

**UNIVERSAL SERVICE FUND
(A COMPANY INCORPORATED UNDER
SECTION 42 OF THE COMPANIES ACT, 2017)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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

Opinion

We have audited the annexed financial statements of **Universal Service Fund (the Company)**, which comprise the statement of financial position as at June 30, 2024, 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 material accounting policy information 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, 2024 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 & 17.1.5 of the financial statements which describes that PTCL has filed legal suits in court of law against receivables for late delivery charges and descoping and payable balances of PTCL which is pending adjudication at the year end. Our opinion is not modified in respect of this matter.

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

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) 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.

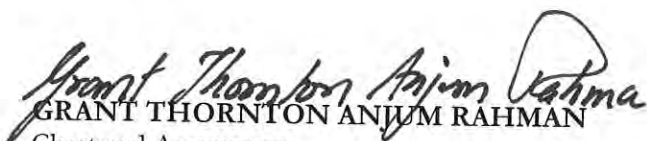
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- 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 the SOE Act, 2023 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).

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


GRANT THORNTON ANJUM RAHMAN

Chartered Accountants

Islamabad

Date: October 25, 2024

UDIN: AR202410209711NcBMS+

UNIVERSAL SERVICE FUND

(A Company incorporated under Section 42 of the Companies Act, 2017)

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	June 2024 (Rupees)	June 2023 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	114,476,682	78,416,961
Intangible assets	6	30,290,957	36,625,280
Long term deposits	7	7,535,000	7,630,400
Long term advances	8	5,638,219	3,506,050
		157,940,858	126,178,691
CURRENT ASSETS			
Advances	9	183,035,216	3,363,120,763
Short-term prepayments	10	4,166,785	11,846,842
Other receivables	11	2,346,988,683	1,722,184,148
Cash and bank balance	12	1,964,337,546	1,916,661,589
		4,498,528,230	7,013,813,342
TOTAL ASSETS		4,656,469,088	7,139,992,033
FUNDS AND LIABILITIES			
General fund		-	-
NON-CURRENT LIABILITIES			
Fund balance (restricted)	13	3,608,658,311	6,225,420,740
Deferred capital grant	14	144,767,639	115,042,241
Lease liability	15	26,698,784	-
		3,780,124,734	6,340,462,981
CURRENT LIABILITIES			
Trade and other payables	16	854,985,326	799,529,052
Current portion of lease liability	15	21,359,028	-
		876,344,354	799,529,052
TOTAL FUNDS AND LIABILITIES		4,656,469,088	7,139,992,033
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTOR 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, 2024**

	Note	June 2024 (Rupees)	June 2023 (Rupees)
INCOME			
Amortization of deferred capital grant	14	74,819,884	60,727,044
EXPENDITURE			
Administrative and general expenses	18	578,309,764	568,817,739
Subsidy grant for projects	19	18,544,541,061	17,764,840,062
Technical and monitoring audit fee	20	166,802,738	191,500,258
		19,289,653,563	18,525,158,059
		(19,214,833,679)	-18,464,431,015
FUNDS (RESTRICTED) RECOGNIZED AS GRANT AGAINST EXPENDITURE			
	13	19,214,833,679	18,464,431,015
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		(3,625,239)	(1,582,547)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR			
		(3,625,239)	(1,582,547)

The annexed notes from 1 to 27 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, 2024

	Note	June 2024 (Rupees)	June 2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Subsidy grant disbursement		(15,374,749,843)	(16,557,440,324)
Technical & monitoring audit fee		(145,614,823)	(204,286,940)
Liquidated damages, profit on deposit account and others		5,121,142	12,393,588
Payment to suppliers and employees		(519,757,219)	(555,374,751)
Net cash used in operating activities		<u>(16,035,000,743)</u>	<u>(17,304,708,427)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Procurement of property, equipment and intangibles		(36,973,300)	(42,306,238)
Net cash used in investing activities		<u>(36,973,300)</u>	<u>(42,306,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		16,119,650,000	18,340,000,000
Net cash generated from financing activities		16,119,650,000	18,340,000,000
Net increase in cash and cash equivalents		47,675,957	992,985,335
Cash and cash equivalents at beginning of year		1,916,661,589	923,676,254
Cash and cash equivalents at end of year	12	<u>1,964,337,546</u>	<u>1,916,661,589</u>

The annexed notes from 1 to 27 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, 2024

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 Company 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. 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.

State-Owned Enterprises (Governance and Operations) Act, 2023 enacted by Federal Government requires financial statements to be prepared in accordance with International Financial Reporting Standards (IFRSs) and financial statements together with notes to them must include all information that is necessary to ensure that financial statements give a true and fair view of the financial position of the state owned enterprise (SOE). Provided that where a SOE is not following the IFRSs, the Board of SOE is required to ensure compliance with this provision within the period of three years after coming into effect of SOE Act.

The Company will evaluate the compliance to the above SOE Act requirement.

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.

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, 2024

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 01, 2023 but does not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements except that during the year certain amendments to IAS 1 - Presentation of financial statements have been applicable to the Company which require entities to disclose their material accounting policy information rather than significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

3.1.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual periods beginning on or
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendment)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies have been applied consistently to all periods presented in these financial

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 so as to write off the cost or revalued amount of assets (other than land and capital work in progress) over their estimated useful lives, using the straight-line method at rates specified in note 5.2 to the financial statements.

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.

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, 2024

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 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.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability.

Depreciation is charged on straight line basis over the shorter of the lease term or useful life of the asset.

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 tenure. 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.

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 comprise cash in hand and cash with bank in assignment account.

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.

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, 2024

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, 2023, 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, 2024. 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 the Financial Statements.

4.12 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.

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, 2024

4.12.1 Financial assets

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

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

Classification of financial assets:

(i) Debt instruments designated at amortized cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instrument designated at other comprehensive income

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Amortized cost and effective interest rate method:

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

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

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

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

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, 2024

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 expenditure 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.

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial 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

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.

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(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 counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty 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 counterparty 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.

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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.

4.12.2 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.

Derecognition of financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income and expenditure statement.

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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.

4.13 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.

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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.

4.14 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:

4.14.1 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.

4.14.2 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.

4.14.3 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.

4.14.4 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.

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5	PROPERTY AND EQUIPMENT	Note	June 2024 Rupees	June 2023 Rupees
	Right of use assets	5.1	48,814,938	3,590,722
	Operating fixed assets	5.2	65,661,744	74,826,239
			<u>114,476,682</u>	<u>78,416,961</u>
5.1	Right of use (ROU) assets			
	Cost			
	Opening balance as at July 01		64,633,094	64,633,094
	Additions	5.1.1	67,589,914	-
	Deletion on maturity		(64,633,094)	-
	Closing balance as at June 30		<u>67,589,914</u>	<u>64,633,094</u>
	Accumulated depreciation			
	Opening balance as at July 01		(61,042,372)	(39,498,008)
	Charge for the period	5.1.2	(22,365,698)	(21,544,364)
	Deletion on maturity		64,633,094	-
	Closing balance as at June 30		<u>(18,774,976)</u>	<u>(61,042,372)</u>
	Net book value at June 30		48,814,938	3,590,722
	Depreciation rate per annum		3 years	3 years

5.1.1 This relates to addition on renewal of lease contract related to rental premises located at office # 310-312, 3rd Floor, Evacuee Trust Complex, F-5/1, Islamabad.

5.1.2 Depreciation for the period 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) -----					
Cost						
Opening balance as at July 01, 2023	29,704,498	92,057,500	49,020,672	5,294,351	28,690,483	204,767,504
Additions	-	190,825	22,711,795	-	-	22,902,620
Disposals	-	(13,641,161)	(5,847,396)	-	-	(19,488,557)
Closing balance as at June 30, 2024	29,704,498	78,607,164	65,885,071	5,294,351	28,690,483	208,181,567
Accumulated depreciation						
Opening balance as at July 01, 2023	(29,704,428)	(54,035,667)	(31,330,160)	(2,981,487)	(11,889,523)	(129,941,265)
Charge for the period	-	(12,876,874)	(12,779,252)	(654,962)	(5,738,095)	(32,049,183)
Disposals	-	13,623,569	5,847,056	-	-	19,470,625
Closing balance as at June 30, 2024	(29,704,428)	(53,288,972)	(38,262,356)	(3,636,449)	(17,627,618)	(142,519,823)
Net book value as at June 30, 2024	70	25,318,192	27,622,715	1,657,902	11,062,865	65,661,744
Cost						
Opening balance as at July 01, 2022	29,704,498	90,939,977	41,634,117	4,933,386	28,690,483	195,902,461
Additions	-	17,456,234	11,746,125	360,965	-	29,563,324
Disposals	-	(16,338,711)	(4,359,570)	-	-	(20,698,281)
Closing balance as at June 30, 2023	29,704,498	92,057,500	49,020,672	5,294,351	28,690,483	204,767,504
Accumulated depreciation						
Opening balance as at July 01, 2022	(29,704,428)	(56,702,116)	(29,086,936)	(2,058,101)	(6,151,428)	(123,703,009)
Charge for the period	-	(13,654,450)	(6,602,384)	(923,386)	(5,738,095)	(26,918,315)
Disposals	-	16,320,899	4,359,160	-	-	20,680,059
Closing balance as at June 30, 2023	(29,704,428)	(54,035,667)	(31,330,160)	(2,981,487)	(11,889,523)	(129,941,265)
Net book value as at June 30, 2023	70	38,021,833	17,690,512	2,312,864	16,800,960	74,826,239
Depreciation rate per annum	20%	20%	33.33%	20%-33.33%	20%	

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

5.4 Cost and accumulated depreciation of fully depreciated assets is **Rs.70,749,474** (June 30, 2023: Rs. 70,071,950) and **Rs. 70,749,054** (June 30, 2023: Rs. 70,069,830) respectively, having carrying amount of **Rs. 2,490** (June 30, 2023: Rs. 2,120).

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6 INTANGIBLE ASSETS

Description	Digital maps	Software	Capital work in progress (CWIP)-softwares	Total
	------(Rupees)-----			
Cost				
Opening balance as at July 01, 2023	7,500,000	92,018,218	-	99,518,218
Additions	-	14,070,680	-	14,070,680
Closing balance as at June 30, 2024	7,500,000	106,088,898	-	113,588,898
Accumulated amortisation				
Opening balance as at July 01, 2023	(7,499,990)	(55,392,948)	-	(62,892,938)
Amortization Charge	-	(20,405,003)	-	(20,405,003)
Closing balance as at June 30, 2024	(7,499,990)	(75,797,951)	-	(83,297,941)
Net book value as at June 30, 2024	10	30,290,947	-	30,290,957
Cost				
Opening balance as at July 01, 2022	7,500,000	55,037,437	21,709,155	84,246,592
Additions	-	36,980,781	5,431,926	42,412,707
Transfers	-	-	(27,141,081)	(27,141,081)
Closing balance as at June 30, 2023	7,500,000	92,018,218	-	99,518,218
Accumulated amortisation				
Opening balance as at July 01, 2022	(7,499,990)	(43,128,583)	-	(50,628,573)
Charge for the year	-	(12,264,365)	-	(12,264,365)
Closing balance as at June 30, 2023	(7,499,990)	(55,392,948)	-	(62,892,938)
Net book value as at June 30, 2023	10	36,625,270	-	36,625,280
Depreciation rate per annum	20%	33%		

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

6.2 Cost and accumulated amortisation of fully depreciated assets is **Rs. 48,178,067** (June 30, 2023: Rs. 46,694,651) and **Rs. 48,177,727** (June 30, 2023: Rs. 46,694,331) respectively, having carrying amount of **Rs. 340** (June 30, 2023: Rs. 320).

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7 LONG TERM DEPOSITS

This includes security deposits amounting to **Rs. 4.008 million** (June 30, 2023: 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, Agha Khan Road, Islamabad.

8 LONG TERM ADVANCES	June 2024 (Rupees)	June 2023 (Rupees)
Advance against gratuity balance to employees	16,670,413	11,748,389
Current portion	<u>(11,032,194)</u>	<u>(8,242,339)</u>
	<u>5,638,219</u>	<u>3,506,050</u>

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

9 ADVANCES	Note	June 2024 (Rupees)	June 2023 (Rupees)
Considered good - secured			
To employees			
- against gratuity - current portion	8	11,032,194	8,242,339
- against expenses		-	41,849
Advance against projects	9.1	<u>172,003,022</u>	<u>3,354,836,575</u>
		<u>183,035,216</u>	<u>3,363,120,763</u>

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

Advances to related parties:	June 2024 (Rupees)	June 2023 (Rupees)
PTML-NG-BSD Panjgur	-	70,800,000
PTML-NG-BSD Kech	-	368,803,019
PTML-NG-BSD Musakhel	-	649,400,000
PTML-NG-BSD NH&MW Lot-10 (M-8)	-	570,622,331
PTML-NG-BSD Small Lot Baluchistan-8	-	36,620,235
PTML-NG-BSD Sibbi	111,631,998	318,948,569
Telenor-NG- BSD Small Lot S7	-	131,600,000
Telenor-NG-BSD Small Lot S8	-	170,215,767
Telenor-NG-BSD Small Lot S10	-	174,863,051
Telenor-NG-BSD Chaghi	-	148,735,443
PTCL-OFC-UC-PB-Lot-8	20,995,767	-
PTCL-OFC-UC-SD-LOT-11	-	159,390,000
Advances to other than related parties:		
PMCL-NG-BSD NH&MW Lot-9 (N-35)	-	147,481,440
PMCL-NG-BSD TD-K1	39,375,257	88,594,329
Nayatel-OFC-UC-PB-Lot-14	-	318,762,391
	<u>172,003,022</u>	<u>3,354,836,575</u>

10 SHORT-TERM PREPAYMENTS

Insurance	2,004,621	2,112,716
Others	<u>2,162,164</u>	<u>9,734,126</u>
	<u>4,166,785</u>	<u>11,846,842</u>

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11 OTHER RECEIVABLES	Note	June 2024 (Rupees)	June 2023 (Rupees)
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
PTCL OFC BP-02		624,804,535	-
	11.1	<u>2,346,988,683</u>	<u>1,722,184,148</u>
11.1 This includes receivables against late delivery charges amounting to Rs. 2,218.598 million and receivable against descoping from Pakistan Telecommunication Company Limited (PTCL) amounts Rs. 128.391 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 & 17.1.5 to the financial statements. Receivable from PTCL are secured against performance bank guarantee provided by PTCL amounting to Rs. 2,426.237 million.			
11.2 Maximum outstanding balance at end of any month during the year amounts to Rs. 2,346.989 million (2023: Rs. 1,722.184 million).			
11.3 Aging of other receivables at reporting date is as follows;			
	Note	June 2024 (Rupees)	June 2023 (Rupees)
Past due 1-30 days		-	-
Past due 30-90 days		-	-
Past due 90 days		2,346,988,683	1,722,184,148
		<u>2,346,988,683</u>	<u>1,722,184,148</u>
12 CASH AND BANK BALANCES			
Cash in hand		35,202	-
Cash at bank			
Assignment account with NBP	12.1	1,964,302,344	1,916,661,589
		<u>1,964,337,546</u>	<u>1,916,661,589</u>
12.1 This represents non-lapsable assignment account opened on November 09, 2021, with National Bank of Pakistan. Accountant General Pakistan Revenues (AGPR) issues authorization for placement of funds in assignment account. The authorization is made to arrange payment for withdrawals from this account against the Company's approved budget through AGPR.			
13 FUND BALANCE (RESTRICTED)			
	Note	June 2024 (Rupees)	June 2023 (Rupees)
Balance at the beginning of the year		6,225,420,740	6,384,337,625
Grant received during the year		16,119,650,000	18,340,000,000
Profit on deposit account	13.1	-	1,883
Adjustments	13.2	586,900,171	12,360,235
		16,706,550,171	18,352,362,118
Grants transferred to:			
-Deferred capital grant	14	(104,545,282)	(44,816,728)
-Income and expenditure statement		(19,214,833,679)	(18,464,431,015)
		(19,319,378,961)	(18,509,247,743)
Fund deposited in USF public fund - MoIT&T	13.3	(308,400)	(448,713)
-Remeasurement loss on defined benefit plan	16.3.4	(3,625,239)	(1,582,547)
		<u>3,608,658,311</u>	<u>6,225,420,740</u>

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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, 2024**

- 13.1 This represent profit on company operational account closed on August 30, 2022.
- 13.2 This represent different miscellaneous receipts and deductions from vendors/operators payments against liquidated damages and includes amount of Rs. 585,694,636 (2023: Rs. 10,635,604) deducted from subsidy payments to operators.
- 13.3 Miscellaneous receipts are included in the fund balance, being income of USF Fund MoIT&T, Government of Pakistan and are desoposited in USF public fund with SBP.

14	DEFERRED CAPITAL GRANT	Note	June 2024 (Rupees)	June 2023 (Rupees)
	Balance at beginning of the year		115,042,241	130,952,557
	Transferred from fund balance (restricted) - net	13	104,545,282	44,816,728
	Depreciation/amortization charged		(74,819,884)	(60,727,044)
	Balance at end of the year		<u>144,767,639</u>	<u>115,042,241</u>
15	LEASE LIABILITY			
	Opening balance		-	23,013,259
	Add: Addition during the year		67,589,914	-
			<u>67,589,914</u>	23,013,259
	Interest expense		10,527,898	1,034,741
	Less: Lease payments		(30,060,000)	(24,048,000)
			<u>48,057,812</u>	-
	As at June 30, 2024			
	Less: Current lease liability		(21,359,028)	-
	Non-current liability		<u>26,698,784</u>	-
	Maturity analysis - contractual undiscounted cash flows:			
	Less than one year		30,060,000	24,048,000
	More than one year and less than five years		30,060,000	(24,048,000)
	More than five years		-	-
	Total undiscounted lease		<u>60,120,000</u>	-
	Future finance charges		(12,062,188)	(1,034,741)
	Present value of lease payments		<u>48,057,812</u>	<u>(1,034,741)</u>
	Amount recognized in statement of income and expenditure			
	Interest expense on lease liability		<u>10,527,898</u>	<u>1,034,741</u>

UNIVERSAL SERVICE FUND

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

16	TRADE AND OTHER PAYABLES	Note	June 2024 (Rupees)	June 2023 (Rupees)
	Project subsidy	16.1	813,952,335	783,987,096
	Technical and monitoring auditor fee		23,560,931	2,373,016
	Payable to suppliers		7,906,211	7,769,627
	Accrued liabilities		5,958,891	3,391,119
	Payable to gratuity fund	16.2	3,606,958	2,008,194
			<u>854,985,326</u>	<u>799,529,052</u>
16.1	This includes an amount of Rs. 739.43 million (June 30, 2023: 774.21 million) payable to related parties which also includes the amount payable to PTCL amounting to Rs. 689.775 million (June 30, 2023: 679.102 million). The Company is in litigation with PTCL on receivable and payables as explained in note 17.1.4 and 17.1.5 to the financial statements.			
16.2	Payable to gratuity fund		<u>June 2024 (Rupees)</u>	<u>June 2023 (Rupees)</u>
	The movement in net liability is as follows:			
	Balance at beginning of the year		2,008,194	5,432,099
	Charge for the year		20,501,738	17,887,947
	Remeasurement losses		3,625,239	1,582,547
	Contribution to fund		<u>(22,528,213)</u>	<u>(22,894,399)</u>
	Balance at end of the year		<u>3,606,958</u>	<u>2,008,194</u>
16.3	The details of actuarial valuation carried out as at June 30, 2024 are as follows:			
16.3.1	Reconciliation of payable to gratuity fund	Note	<u>June 2024 (Rupees)</u>	<u>June 2023 (Rupees)</u>
	Present value of the defined benefit obligation		164,112,390	127,830,345
	Fair value of the plan assets		<u>(160,505,432)</u>	<u>(125,822,151)</u>
			<u>3,606,958</u>	<u>2,008,194</u>
16.3.2	Change in the present value of defined benefit obligation			
	Opening balance		127,830,345	98,676,438
	Current service cost	16.3.3	22,053,858	18,684,948
	Interest cost on defined benefit obligation	16.3.3	19,093,360	12,723,419
	Benefits paid	16.3.5	<u>(20,074,296)</u>	<u>(5,301,261)</u>
	Benefits due but not paid		(591,194)	-
	Actuarial loss		15,800,317	3,046,801
			<u>164,112,390</u>	<u>127,830,345</u>
16.3.3	Expense charge for the year is as follows:			
	Current service cost		22,053,858	18,684,948
	Interest expense		19,093,360	12,723,419
	Interest income on plan assets		<u>(20,645,480)</u>	<u>(13,520,420)</u>
	Interest income - net		<u>(1,552,120)</u>	<u>(797,001)</u>
	Expense chargeable to income and expenditure		<u>20,501,738</u>	<u>17,887,947</u>

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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, 2024

16.3.4 Total remeasurement chargeable to other comprehensive income	June 2024 (Rupees)	June 2023 (Rupees)
<u>Remeasurement of plan obligations</u>		
Actuarial losses from changes in demographic assumptions	-	-
Actuarial losses from changes in financial assumptions	16,641,961	761,337
Experience Adjustments	(841,644)	2,285,464
	<u>15,800,317</u>	<u>3,046,801</u>
Return on plan assets excluding the interest income	(12,175,078)	(1,464,254)
	<u>3,625,239</u>	<u>1,582,547</u>
16.3.5 Change in fair value of plan assets		
Opening balance	125,822,151	93,244,339
Interest income	20,645,480	13,520,420
Contribution made directly to gratuity fund	22,528,213	22,894,399
Payments made on behalf of the gratuity fund	-	-
Benefits paid	(20,074,296)	(5,301,261)
Benefits due but not paid	(591,194)	-
Return on plan assets, except amount included in interest	12,175,078	1,464,254
	<u>160,505,432</u>	<u>125,822,151</u>
Major categories of the plan assets as a percentage of total plan assets are as follows:		
	June 2024 (Rupees)	June 2023 (Rupees)
Cash and other deposits:		
-Bank A/c	160,505,432	125,822,151
-Percentage	<u>100%</u>	<u>100%</u>
16.3.6 The principal actuarial assumptions used were as follows:		
Actuarial valuation of the plan was carried out as at June 30, 2024, by an independent valuer using projected unit credit method, on following assumptions:		
	June 2024	June 2023
Discount rate used for interest cost in income and expenditure charge	16.25%	13.25%
Discount rate used for year end obligation	14.75%	16.25%
Salary increase used for year end obligation		
Salary increase FY 2024	N/A	15.75%
Salary increase FY 2025	27.50%	15.75%
Salary increase FY 2026 onward	14.25%	15.75%
Next salary is increased on	01-Jul-24	01-Jul-23
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		
	2025 (Rupees)	2024 (Rupees)
Current service cost	26,179,242	22,053,858
Interest cost on defined benefit obligation	23,510,385	19,093,360
Interest income on plan assets	(24,639,814)	(20,645,480)
	<u>25,049,813</u>	<u>20,501,738</u>

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UNIVERSAL SERVICE FUND

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 would have been as follows:

	June 2024		June 2023	
	Present value of obligation		Present value of obligation	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
	------(Rupees)-----		------(Rupees)-----	
Discount rate	150,488,195	179,641,035	116,934,782	140,273,227
Salary increase rate	179,664,670	150,223,479	140,427,747	116,610,066

	June 2024	June 2023
The average duration of the defined benefit obligation	9 Years	9.6 Years

16.3.9 Historical information	2024	2023	2022	2021
	----- (Rupees) -----			
Net staff retirement benefit	3,606,958	2,008,194	5,432,099	12,662,038
Remeasurement loss on defined benefit plan	3,625,239	1,582,547	4,889,349	5,934,437

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 decided the appeals of TY 2011 and TY 2012 in Company's favour during FY 2020-21. The Department has filed reference to High Court against the order to ATIR for TY 2011. ATIR further decided the remaining all appeals of TY 2008 to TY 2013 in Company's favour during current financial year.

Islamabad High Court while deciding one of the departmental reference for tax year 2011 has rigorously dismissed the departmental plea, while no information is available yet about submission of departmental reference before Supreme Court of Pakistan. 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 2023 and raised the demand of Rs. 23,233,011,406 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), except for TY 2015 where demand is reduced by Rs.446,111,502 and TY 2023 which is still pending at CIR(A). 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.

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FOR THE YEAR ENDED JUNE 30, 2024

- 17.1.3 During current financial year, the Assistant/Deputy Commissioner Inland Revenue (A/DCIR) raised a demand in respect of tax year 2018, amounting to Rs. 6,080,396 against tax in default under section 161 and default surcharge under section 205 of income tax ordinance 2001. The Company filed appeal against this demand, with the Commissioner Inland Revenue Appeals [CIR(A)], which is still pending. 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 these financial statements.
- 17.1.4 Notice of default had been issued to PTCL by the Company claiming the amount of late delivery (LD) charges and deduction of subsidy on the basis of actual bills of quantities (BOQs). In prior year, PTCL has filed law suits claiming recovery of amount Rs. 1,460,631,584 in the court of law which are pending in District Court of Islamabad. PTCL has contended that work has been completed in accordance with the contracts and delay in the completion of work is protected under force majeure clause to the contracts. However, the Company contests the suits on the grounds that PTCL failed to complete the contracted scope of the projects in the agreed time. On December 15, 2021, the Additional District Judge Islamabad dismissed the PTCL applications of permanent mandatory injunctions against the encashment of performance guarantees, and on the same day, the Company has submitted the bank guarantees for encashment, however, being aggrieved, PTCL filed appeals before the Islamabad High Court, Islamabad, whereby, the Company is restrained from encashing the guarantees vide First Appeal Against Order (FAO) 139/2021, 140/2021 and 141/2021 dated December 17, 2021. During current financial year Islamabad High Court decided the FAOs for encashment of bank guarantees in the Company favor. In the meanwhile, on request of PTCL, the Board of the Company has approved the formation of the Appeal Committee in line with USF Rules 2006 (as amended) and the ToRs. Based upon the advice of its legal advisor, 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.
- 17.1.5 During the year, a notice of default has been issued to PTCL by the Company claiming the amount of Liquidity Damages (LD) charges and deduction of subsidy on the basis of actual bill of quantity (BOQ). PTCL has filed a civil suit claiming recovery of amount Rs. 240,000,000 which is pending in Civil Court 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 contracted scope of the project in the agreed time. The Company has submitted the bank guarantee for encashment, however, the Company is restrained from encashing the guarantees vide civil court order dated September 23, 2023. Based upon the advice of its legal advisor, 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.
- 17.1.6 CM Pak filed a law suit for recovery of Rs. 584,713,888 claiming the amount of liquidated damages (LD) charges and deduction of subsidy on the basis of actual bill of quantity (BOQ), in the court of law which is pending in Civil Court of Islamabad. CM Pak 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 CM Pak failed to complete the contracted scope of the project in the agreed time. Based upon the advice of its legal advisor, 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.
- 17.1.7 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.

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17.2	Commitments	Note	June 2024 (Rupees)	June 2023 (Rupees)
	Subsidy grant commitments	19	22,141,984,873	42,674,844,038
	Technical auditor's fee	20	58,769,215	90,802,682
	Monitoring auditor's fee	20.2	-	3,183,759
18	ADMINISTRATIVE & GENERAL EXPENSES			
	Salaries and benefits	18.1	394,594,065	364,287,649
	Training & human resource development		2,714,599	4,081,145
	Legal and professional charges		6,337,952	52,887,123
	Utilities and office supplies		9,773,776	7,520,179
	Communication charges		2,133,202	2,166,977
	Entertainment		1,588,879	1,356,498
	Traveling		6,869,772	15,280,142
	Printing and stationery		3,560,945	4,862,571
	Vehicle fuel expenses		28,176,419	25,249,956
	Repairs and maintenance		28,622,704	16,685,329
	Advertisement		5,623,661	9,846,429
	Depreciation	5.2	54,414,881	48,462,679
	Amortization of intangible asset	6	20,405,003	12,264,365
	Interest on finance lease	15	10,527,898	1,034,741
	Auditors' remuneration	18.2	494,615	449,650
	Insurance expense		2,471,393	2,382,043
	Bank charges		-	263
			<u>578,309,764</u>	<u>568,817,739</u>

18.1 Salaries and benefits include **Rs. 20,501,738** (2023: Rs. 17,887,947) charged in respect of defined benefit scheme.

18.2	Auditors' remuneration:	June 2024 (Rupees)	June 2023 (Rupees)
	Annual audit fee	270,710	246,100
	Interim audit fee	129,030	117,300
	Review of Code of Corporate Governance	94,875	86,250
		<u>494,615</u>	<u>449,650</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 2023	For the year	As of 30 June 2024	As of 30 June 2023	For the year	As of 30 June 2024		

(Rupees)

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	North Waziristan	Ranop Solutions Private	17-Dec-19	6,888,050	1,528,146	-	1,528,146	1,528,146	-	1,528,146	5,359,904	Up to 2nd
2	South Waziristan	Ranop Solutions Private	17-Dec-19	8,209,404	-	-	-	-	-	-	8,209,404	Contract Signed
3	Mohmand	Komkonsult Private Limited	20-Feb-20	5,700,300	4,435,110	1,265,190	5,700,300	4,435,110	1,265,190	5,700,300	-	Completed

Sub-total (A)

20,797,754 5,963,256 1,265,190 7,228,446 5,963,256 1,265,190 7,228,446 13,569,308

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Kurram	Exceleron Communications	01-Dec-20	2,106,417	-	-	-	-	-	-	2,106,417	Contract Signed
2	Jaffarabad	Relacom Services Pvt. Ltd.	18-May-21	2,891,500	2,616,500	275,000	2,891,500	2,616,500	275,000	2,891,500	-	Completed
3	Mastung	LCC Pakistan Private Limited	16-Aug-21	5,310,778	5,250,778	60,000	5,310,778	5,250,778	60,000	5,310,778	-	Completed
4	Chaghi	LCC Pakistan Private Limited	16-Aug-21	8,428,999	6,171,000	2,257,999	8,428,999	6,171,000	2,257,999	8,428,999	-	Completed
5	Chitral	Ranop Solutions Private	07-Sep-21	7,895,999	3,513,000	4,382,999	7,895,999	3,513,000	4,382,999	7,895,999	-	Completed
6	Kech	Exceleron Communications	29-Oct-21	2,919,410	2,906,910	12,500	2,919,410	2,906,910	12,500	2,919,410	-	Completed
7	Jhelum	Komkonsult Private Limited	29-Oct-21	4,585,114	2,649,450	778,854	3,428,304	2,649,450	778,854	3,428,304	1,156,810	Up to 3rd
8	Pishin	Komkonsult Private Limited	01-Nov-21	7,959,465	2,487,899	-	2,487,899	2,487,899	-	2,487,899	5,471,566	Up to 1st
9	Panjgur	Komkonsult Private Limited	04-Nov-21	2,191,506	1,590,722	600,784	2,191,506	1,590,722	600,784	2,191,506	-	Completed
10	Swabi	Ranop Solutions Private	11-Nov-21	1,747,000	1,677,000	70,000	1,747,000	1,677,000	70,000	1,747,000	-	Completed
11	Swar	Ranop Solutions Private	11-Nov-21	3,292,000	501,000	458,000	959,000	501,000	458,000	959,000	2,333,000	Up to 2nd
12	Kambar Shahdadkot	LCC Pakistan Private Limited	21-Feb-22	3,119,000	2,981,300	137,700	3,119,000	2,981,300	137,700	3,119,000	-	Completed
13	Naushahro Feroze	LCC Pakistan Private Limited	21-Feb-22	3,295,500	3,113,500	182,000	3,295,500	3,113,500	182,000	3,295,500	-	Completed
14	Sahiwal	LCC Pakistan Private Limited	09-Mar-22	2,993,549	2,958,550	34,999	2,993,549	2,958,549	35,000	2,993,549	-	Completed
15	Bannu	Komkonsult Private Limited	14-Mar-22	2,540,765	2,440,765	100,000	2,540,765	2,347,750	193,015	2,540,765	-	Completed
16	Attock	Myson Engineering System Pvt	17-Mar-22	4,232,229	3,096,510	1,135,719	4,232,229	3,096,510	1,135,719	4,232,229	-	Completed
17	Jhang	Myson Engineering System Pvt	04-Oct-22	12,515,175	5,871,000	5,796,999	11,667,999	5,871,000	5,796,999	11,667,999	847,176	up to 4th
18	NH&MW Lot-7 (Hakla-DIKhan)	Myson Engineering System Pvt	04-Oct-22	927,865	362,760	565,105	927,865	362,760	565,105	927,865	-	Completed
19	Lasbella	LCC Pakistan Private Limited	06-Oct-22	6,118,600	3,017,500	1,256,000	4,273,500	3,017,500	1,256,000	4,273,500	1,845,100	Up to 3rd
20	Buner	LCC Pakistan Private Limited	06-Oct-22	5,250,300	-	3,228,300	3,228,300	-	3,228,300	3,228,300	2,022,000	up to 3rd
21	Killa Saifullah	LCC Pakistan Private Limited	06-Oct-22	6,557,500	2,919,100	1,280,800	4,199,900	2,919,100	1,280,800	4,199,900	2,357,600	up to 3rd
22	Mianwali	GCS Private Limited	11-Oct-22	5,978,600	3,444,499	-	3,444,499	3,444,499	-	3,444,499	2,534,101	up to 3rd
23	Lodhran	Myson Engineering System Pvt	27-Oct-22	5,707,000	1,516,000	3,618,000	5,134,000	1,516,000	3,618,000	5,134,000	573,000	up to 4th
24	Loralai	Komkonsult Private Limited	11-Nov-22	3,475,471	835,900	1,489,100	2,325,000	835,900	1,489,100	2,325,000	1,150,471	up to 3rd
25	Sialkot	Komkonsult Private Limited	11-Nov-22	2,563,009	-	932,642	932,642	-	932,642	932,642	1,630,367	Up to 2nd
26	Nankana Sahib	Komkonsult Private Limited	11-Nov-22	3,665,026	2,136,563	-	2,136,563	2,136,563	-	2,136,563	1,528,463	Up to 2nd
27	Small Lot Punjab-11	LCC Pakistan Private Limited	21-Sep-23	1,100,000	-	1,100,000	1,100,000	-	1,100,000	1,100,000	-	Completed
28	Sibi	LCC Pakistan Private Limited	21-Sep-23	2,150,000	-	709,000	709,000	-	709,000	709,000	1,441,000	Up to 2nd
29	Small Lot Baluchistan-8	LCC Pakistan Private Limited	05-Dec-23	635,000	-	635,000	635,000	-	635,000	635,000	-	Completed
30	Musakhel	Komkonsult Private Limited	14-Dec-23	3,406,462	-	1,364,000	1,364,000	-	1,364,000	1,364,000	2,042,462	Up to 1st
31	NH&MW Lot-10 (M-8)	Komkonsult Private Limited	14-Dec-23	3,686,619	-	1,728,980	1,728,980	-	1,728,980	1,728,980	1,957,639	Up to 2nd
32	NH&MW Lot-9 (N-35)	Komkonsult Private Limited	14-Dec-23	2,992,103	-	-	-	-	-	-	2,992,103	Contract Signed

Sub-total (B)

132,237,961 64,058,206 34,190,480 98,248,686 63,965,190 34,283,496 98,248,686 33,989,275

C) OPTICAL FIBER CABLE- OFC

1	KPK (FATA) -Package-2	Global Enterprises	04-Feb-22	2,940,513	1,956,718	-	1,956,718	1,956,718	-	1,956,718	983,795	Up to 3rd
2	UC-PB-LOT-6	LCC Pakistan Private Limited	21-Feb-22	2,614,214	1,649,711	964,503	2,614,214	1,649,711	964,503	2,614,214	-	Completed
3	UC-SD-LOT-10	Global Enterprises	05-Oct-22	2,471,442	-	966,521	966,521	-	484,284	484,284	1,504,921	Up to 1st

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, 2024

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 2023	For the year	As of 30 June 2024	As of 30 June 2023	For the year	As of 30 June 2024		
(Rupees)												
4	UC-SD-LOT-11	Global Enterprises	05-Oct-22	2,480,705	-	1,001,825	1,001,825	-	1,001,825	1,001,825	1,478,880	Up to 2nd
5	UC-SD-LOT-12	Global Enterprises	05-Oct-22	2,483,822	-	1,094,166	1,094,166	-	1,094,166	1,094,166	1,389,656	Up to 2nd
6	UC-PB-LOT-8	GCS Private Limited	11-Oct-22	820,351	820,351	-	820,351	820,351	-	820,351	-	Up to 2nd, Terminated
7	UC-PB-LOT-14	LCC Pakistan Private Limited	31-Aug-23	2,076,300	-	1,733,718	1,733,718	-	1,733,718	1,733,718	342,582	Up to 4th
8	UC-KP-LOT-18	LCC Pakistan Private Limited	31-Aug-23	1,772,300	-	812,628	812,628	-	812,628	812,628	959,672	Up to 2nd
9	UC-BL-LOT-13	Komkonsult Private Limited	24-Jan-24	1,194,125	-	530,916	530,916	-	530,916	530,916	663,209	Up to 2nd
10	UC-KP-LOT-17	LCC Pakistan Private Limited	24-Jan-24	3,887,917	-	-	-	-	-	-	3,887,917	Contract Signed
Sub-total (C)				22,741,689	4,426,780	7,104,277	11,531,057	4,426,780	6,622,040	11,048,820	11,210,632	
Total (A+B+C)				175,777,404	74,448,242	42,559,947	117,008,189	74,355,226	42,170,726	116,525,952	58,769,215	

* This represents updated cost net of deductions due to amendments and descopeing.

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, 2024

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 2022	For the year	As of 30 June 2023	As of 30 June 2022	For the year	As of 30 June 2023		

------(Rupees)-----

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	North Waziristan	Ranop Solutions Private	17-Dec-19	6,888,050	1,528,146	-	1,528,146	1,528,146	-	1,528,146	5,359,904	Up to 2nd
2	South Waziristan	Ranop Solutions Private	17-Dec-19	8,209,404	-	-	-	-	-	-	8,209,404	Contract Signed
3	Mohmand	Komkonsult Private Limited	20-Feb-20	6,579,069	4,435,110	-	4,435,110	4,435,110	-	4,435,110	2,143,959	Up to 3rd
4	Kohistan	Komkonsult Private Limited	04-Nov-21	8,123,500	8,048,500	75,000	8,123,500	-	8,123,500	8,123,500	-	Completed

Sub-total (A)

29,800,023 14,011,756 75,000 14,086,756 5,963,256 8,123,500 14,086,756 15,713,267

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	NH&MW Lot-2(NH 25&65)	Myson Engineering System	03-Feb-20	3,253,319	2,953,319	300,000	3,253,319	1,915,512	1,337,807	3,253,319	-	Completed
2	Kurram	Exceleron Communications	01-Dec-20	2,106,417	-	-	-	-	-	-	2,106,417	Contract Signed
3	Jaffarabad	Relacom Services Pvt. Ltd.	18-May-21	3,903,500	2,071,400	545,100	2,616,500	2,071,400	545,100	2,616,500	1,287,000	up to 4th
4	Mastung	LCC Pakistan Private Limited	16-Aug-21	5,462,946	4,121,448	1,129,330	5,250,778	4,121,448	1,129,330	5,250,778	212,168	up to 4th
5	Chaghi	LCC Pakistan Private Limited	16-Aug-21	8,677,000	2,508,000	3,663,000	6,171,000	2,508,000	3,663,000	6,171,000	2,506,000	up to 3rd
6	Chitral	Ranop Solutions Private	07-Sep-21	9,088,850	1,386,000	2,127,000	3,513,000	1,386,000	2,127,000	3,513,000	5,575,850	Up to 2nd
7	Kech	Exceleron Communications	29-Oct-21	8,611,248	1,598,970	1,307,940	2,906,910	1,598,970	1,307,940	2,906,910	5,704,338	Up to 2nd
8	Jhelum	Komkonsult Private Limited	29-Oct-21	4,585,114	2,649,450	-	2,649,450	-	-	2,649,450	1,935,664	Up to 2nd
9	Shikarpur	Komkonsult Private Limited	01-Nov-21	4,557,442	3,946,359	611,083	4,557,442	3,057,067	1,500,375	4,557,442	-	Completed
10	Pishin	Komkonsult Private Limited	01-Nov-21	7,959,465	-	2,487,899	2,487,899	-	2,487,899	2,487,899	5,471,566	Up to 1st
11	Panjgur	Komkonsult Private Limited	04-Nov-21	2,990,642	1,205,034	385,688	1,590,722	1,205,034	385,688	1,590,722	1,399,920	Up to 3rd
12	Swabi	Ranop Solutions Private	11-Nov-21	1,842,975	-	1,677,000	1,677,000	-	1,677,000	1,677,000	165,975	up to 4th
13	Swat	Ranop Solutions Private	11-Nov-21	3,292,000	-	501,000	501,000	-	501,000	501,000	2,791,000	Up to 1st
14	Dera Ghazi Khan	Myson Engineering System	21-Feb-22	7,560,400	5,861,600	1,698,800	7,560,400	5,861,600	1,698,800	7,560,400	-	Completed
15	Kambar Shahdadkot	LCC Pakistan Private Limited	21-Feb-22	3,179,000	2,981,300	-	2,981,300	2,981,300	-	2,981,300	197,700	Up to 3rd
16	Naushahro Feroze	LCC Pakistan Private Limited	21-Feb-22	3,423,000	2,173,500	940,000	3,113,500	2,173,500	940,000	3,113,500	309,500	Up to 3rd
17	Sahiwal	LCC Pakistan Private Limited	09-Mar-22	3,000,050	870,650	2,087,900	2,958,550	870,650	2,087,899	2,958,549	41,500	up to 4th
18	Bannu	Komkonsult Private Limited	14-Mar-22	3,379,687	1,779,420	661,345	2,440,765	1,779,420	568,330	2,347,750	938,922	up to 4th
19	Attock	Myson Engineering System	17-Mar-22	4,448,029	3,096,510	-	3,096,510	2,368,201	728,309	3,096,510	1,351,519	up to 3rd
20	Jang	Myson Engineering System	04-Oct-22	12,515,175	-	5,871,000	5,871,000	-	5,871,000	5,871,000	6,644,175	Up to 2nd
21	NH&MW Lot-7 (Hakla-DIKhan)	Myson Engineering System	04-Oct-22	935,151	-	362,760	362,760	-	362,760	362,760	572,391	up to 3rd
22	Lasbella	LCC Pakistan Private Limited	06-Oct-22	6,118,600	-	3,017,500	3,017,500	-	3,017,500	3,017,500	3,101,100	Up to 2nd
23	Buner	LCC Pakistan Private Limited	06-Oct-22	5,250,300	-	-	-	-	-	-	5,250,300	Contract Signed
24	Killa Saifullah	LCC Pakistan Private Limited	06-Oct-22	6,557,500	-	2,919,100	2,919,100	-	2,919,100	2,919,100	3,638,400	Up to 2nd
25	Mianwali	GCS Private Limited	11-Oct-22	5,978,600	-	3,444,499	3,444,499	-	3,444,499	3,444,499	2,534,101	Up to 3rd
26	Lodhran	Myson Engineering System	27-Oct-22	5,707,000	-	1,516,000	1,516,000	-	1,516,000	1,516,000	4,191,000	Up to 1st
27	Loralai	Komkonsult Private Limited	11-Nov-22	3,475,471	-	835,900	835,900	-	835,900	835,900	2,639,571	Up to 1st
28	Sialkot	Komkonsult Private Limited	11-Nov-22	2,563,009	-	-	-	-	-	-	2,563,009	Contract Signed
29	Nankana Sahib	Komkonsult Private Limited	11-Nov-22	3,665,026	-	2,136,563	2,136,563	-	2,136,563	2,136,563	1,528,463	Up to 2nd
30	Small Lot Sindh-6	LCC Pakistan Private Limited	03-Nov-22	898,600	-	898,600	898,600	-	898,600	898,600	-	Completed

Sub-total (B)

144,985,516 39,202,960 41,125,007 80,327,967 36,547,552 43,687,399 80,234,951 64,657,549

C) OPTICAL FIBER CABLE- OFC

1	UC-SD-LOT-2	Global Enterprises	16-Aug-21	4,588,636	4,393,115	150,000	4,543,115	4,393,115	150,000	4,543,115	45,521	Completed
2	UC-SD-LOT-3	LCC Pakistan Private Limited	25-Oct-21	3,567,399	2,930,738	636,661	3,567,399	2,930,738	636,661	3,567,399	-	Completed
3	KPK (FATA) -Package-2	Global Enterprises	04-Feb-22	2,940,513	807,800	1,148,918	1,956,718	807,800	1,148,918	1,956,718	983,795	Up to 3rd
4	UC-PB-LOT-4	Global Enterprises	10-Feb-22	2,578,349	599,332	1,979,017	2,578,349	599,332	1,979,017	2,578,349	-	Completed
5	UC-PB-LOT-5	Global Enterprises	10-Feb-22	2,633,577	1,267,750	1,365,827	2,633,577	1,267,750	1,365,827	2,633,577	-	Completed

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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, 2024

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 2022	For the year	As of 30 June 2023	As of 30 June 2022	For the year	As of 30 June 2023		
------(Rupees)-----												
6	UC-PB-LOT-6	LCC Pakistan Private Limited	21-Feb-22	2,617,000	1,649,711	-	1,649,711	1,649,711	-	1,649,711	967,289	Up to 2nd
7	UC-PB-LOT-7	Komkonsult Private Limited	14-Mar-22	4,648,200	1,572,064	3,076,136	4,648,200	1,572,064	3,076,136	4,648,200	-	Completed
8	UC-SD-LOT-10	Global Enterprises	05-Oct-22	2,471,442	-	-	-	-	-	-	2,471,442	Contract Signed
9	UC-SD-LOT-11	Global Enterprises	05-Oct-22	2,480,705	-	-	-	-	-	-	2,480,705	Contract Signed
10	UC-SD-LOT-12	Global Enterprises	05-Oct-22	2,483,822	-	-	-	-	-	-	2,483,822	Contract Signed
11	UC-PB-LOT-8	GCS Private Limited	11-Oct-22	1,819,643	-	820,351	820,351	-	820,351	820,351	999,292	Up to 2nd
Sub-total (C)					32,829,286	13,220,510	9,176,910	22,397,420	13,220,510	9,176,910	22,397,420	10,431,866
Total (A+B+C)					207,614,825	66,435,226	50,376,917	116,812,143	55,731,318	60,987,809	116,719,127	90,802,682

* This represents updated cost net of deductions due to amendments and descoping.

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, 2024

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 2023	For the year	As of 30 June 2024	As of 30 June 2023	For the year	As of 30 June 2024		

(Rupees)

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Awaran-Lesbla	LCC Pakistan Private Limited	18-Sep-23	1,500,000	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-	Completed
2	Khuzdar	LCC Pakistan Private Limited	18-Sep-23	1,436,500	-	1,436,500	1,436,500	-	1,436,500	1,436,500	-	Completed
3	Kharan-Washuk	LCC Pakistan Private Limited	18-Sep-23	2,000,000	-	2,000,000	2,000,000	-	2,000,000	2,000,000	-	Completed
4	Kohistan	LCC Pakistan Private Limited	18-Sep-23	3,300,000	-	3,300,000	3,300,000	-	3,300,000	3,300,000	-	Completed
5	Small Lot Balochistan-1	LCC Pakistan Private Limited	18-Sep-23	2,000,000	-	2,000,000	2,000,000	-	2,000,000	2,000,000	-	Completed
6	Chitral	Spine Engineering Private Limited	27-Sep-23	1,516,480	-	1,516,480	1,516,480	-	1,516,480	1,516,480	-	Completed
7	Zhob	Spine Engineering Private Limited	27-Sep-23	1,437,500	-	1,437,500	1,437,500	-	1,437,500	1,437,500	-	Completed
8	Shangla	Spine Engineering Private Limited	27-Sep-23	964,020	-	964,020	964,020	-	964,020	964,020	-	Completed
9	D.I.Khan	Spine Engineering Private Limited	27-Sep-23	1,181,450	-	1,181,450	1,181,450	-	1,181,450	1,181,450	-	Completed
10	Sibi	Myson Engineering Systems Pvt.Ltd.	28-Sep-23	1,737,000	-	1,737,000	1,737,000	-	1,737,000	1,737,000	-	Completed
11	Mastung	Myson Engineering Systems Pvt.Ltd.	28-Sep-23	769,550	-	769,550	769,550	-	769,550	769,550	-	Completed
12	Kalat	Myson Engineering Systems Pvt.Ltd.	28-Sep-23	945,000	-	945,000	945,000	-	945,000	945,000	-	Completed
13	Dera Bugti	Myson Engineering Systems Pvt.Ltd.	28-Sep-23	1,933,000	-	1,933,000	1,933,000	-	1,933,000	1,933,000	-	Completed
14	Chaghi	Komkonsult Pvt Ltd	02-Oct-23	1,108,000	-	1,108,000	1,108,000	-	1,108,000	1,108,000	-	Completed
15	Small Lot Punjab-1	Global Connect Synergy Pvt. Ltd.	03-Oct-23	719,933	-	719,933	719,933	-	719,933	719,933	-	Completed
16	Khyber	Global Connect Synergy Pvt. Ltd.	03-Oct-23	1,111,806	-	1,111,806	1,111,806	-	1,111,806	1,111,806	-	Completed
17	Turbat	LCC Pakistan Private Limited	11-Jan-24	1,640,258	-	1,640,258	1,640,258	-	1,640,258	1,640,258	-	Completed
18	Awaran-Lasbela	LCC Pakistan Private Limited	11-Mar-24	2,134,000	-	2,134,000	2,134,000	-	2,134,000	2,134,000	-	Completed
19	Sibi	LCC Pakistan Private Limited	11-Mar-24	2,120,000	-	2,120,000	2,120,000	-	2,120,000	2,120,000	-	Completed
20	Kharan-Washuk	LCC Pakistan Private Limited	11-Mar-24	2,420,000	-	2,420,000	2,420,000	-	2,420,000	2,420,000	-	Completed
21	Khuzdar	LCC Pakistan Private Limited	11-Mar-24	1,789,500	-	1,789,500	1,789,500	-	1,789,500	1,789,500	-	Completed
22	Kohistan	Komkonsult Pvt Ltd	13-Mar-24	1,672,000	-	1,672,000	1,672,000	-	-	-	-	Completed
23	Small Lot B-1	Komkonsult Pvt Ltd	13-Mar-24	1,695,000	-	1,695,000	1,695,000	-	-	-	-	Completed
24	Kalat	Komkonsult Pvt Ltd	21-Mar-24	1,092,000	-	1,092,000	1,092,000	-	1,092,000	1,092,000	-	Completed
25	Turbat	Myson Engineering Systems Pvt.Ltd.	21-Mar-24	2,600,000	-	2,600,000	2,600,000	-	2,600,000	2,600,000	-	Completed
26	Mohmand	Myson Engineering Systems Pvt.Ltd.	21-Mar-24	1,300,000	-	1,300,000	1,300,000	-	1,300,000	1,300,000	-	Completed
27	Dera Bugti	SC Technologies Global (Pvt.) Ltd.	22-Mar-24	1,827,988	-	1,827,988	1,827,988	-	-	-	-	Completed
28	Zhob	Spine Engineering Private Limited	25-Mar-24	1,385,302	-	1,385,302	1,385,302	-	-	-	-	Completed
29	Shangla	Spine Engineering Private Limited	25-Mar-24	938,900	-	938,900	938,900	-	-	-	-	Completed
30	Chitral	Spine Engineering Private Limited	25-Mar-24	1,512,120	-	1,512,120	1,512,120	-	-	-	-	Completed
31	Chaghi	Myson Engineering Systems Pvt.Ltd.	26-Mar-24	1,100,000	-	1,100,000	1,100,000	-	-	-	-	Completed
32	D.I.Khan	Global Connect Synergy Pvt. Ltd.	08-Apr-24	732,112	-	732,112	732,112	-	-	-	-	Completed
33	Khyber	Global Connect Synergy Pvt. Ltd.	08-Apr-24	955,417	-	955,417	955,417	-	-	-	-	Completed

Sub-total (A)

50,574,836	-	50,574,836	50,574,836	-	38,755,997	38,755,997	-
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B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Shikarpur	Joyn Pvt Ltd	22-May-23	1,542,000	-	1,542,000	1,542,000	-	1,542,000	1,542,000	-	Completed
2	Ghotki	Global Connect Synergy Pvt. Ltd.	25-May-23	741,370	-	741,370	741,370	-	741,370	741,370	-	Completed
3	Jaffarabad	Global Connect Synergy Pvt. Ltd.	25-May-23	830,192	-	830,192	830,192	-	830,192	830,192	-	Completed
4	NH&MW M-3	Netkom Technologies Private Limited	27-Sep-23	480,000	-	480,000	480,000	-	480,000	480,000	-	Completed

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(A Company incorporated under Section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 2023	For the year	As of 30 June 2024	As of 30 June 2023	For the year	As of 30 June 2024		
(Rupees)												
5	Jaffarabad	Netkom Technologies Private Limited	27-Sep-23	876,000	-	876,000	876,000	-	876,000	876,000	-	Completed
6	Shikarpur	Netkom Technologies Private Limited	27-Sep-23	997,200	-	997,200	997,200	-	997,200	997,200	-	Completed
7	Bahawalpur	Netkom Technologies Private Limited	27-Sep-23	522,800	-	522,800	522,800	-	522,800	522,800	-	Completed
8	Tharparker	Netkom Technologies Private Limited	27-Sep-23	1,039,000	-	1,039,000	1,039,000	-	1,039,000	1,039,000	-	Completed
9	Dera Ghazi Khan	Netkom Technologies Private Limited	27-Sep-23	2,373,600	-	2,373,600	2,373,600	-	2,373,600	2,373,600	-	Completed
10	Bannu	Spine Engineering Private Limited	27-Sep-23	497,360	-	497,360	497,360	-	497,360	497,360	-	Completed
11	NH&MW Lot-3(NH 50&70)	Spine Engineering Private Limited	27-Sep-23	624,997	-	624,997	624,997	-	624,997	624,997	-	Completed
12	Mastung	Myson Engineering Systems Pvt.Ltd.	28-Sep-23	748,125	-	748,125	748,125	-	748,125	748,125	-	Completed
13	Hyderabad	Myson Engineering Systems Pvt.Ltd.	28-Sep-23	1,275,000	-	1,275,000	1,275,000	-	1,275,000	1,275,000	-	Completed
14	Bolan	Komkonsult Pvt Ltd	02-Oct-23	1,551,000	-	1,551,000	1,551,000	-	1,551,000	1,551,000	-	Completed
15	Ghotki	Komkonsult Pvt Ltd	02-Oct-23	1,588,000	-	1,588,000	1,588,000	-	1,588,000	1,588,000	-	Completed
16	Dadu	Komkonsult Pvt Ltd	02-Oct-23	2,169,000	-	2,169,000	2,169,000	-	2,169,000	2,169,000	-	Completed
17	Gwadar	Komkonsult Pvt Ltd	02-Oct-23	1,065,000	-	1,065,000	1,065,000	-	1,065,000	1,065,000	-	Completed
18	NH&MW Lot-2(NH 25&65)	Komkonsult Pvt Ltd	02-Oct-23	1,095,000	-	1,095,000	1,095,000	-	1,095,000	1,095,000	-	Completed
19	Swabi	Global Connect Synergy Pvt. Ltd.	03-Oct-23	530,798	-	530,798	530,798	-	530,798	530,798	-	Completed
20	Bahawalnagar	Global Connect Synergy Pvt. Ltd.	03-Oct-23	639,921	-	639,921	639,921	-	639,921	639,921	-	Completed
21	Sanghar	Global Connect Synergy Pvt. Ltd.	03-Oct-23	818,220	-	818,220	818,220	-	818,220	818,220	-	Completed
22	Muzaffargarh	Global Connect Synergy Pvt. Ltd.	03-Oct-23	864,716	-	864,716	864,716	-	864,716	864,716	-	Completed
23	NH&MW M-5	Joyn Pvt Ltd	04-Oct-23	495,000	-	495,000	495,000	-	495,000	495,000	-	Completed
24	Multan	Joyn Pvt Ltd	04-Oct-23	580,000	-	580,000	580,000	-	580,000	580,000	-	Completed
25	Rahimyarkhan	Joyn Pvt Ltd	04-Oct-23	695,000	-	695,000	695,000	-	695,000	695,000	-	Completed
26	NH&MW M-4	Joyn Pvt Ltd	04-Oct-23	395,000	-	395,000	395,000	-	395,000	395,000	-	Completed
27	NH&MW Lot-1(NH 10&25)	Joyn Pvt Ltd	04-Oct-23	795,000	-	795,000	795,000	-	795,000	795,000	-	Completed
28	Sahiwal	Joyn Pvt Ltd	11-Jan-24	1,089,000	-	1,089,000	1,089,000	-	1,089,000	1,089,000	-	Completed
29	Sanghar	LCC Pakistan Private Limited	11-Mar-24	1,313,000	-	1,313,000	1,313,000	-	1,313,000	1,313,000	-	Completed
30	Bolan	Komkonsult Pvt Ltd	13-Mar-24	1,470,000	-	1,470,000	1,470,000	-	1,470,000	1,470,000	-	Completed
31	NH&MW M3	Komkonsult Pvt Ltd	13-Mar-24	855,000	-	855,000	855,000	-	855,000	855,000	-	Completed
32	Gwadar	Komkonsult Pvt Ltd	21-Mar-24	1,340,000	-	1,340,000	1,340,000	-	-	-	-	Completed
33	Hyderabad	Myson Engineering Systems Pvt.Ltd.	21-Mar-24	1,299,998	-	1,299,998	1,299,998	-	1,299,998	1,299,998	-	Completed
34	Sahiwal	SC Technologies Global (Pvt.) Ltd.	22-Mar-24	2,703,411	-	2,703,411	2,703,411	-	2,703,411	2,703,411	-	Completed
35	Chaghi	SC Technologies Global (Pvt.) Ltd.	22-Mar-24	2,401,065	-	2,401,065	2,401,065	-	-	-	-	Completed
36	NH&MW Lot-7 (Hakla-DIKh)	SC Technologies Global (Pvt.) Ltd.	22-Mar-24	1,704,897	-	1,704,897	1,704,897	-	1,704,897	1,704,897	-	Completed
37	Swabi	Spine Engineering Private Limited	25-Mar-24	403,200	-	403,200	403,200	-	403,200	403,200	-	Completed
38	Bannu	Spine Engineering Private Limited	25-Mar-24	474,180	-	474,180	474,180	-	474,180	474,180	-	Completed
39	NH & MW Lot 3	Spine Engineering Private Limited	25-Mar-24	619,999	-	619,999	619,999	-	-	-	-	Completed
40	Tharparker	Netkom Technologies Private Limited	26-Mar-24	1,024,000	-	1,024,000	1,024,000	-	1,024,000	1,024,000	-	Completed
41	Bahawalpur	Netkom Technologies Private Limited	26-Mar-24	531,900	-	531,900	531,900	-	531,900	531,900	-	Completed
42	Dadu	Netkom Technologies Private Limited	26-Mar-24	1,684,500	-	1,684,500	1,684,500	-	1,684,500	1,684,500	-	Completed
43	DG Khan	Netkom Technologies Private Limited	26-Mar-24	2,083,000	-	2,083,000	2,083,000	-	2,083,000	2,083,000	-	Completed
44	Muzaffargarh	Netkom Technologies Private Limited	26-Mar-24	796,500	-	796,500	796,500	-	796,500	796,500	-	Completed
45	NH&MW(NH25&NH65)Lot 2	Netkom Technologies Private Limited	26-Mar-24	1,023,000	-	1,023,000	1,023,000	-	1,023,000	1,023,000	-	Completed
46	Mastung	Myson Engineering Systems Pvt.Ltd.	26-Mar-24	1,800,000	-	1,800,000	1,800,000	-	-	-	-	Completed
47	Shikarpur	Myson Engineering Systems Pvt.Ltd.	26-Mar-24	1,357,954	-	1,357,954	1,357,954	-	-	-	-	Completed

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, 2024

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 2023	For the year	As of 30 June 2024	As of 30 June 2023	For the year	As of 30 June 2024		
(Rupees)												
48	Bahawalnagar	Global Connect Synergy Pvt. Ltd.	08-Apr-24	578,106	-	578,106	578,106	-	-	-	-	Completed
49	Jaffarabad	Global Connect Synergy Pvt. Ltd.	08-Apr-24	750,279	-	750,279	750,279	-	-	-	-	Completed
50	Multan	Global Connect Synergy Pvt. Ltd.	08-Apr-24	584,769	-	584,769	584,769	-	-	-	-	Completed
51	Ghotki	Global Connect Synergy Pvt. Ltd.	08-Apr-24	1,017,683	-	1,017,683	1,017,683	-	-	-	-	Completed
Sub-total (B)				54,734,740	-	54,734,740	54,734,740	-	44,284,885	44,284,885	-	

C) OPTICAL FIBER CABLE- OFC

1	BP-Package-5	Global Enterprises	05-Apr-23	2,280,000	2,280,000	-	2,280,000	-	2,280,000	2,280,000	-	Completed
2	BP-Package-2	Komkonsult Pvt Ltd	24-Jan-24	1,153,000	-	1,153,000	1,153,000	-	1,153,000	1,153,000	-	Completed
3	UC-PB-LOT-7	LCC Pakistan Private Limited	24-Jan-24	931,400	-	931,400	931,400	-	931,400	931,400	-	Completed
4	BP-Package-3	Global Enterprises	25-Jan-24	875,000	-	875,000	875,000	-	875,000	875,000	-	Completed
5	BP-Package-4	Global Enterprises	25-Jan-24	876,000	-	876,000	876,000	-	876,000	876,000	-	Completed
6	BP-Package-5	Global Enterprises	25-Jan-24	980,000	-	980,000	980,000	-	980,000	980,000	-	Completed
7	OFC- KPK	Global Enterprises	25-Jan-24	830,000	-	830,000	830,000	-	830,000	830,000	-	Completed
8	UC-SD-LOT-3	Global Enterprises	25-Jan-24	950,000	-	950,000	950,000	-	950,000	950,000	-	Completed
9	FATA Package-1	Fast Solutions	19-Feb-24	792,000	-	792,000	792,000	-	792,000	792,000	-	Completed
10	UC-SD-LOT-1	Fast Solutions	19-Feb-24	842,500	-	842,500	842,500	-	842,500	842,500	-	Completed
11	UC-SD-LOT-2	Fast Solutions	19-Feb-24	842,600	-	842,600	842,600	-	842,600	842,600	-	Completed
12	UC-PB-LOT-4	Fast Solutions	19-Feb-24	892,500	-	892,500	892,500	-	892,500	892,500	-	Completed
13	UC-PB-LOT-5	Fast Solutions	19-Feb-24	891,800	-	891,800	891,800	-	891,800	891,800	-	Completed
14	UC-SD-LOT-3	Myson Engineering Systems Pvt.Ltd.	23-Apr-24	813,855	-	813,855	813,855	-	813,855	813,855	-	Completed
15	UC-PB-LOT-7	Myson Engineering Systems Pvt.Ltd.	23-Apr-24	813,853	-	813,853	813,853	-	813,853	813,853	-	Completed
16	UC-PB-LOT-4	Netkom Technologies Private Limited	26-Apr-24	478,800	-	478,800	478,800	-	478,800	478,800	-	Completed
17	FATA Package-1	LCC Pakistan Private Limited	26-Apr-24	742,600	-	742,600	742,600	-	742,600	742,600	-	Completed
18	UC-SD-LOT-2	LCC Pakistan Private Limited	26-Apr-24	793,200	-	793,200	793,200	-	793,200	793,200	-	Completed
19	BP-Package-3	MYCO Engineers	29-Apr-24	629,600	-	629,600	629,600	-	629,600	629,600	-	Completed
20	BP-Package-5	Komkonsult Pvt Ltd	29-Apr-24	810,000	-	810,000	810,000	-	-	-	-	Completed
21	UC-SD-LOT-1	Komkonsult Pvt Ltd	29-Apr-24	707,500	-	707,500	707,500	-	707,500	707,500	-	Completed
22	UC-PB-LOT-5	Joyn Pvt Ltd	30-Apr-24	697,015	-	697,015	697,015	-	697,015	697,015	-	Completed
23	OFC- KPK	Global Enterprises	30-Apr-24	790,000	-	790,000	790,000	-	790,000	790,000	-	Completed
24	BP-Package-2	Global Enterprises	30-Apr-24	799,992	-	799,992	799,992	-	799,992	799,992	-	Completed
Sub-total (C)				21,213,215	2,280,000	18,933,215	21,213,215	-	20,403,215	20,403,215	-	

Total (A+B+C)

126,522,791	2,280,000	124,242,791	126,522,791	-	103,444,097	103,444,097	-
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* This represents updated cost net of deductions due to amendments and descopeing.

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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, 2024

20.2.1 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 2022	For the year	As of 30 June 2023	As of 30 June 2022	For the year	As of 30 June 2023		

------(Rupees)-----

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Awaran-Lesbla	Ranop Solutions Private Limited	05-Apr-21	-	-	-	-	-	-	-	-	Contract Closed
2	DI Khan	Griffin International Pvt Ltd.	31-Mar-22	1,281,507	1,281,507	-	1,281,507	-	1,281,507	1,281,507	-	Completed
3	Kalat	Griffin International Pvt Ltd.	31-Mar-22	629,529	629,229	300	629,529	-	629,529	629,529	-	Completed
4	Chaghi	Griffin International Pvt Ltd.	31-Mar-22	855,054	855,054	-	855,054	-	855,054	855,054	-	Completed
5	Khuzdar	Joyn Pvt Ltd	19-Apr-22	1,690,000	1,690,000	-	1,690,000	-	1,690,000	1,690,000	-	Completed
6	Shangla	LCC Pakistan Private Limited	06-Sep-22	997,600	-	997,600	997,600	-	997,600	997,600	-	Completed
7	Mohmand	LCC Pakistan Private Limited	06-Sep-22	1,128,000	-	1,128,000	1,128,000	-	1,128,000	1,128,000	-	Completed
8	Kalat	LCC Pakistan Private Limited	20-Sep-22	1,037,000	-	1,037,000	1,037,000	-	1,037,000	1,037,000	-	Completed
9	Sibi	LCC Pakistan Private Limited	21-Sep-22	1,900,000	-	1,900,000	1,900,000	-	1,900,000	1,900,000	-	Completed
10	Khuzdar	LCC Pakistan Private Limited	21-Sep-22	1,524,000	-	1,524,000	1,524,000	-	1,524,000	1,524,000	-	Completed
11	D.I.Khan	Komkonsult Pvt Ltd	21-Sep-22	1,090,751	-	1,090,751	1,090,751	-	1,090,751	1,090,751	-	Completed
12	Zhob	Komkonsult Pvt Ltd	21-Sep-22	1,442,649	-	1,442,649	1,442,649	-	1,442,649	1,442,649	-	Completed
13	Small Lot Balochistan-1	Komkonsult Pvt Ltd	21-Sep-22	1,103,335	-	1,103,335	1,103,335	-	1,103,335	1,103,335	-	Completed
14	Kharan-Washuk	Myson Engineering Systems Pvt.Ltd.	21-Sep-22	1,300,652	-	1,300,652	1,300,652	-	1,300,652	1,300,652	-	Completed
15	Khyber	Myson Engineering Systems Pvt.Ltd.	21-Sep-22	953,808	-	953,808	953,808	-	953,808	953,808	-	Completed
16	Awaran-Lesbla	SC Technologies Global Pvt.Ltd.	22-Sep-22	1,118,094	-	1,118,094	1,118,094	-	1,118,094	1,118,094	-	Completed
17	Chaghi	SC Technologies Global Pvt.Ltd.	22-Sep-22	557,135	-	557,135	557,135	-	557,135	557,135	-	Completed
18	Dera Bugti	SC Technologies Global Pvt.Ltd.	22-Sep-22	1,658,708	-	1,658,708	1,658,708	-	1,658,708	1,658,708	-	Completed
19	Turbat	SC Technologies Global Pvt.Ltd.	22-Sep-22	712,714	-	712,714	712,714	-	712,714	712,714	-	Completed
20	Chitral	Spine Engineering Pvt Ltd	27-Sep-22	1,620,000	-	1,620,000	1,620,000	-	1,620,000	1,620,000	-	Completed
21	Kohistan	Spine Engineering Pvt Ltd	27-Sep-22	1,732,599	-	1,732,599	1,732,599	-	1,732,599	1,732,599	-	Completed
22	Mastung	Global Enterprises	20-Mar-23	713,000	-	713,000	713,000	-	713,000	713,000	-	Completed
23	D.I.Khan	Komkonsult Pvt Ltd	20-Mar-23	1,122,200	-	1,122,200	1,122,200	-	1,122,200	1,122,200	-	Completed
24	Kohistan	Komkonsult Pvt Ltd	20-Mar-23	2,626,600	-	2,626,600	2,626,600	-	2,626,600	2,626,600	-	Completed
25	Zhob	Komkonsult Pvt Ltd	20-Mar-23	1,532,390	-	1,532,390	1,532,390	-	1,532,390	1,532,390	-	Completed
26	Chitral	Spine Engineering Private Limited	22-Mar-23	1,550,000	-	1,550,000	1,550,000	-	1,550,000	1,550,000	-	Completed
27	Mohmand	Spine Engineering Private Limited	22-Mar-23	1,118,488	-	1,118,488	1,118,488	-	1,118,488	1,118,488	-	Completed
28	Awaran-Lesbla	LCC Pakistan Private Limited	22-Mar-23	1,087,000	-	1,087,000	1,087,000	-	1,087,000	1,087,000	-	Completed
29	Kharan-Washuk	LCC Pakistan Private Limited	22-Mar-23	1,200,500	-	1,200,500	1,200,500	-	1,200,500	1,200,500	-	Completed
30	Sibi	LCC Pakistan Private Limited	22-Mar-23	1,600,000	-	1,600,000	1,600,000	-	1,600,000	1,600,000	-	Completed
31	Chaghi	LCC Pakistan Private Limited	22-Mar-23	326,000	-	326,000	326,000	-	326,000	326,000	-	Completed
32	Turbat	LCC Pakistan Private Limited	22-Mar-23	300,000	-	300,000	300,000	-	300,000	300,000	-	Completed
33	Khuzdar	LCC Pakistan Private Limited	22-Mar-23	1,400,000	-	1,400,000	1,400,000	-	1,400,000	1,400,000	-	Completed
34	Shangla	Myson Engineering Systems Pvt.Ltd.	22-Mar-23	947,700	-	947,700	947,700	-	947,700	947,700	-	Completed
35	Khyber	Myson Engineering Systems Pvt.Ltd.	22-Mar-23	819,000	-	819,000	819,000	-	819,000	819,000	-	Completed
36	Small Lot Punjab-1	Global Connect Synergy Pvt. Ltd.	27-Mar-23	636,206	-	636,206	636,206	-	636,206	636,206	-	Completed
37	Dera Bugti	SC Technologies Global Pvt.Ltd.	28-Mar-23	1,969,720	-	1,969,720	1,969,720	-	1,969,720	1,969,720	-	Completed
38	Small Lot Balochistan-1	Myson Engineering Systems Pvt.Ltd.	04-Apr-23	684,450	-	684,450	684,450	-	684,450	684,450	-	Completed
39	Kalat	Myson Engineering Systems Pvt.Ltd.	04-Apr-23	696,150	-	696,150	696,150	-	696,150	696,150	-	Completed

Sub-total (A)

44,662,539 4,455,790 40,206,749 44,662,539 - 44,662,539 44,662,539 -

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, 2024

20.2.1 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 2022	For the year	As of 30 June 2023	As of 30 June 2022	For the year	As of 30 June 2023		

---(Rupees)---

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Rahimyarkhan	Netkom Technologies Private Limited	12-Sep-22	566,800	-	566,800	566,800	-	566,800	566,800	-	Completed
2	Muzaffargarh	Netkom Technologies Private Limited	12-Sep-22	783,550	-	783,550	783,550	-	783,550	783,550	-	Completed
3	Sanghar	Netkom Technologies Private Limited	12-Sep-22	901,280	-	901,280	901,280	-	901,280	901,280	-	Completed
4	Tharparker	Netkom Technologies Private Limited	12-Sep-22	983,970	-	983,970	983,970	-	983,970	983,970	-	Completed
5	Hyderabad	Netkom Technologies Private Limited	12-Sep-22	838,880	-	838,880	838,880	-	838,880	838,880	-	Completed
6	Bahawalnagar	Netkom Technologies Private Limited	12-Sep-22	667,250	-	667,250	667,250	-	667,250	667,250	-	Completed
7	NH&MW Lot-1(NH 10&25)	Joyn Pvt Ltd	13-Sep-22	1,090,000	-	1,090,000	1,090,000	-	1,090,000	1,090,000	-	Completed
8	Dadu	LCC Pakistan Private Limited	20-Sep-22	250,000	-	250,000	250,000	-	250,000	250,000	-	Completed
9	NH&MW Lot-2(NH 25&65)	Komkonsult Pvt Ltd	21-Sep-22	1,051,533	-	1,051,533	1,051,533	-	1,051,533	1,051,533	-	Completed
10	Ghotki	Komkonsult Pvt Ltd	21-Sep-22	1,104,783	-	1,104,783	1,104,783	-	1,104,783	1,104,783	-	Completed
11	Gwadar	Komkonsult Pvt Ltd	21-Sep-22	664,369	-	664,369	664,369	-	664,369	664,369	-	Completed
12	Bolan	Myson Engineering Systems Pvt.Ltd.	21-Sep-22	862,598	-	862,598	862,598	-	862,598	862,598	-	Completed
13	Bahawalpur	Myson Engineering Systems Pvt.Ltd.	21-Sep-22	903,340	-	903,340	903,340	-	903,340	903,340	-	Completed
14	Jaffarabad	Global Connect Synergy Pvt. Ltd.	21-Sep-22	899,163	-	899,163	899,163	-	899,163	899,163	-	Completed
15	NH&MW Lot-3(NH 50&70)	SC Technologies Global Pvt.Ltd.	22-Sep-22	707,832	-	707,832	707,832	-	707,832	707,832	-	Completed
16	Multan	Spine Engineering Pvt Ltd	27-Sep-22	1,469,000	-	1,469,000	1,469,000	-	1,469,000	1,469,000	-	Completed
17	NH&MW M-5	Joyn Pvt Ltd	20-Mar-23	895,000	-	895,000	895,000	-	895,000	895,000	-	Completed
18	NH&MW Lot-2(NH 25&65)	Joyn Pvt Ltd	20-Mar-23	985,000	-	985,000	985,000	-	985,000	985,000	-	Completed
19	Gwadar	Komkonsult Pvt Ltd	22-Mar-23	1,295,750	-	1,295,750	1,295,750	-	1,295,750	1,295,750	-	Completed
20	Bolan	Komkonsult Pvt Ltd	22-Mar-23	814,650	-	814,650	814,650	-	814,650	814,650	-	Completed
21	Dadu	Komkonsult Pvt Ltd	22-Mar-23	1,463,020	-	1,463,020	1,463,020	-	1,463,020	1,463,020	-	Completed
22	Bahawalnagar	Netkom Technologies Private Limited	22-Mar-23	664,167	-	664,167	664,167	-	664,167	664,167	-	Completed
23	Rahimyarkhan	Netkom Technologies Private Limited	22-Mar-23	631,488	-	631,488	631,488	-	631,488	631,488	-	Completed
24	Multan	Netkom Technologies Private Limited	22-Mar-23	624,976	-	624,976	624,976	-	624,976	624,976	-	Completed
25	Hyderabad	Netkom Technologies Private Limited	22-Mar-23	998,358	-	998,358	998,358	-	998,358	998,358	-	Completed
26	Sanghar	Netkom Technologies Private Limited	22-Mar-23	894,930	-	894,930	894,930	-	894,930	894,930	-	Completed
27	Bahawalpur	Netkom Technologies Private Limited	22-Mar-23	751,216	-	751,216	751,216	-	751,216	751,216	-	Completed
28	Tharparker	Myson Engineering Systems Pvt.Ltd.	22-Mar-23	936,000	-	936,000	936,000	-	936,000	936,000	-	Completed
29	Muzaffargarh	Global Connect Synergy Pvt. Ltd.	27-Mar-23	1,054,976	-	1,054,976	1,054,976	-	1,054,976	1,054,976	-	Completed
30	NH&MW Lot-3(NH 50&70)	SC Technologies Global Pvt.Ltd.	28-Mar-23	901,015	-	901,015	901,015	-	901,015	901,015	-	Completed
31	NH&MW M-3	SC Technologies Global Pvt.Ltd.	28-Mar-23	635,511	-	635,511	635,511	-	635,511	635,511	-	Completed
32	Dera Ghazi Khan	Joyn Pvt Ltd	28-Mar-23	1,286,000	-	1,286,000	1,286,000	-	1,286,000	1,286,000	-	Completed
33	NH&MW Lot-1(NH 10&25)	Myson Engineering Systems Pvt.Ltd.	04-Apr-23	870,187	-	870,187	870,187	-	870,187	870,187	-	Completed
34	Shikarpur	Joyn Pvt Ltd	22-May-23	1,550,000	-	-	-	-	-	-	1,550,000	Contract Signed
35	Ghotki	Global Connect Synergy Pvt. Ltd.	25-May-23	803,566	-	-	-	-	-	-	803,566	Contract Signed
36	Jaffarabad	Global Connect Synergy Pvt. Ltd.	25-May-23	830,193	-	-	-	-	-	-	830,193	Contract Signed

Sub-total (B)

32,630,351 - 29,446,592 29,446,592 - 29,446,592 29,446,592 3,183,759

C) OPTICAL FIBER CABLE- OFC

1	BP-Package-4	Global Enterprises	27-Oct-22	4,410,000	-	4,410,000	4,410,000	-	4,410,000	4,410,000	-	Completed
2	UC-SD-LOT-1	Bidcon Solutions (SMC-Pvt) Ltd	27-Oct-22	4,200,000	-	4,200,000	4,200,000	-	4,200,000	4,200,000	-	Completed
3	BP-Package-2	Joyn Pvt Ltd	31-Oct-22	3,500,000	-	3,500,000	3,500,000	-	3,500,000	3,500,000	-	Completed
4	BP-Package-3	Joyn Pvt Ltd	31-Oct-22	3,700,000	-	3,700,000	3,700,000	-	3,700,000	3,700,000	-	Completed

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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, 2024

20.2.1 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 2022	For the year	As of 30 June 2023	As of 30 June 2022	For the year	As of 30 June 2023		
------(Rupees)-----												
5	BP-Package-5	Joyn Pvt Ltd	04-Nov-22	3,700,000	-	3,700,000	3,700,000	-	3,700,000	3,700,000	-	Completed
6	UC-SD-LOT-2	TEACH	07-Nov-22	3,980,000	-	3,980,000	3,980,000	-	3,980,000	3,980,000	-	Completed
7	FATA Package-1	TEACH	07-Nov-22	3,340,000	-	3,340,000	3,340,000	-	3,340,000	3,340,000	-	Completed
8	OFC- KPK	TEACH	07-Nov-22	1,935,000	-	1,935,000	1,935,000	-	1,935,000	1,935,000	-	Completed
9	UC-SD-LOT-1	Bidcon Solutions (SMC-Pvt) Ltd	24-Mar-23	3,950,000	-	3,950,000	3,950,000	-	3,950,000	3,950,000	-	Completed
10	BP-Package-4	Bidcon Solutions (SMC-Pvt) Ltd	24-Mar-23	4,150,000	-	4,150,000	4,150,000	-	4,150,000	4,150,000	-	Completed
11	FATA Package-1	Bidcon Solutions (SMC-Pvt) Ltd	04-Apr-23	3,950,000	-	3,950,000	3,950,000	-	3,950,000	3,950,000	-	Completed
12	BP-Package-2	Global Enterprises	05-Apr-23	2,490,000	-	2,490,000	2,490,000	-	2,490,000	2,490,000	-	Completed
13	BP-Package-3	Global Enterprises	05-Apr-23	2,490,000	-	2,490,000	2,490,000	-	2,490,000	2,490,000	-	Completed
14	BP-Package-5	Global Enterprises	05-Apr-23	2,280,000	-	2,280,000	2,280,000	-	-	-	-	Completed
15	UC-PB-LOT-4	Joyn Pvt Ltd	05-Apr-23	5,700,000	-	5,700,000	5,700,000	-	5,700,000	5,700,000	-	Completed
16	UC-PB-LOT-5	Joyn Pvt Ltd	05-Apr-23	5,600,000	-	5,600,000	5,600,000	-	5,600,000	5,600,000	-	Completed
17	OFC- KPK	TEACH*	10-Apr-23	2,700,000	-	2,700,000	2,700,000	-	2,700,000	2,700,000	-	Completed
18	UC-SD-LOT-2	TEACH	10-Apr-23	4,440,000	-	4,440,000	4,440,000	-	4,440,000	4,440,000	-	Completed
19	UC-SD-LOT-3	TEACH	10-Apr-23	4,955,000	-	4,955,000	4,955,000	-	4,955,000	4,955,000	-	Completed

Sub-total (C)

71,470,000 - 71,470,000 71,470,000 - 69,190,000 69,190,000 -

Total (A+B+C)

148,762,890 4,455,790 141,123,341 145,579,131 - 143,299,131 143,299,131 3,183,759

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

** This represents updated cost net of deductions due to amendments and descoping.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21 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.

21.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The Company exposure to interest rate risk is immaterial.

21.2 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 2024 (Rupees)	June 2023 (Rupees)
Long term advances	5,638,219	3,506,050
Other receivables	2,346,988,683	1,722,184,148
Bank balance	1,964,302,344	1,916,661,589
	<u>4,316,929,246</u>	<u>3,642,351,787</u>

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

	June 2024 (Rupees)	June 2023 (Rupees)
Bank name:		
Rating		
Rating Agency		
National Bank of Pakistan:	AAA/A-1+	JCR-VIS/PACRA
Bank balance	1,964,302,344	1,916,661,589
	<u>1,964,302,344</u>	<u>1,916,661,589</u>

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

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(A Company incorporated under Section 42 of the Companies Act, 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21.3 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, 2024				
Project subsidy payable	813,952,335	813,952,335	813,952,335	-
Technical auditor fee payable	23,560,931	23,560,931	23,560,931	-
Payable to suppliers	7,906,211	7,906,211	7,906,211	-
Accrued liabilities	5,958,891	5,958,891	5,958,891	-
Lease liability	48,057,812	60,120,000	30,060,000	30,060,000
	<u>899,436,180</u>	<u>911,498,368</u>	<u>881,438,368</u>	<u>30,060,000</u>
June 30, 2023				
Project subsidy payable	783,987,096	783,987,096	783,987,096	-
Technical auditor fee payable	2,373,016	2,373,016	2,373,016	-
Payable to suppliers	7,769,627	7,769,627	7,769,627	-
Accrued liabilities	3,391,119	3,391,119	3,391,119	-
	<u>797,520,858</u>	<u>797,520,858</u>	<u>797,520,858</u>	<u>-</u>

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

21.4 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.

21.4.1 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.

21.4.2 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. Nil** (2023: Rs. Nil) which earn interest.

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.

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, 2024

21.4.3 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.

21.5 Off-setting of financial assets and liabilities

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

21.6 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.

21.7 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.

22 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 23 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 2024 (Rupees)	June 2023 (Rupees)
State-controlled entities			
- MoIT&T- grant received during the year		<u>16,119,650,000</u>	<u>18,340,000,000</u>
Associate due to common directorship			
Subsidy grant disbursement	19		
- Pakistan Telecommunication Company Limited		2,925,208,905	2,456,757,812
- Pak Telecom Mobile Limited-Ufone		5,046,654,529	5,271,963,733
- Telenor Pakistan Private Limited-Telenor		-	3,714,764,232
- CM Pak Private Limited-Zong		14,242,548	8,096,662
		<u>7,986,105,982</u>	<u>11,451,582,439</u>
USF Employees' Gratuity Fund			
Contributions paid by the Company	16.2	<u>22,528,213</u>	<u>22,894,399</u>

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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, 2024

23 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 2024			June 2023		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	------(Rupees)-----					
Meeting fee	-	5,950,000	-	-	1,725,000	-
Managerial remuneration	3,008,000	-	106,438,626	12,974,016		98,599,267
Allowances	2,090,910	-	86,835,011	9,825,035		81,607,069
Bonus	3,459,738	-	24,863,154	3,861,315		20,996,480
	<u>8,558,648</u>	<u>5,950,000</u>	<u>218,136,791</u>	<u>26,660,366</u>	<u>1,725,000</u>	<u>201,202,816</u>
Number of persons	<u>1</u>	<u>8</u>	<u>34</u>	<u>1</u>	<u>9</u>	<u>36</u>

23.1 This includes monetization allowance, amounting to **Rs. 11,407,601** (2023: Rs. 13,532,784) 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.

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

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, 2024

24 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.

25 NUMBER OF EMPLOYEES

June 2024

June 2023

Employees at the period end (Number)

89

98

Average employees during the period (Number)

92

98

26 DATE OF AUTHORIZATION FOR ISSUE

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

~~10 OCT 2024~~

27 GENERAL

27.1 Declaration of Board under section 25(3) of SOE Act, 2023

a) As of now the Company do not have any borrowing. USF is presently funded by the prescribed contribution received from licensees. Funds are maintained in non-lapsable Public Account operated through State Bank of Pakistan. Funds are released for disbursement to the Company on quarterly basis, in line with approved budget after Policy Committee approval which is constituted according to USF Rules 2006. In addition, a portion of USF funds is kept by the Federal Government.

The Company has signed contracts where related commitments are payable after the related milestone is achieved. Discharge of commitments is expected to be gradual. In line with the next financial year budget approved by the Company's Board and USF Policy Committee, there are reasonable grounds to believe that balance commitments will be paid, as they become due within next financial year, subject to the following:

- Balance available with USF Fund.
- Annual contribution inflow from licensees.
- Return of funds budgeted by the Federal Government during financial year 2024-25.
- Timely release of budgeted funds to the Company by Policy Committee.

b) The financial statements and the notes to them comply with the requirements of International accounting standards, as disclosed in note 2.1.

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



CHIEF EXECUTIVE OFFICER



DIRECTOR