lot Sindh-4	LCC Pakistan	16-Aug-21	1,137,000	-	1,137,000	1,137,000	-	1,137,000	1,137,000	-	Completed
22	Mastung	LCC Pakistan	16-Aug-21	5,462,946	-	4,121,448	4,121,448	-	4,121,448	4,121,448	1,341,498	up to 3rd
23	Chaghi	LCC Pakistan	16-Aug-21	8,677,000	-	2,508,000	2,508,000	-	2,508,000	2,508,000	6,169,000	Up to 1st
24	Chitral	Ranop Solutions	07-Sep-21	9,088,850	-	1,386,000	1,386,000	-	1,386,000	1,386,000	7,702,850	Up to 1st
25	Gwadar	LCC Pakistan	28-Oct-21	2,025,999	-	2,025,999	2,025,999	-	2,025,999	2,025,999	-	Completed
26	Kech	Exceleron	29-Oct-21	8,611,248	-	1,598,970	1,598,970	-	1,598,970	1,598,970	7,012,278	Up to 1st
27	Jhelum	Komkonsult ****	29-Oct-21	4,585,114	-	2,649,450	2,649,450	-	2,649,450	2,649,450	1,935,664	Up to 2nd
28	Multan	Komkonsult ****	29-Oct-21	3,401,598	-	3,401,598	3,401,598	-	3,401,598	3,401,598	-	Completed
29	Shikarpur	Komkonsult ****	01-Nov-21	4,966,085	-	3,946,359	3,946,359	-	3,057,067	3,057,067	1,019,726	Up to 2nd
30	Pishin	Komkonsult ****	01-Nov-21	7,959,465	-	-	-	-	-	-	7,959,465	Contract Signed
31	Panjgur	Komkonsult ****	04-Nov-21	2,990,642	-	1,205,034	1,205,034	-	1,205,034	1,205,034	1,785,608	Up to 1st
32	Swabi	Ranop Solutions	11-Nov-21	1,842,975	-	-	-	-	-	-	1,842,975	Contract Signed
33	Swat	Ranop Solutions	11-Nov-21	3,292,000	-	-	-	-	-	-	3,292,000	Contract Signed
34	Dera Ghazi Khan	Myson Engineering	21-Feb-22	7,841,000	-	5,861,600	5,861,600	-	5,861,600	5,861,600	1,979,400	3rd
35	Kambar Shahdadkot	LCC Pakistan	21-Feb-22	3,179,000	-	2,981,300	2,981,300	-	2,981,300	2,981,300	197,700	Up to 3rd
36	Naushahro Feroze	LCC Pakistan	21-Feb-22	3,423,000	-	2,173,500	2,173,500	-	2,173,500	2,173,500	1,249,500	Up to 2nd
37	Sahiwal	LCC Pakistan	09-Mar-22	3,000,050	-	870,650	870,650	-	870,650	870,650	2,129,400	Up to 1st
38	Bannu	Komkonsult ****	14-Mar-22	3,379,687	-	1,779,420	1,779,420	-	1,779,420	1,779,420	1,600,267	Up to 2nd
39	Attock	Myson Engineering	17-Mar-22	4,448,029	-	3,096,510	3,096,510	-	2,368,201	2,368,201	1,351,519	Up to 2nd
	Sub-total (B)			169,670,168	40,471,467	74,006,029	114,477,496	40,471,467	71,350,621	111,822,088	55,192,672	

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
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FOR THE YEAR ENDED JUNE 30, 2022

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, 2021	For the year	As of 30 June, 2022	As of 30 June, 2021	For the year	As of 30 June, 2022		
							Rupees					
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-3	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	UC-SD-LOT-1	Global Enterprises	16-Aug-21	4,359,488	-	4,405,009	4,405,009	-	4,405,009	4,405,009	(45,521)	Completed
4	UC-SD-LOT-2	Global Enterprises	16-Aug-21	4,610,708	-	4,393,115	4,393,115	-	4,393,115	4,393,115	217,593	Up to 4th
5	UC-SD-LOT-3	LCC Pakistan	25-Oct-21	3,615,400	-	2,930,738	2,930,738	-	2,930,738	2,930,738	684,662	Up to 3rd
6	KPK (FATA) -Package-2	Global Enterprises	04-Feb-22	2,940,513	-	807,800	807,800	-	807,800	807,800	2,132,713	Upto 1st
7	UC-PB-LOT-4	Global Enterprises	10-Feb-22	2,657,510	-	599,332	599,332	-	599,332	599,332	2,058,178	Upto 1st
8	UC-PB-LOT-5	Global Enterprises	10-Feb-22	2,677,175	-	1,267,750	1,267,750	-	1,267,750	1,267,750	1,409,425	Up to 2nd
9	UC-PB-LOT-6	LCC Pakistan	21-Feb-22	2,617,000	-	1,649,711	1,649,711	-	1,649,711	1,649,711	967,289	Up to 2nd
10	UC-PB-LOT-7	Komkonsult ****	14-Mar-22	4,880,340	-	1,572,064	1,572,064	-	1,572,064	1,572,064	3,308,276	Upto 1st
	Sub-total (C)			45,935,050	10,733,052	17,625,519	28,358,571	10,733,052	17,625,519	28,358,571	17,576,479	
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)			257,797,795	65,084,595	101,391,288	166,475,883	65,017,014	90,687,380	155,704,394	91,321,912	

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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, 2022

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, 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 Sindh-3	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 Punjab-4	Exceleron	01-Dec-20	722,744		455,016	455,016	-	455,016	455,016	267,728	Up to 1st
16	Muzaffarghar	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	21-Jan-20	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**	
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**	

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UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
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20.2 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract	Monitoring audit fee due			Monitoring audit fee disbursed			Balance commitment	Milestones achieved
					As of 30 June, 2021	For the year	As of 30 June, 2022	As of 30 June, 2021	For the year	As of 30 June, 2022		
							Rupees					
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM												
1	Awaran-Lesbla	Ranop Solutions	05-Apr-21	2,000,000	-	-	-	-	-	-	2,000,000	Contract Signed
2	Kharan-Washuk	Ranop Solutions	05-Apr-21	2,092,708	-	2,092,708	2,092,708	-	2,092,708	2,092,708	-	Completed
3	Sibi	Exceleron	05-May-21	4,453,437	4,453,437	-	4,453,437	-	4,453,437	4,453,437	-	Completed
4	Small Lot Balochistan-1	Myson Engineering	06-May-21	700,000	-	700,000	700,000	-	700,000	700,000	-	Completed
5	Khyber	Netkom	19-May-21	3,347,731	-	3,347,731	3,347,731	-	3,347,731	3,347,731	-	Completed
6	Zhob	Komkonsult Private	24-May-21	2,658,340	-	2,658,340	2,658,340	-	2,658,340	2,658,340	-	Completed
7	Mastung	Myson Engineering	06-Oct-21	900,002	-	900,002	900,002	-	900,002	900,002	-	Completed
8	Nasirabad	Myson Engineering	06-Oct-21	1,900,000	-	1,900,000	1,900,000	-	1,900,000	1,900,000	-	Completed
9	Dera Bugti	Myson Engineering	06-Oct-21	4,319,706	-	4,319,706	4,319,706	-	4,319,706	4,319,706	-	Completed
10	Chaghi	LCC Pakistan	08-Oct-21	900,060	-	900,060	900,060	-	900,060	900,060	-	Completed
11	Awaran-Lesbla	LCC Pakistan	08-Oct-21	1,261,000	-	1,261,000	1,261,000	-	1,261,000	1,261,000	-	Completed
12	Zhob	LCC Pakistan	08-Oct-21	1,651,000	-	1,651,000	1,651,000	-	1,651,000	1,651,000	-	Completed
13	Khyber	LCC Pakistan	08-Oct-21	1,426,000	-	1,426,000	1,426,000	-	1,426,000	1,426,000	-	Completed
14	Chitral	Joyn Pvt Ltd	12-Oct-21	1,957,000	-	1,957,000	1,957,000	-	1,957,000	1,957,000	-	Completed
15	DI Khan	Griffin	15-Oct-21	1,500,019	-	1,500,019	1,500,019	-	1,500,019	1,500,019	-	Completed
16	Turbat	Komkonsult	27-Oct-21	1,826,700	-	1,826,700	1,826,700	-	1,826,700	1,826,700	-	Completed
17	Kalat	SC Technologies	27-Oct-21	808,840	-	808,840	808,840	-	808,840	808,840	-	Completed
18	Sibi	SC Technologies	27-Oct-21	1,526,331	-	1,526,331	1,526,331	-	1,526,331	1,526,331	-	Completed
19	Khuzdar	SC Technologies	27-Oct-21	1,747,514	-	1,747,514	1,747,514	-	1,747,514	1,747,514	-	Completed
20	Kharan-Washuk	SC Technologies	27-Oct-21	2,080,451	-	2,080,451	2,080,451	-	2,080,451	2,080,451	-	Completed
21	Shangla	SC Technologies	27-Oct-21	1,202,263	-	1,202,263	1,202,263	-	1,202,263	1,202,263	-	Completed
22	Small Lot B-1	SC Technologies	27-Oct-21	909,539	-	909,539	909,539	-	909,539	909,539	-	Completed
23	Mastung	Myson Engineering	08-Mar-22	909,000	-	909,000	909,000	-	909,000	909,000	-	Completed
24	Kharan-Washuk	LCC Pakistan	11-Mar-22	1,600,000	-	1,600,000	1,600,000	-	1,600,000	1,600,000	-	Completed
25	Small Lot B-1	LCC Pakistan	11-Mar-22	600,000	-	600,000	600,000	-	600,000	600,000	-	Completed
26	Awaran-Lesbla	LCC Pakistan	11-Mar-22	790,000	-	790,000	790,000	-	790,000	790,000	-	Completed
27	Zhob	Netkom	14-Mar-22	1,490,525	-	1,490,525	1,490,525	-	1,490,525	1,490,525	-	Completed
28	Khyber	Netkom	14-Mar-22	1,279,695	-	1,279,695	1,279,695	-	1,279,695	1,279,695	-	Completed
29	Shangla	Global Connect	18-Mar-22	1,183,556	-	1,183,556	1,183,556	-	1,183,556	1,183,556	-	Completed
30	Dera Bugti	Joyn Pvt Ltd	18-Mar-22	2,293,000	-	2,293,000	2,293,000	-	2,293,000	2,293,000	-	Completed
31	Chitral	Joyn Pvt Ltd	18-Mar-22	1,750,000	-	1,750,000	1,750,000	-	1,750,000	1,750,000	-	Completed
32	DI Khan	Griffin	31-Mar-22	1,281,507	-	1,281,507	1,281,507	-	-	-	-	Contract Signed
33	Kalat	Griffin	31-Mar-22	629,229	-	629,229	629,229	-	-	-	-	Contract Signed
34	Chaghi	Griffin	31-Mar-22	855,054	-	855,054	855,054	-	-	-	-	Contract Signed
35	Turbat	Myson Engineering	12-Apr-22	1,482,000	-	1,482,000	1,482,000	-	1,482,000	1,482,000	-	Completed
36	Sibi	LCC Pakistan	14-Apr-22	2,049,700	-	2,049,700	2,049,700	-	2,049,700	2,049,700	-	Completed
37	Khuzdar	Joyn Pvt Ltd	19-Apr-22	1,690,000	-	1,690,000	1,690,000	-	-	-	-	Contract Signed
	Sub-total (A)			61,051,907	4,453,437	54,598,470	59,051,907	-	54,596,117	54,596,117	2,000,000	
B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM												
1	NH&MW Lot-1(NH 10&25)	Joyn Pvt Ltd	12-Oct-21	874,000	-	874,000	874,000	-	874,000	874,000	-	Completed
2	Hyderabad	Netkom	13-Oct-21	1,455,228	-	1,455,228	1,455,228	-	1,455,228	1,455,228	-	Completed
3	NH&MW Lot-3(NH 50&70)	LCC Pakistan	11-Mar-22	800,000	-	800,000	800,000	-	800,000	800,000	-	Completed

UNIVERSAL SERVICE FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

20.2 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract	Monitoring audit fee due			Monitoring audit fee disbursed			Balance commitment	Milestones achieved
					As of 30 June, 2021	For the year	As of 30 June, 2022	As of 30 June, 2021	For the year	As of 30 June, 2022		
							Rupees					
4	Hyderabad	Netkom	14-Mar-22	943,741	-	943,741	943,741	-	943,741	943,741	-	Completed
5	Rahimyarkhan	Netkom	14-Mar-22	712,770	-	712,770	712,770	-	712,770	712,770	-	Completed
6	Sanghar	Netkom	14-Mar-22	1,178,804	-	1,178,804	1,178,804	-	1,178,804	1,178,804	-	Completed
7	Bahawalnagar	Global Connect	18-Mar-22	789,320	-	789,320	789,320	-	789,320	789,320	-	Completed
8	Tharparker	Global Connect	18-Mar-22	1,087,475	-	1,087,475	1,087,475	-	1,087,475	1,087,475	-	Completed
9	NH&MW Lot-1(NH 10&25)	Joyn Pvt Ltd	18-Mar-22	790,000	-	790,000	790,000	-	790,000	790,000	-	Completed
	Sub-total (B)			**8,631,338**	-	**8,631,338**	**8,631,338**	-	**8,631,338**	**8,631,338**	-	

C) OPTICAL FIBER CABLE- OFC

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract	Due: As of 30 June, 2021	Due: For the year	Due: As of 30 June, 2022	Disbursed: As of 30 June, 2021	Disbursed: For the year	Disbursed: As of 30 June, 2022	Balance commitment	Milestones achieved
1	Sindh-Package	TEACH	23-Apr-21	-	-	-	-	-	-	-	-	Terminated
2	Balochistan Package-1	Joyn	30-Apr-21	-	-	-	-	-	-	-	-	Terminated
3	Balochistan-Punjab Pckg-4	Joyn	30-Apr-21	873,795	-	873,795	873,795	-	873,795	873,795	-	Completed
4	Balochistan-Punjab Pckg-2	Global Enterprises	18-Nov-21	2,614,000		2,614,000	2,614,000	-	2,614,000	2,614,000	-	Completed
5	Balochistan-Punjab Pckg-5	Global Enterprises	18-Nov-21	2,868,000		2,868,000	2,868,000	-	2,868,000	2,868,000	-	Completed
6	FATA Package-1/KPK	TEACH	26-Nov-21	4,855,000		4,855,000	4,855,000	-	4,855,000	4,855,000	-	Completed
7	OFC- KPK	TEACH	26-Nov-21	2,590,000		2,590,000	2,590,000	-	2,590,000	2,590,000	-	Completed
8	Balochistan-Punjab Pckg-3	Joyn	30-Nov-21	780,000		780,000	780,000	-	780,000	780,000	-	Completed
9	Balochistan-Punjab Pckg-4	Joyn	30-Nov-21	794,975		794,975	794,975	-	794,975	794,975	-	Completed
10	Balochistan-Punjab Pckg-2	Bidcon Solutions	28-Mar-22	4,000,000		4,000,000	4,000,000	-	4,000,000	4,000,000	-	Completed
11	Balochistan-Punjab Pckg-5	Bidcon Solutions	28-Mar-22	3,615,000		3,615,000	3,615,000	-	3,615,000	3,615,000	-	Completed
12	Balochistan-Punjab Pckg-3	Global Enterprises	06-Apr-22	4,455,000		4,455,000	4,455,000	-	4,455,000	4,455,000	-	Completed
13	Balochistan-Punjab Pckg-4	Global Enterprises	06-Apr-22	4,400,000		4,400,000	4,400,000	-	4,400,000	4,400,000	-	Completed
14	FATA Package-1/KPK	Joyn Pvt Ltd	19-Apr-22	2,500,000		2,500,000	2,500,000	-	2,500,000	2,500,000	-	Contract Signed
15	OFC- KPK	Joyn Pvt Ltd	19-Apr-22	1,700,000		1,700,000	1,700,000	-	1,700,000	1,700,000	-	Contract Signed
	Sub-total (C)			**36,045,770**	-	**36,045,770**	**36,045,770**	-	**36,045,770**	**36,045,770**	-	
	Total (A+B+C)			**105,729,015**	**4,453,437**	**99,275,578**	**103,729,015**	-	**99,273,225**	**99,273,225**	**2,000,000**	

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
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FOR THE YEAR ENDED JUNE 30, 2022

20.2.2 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract	Monitoring audit fee due			Monitoring 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	-	Completed
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	Chaghi	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 Balochistan-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	Chaghi	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 Balochistan-1	Myson Engineering	06-May-21	700,000	-	-	-	-	-	-	700,000	Contract Signed
29	Khyber	Netkom	18-May-21	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	Contract Signed
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	Contract Signed
4	Balochistan-Punjab Pckg-4	Joyn	30-Apr-21	985,800		-	-	-	-	-	985,800	Contract Signed
	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	

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 AT JUNE 30, 2022				
		Interest/mark up bearing			
	Total	Maturity up to one year	Maturity after one year	Sub total	Non interest / mark up bearing
			Rupees		
Financial assets					
At amortized cost					
Long term advances	2,567,212	-	-	-	2,567,212
Interest accrued	13,248	13,248	-	-	-
Other receivables	1,722,238,808	-	-	-	1,722,238,808
Bank balances	923,676,254	244,904	-	-	923,431,350
	2,648,495,522	258,152	-	-	2,648,237,370
Financial liabilities					
At amortised cost					
Trade and other payables	1,091,253,306	-	-	-	1,091,253,306
	1,091,253,306	-	-	-	1,091,253,306
On balance sheet gap	1,557,242,216	258,152	-	-	1,556,984,064
Off balance sheet item					
Financial commitment	39,684,169,456	-	-	-	39,684,169,456
Total gap	(38,126,927,240)	258,152	-	-	(38,127,185,392)

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.

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	AS AT JUNE 30, 2021				
		Interest/mark up bearing			
Description	Total	Maturity up to one year	Maturity after one year	Sub total	Non interest / mark up bearing
			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	11,367,478	-	-	3,300,047,229
	5,081,485,413	57,933,956	-	-	5,023,551,457
Financial liabilities					
At amortised cost					
Trade and other payables	2,778,170,512	-	-	-	2,778,170,512
	2,778,170,512	-	-	-	2,778,170,512
On balance sheet gap	2,303,314,901	57,933,956	-	-	2,245,380,945
Off balance sheet item					
Financial commitment	26,763,868,323	-	-	-	26,763,868,323
Total gap	(24,460,553,422)	57,933,956	-	-	(24,518,487,378)

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.

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:

	June 2022 Rupees	June 2021 Rupees
Long term advances	**2,567,212**	1,265,420
Interest accrued	**13,248**	46,566,478
Other receivables	**1,722,238,808**	1,722,238,808
Bank balance	**923,655,071**	3,311,367,478
	2,648,474,339	5,081,438,184

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:

Bank name:	Rating	Rating Agency	June 2022 Rupees	June 2021 Rupees
National Bank of Pakistan:	AAA/A-1+	PACRA		
Bank balance			**923,655,071**	3,311,367,478
Interest accrued			**13,248**	46,566,478
			923,668,319	3,357,933,956

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	----------------------------------		
June 30, 2022				
Project subsidy payable	**1,059,493,635**	**1,059,493,635**	**1,059,493,635**	-
Technical auditor fee payable	**15,262,439**	**15,262,439**	**15,262,439**	-
Payable to suppliers	**11,036,449**	**11,036,449**	**11,036,449**	-
Accrued liabilities	**5,360,783**	**5,360,783**	**5,360,783**	-
Earnest money	**100,000**	**100,000**	**100,000**	-
	1,091,253,306	**1,091,253,306**	**1,091,253,306**	-
June 30, 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	-
	2,778,170,512	2,778,170,512	2,778,170,512	-

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. 244,904 (June 30, 2021: Rs. 11,367,478) 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 are as follows:

	Note	June 2022	June 2021
State-controlled entities			
- MoIT&T- Fund received during the year		18,750,000,000	6,300,000,000
Associate due to common directorship			
Subsidy grant disbursement	19		
- Pakistan Telecommunication Company Limited		6,699,166,458	1,825,266,159
- Pak Telecom Mobile Limited (Ufone)		3,969,791,357	1,240,241,108
- Telenor Pakistan Private Limited-Telenor		4,816,549,852	1,213,274,753
		15,485,507,667	4,278,782,020
USF Employees' Gratuity Fund			
Contributions paid by the Company	16.2	29,319,273	24,218,549

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:

	June 2022			June 2021		
	Chief Executive Officer	**Directors**	**Executives**	**Chief Executive Officer**	**Directors**	**Executives**
	(Rupees)					
Meeting fee	-	**3,310,000**	-	-	2,550,000	-
Managerial remuneration	**11,583,948**		**80,851,135**	9,060,484	-	84,499,230
Allowances (24.1)	**8,929,206**		**67,297,986**	7,119,580	-	70,863,646
Bonus	**3,010,959**		**18,141,588**	-	-	14,833,899
	23,524,113	**3,310,000**	**166,290,709**	16,180,064	2,550,000	170,196,775
Number of persons	1	9	27	1	9	33

24.1 This includes monetization allowance, amounting to **Rs. 12,633,387** (2021: Rs. 13,180,468) 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.

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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 NUMBER OF EMPLOYEES

	June 2022	June 2021
Employees at year end (Number)	94	93
Average employees during the year (Number)	94	91

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on September 22, 2022.

28 GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Grant Thornton

Grant Thornton Anjum Rahman
302 B, 3rd Floor,
Evacuee Trust Complex,
Aga Khan Road, F-5/1,
Islamabad, Pakistan.

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REVIEW REPORT TO THE MEMBERS

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Universal Service Fund ("the Company") for the year ended June 30, 2022.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company, for the year ended June 30, 2022.

Grant Thornton Anjum Rahman

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Engagement Partner: Waqas Waris
Islamabad
October 05, 2022
UDIN: CR202210209XWVvKh3pC

Chartered Accountants

grantthornton.pk

Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

Name of company: UNIVERSAL SERVICE FUND COMPANY

Name of the line ministry: MINISTRY OF INFORMATION TECHNOLOGY & TELECOMMUNICATION

For the year ended: June 30, 2022

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

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

<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule no.</th><th>Y</th><th>N</th></tr>
<tr><th colspan="2">Tick the relevant box</th></tr>
<tr><td>1.</td><td>The independent directors meet the criteria of independence, as defined under the Rules.</td><td>2(d)</td><td></td><td>Proposal for amendments in Universal Service Fund Rules has been sent to the line Ministry to align with requirements of Public Sector Companies (Corporate Governance) Rules 2013.The proposal has been forwarded to Law Ministry for approval of Rules change.</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2.</td><td>The Board has at least one-third of its total members as independent directors. At present the Board includes:
<table><tr><th>Category</th><th>Names</th><th>Date of appointment</th></tr><tr><td>Independent Directors</td><td>N/A</td><td>N/A</td></tr><tr><td>Executive Directors</td><td>1. Mr. Haaris Mahmood Chaudhary, CEO USF</td><td>11th August, 2020</td></tr></table></td><td>3(2)</td><td></td><td>Proposal for amendments in Universal Service Fund Rules has been sent to the line Ministry to align with requirements of Public Sector Companies (Corporate Governance) Rules 2013.The proposal has been</td></tr>
</table>

	Non-Executive Directors 1. Mohsin Mushtaq Chandna Chairman USF Board — 27th April, 2022 2. Amir Azeem Bajwa, Chairman PTA — 18th July 2019 3. Mr. Muhammad Omar Malik, Member Telecom — 27th August 2020 4. CEO, NITB — Vacant 5. Mr. Imran Akhtar Shah Vice President Super Net Pvt. Ltd, Nominee for Data Licensees — 18th July 2019 6. Kaukab Iqbal Chairman Consumers Group — 18th July 2019 7. Nominee of Fixed Line Licensees — Vacant 8. Mr. Irfan Wahab Khan, CEO Telenor, Nominee for Mobile Cellular Licensees — 18th July, 2019			forwarded to Law Ministry for approval of Rules change.
3	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓ Declaration in SECP Form 28 & 29 is provided.	

4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	**3(7)**	✓ Declaration in SECP Form 28 & 29 is provided.	
5.	The chairman of the Board is working separately from the chief executive of the Company.	**4(1)**	✓	
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	**4(4)**		**N/A**
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	**5(2)**	✓ Refer to minutes of Nomination Committee & 71st BoD Meeting	
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. USF | Universal Service Fund Pakistan (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	**5(4)**	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	**5(5)**	✓	
10	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	**5(5)(b) (ii)**	✓	

11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	**5(5)(b) (vi)**	✓	

12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and submitted its request for appropriate compensation to the Government for consideration.	5(8)		The board has quantified the outlay in respect of services to be delivered by USF Co. However, request for compensation in this regard is not submitted to GOP. The company is compensated out of a Special Purpose Fund, which is collected by levying a charge on the adjusted gross revenue of contributing telecom and broadband service providers.
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
18.	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓	
19.	The Board has monitored and assessed the performance of senior management on annual~~/half-yearly/quarterly~~ basis* and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose. * Strike out whichever is not applicable	8 (2)	✓	

20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	

21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b)In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c)The Board has placed the annual financial statements on the company's website.	10	✓ ✓	N/A
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓	
23.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the Board members. (d) The committees were chaired by the following non-executive directors.	12	✓ ✓ ✓	

Committee	Number of members	Name of Chair
Audit & Finance Committee	3	Imran Akhtar Shah
Risk Management Committee	3	Imran Akhtar Shah
Human Resources Committee	3	Major Gen (R) Amir Azeem Bajwa

Committee	No. of members	Chairman
Procurement Committee	1 (Total 2-1 vacant)	Kaukab Iqbal
Nomination Committee	3	Major Gen (R) Amir Azeem Bajwa

24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓	
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules	14	✓	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of Section 225 of the Act.	16	✓	
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓	
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	18	✓	
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the company contains criteria and details of remuneration of each director.	19	✓ ✓	
30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	✓	
31.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members:	21 (1) and 21(2)	✓	

Name of member	Category	Professional background
Imran Akhtar Shah	Non-Executive	BSc Engineering. Electrical UET (Lahore)

<table>
<tr><td></td><td><table><tr><td>Muhammad Omar Malik</td><td>Non-Executive</td><td>MSc Mobile & Telecommunications, Kings College London</td></tr><tr><td>Kaukab Iqbal</td><td>Non-Executive</td><td>BSC, B.TECH (Electrical)</td></tr></table>The Chief Executive and Chairman of the Board are not members of the audit committee.</td><td></td><td></td><td></td></tr>
<tr><td>32.</td><td>(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.

(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.

(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</td><td>21(3)</td><td>✓

✓

✓</td><td></td></tr>
<tr><td>33.</td><td>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.

(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.

(c) The internal audit reports have been provided to the external auditors for their review.</td><td>22</td><td>✓

✓

✓</td><td></td></tr>
<tr><td>34.</td><td>The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.</td><td>23(4)</td><td>✓</td><td></td></tr>
<tr><td>35.</td><td>The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.</td><td>23(5)</td><td>✓</td><td></td></tr>
</table>

Signature: ____________________
Name: HAARIS MAHMOOD CHAUDHARY
Chief Executive Officer

Signature: ____________________
Name: IMRAN QUTAR SHAH
Director

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

We confirm that all other material requirements envisaged in the Rules have been complied with [except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year:

Sr. No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
1.	2(d)	Matter pending at Line Ministry	Proposal for amendments in Universal Service Fund Rules has been sent to the line Ministry to align with requirements of Public Sector Companies (Corporate Governance) Rules 2013.The proposal has been forwarded to Law Ministry for approval of Rules change.
2.	3 (2)	Matter pending at Line Ministry	Proposal for amendments in Universal Service Fund Rules has been sent to the line Ministry to align with requirements of Public Sector Companies (Corporate Governance) Rules 2013.The proposal has been forwarded to Law Ministry for approval of Rules change.

Signature: ________________
Name: HAARIS MAHMOOD CHAUDHARY
Chief Executive Officer

Signature: ________________
Name: IMRAN AKHTAR SHAH
Director

OUR PROUD PARTNERS