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

FINANCIAL STATEMENTS
AS AT JUNE 30, 2019

Grant Thornton
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INDEPENDENT AUDITOR'S REPORT

To the members of Universal Service Fund - Company

Report on the Audit of 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, 2019, and statement of income and expenditure and other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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, 2019 and of the surplus 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 attention to note 14.2.1 & 14.2.2 to the financial statement which describes the uncertainty relating to tax matters of the Company. No provision for tax amounting to Rs. 3,939,571,607 & Rs. 139,511,568 is made in these financial statement on the basis of management stance and expectation of successful outcome.

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 the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has a realistic alternative to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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 income and expenditure statement and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Grant Thornton Anjum Rahman
GRANT THORNTON ANJUM RAHMAN
Islamabad
September 06, 2019

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		-------- Rupees ---------	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**24,680,063**	20,439,819
Intangible assets	5	**24,994,338**	4,100,881
Long term deposits		**127,500**	127,500
Long term advances	6	**498,259**	1,756,049
		50,300,160	26,424,249
CURRENT ASSETS			
Advances	7	**504,941,286**	1,302,301,673
Short-term prepayments	8	**2,775,593**	19,318,403
Interest accrued		**85,152,640**	54,653,185
Other receivables	9	**1,096,016,872**	4,500
Cash and bank balance	10	**3,713,359,650**	2,866,569,141
		5,402,246,041	4,242,846,902
TOTAL ASSETS		**5,452,546,201**	4,269,271,151
EQUITY AND LIABILITIES			
EQUITY		**-**	-
NON-CURRENT LIABILITIES			
Fund balance (Restricted)	11	**5,017,064,385**	3,839,836,759
Deferred capital grant	12	**49,674,401**	24,540,700
		5,066,738,786	3,864,377,459
CURRENT LIABILITIES			
Trade and other payables	13	**385,807,415**	404,893,692
TOTAL EQUITY AND LIABILITIES		**5,452,546,201**	4,269,271,151
CONTINGENCIES AND COMMITMENTS	14		

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

CHIEF EXECUTIVE

DIRECTOR

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		-------- Rupees ---------	
INCOME			
Amortization of deferred capital grant	12	**15,027,063**	14,809,411
EXPENDITURE			
Administrative and general expenses	15	**338,523,611**	315,862,068
Subsidy grant for projects	16	**7,397,099,688**	6,834,436,561
Fee to technical auditors for projects	17	**34,416,102**	13,724,933
		7,770,039,401	7,164,023,562
		(7,755,012,338)	(7,149,214,151)
EXPENDITURE CHARGED TO FUND BALANCE	11	**7,759,025,410**	7,153,421,102
NET SURPLUS/(DEFICIT) FOR THE YEAR		**4,013,072**	4,206,951
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to income and expenditure account in subsequent periods			
Re-measurement (loss)/gain on deferred benefit plan		**(4,013,072)**	(4,206,951)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	-

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

CHIEF EXECUTIVE

DIRECTOR

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		-------- Rupees ---------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Subsidy grant disbursement		**(6,205,120,282)**	(6,786,484,959)
Technical audit fee		**(34,451,262)**	(13,622,192)
Liquidated damages, profit on deposit account and others		**356,100,482**	102,735,390
Payment to suppliers and employees		**(181,140,390)**	(297,598,967)
Net cash used in operating activities		**(6,064,611,452)**	(6,994,970,728)
CASH FLOWS FROM INVESTING ACTIVITIES			
Procurement of property and equipment		**(13,857,637)**	(10,204,398)
Procurement of intangible assets		**(23,740,402)**	(5,306,385)
Net cash used in investing activities		**(37,598,039)**	(15,510,783)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		**6,949,000,000**	9,619,000,000
Net cash used in financing activities		**6,949,000,000**	9,619,000,000
Net (decrease)/increase in cash & cash equivalents		**846,790,509**	2,608,518,489
Cash & cash equivalents at beginning of year		**2,866,569,141**	258,050,652
Cash & cash equivalents at end of year	10	**3,713,359,650**	2,866,569,141

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

CHIEF EXECUTIVE

DIRECTOR

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 STATUS AND ACTIVITIES

The Universal Service Fund Company ("the Company") was incorporated in Pakistan as a Public Company, limited by guarantee, not having a share capital and licensed under section 42 of the repealed Companies Ordinance, 1984 on 12 December, 2006 as a not-for-profit entity. The Company was formed under Section 10 of the Universal Service Fund Rules, 2006 ("the Rules") and its registered office is situated at 5th floor, HBL Tower, Jinnah Avenue, Islamabad.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies have been applied consistently to all periods presented in these financial statements except in note 3.1:

3.1 Changes in accounting policy

The Company has adopted IFRS 9 'Financial Instruments' from July 01, 2018 which are effective for the reporting period/year ending on or after June 30, 2019 and the annual periods beginning on or after July 01, 2018 respectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

3.1.1 IFRS 9 'Financial Instruments'

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

a. Amortized cost;

b. Fair value through other comprehensive income (FVOCI); and

c. Fair value through profit or loss (FVTPL).

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held and contractual cash flows; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets the following conditions and is not designated as at fair value through profit or loss:

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

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities. The accounting policies that apply to financial instruments are stated in note 3.17 to the financial statements.

On the date of initial application of IFRS 9, the following financial assets of the Company were reclassified to amortized cost from loans and receivables without change in carrying value.

Long term deposits;

Employee's advances;

Interest accrued; and

Bank balance.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and no historical loss rates/bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has no impact on the financial position and/or financial performance of the Company. Loss allowance on bank balances is measured at 12 months expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances.

3.2 Functional and presentation currency

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

3.3 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:

3.3.1 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.

3.3.2 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.

3.3.3 Provision for doubtful advances, project and other receivables

Refer to note 3.18 (i), "impairment of financial assets".

3.3.4 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.

3.3.5 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.

3.4 Amendments to approved accounting and reporting standards that are not yet effective

The following standards and amendments and interpretations to the approved accounting and reporting standards would be effective from the dates mentioned below against the respective standard.

Standard or interpretation		Effective date (annual periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 01, 2020
IAS 8	Accounting policies, changes in accounting estimates & errors (Amendmei	January 01, 2020
IAS 23	Borrowing Costs (Amendments)	January 01, 2019
IAS 12	Income Taxes (Amendments)	January 01, 2019
IFRS 16	Leases	January 01, 2019
IAS 19	Plan Amendment, Curtailment or settlement - Amendments	January 01, 2019
IAS 28	Long term interest in Associates and Joint Ventures - Amendments	January 01, 2019
IFRIC 23	Uncertainty over Income Tax	January 01, 2019
IFRS 9	Financial Instruments (Amendments)	January 01, 2019
IFRS 3	Business Combination (Amendments)	January 01, 2019

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures. The Company is yet to assess the full impact of the amendments.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 and *period ending on or after June 30, 2019 respectively. The company expects that such improvements to the standards and amendments will not have any impact on the Company's financial statements in the period on initial application.

The IASB has also issued the revised Conceptual Framework for the Financial Reporting (the Conceptual Framework) in march 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard our any requirements in a standard. The purpose of Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts
IFRS 1	First-time Adoption of International Financial Reporting Standards

The following interpretations issued by the IASB have been waived of by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

Furthermore, the following new standards and amendments to International Financial Reporting Standards (IFRS) and interpretations became effective during the year ended June 30, 2019.

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from Contracts with Customers

Clarifications to IFRS 15 Revenue from Contract with Customers

IFRIC 22 - Foreign Currency Transactions and Advance Considerations

Amendment to IFRS 7 - Financial Instruments: Disclosures, requiring additional hedge accounting disclosures

Amendment to IAS 40 - Transfer of investment property

Amendment to IFRS 2 - Classification and measurement of share-based payment transactions

Annual Improvement to IFRS 2014 - 2016 : IAS 28 - Investment in Associates and Joint Ventures

Adoption of above mentioned standards, amendments and improvement have no impact on accounting policy except for IFRS 9 as disclosed in note 3.1.1.

3.5 Property and equipment

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

Depreciation is charged on assets using the straight line method, at the rates stated in note 4. A full month's depreciation is charged in the month of acquisition of an asset, while no depreciation is charged in the month of an assets' retirement.

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

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

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

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

3.6 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 5. In respect of additions and disposal of intangible assets during a year, amortization is charged to income and expenditure statement from the month of acquisition and up to the month preceding the disposal of such intangible assets.

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

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

3.7 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.

3.8 Cash and cash equivalents

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

3.9 Fund balance (restricted)

The management is following deferral method of accounting for amount received from MoIT 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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 30 June 2019, details are given in the note 13 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.

3.14 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. 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 as grant.

ii) Deferred

Deferred tax is recognized using the liability method, on all major temporary differences at the statement of financial position date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

3.15 Income

i) Profit on bank deposits

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

ii) Other income

Any other income is recorded on an accrual basis.

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

3.16 Foreign currency translation

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

3.17 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are de-recognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Gains or losses on de-recognition of the financial assets and financial liabilities are taken to the income and expenditure statement immediately.

a) Financial assets

Classification, initial recognition and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). The Company classifies its financial assets in the following measurement categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

• The right to receive cash flows from the asset have expired;

• The Company has transferred its right to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full, without material delay to a third party under a 'pass-through' arrangement; and either

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(b) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories: at fair value through profit or loss and amortized cost. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of other financial liabilities, also include directly attributable transaction costs.

The subsequent measurement of financial liabilities depend on their classification, as follows:

(i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability, upon recognition, as being at fair value through profit or loss.

(ii) Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income and expenditure statement.

3.18 Impairment

i) Financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company recognizes loss allowances for expected credit losses (ECLs) in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for a) debt securities that are determined to have low credit risk at the reporting date; and b) other debt securities and bank balance where credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs:

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets. The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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.

3.19 Fair value measurement

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

i) In the principal market for the asset or liability; or

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

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

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

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

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

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

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

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

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

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

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

4 PROPERTY AND EQUIPMENT

	COST					ACCUMULATED DEPRECIATION				NET BOOK VALUE
	As at July 01, 2018	Additions	Disposals	As at June 30, 2019	Rate	As at July 01, 2018	Charge for the year	On disposals	As at June 30, 2019	As at June 30, 2019
2019	Rupees				%	Rupees				Rupees
Vehicles	29,704,498	-	-	29,704,498	20	29,085,182	337,774	-	29,422,956	281,542
Furniture and equipment	37,446,504	13,740,520	(22,468)	51,164,556	20	28,159,176	7,264,797	(22,468)	35,401,505	15,763,051
Computer and accessories	39,661,955	2,694,842	(6,115,299)	36,241,498	33	30,741,224	4,250,985	(6,115,299)	28,876,910	7,364,588
Communication equipment	1,988,039	-	(20,000)	1,968,039	20-33	375,595	326,562	(5,000)	697,157	1,270,882
	108,800,996	16,435,362	(6,157,767)	119,078,591		88,361,177	12,180,118	(6,142,767)	94,398,528	24,680,063

4.1 Additions during the year represent assets purchased, by the Company, utilizing the grant received by the Company from MoIT.

4.2 Depreciation for the year is charged to administrative and general expenses (refer to note 15).

	COST					ACCUMULATED DEPRECIATION				NET BOOK VALUE
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	Rate	As at July 01, 2017	Charge for the year	On disposals	As at June 30, 2018	As at June 30, 2018
2018	Rupees				%	Rupees				Rupees
Vehicles	29,704,498	-	-	29,704,498	20	27,990,656	1,094,526	-	29,085,182	619,316
Furniture and equipment	34,339,243	3,107,261	-	37,446,504	20	22,767,738	5,391,438	-	28,159,176	9,287,328
Computer and accessories	29,853,407	9,808,548	-	39,661,955	33	25,240,572	5,500,652	-	30,741,224	8,920,731
Communication equipment	826,304	1,605,802	(444,067)	1,988,039	20-33	767,810	51,852	(444,067)	375,595	1,612,444
	94,723,452	14,521,611	(444,067)	108,800,996		76,766,776	12,038,468	(444,067)	88,361,177	20,439,819

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5 INTANGIBLE ASSETS

	COST					ACCUMULATED AMORTIZATION				NET BOOK VALUE
	As at July 01, 2018	Additions	Disposals	As at June 30, 2019	Rate	As at July 01, 2018	Charge for the year	On disposals	As at June 30, 2019	As at June 30, 2019
2019	Rupees				%	Rupees				Rupees
Digital Maps	**7,500,000**	**-**	**-**	**7,500,000**	**20**	**7,499,990**	**-**	**-**	**7,499,990**	**10**
Software	**16,213,125**	**23,740,402**	**-**	**39,953,527**	**33**	**12,112,254**	**2,846,945**	**-**	**14,959,199**	**24,994,328**
	23,713,125	**23,740,402**	**-**	**47,453,527**		**19,612,244**	**2,846,945**	**-**	**22,459,189**	**24,994,338**

5.1 Amortization for the year is charged to administrative and general expenses (refer to note 15).

	COST					ACCUMULATED AMORTIZATION				NET BOOK VALUE
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	Rate	As at July 01, 2017	Charge for the year	On disposals	As at June 30, 2018	As at June 30, 2018
2018	Rupees				%	Rupees				Rupees
Digital Maps	7,500,000	-	-	7,500,000	20	7,499,990	-	-	7,499,990	10
Software	10,906,740	5,306,385	-	16,213,125	33	9,341,311	2,770,943	-	12,112,254	4,100,871
	18,406,740	5,306,385	-	23,713,125		16,841,301	2,770,943	-	19,612,244	4,100,881

6	LONG TERM ADVANCES	Note	June 30, 2019	June 30, 2018
			-------- Rupees ---------	
	Advance against gratuity balance to employees		**498,259**	1,756,049
			498,259	1,756,049

6.1 The above advances were given against employees' gratuity in accordance with Company's service rules with repayment terms of maximum twenty four (24) months and carry no markup.

7	ADVANCES	Note	June 30, 2019	June 30, 2018
			-------- Rupees ---------	
	Considered good			
	To employees - secured:			
	- Advance against gratuity - current portion		**2,918,277**	3,104,675
	- Advance as against salary/TADA		**256,266**	507,129
	Advance against projects - secured	7.1	**501,071,743**	1,298,131,869
	To suppliers		**695,000**	558,000
			504,941,286	1,302,301,673

7.1 This represents unutilized portion of an advance paid to service providers, in respect of following projects:

	June 30, 2019	June 30, 2018
	-------- Rupees ---------	
Advances to related parties:		
PTML-BSD KharanWashuk	**58,250,000**	-
PTML-BSD Dera Bughti	-	310,301,600
PTML-BSD Khyber	-	368,800,000
PTML BSD Small Lot Balochistan-1	-	73,000,000
PMCL-BSD North Waziristan	**27,082,149**	-
PMCL-BSD South Waziristan	**18,019,269**	-
PTCL-OFC KPK	**79,612,278**	160,000,000
PTCL-OFC FATA	**140,000,000**	140,000,000
Advances to other than related parties:		
Telenor-BSD Dadu	**43,359,151**	-
Telenor-NH&MW Lot-2(NH 25&65)	**50,128,661**	-
Telenor-NH&MW Lot-3(NH 50&70)	**82,235,266**	-
Telenor-BSD DI Khan	-	100,547,092
Telenor-BSD Mohmand	**2,384,969**	145,483,177
	501,071,743	1,298,131,869

8	SHORT-TERM PREPAYMENTS		
	Rent	-	19,096,000
	Insurance	**1,706,805**	145,808
	Others	**1,068,788**	76,595
		2,775,593	19,318,403

			June 30, 2019	June 30, 2018
9	**OTHER RECEIVABLES**	**Note**	-------- **Rupees** ---------	
	PTCL Mustung	9.1	**281,929,919**	-
	PTCL OFC BP-05	9.1	**787,860,677**	-
	PTCL BB HTR	9.1	**26,171,616**	-
	Others		**54,660**	4,500
			1,096,016,872	4,500

9.1 These represent late delivery charges recognized on delayed implementation of projects milestones. Management believe that no expected credit losses are required to recognize because these are secured through performance bond. Further, it is maximum outstanding balance at any time during the year.

			June 30, 2019	June 30, 2018
10	**CASH AND BANK BALANCE**	**Note**	-------- **Rupees** ---------	
	Cash in hand		**40,106**	19,460
	Cash at bank			
	- Deposit account - local currency	10.1	**3,713,319,544**	2,866,549,681
			3,713,359,650	2,866,569,141

10.1 This carries mark-up at rate **4.25% to 11% per annum** (2018: 4.25% per annum). The profit on bank deposit is receivable with reference to the daily balance in the bank account.

			June 30, 2019	June 30, 2018
11	**FUND BALANCE (RESTRICTED)**	**Note**	-------- **Rupees** ---------	
	Balance at the beginning of the year		**3,839,836,759**	1,266,316,110
	Grant received during the year		**6,949,000,000**	9,619,000,000
	Profit on deposit account	11.1	**150,862,877**	83,882,158
	Miscellaneous receipts / receivables	11.2	**1,872,537,851**	39,680,638
			12,812,237,487	11,008,878,906
	Grants transferred to:			
	-Deferred capital grant	12	**40,160,764**	19,827,996
	-Income and expenditure statement		**7,759,025,410**	7,153,421,102
	-Experience adjustment	13.3.4	**(4,013,072)**	(4,206,951)
			7,795,173,102	7,169,042,147
			5,017,064,385	3,839,836,759

11.1 Profit on bank deposit and other receipts are adjustable against future funding from MoIT, Government of Pakistan and accordingly they are included in the fund balance.

11.2 This includes amount of **Rs.1,871,029,167** (2018: Rs. 9,981,476) against liquidated damages and **Rs. Nil** (2018:Rs. 28,000,000) against encashment of bank guarantee, recovered from operators.

			June 30, 2019	June 30, 2018
12	**DEFERRED CAPITAL GRANT**	**Note**	-------- **Rupees** ---------	
	Balance at beginning of the year		**24,540,700**	19,522,115
	Transferred from fund balance (restricted)	11	**40,160,764**	19,827,996
	Depreciation/amortization charged during the year	12.1	**(15,027,063)**	(14,809,411)
	Balance at end of the year		**49,674,401**	24,540,700

12.1 As at the report date, the Company has utilized **Rs.180.72 million** (2018: Rs.140.56 million) out of grant received for capital expenditure.

13	TRADE AND OTHER PAYABLES	Note	June 30, 2019	June 30, 2018
			-------- Rupees	---------
	Project subsidy payable	13.1	**175,232,895**	321,152,194
	Technical auditor fee payable		**102,741**	102,741
	Payable to suppliers		**9,557,086**	8,684,137
	Rent payable		**10,502,800**	-
	Accrued liabilities		**3,593,281**	3,687,359
	Payable to gratuity fund	13.2	**5,273,612**	7,079,152
	Earnest money		**181,545,000**	64,188,109
			385,807,415	404,893,692

13.1 This includes an amount of **Rs. 80.71 million** (2018: 99.913 million) payable to related parties.

		June 30, 2019	June 30, 2018
		-------- Rupees	---------
13.2	**Payable to gratuity fund**		
	The movement in net liability is as follows:		
	Balance at beginning of the year	**7,079,152**	3,290,150
	Charge for the year	**11,859,026**	9,179,989
	Remeasurement gain	**4,013,072**	4,206,951
	Contribution	**(17,677,638)**	(9,597,938)
	Balance at end of the year - Payable	**5,273,612**	7,079,152

13.3 The details of actuarial valuation carried out as at 30 June, 2019 and 2018 are as follows:

		Note	June 30, 2019	June 30, 2018
			-------- Rupees	---------
13.3.1	Reconciliation of payable to gratuity fund:			
	Present value of the defined benefit obligation	13.3.2	**77,754,649**	63,580,017
	Fair value of the plan assets	13.3.5	**(72,481,037)**	(56,500,865)
			5,273,612	7,079,152
13.3.2	Change in the present value of defined benefit obligation			
	Opening balance		**63,580,017**	50,238,896
	Current service cost	13.3.3	**12,034,992**	9,218,801
	Interest cost on defined benefit obligation	13.3.3	**6,037,268**	4,546,344
	Benefits paid		**(6,414,680)**	(2,178,465)
	Actuarial gain / (loss)		**2,517,052**	1,754,441
			77,754,649	63,580,017
13.3.3	**Charge for the year is as follows:**			
	Current service cost		**12,034,992**	9,218,801
	Interest expense		**6,037,268**	4,546,344
	Interest income on plan assets		**(6,213,234)**	(4,585,156)
	Interest income - net		**(175,966)**	(38,812)
			11,859,026	9,179,989
13.3.4	**Remeasurement gain - net is as follows:**			
	Actuarial (gain) / loss recognized		**2,517,052**	1,754,441
	Return on plan assets excluding the interest income		**1,496,020**	2,452,510
			4,013,072	4,206,951

13.3.5 Change in fair value of plan assets

	June 30, 2019	June 30, 2018
	-------- Rupees ---------	
Opening balance	**56,500,865**	46,948,746
Interest income	**6,213,234**	4,585,156
Contribution made directly to gratuity fund	**11,262,958**	7,419,473
Payments made on behalf of the gratuity fund	**6,414,680**	2,178,465
Benefits paid	**(6,414,680)**	(2,178,465)
Return on plan assets, except amount included in interest income	**(1,496,020)**	(2,452,510)
	72,481,037	56,500,865

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

	June 30, 2019	June 30, 2018
Cash and other deposits:		
-Bank A/c	**72,481,037**	56,500,865
-Percentage	**100%**	100%

13.3.6 The principal actuarial assumptions used were as follows:

Actuarial valuation of the plan was carried out as at 30 June, 2019, by an independent valuer using projected unit credit method, on following assumptions:

	June 30, 2019	June 30, 2018
Valuation discount rate	**14.50%**	10.00%
Salary increase used for year end obligation	**N/A**	N/A
Salary Increase FY 2019	**13.50%**	9.00%
Expected return on plan assets	**13.50%**	9.00%
Next salary is increased on	**1-Jul-19**	1-Jul-18
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

13.3.7 Estimated expenses to be charged to income & expenditure

	Financial Year 2020	Financial Year 2019
	-------- Rupees ---------	
Current service cost	**13,509,649**	12,034,992
Net Interest	**(175,966)**	637,942
	13,333,683	12,672,934

13.4 For a change of 100 basis points in these assumptions, keeping other present value of defined benefit obligation as at 30 June, 2019 would have been as follows:

	June 30, 2019		June 30, 2018	
	Present value of obligation		Present value of obligation	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
	------Rupees------		------Rupees------	
Discount rate	**70,046,892**	**86,680,529**	57,340,211	72,740,508
Salary increase rate	**86,801,463**	**69,811,587**	72,822,397	56,970,345

	June 30, 2019	June 30, 2018
The average duration of the defined benefit obligation is	**11 Years**	12.12 Years

13.5 Historical information	2019	2018	2017	2016
	---------- Rupees ----------			
Net staff retirement benefit liability	**5,273,612**	**7,079,152**	3,290,150	2,811,474
Experience adjustment	**4,013,072**	**4,206,951**	(726,186)	(559,215)

14 CONTINGENCIES AND COMMITMENTS	Note	June 30, 2019	June 30, 2018
		-------- Rupees ---------	
14.1 Commitments			
Subsidy grant commitments	16	**10,322,964,919**	16,601,767,955
Technical auditor's fee	17	**30,047,062**	44,361,416

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14.2 Contingencies

14.2.1 During FY 2013-14, the Additional Commissioner Inland Revenue (ACIR) raised a demand in respect of tax years 2008 to 2014, amounting to Rs. 3,939,571,607 by treating the grant received from MoIT 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. The decision of the ATIR is pending.

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

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

14.2.2 In respect of the Tax Year 2013, the Officer Inland Revenue (OIR) raised a demand of Rs.139,511,568, under section 161/205 of the Income Tax Ordinance 2001, alleging short payment of withholding tax. On an appeal filed by the Company, the CIR(A) set-aside the order on September 30, 2015 and directed the OIR to re-examine the matter, which is pending.

14.2.3 There are some litigations filed against the USF, in which the Company is involved as proforma defendant/respondent and has no direct financial impact even if cases are decided against USF. Further litigations filed by Company or where Company is Petitioner/Appellant, management is of the opinion that USF has good prima facie cases and cases are likely to be decided in favor of Company and so no provision is made for these litigations in these financial statements.

15 ADMINISTRATIVE AND GENERAL EXPENSE	**Note**	**June 30, 2019**	June 30, 2018
		-------- Rupees	**---------**
Salaries and benefits	15.1	**244,160,554**	201,568,594
Training & HR development		**1,371,550**	-
Legal and professional charges		**1,244,650**	5,736,160
Rent		**29,598,800**	26,908,000
Utilities and office supplies		**2,209,624**	2,034,772
Communication charges		**1,085,856**	969,471
Entertainment		**778,534**	1,272,620
Traveling		**20,528,196**	20,621,630
Printing and stationery		**1,545,754**	1,862,812
Vehicle fuel expenses		**9,450,500**	6,287,071
Repairs and maintenance		**1,567,364**	6,986,038
Advertisement		**7,820,094**	25,013,506
Depreciation	4	**12,180,118**	12,038,468
Amortization of intangible asset	5	**2,846,945**	2,770,943
Auditors' remuneration	15.2	**240,000**	240,000
Insurance expense		**1,874,774**	1,531,683
Bank charges		**20,298**	20,300
		338,523,611	315,862,068

15.1 Salaries and benefits include **Rs. 15,872,098** (2018: Rs.9,179,989) charged in respect of defined benefit scheme.

	June 30, 2019	June 30, 2018
	-------- Rupees ---------	
15.2 Auditors' remuneration:		
Annual audit fee	**125,000**	100,000
Interim audit fee	**60,000**	50,000
Certifications	**55,000**	90,000
	240,000	240,000

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, 2019

16 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due					Subsidy disbursed			Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					As of 30 June 2018	For the year			As of 30 June 2019	As of 30 June 2018	For the year	As of 30 June 2019				
						Capex	Opex	Total								
				Rupees												
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM																
1	Malakand	Telenor*	4-Oct-07	62,029,745	62,029,745	-	-	-	62,029,745	62,029,745	-	62,029,745	-	-	-	Closed
2	Sukkur	PMCL**	15-Jan-08	112,300,000	112,300,000	-	-	-	112,300,000	112,300,000	-	112,300,000	-	-	-	Completed
3	DG Khan	Warid***	7-Feb-08	78,847,036	78,847,036	-	-	-	78,847,036	78,847,036	-	78,847,036	-	-	-	Completed
4	Pishin	PTCL****	29-May-08	175,000,000	175,000,000	-	-	-	175,000,000	175,000,000	-	175,000,000	-	-	-	Completed
5	Mansehra	PTCL****	24-Jun-08	40,548,153	40,548,153	-	-	-	40,548,153	40,548,153	-	40,548,153	-	-	-	De-scoped
6	Dadu	PTCL****	25-Jul-08	250,000,000	250,000,000	-	-	-	250,000,000	250,000,000	-	250,000,000	-	-	-	Completed
7	Bahawalpur	Telenor*	22-Sep-08	248,381,865	248,381,865	-	-	-	248,381,865	248,381,865	-	248,381,865	-	-	-	Completed
8	Mirpur Khas	Telenor*	13-Mar-09	930,000,000	930,000,000	-	-	-	930,000,000	930,000,000	-	930,000,000	-	-	-	Completed
9	Larkana	PTCL****	17-May-09	228,000,000	136,800,000	-	-	-	136,800,000	136,800,000	-	136,800,000	-	91,200,000	-	Up to 2nd
10	Nasirabad	CM Pak *****	28-Jul-09	1,277,855,892	1,277,855,892	-	-	-	1,277,855,892	1,277,855,892	-	1,277,855,892	-	-	629,098,286	Completed
11	Mastung	PTCL****	31-May-12	2,407,732,977	2,472,316,334	(85,383,357)	5,200,000	(80,183,357)	2,392,132,977	2,443,391,334	-	2,443,391,334	196,546,562	15,600,000	1,262,400,000	Completed
12	Turbat	CM Pak *****	21-Feb-13	3,497,982,324	3,039,258,767	-	344,142,886	344,142,886	3,383,401,653	2,892,745,777	458,723,558	3,351,469,335	-	114,580,671	1,581,024,697	Completed
13	Chitral	Telenor*	19-Feb-15	1,885,567,151	1,419,769,147	284,398,579	106,992,243	391,390,822	1,811,159,969	1,399,670,388	385,913,561	1,785,583,949	16,925,167	74,407,182	762,157,340	Completed
14	Shangla	Telenor*	15-Jun-15	1,949,118,578	1,817,580,712	-	89,259,774	89,259,774	1,906,840,486	1,786,277,617	109,317,538	1,895,595,155	-	42,278,092	780,000,000	Completed
15	Zhob	Telenor*	7-Aug-15	3,325,209,930	3,229,637,816	-	56,146,419	56,146,419	3,285,784,235	3,210,478,132	69,170,978	3,279,649,110	-	39,425,695	1,445,953,618	Completed
16	Sibi	PTML******	14-Sep-15	3,175,494,904	2,995,437,381	-	113,216,100	113,216,100	3,108,653,481	2,946,598,674	147,583,575	3,094,182,249	-	66,841,423	1,278,100,000	Completed
17	Kalat	PTML******	16-Dec-15	2,037,836,383	2,009,909,334	-	17,821,383	17,821,383	2,027,730,717	2,005,306,460	19,783,506	2,025,089,966	-	10,105,666	873,800,000	Completed
18	Khuzdar	PTML******	9-Sep-16	2,350,354,559	1,797,477,754	378,320,371	84,556,879	462,877,250	2,260,355,004	1,787,735,067	455,991,216	2,243,726,283	-	89,999,555	967,400,000	Completed
19	Chagai	PTML******	9-Sep-16	1,219,722,883	1,171,481,814	-	29,067,929	29,067,929	1,200,549,743	1,163,886,656	29,438,425	1,193,325,081	-	19,173,140	520,700,000	Completed
20	Awaran-Lasbela	PTML******	2-Jan-17	2,257,557,475	1,398,299,400	859,258,075	-	859,258,075	2,257,557,475	1,398,299,400	859,258,075	2,257,557,475	-	-	932,199,600	Completed
21	Kohistan	Telenor*	14-Mar-17	3,506,575,801	662,174,502	662,174,502	22,395,646	684,570,148	1,346,744,650	662,174,502	678,852,783	1,341,027,285	-	2,159,831,151	1,402,819,846	up to 1st
22	Kharan-Washuk	PTML******	31-May-17	1,184,916,259	466,208,323	407,750,000	7,030,001	414,780,001	880,988,324	466,000,000	471,631,261	937,631,261	-	303,927,935	473,999,600	Up to 3rd
23	Dera Bugti	PTML******	31-May-17	1,584,000,000	-	310,301,600	-	310,301,600	310,301,600	310,301,600	-	310,301,600	-	1,273,698,400	633,600,000	Mobilization Adv.
24	Khyber	PTML******	23-Oct-17	1,985,000,000	-	1,106,400,000	15,090,214	1,121,490,214	1,121,490,214	368,800,000	748,673,394	1,117,473,394	-	863,509,786	794,000,000	up to 2nd
25	Small Lot Punjab-1	PTML******	25-Oct-17	117,046,260	117,046,260	-	-	-	117,046,260	117,046,260	-	117,046,260	-	-	48,000,000	Completed
26	Small Lot Punjab-2	Telenor*	3-Nov-17	30,480,571	5,711,221	22,844,886	561,302	23,406,188	29,117,409	5,711,221	23,326,002	29,037,223	-	1,363,162	12,192,228	Completed
27	Small Lot Sindh-1	PTML******	4-Jan-18	23,000,000	23,000,000	-	-	-	23,000,000	23,000,000	-	23,000,000	-	-	9,200,000	Completed
28	Small Lot Balochistan-1	PTML******	4-Jan-18	365,000,000	-	365,000,000	-	365,000,000	365,000,000	73,000,000	292,000,000	365,000,000	-	-	146,000,000	Completed
29	Mohmand	Telenor*	12-Jan-18	849,647,146	-	143,098,208	-	143,098,208	143,098,208	145,483,177	-	145,483,177	-	706,548,938	339,858,858	Mobilization Adv.
30	D.I.Khan	Telenor*	26-Jan-18	596,619,338	-	502,735,462	12,396,639	515,132,101	515,132,101	100,547,092	404,998,275	505,545,367	1,527,059	81,487,237	238,647,735	Completed
31	NH&MW Lot-1(NH 10&25)	PTML******	11-Dec-18	759,000,000	-	151,800,000	-	151,800,000	151,800,000	-	151,800,000	151,800,000	-	607,200,000	303,600,000	Mobilization Adv.
32	North Waziristan	PMCL**	11-Dec-18	192,083,284	-	-	-	-	-	-	27,082,149	27,082,149	-	192,083,284	76,833,314	Mobilization Adv.
30	NG-BSD Dadu	Telenor*	26-Jun-19	216,795,758	-	-	-	-	-	-	43,359,151	43,359,151	-	216,795,758	86,718,303	Mobilization Adv.
31	NH&MW Lot-2(NH 25&65)	Telenor*	26-Jun-19	250,643,306	-	-	-	-	-	-	50,128,661	50,128,661	-	250,643,306	100,257,322	Mobilization Adv.
32	NH&MW Lot-3(NH 50&70)	Telenor*	26-Jun-19	411,176,333	-	-	-	-	-	-	82,235,266	82,235,266	-	411,176,333	164,470,533	Mobilization Adv.
33	South Waziristan	PMCL**	26-Jun-19	90,096,348	-	-	-	-	-	-	18,019,269	18,019,269	-	90,096,348	36,092,114	Mobilization Adv.
	Sub-total (A)			39,671,620,259	25,937,071,456	5,108,698,326	903,877,415	6,012,575,741	31,949,647,197	26,618,216,048	5,527,286,643	32,145,502,691	214,998,788	7,721,973,062	15,899,123,394	
B) OPTICAL FIBER CABLE- OFC																
1	Sindh-Package	Wateen Telecom	11-Feb-09	449,000,000	449,000,000	-	-	-	449,000,000	449,000,000	-	449,000,000	-	-	179,600,000	Completed
2	Balochistan Package-1	Wateen Telecom	17-May-09	374,000,000	374,000,000	-	-	-	374,000,000	374,000,000	-	374,000,000	-	-	149,600,000	Completed
3	Balochistan Package-2	PTCL****	25-Jun-09	1,200,000,000	960,000,000	-	-	-	960,000,000	960,000,000	-	960,000,000	-	240,000,000	480,000,000	Up to 3rd
4	Balochistan- Punjab Package-3	Wateen Telecom	24-Nov-09	986,000,000	591,600,000	-	-	-	591,600,000	591,600,000	-	591,600,000	-	394,400,000	394,400,000	Up to 2nd
5	Balochistan- Punjab Package-5	PTCL****	17-May-10	1,498,000,000	898,800,000	599,200,000	-	599,200,000	1,498,000,000	898,800,000	-	898,800,000	1,387,060,677	-	599,200,000	Completed
6	Balochistan-Package-4	Wateen Telecom	13-Jul-11	1,965,000,000	1,965,000,000	-	-	-	1,965,000,000	1,965,000,000	-	1,965,000,000	-	-	790,000,000	Completed
7	KPK	PTCL****	8-Mar-18	800,000,000	-	240,387,722	-	240,387,722	240,387,722	160,000,000	160,000,000	320,000,000	-	559,612,278	320,000,000	up to 1st
8	FATA-Package-1	PTCL****	27-Jun-18	700,000,000	-	-	-	-	-	140,000,000	-	140,000,000	-	700,000,000	280,000,000	Mobilization Adv.
	Sub-total (B)			7,972,000,000	5,238,400,000	839,587,722	-	839,587,722	6,077,987,722	5,538,400,000	160,000,000	5,698,400,000	1,387,060,677	1,894,012,278	3,192,800,000	

16 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due As of 30 June 2018	Subsidy due For the year Capex	Subsidy due For the year Opex	Subsidy due For the year Total	Subsidy due As of 30 June 2019	Subsidy disbursed As of 30 June 2018	Subsidy disbursed For the year	Subsidy disbursed As of 30 June 2019	Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
				Rupees												
C) BROADBAND																
1	FTR	PTCL****	27-Apr-09	1,183,720,000	1,183,720,000	-	-	-	1,183,720,000	1,183,720,000	-	1,183,720,000	-	-	476,648,000	Completed
2	FTR-1	Wateen Telecom	27-Apr-09	238,832,000	238,832,000	-	-	-	238,832,000	238,832,000	-	238,832,000	-	-	95,656,000	Completed
3	MTR	PTCL****	25-Jun-09	1,152,452,500	1,152,452,500	-	-	-	1,152,452,500	1,152,452,500	-	1,152,452,500	-	-	464,417,600	Completed
4	STR-1	PTCL****	25-Jun-09	480,651,511	480,651,511	-	-	-	480,651,511	480,651,511	-	480,651,511	-	-	219,822,300	Completed
5	MTR	Worldcall Telecom	28-Jul-09	745,323,255	745,323,255	-	-	-	745,323,255	745,323,255	-	745,323,255	-	-	314,288,500	Completed
6	HTR	PTCL****	24-Nov-09	196,295,292	169,273,356	27,021,936	-	27,021,936	196,295,292	169,273,356	-	169,273,356	53,193,552	-	84,636,679	Completed
7	HTR	Wateen Telecom	24-Nov-09	54,799,000	54,799,000	-	-	-	54,799,000	54,799,000	-	54,799,000	-	-	21,919,600	Completed
8	GTR	PTCL****	22-Mar-10	394,283,250	394,283,250	-	-	-	394,283,250	394,283,250	-	394,283,250	-	-	157,714,000	Completed
9	GTR	Worldcall Telecom	30-Mar-10	426,245,870	426,245,870	-	-	-	426,245,870	426,245,870	-	426,245,870	-	-	192,566,100	Completed
10	GTR	Wateen Telecom	13-Apr-10	244,869,250	244,869,250	-	-	-	244,869,250	244,869,250	-	244,869,250	-	-	97,947,700	Completed
11	CTR	Wateen Telecom	28-Apr-10	-	-	-	-	-	-	-	-	-	-	-	-	SSA terminated
12	CTR	PTCL****	28-Apr-10	503,272,000	503,272,000	-	-	-	503,272,000	503,272,000	-	503,272,000	-	-	205,108,800	Completed
13	STR-V	PTCL****	8-May-12	941,132,300	723,705,000	217,427,300	-	217,427,300	941,132,300	723,705,000	217,427,300	941,132,300	210,140,582	-	482,470,000	Completed
14	RTR	PTCL****	11-Dec-13	1,391,972,500	1,391,972,500	-	-	-	1,391,972,500	1,391,972,500	-	1,391,972,500	-	-	556,789,000	Completed
15	NTR-1	PTCL****	11-Dec-13	1,162,000,000	1,162,000,000	-	-	-	1,162,000,000	1,162,000,000	-	1,162,000,000	-	-	464,800,000	Completed
	Sub-total (C)			**9,115,848,728**	**8,871,399,492**	**244,449,236**	**-**	**244,449,236**	**9,115,848,728**	**8,871,399,492**	**217,427,300**	**9,088,826,792**	**263,334,134**	**-**	**3,834,784,279**	
D) SPECIAL PROJECTS- TELECENTERS																
1	Broadband for Mera Baghwal	NAYATEL	15-Mar-10	9,210,918	9,210,918	-	-	-	9,210,918	9,210,918	-	9,210,918	-	-	-	Completed
2	Broadband for Pilot MCT Sites	PTCL	16-Mar-10	34,873,934	27,899,147	-	-	-	27,899,147	27,899,147	-	27,899,147	-	6,974,787	-	Up to 3rd
3	Broadband for Pilot MCT Sites	World Call	31-Mar-10	5,944,157	5,944,157	-	-	-	5,944,157	5,944,157	-	5,944,157	-	-	-	Completed
4	Telecenters (Ten Sites)	PMCL**	14-Apr-17	-	-	-	-	-	-	-	-	-	-	-	-	Terminated
	Sub-total (D)			**50,029,009**	**43,054,222**	**-**	**-**	**-**	**43,054,222**	**43,054,222**	**-**	**43,054,222**	**-**	**6,974,787**	**-**	

16 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due					Subsidy disbursed			Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					As of 30 June 2018	For the year			As of 30 June 2019	As of 30 June 2018	For the year	As of 30 June 2019				
						Capex	Opex	Total								
				Rupees												
E) SPECIAL PROJECTS-OTHER ICT SERVICES																
1	Rawalpindi / Sukkur / Kohat	Alshifa Trust- ICT for Disabled- Up gradation / Establishment of Computerized Low Vision rehabilitation centre	8-Jul-08	24,716,660	24,716,660	-	-	-	24,716,660	24,716,660	-	24,716,660	-	-	-	Completed
2	Rawalpindi /Islamabad	Pakistan Foundation Fighting Blindness-PFFB - ICT for Disabled- Up gradation of Audio World & Access Internet Café(I.T Help & Audio World Programmes)	15-Sep-08	6,494,118	6,494,118	-	-	-	6,494,118	6,494,118	-	6,494,118	-	-	-	Completed
3	Rawalpindi / Karachi / Multan	Oratier Technologies Pvt Ltd - Telemedicine Project	14-Oct-11	59,657,213	59,657,213	-	-	-	59,657,213	59,657,213	-	59,657,213	-	-	-	Completed
4	Petaro	Cadet College Petaro-Model ICT Labs	2-Apr-11	23,690,883	23,690,883	-	-	-	23,690,883	23,690,883	-	23,690,883	-	-	-	Completed
5	Educational Institutions, Bait ul Mall, Sweet Homes	Establishment of 13 Computer labs in Selected Institutions-Analytical Solutions Pvt Ltd	5-Nov-15	26,793,249	25,900,141	893,108	-	893,108	26,793,249	25,900,141	893,108	26,793,249	-	-	893,109	Upto 4th (3rd Year)
6	Women Empowerment Centers-WEC1	Establishment of 50 Computer labs-Computer Marketing Co Pvt Ltd	17-May-16	108,448,712	101,218,797	-	-	-	101,218,797	101,218,797		101,218,797	-	7,229,915	5,999,713	Upto 2nd
7	Women Empowerment Centers-WECII	Establishment of 50 Computer labs Analytical Solutions Pvt Ltd	9-Jan-17	98,950,950	89,055,855	-	3,298,365	3,298,365	92,354,220	89,055,855	3,298,365	92,354,220	-	6,596,730	9,895,095	Upto 3rd (1st Year)
8	Computer labs-Government Girls School-ICT Rural Areas FDE-1	Establishment of 107 Computer labs in Government Girls School in Rural Areas of ICT-Computer Marketing Co Pvt Ltd	5-Jun-17	168,538,758	117,977,130	33,707,751		33,707,751	151,684,881	117,977,130	33,707,751	151,684,881	4,550,546	16,853,877	16,853,876	Upto 2nd
9	ICTGS-HR-FDE-1	Recruitment, Management, Deployment & Monitoring Operations of 202 Computer Teachers in Govt Girls Schools of Rural Area of ICT-Pak Multi Services Pvt Ltd	24-Oct-17	413,081,568	48,640,400	5,483,465	132,680,926	138,164,391	186,804,791	44,475,483	138,083,741	182,559,224	-	226,276,777	2,524,156	Task-2/Salary & Admin Jun-19
10	Women Empowerment Centers-WECIII	Establishment of 45 Computer Labes in Women Empowerment Centers -Analytical Solutions Pvt Ltd	24-Oct-17	52,475,700	-	47,228,130	-	47,228,130	47,228,130	-	47,228,130	47,228,130	-	5,247,570	5,247,570	Upto 2nd
11	Computer labs-Government Girls School-ICT Rural Areas FDE-II	Establishment of 119 Computer labs in Government Girls School in Rural Areas of ICT-Analytical Solutions Pvt Ltd	24-Oct-17	228,089,222	156,966,055	45,810,444	-	45,810,444	202,776,499	156,966,055	45,810,444	202,776,499	-	25,312,723	22,808,922	Upto 2nd/BB Y1, Q1,2,3
12	Computer labs-ICT For National Library & Sp. Sdu Ins of CADD	Establishment of 6 Computer labs -Analytical Solutions Pvt Ltd	8-May-18	23,913,000	-	21,521,700	-	21,521,700	21,521,700	-	21,521,700	21,521,700	789,129	2,391,300	2,391,300	Upto 1st
13	Computer labs-ICT at Six Girls Educational Institutions	Establishment of 6 Computer labs -Analytical Solutions Pvt Ltd	31-Dec-18	10,959,000	-	9,863,100	-	9,863,100	9,863,100	-	9,863,100	9,863,100	295,893	1,095,900	1,095,900	Upto 1st
	Sub-total (E)			1,245,809,033	654,317,252	164,507,698	135,979,291	300,486,989	954,804,241	650,152,335	300,406,339	950,558,674	5,635,568	291,004,792	67,709,641	

16 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due					Subsidy disbursed			Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					As of 30 June 2018	For the year			As of 30 June 2019	As of 30 June 2018	For the year	As of 30 June 2019				
						Capex	Opex	Total								
				Rupees												
F) SPECIAL PROJECTS- DITIGAL INCLUSION																
1	Empowerment of SME/MSMES through E-Commerce	Excellence Delivered(ExD)Pvt.Ltd.	1-Aug-18	409,000,000	-	-	-	-	-		-	-	-	409,000,000	40,900,000	Contract Signed
	Sub-total (F)			**409,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**409,000,000**	**40,900,000**	
	Total (A+B+C+D+E+F)			**58,464,307,029**	**40,744,242,422**	**6,357,242,982**	**1,039,856,706**	**7,397,099,688**	**48,141,342,110**	**41,721,222,097**	**6,205,120,282**	**47,926,342,379**	**1,871,029,167**	**10,322,964,919**	**23,035,317,314**	

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

16.1 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due					Subsidy disbursed			Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					As of 30 June 2017	For the year			As of 30 June 2018	As of 30 June 2017	For the year	As of 30 June 2018				
						Capex	Opex	Total								
				Rupees												
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM																
1	Malakand	Telenor*	4-Oct-07	62,029,745	62,029,745	-	-	-	62,029,745	62,029,745	-	62,029,745	-	-	-	Closed
2	Sukkur	PMCL**	15-Jan-08	112,300,000	112,300,000	-	-	-	112,300,000	112,300,000	-	112,300,000	-	-	-	Completed
3	DG Khan	Warid***	7-Feb-08	78,847,036	78,847,036	-	-	-	78,847,036	78,847,036	-	78,847,036	-	-	-	Completed
4	Pishin	PTCL****	29-May-08	175,000,000	175,000,000	-	-	-	175,000,000	175,000,000	-	175,000,000	-	-	-	Completed
5	Mansehra	PTCL****	24-Jun-08	40,548,153	40,548,153	-	-	-	40,548,153	40,548,153	-	40,548,153	-	-	-	De-scoped (Closed)
6	Dadu	PTCL****	25-Jul-08	250,000,000	250,000,000	-	-	-	250,000,000	250,000,000	-	250,000,000	-	-	-	Completed
7	Bahawalpur	Telenor*	22-Sep-08	248,381,865	248,381,865	-	-	-	248,381,865	248,381,865	-	248,381,865	-	-	-	Completed
8	Mirpur Khas	Telenor*	13-Mar-09	930,000,000	930,000,000	-	-	-	930,000,000	930,000,000	-	930,000,000	-	-	-	Completed
9	Larkana	PTCL****	17-May-09	228,000,000	136,800,000	-	-	-	136,800,000	136,800,000	-	136,800,000	-	91,200,000	-	Up to 2nd
10	Nasirabad	CM Pak *****	28-Jul-09	1,277,855,892	1,277,855,892	-	-	-	1,277,855,892	1,277,855,892	-	1,277,855,892	-	-	629,098,286	Completed
11	Mastung	PTCL****	31-May-12	3,155,516,334	2,465,238,557	-	7,077,777	7,077,777	2,472,316,334	2,443,391,334	-	2,443,391,334	-	683,200,000	1,262,400,000	Up to 3rd & Opex
12	Turbat	CM Pak *****	21-Feb-13	3,537,027,257	2,468,044,513	-	571,214,254	571,214,254	3,039,258,767	2,302,747,806	589,997,971	2,892,745,777	-	497,768,490	1,581,024,697	Completed
13	Chitral	Telenor*	19-Feb-15	1,897,358,997	1,300,522,698		119,246,449	119,246,449	1,419,769,147	1,269,190,913	130,479,475	1,399,670,388	-	477,589,850	762,157,340	Upto 3rd
14	Shangla	Telenor*	15-Jun-15	1,949,118,578	1,362,369,876	327,718,200	127,492,636	455,210,836	1,817,580,712	1,321,984,019	464,293,598	1,786,277,617	-	131,537,866	780,000,000	Completed
15	Zhob	Telenor*	7-Aug-15	3,325,209,930	2,752,624,332	411,463,226	65,550,258	477,013,484	3,229,637,816	2,752,624,332	457,853,800	3,210,478,132	-	95,572,114	1,445,953,618	Completed
16	Sibi	PTML******	14-Sep-15	3,176,339,197	2,321,065,624	555,689,752	118,682,005	674,371,757	2,995,437,381	2,305,108,161	641,490,513	2,946,598,674	1,020,423	180,901,816	1,278,100,000	Completed
17	Kalat	PTML******	16-Dec-15	2,037,836,383	1,708,718,906	283,664,099	17,526,329	301,190,428	2,009,909,334	1,704,779,908	300,526,552	2,005,306,460	-	27,927,049	873,800,000	Completed
18	Khuzdar	PTML******	9-Sep-16	2,418,494,352	805,386,792	945,813,208	46,277,754	992,090,962	1,797,477,754	875,600,000	912,135,067	1,787,735,067	-	621,016,598	967,400,000	Upto 3rd
19	Chagai	PTML******	9-Sep-16	1,219,738,851	487,789,838	656,367,933	27,324,043	683,691,976	1,171,481,814	487,789,838	676,096,818	1,163,886,656	8,710,533	48,257,037	520,700,000	Completed
20	Awaran-Lasbela	PTML******	2-Jan-17	2,330,499,000	466,099,800	932,199,600		932,199,600	1,398,299,400	466,099,800	932,199,600	1,398,299,400	-	932,199,600	932,199,600	Upto 2nd
21	Kohistan	Telenor*	14-Mar-17	3,507,049,616	-	662,174,502		662,174,502	662,174,502	662,174,502		662,174,502	-	2,844,875,114	1,402,819,846	Mobilization Adv.
22	Kharan-Washuk	PTML******	31-May-17	1,184,999,000	-	466,000,000	208,323	466,208,323	466,208,323	233,000,000	233,000,000	466,000,000	-	718,790,677	473,999,600	up to 1st
23	Dera Bugti	PTML******	31-May-17	1,584,000,000	-	-	-	-	-	310,301,600		310,301,600	-	1,584,000,000	633,600,000	Mobilization Adv.
24	Khyber	PTML******	23-Oct-17	1,985,000,000	-	-	-	-	-	-	368,800,000	368,800,000	-	1,985,000,000	794,000,000	Mobilization Adv.
25	Small Lot Punjab-1	PTML******	25-Oct-17	117,046,260	-	117,046,260	-	117,046,260	117,046,260	-	117,046,260	117,046,260	-	-	48,000,000	Completed
26	Small Lot Punjab-2	Telenor*	3-Nov-17	30,480,571	-	5,711,221	-	5,711,221	5,711,221	-	5,711,221	5,711,221	-	24,769,350	12,192,228	Mobilization Adv.
23	Small Lot Sindh-1	PTML******	4-Jan-18	23,000,000	-	23,000,000	-	23,000,000	23,000,000	-	23,000,000	23,000,000	-	-	9,200,000	Completed
24	Small Lot Balochistan-1	PTML******	4-Jan-18	365,000,000	-	-	-	-	-	-	73,000,000	73,000,000	-	365,000,000	146,000,000	Mobilization Adv.
25	Mohmand	Telenor*	12-Jan-18	849,647,146	-	-	-	-	-	-	145,483,177	145,483,177	-	849,647,146	339,858,858	Mobilization Adv.
26	D.I.Khan	Telenor*	26-Jan-18	596,619,338	-	-	-	-	-	-	100,547,092	100,547,092	-	596,619,338	238,647,735	Mobilization Adv.
	Sub-total (A)			**38,692,943,501**	**19,449,623,627**	**5,386,848,001**	**1,100,599,828**	**6,487,447,829**	**25,937,071,456**	**20,446,554,904**	**6,171,661,144**	**26,618,216,048**	**9,730,956**	**12,755,872,045**	**15,131,151,808**	
B) OPTICAL FIBER CABLE- OFC																
1	Sindh-Package	Wateen Telecom	11-Feb-09	449,000,000	449,000,000	-	-	-	449,000,000	449,000,000	-	449,000,000	-	-	179,600,000	Completed
2	Balochistan Package-1	Wateen Telecom	17-May-09	374,000,000	374,000,000	-	-	-	374,000,000	374,000,000	-	374,000,000	-	-	149,600,000	Completed
3	Balochistan Package-2	PTCL****	25-Jun-09	1,200,000,000	960,000,000	-	-	-	960,000,000	960,000,000	-	960,000,000	-	240,000,000	480,000,000	Up to 3rd
4	Balochistan- Punjab Package-3	Wateen Telecom	24-Nov-09	986,000,000	591,600,000	-	-	-	591,600,000	591,600,000	-	591,600,000	-	394,400,000	394,400,000	Up to 2nd
5	Balochistan- Punjab Package-5	PTCL****	17-May-10	1,498,000,000	898,800,000	-	-	-	898,800,000	898,800,000	-	898,800,000	-	599,200,000	599,200,000	Up to 2nd
6	Balochistan-Package-4	Wateen Telecom	13-Jul-11	1,965,000,000	1,965,000,000	-	-	-	1,965,000,000	1,965,000,000	-	1,965,000,000	-	-	790,000,000	Completed
7	KPK	PTCL****	8-Mar-18	800,000,000	-	-	-	-	-	-	160,000,000	160,000,000	-	800,000,000	320,000,000	Mobilization Adv.
8	FATA-Package-1	PTCL****	27-Jun-18	700,000,000	-	-	-	-	-	-	140,000,000	140,000,000	-	700,000,000	280,000,000	Mobilization Adv.
	Sub-total (B)			**7,972,000,000**	**5,238,400,000**	**-**	**-**	**-**	**5,238,400,000**	**5,238,400,000**	**300,000,000**	**5,538,400,000**	**-**	**2,733,600,000**	**3,192,800,000**	

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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, 2019

16.1 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due					Subsidy disbursed			Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					As of 30 June 2017	For the year			As of 30 June 2018	As of 30 June 2017	For the year	As of 30 June 2018				
						Capex	Opex	Total								
				Rupees												
C) BROADBAND																
1	FTR	PTCL****	27-Apr-09	1,183,720,000	1,183,720,000	-	-	-	1,183,720,000	1,183,720,000	-	1,183,720,000	-	-	476,648,000	Completed
2	FTR-1	Wateen Telecom	27-Apr-09	238,832,000	238,832,000	-	-	-	238,832,000	238,832,000	-	238,832,000	-	-	95,656,000	Completed
3	MTR	PTCL****	25-Jun-09	1,152,452,500	1,152,452,500	-	-	-	1,152,452,500	1,152,452,500	-	1,152,452,500	-	-	464,417,600	Completed
4	STR-1	PTCL****	25-Jun-09	480,651,511	480,651,511	-	-	-	480,651,511	480,651,511	-	480,651,511	-	-	219,822,300	Completed
5	MTR	Worldcall Telecom	28-Jul-09	745,323,255	745,323,255	-	-	-	745,323,255	745,323,255	-	745,323,255	-	-	314,288,500	Completed
6	HTR	PTCL****	24-Nov-09	211,591,697	169,273,356	-	-	-	169,273,356	169,273,356	-	169,273,356	-	42,318,341	84,636,679	Up to 3rd
7	HTR	Wateen Telecom	24-Nov-09	54,799,000	54,799,000	-	-	-	54,799,000	54,799,000	-	54,799,000	-	-	21,919,600	Completed
8	GTR	PTCL****	22-Mar-10	394,283,250	394,283,250	-	-	-	394,283,250	394,283,250	-	394,283,250	-	-	157,714,000	Completed
9	GTR	Worldcall Telecom	30-Mar-10	426,245,870	426,245,870	-	-	-	426,245,870	426,245,870	-	426,245,870	-	-	192,566,100	Completed
10	GTR	Wateen Telecom	13-Apr-10	244,869,250	244,869,250	-	-	-	244,869,250	244,869,250	-	244,869,250	-	-	97,947,700	Completed
11	CTR	Wateen Telecom	28-Apr-10	-	-	-	-	-	-	-	-	-	-	-	-	SSA terminated
12	CTR	PTCL****	28-Apr-10	503,272,000	503,272,000	-	-	-	503,272,000	503,272,000	-	503,272,000	-	-	205,108,800	Completed
13	STR-V	PTCL****	8-May-12	1,206,175,000	723,705,000	-	-	-	723,705,000	723,705,000	-	723,705,000	-	482,470,000	482,470,000	Up to 2nd
14	RTR	PTCL****	11-Dec-13	1,391,972,500	1,391,972,500	-	-	-	1,391,972,500	1,391,972,500	-	1,391,972,500	-	-	556,789,000	Completed
15	NTR-1	PTCL****	11-Dec-13	1,162,000,000	1,162,000,000	-	-	-	1,162,000,000	1,162,000,000	-	1,162,000,000	-	-	464,800,000	Completed
	Sub-total (C)			**9,396,187,833**	**8,871,399,492**	**-**	**-**	**-**	**8,871,399,492**	**8,871,399,492**	**-**	**8,871,399,492**	**-**	**524,788,341**	**3,834,784,279**	
D) SPECIAL PROJECTS- TELECENTERS																
1	Broadband for Mera Baghwal	NAYATEL	15-Mar-10	9,210,918	9,210,918	-	-	-	9,210,918	9,210,918	-	9,210,918	-	-	-	Completed
2	Broadband for Pilot MCT Sites	PTCL	16-Mar-10	34,873,934	27,899,147	-	-	-	27,899,147	27,899,147	-	27,899,147	-	6,974,787	-	Up to 3rd
3	Broadband for Pilot MCT Sites	World Call	31-Mar-10	5,944,157	5,944,157	-	-	-	5,944,157	5,944,157	-	5,944,157	-	-	-	Completed
4	Telecenters (Ten Sites)	PMCL**	14-Apr-17	-	-	-	-	-	-	28,000,000	(28,000,000)	-	-	-	-	Terminated
	Sub-total (D)			**50,029,009**	**43,054,222**	**-**	**-**	**-**	**43,054,222**	**71,054,222**	**(28,000,000)**	**43,054,222**	**-**	**6,974,787**	**-**	

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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, 2019

16.1 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract	Subsidy due					Subsidy disbursed			Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					As of 30 June 2017	For the year			As of 30 June 2018	As of 30 June 2017	For the year	As of 30 June 2018				
						Capex	Opex	Total								
				Rupees												
E) SPECIAL PROJECTS-OTHER ICT SERVICES																
1	Rawalpindi / Sukkur / Kohat	Alshifa Trust- ICT for Disabled-Up gradation / Establishment of Computerized Low Vision rehabilitation centre	8-Jul-08	24,716,660	24,716,660	-	-	-	24,716,660	24,716,660	-	24,716,660	-	-	-	Completed
2	Rawalpindi /Islamabad	Pakistan Foundation Fighting Blindness-PFFB - ICT for Disabled- Up gradation of Audio World & Access Internet Café(I.T Help & Audio World Programmes)	15-Sep-08	6,494,118	6,494,118	-	-	-	6,494,118	6,494,118	-	6,494,118	-	-	-	Completed
3	Rawalpindi / Karachi / Multan	Oratier Technologies Pvt Ltd - Telemedicine Project	14-Oct-11	59,657,213	59,657,213	-	-	-	59,657,213	59,657,213	-	59,657,213	-	-	-	Completed
4	Petaro	Cadet College Petaro- Model ICT Labs	2-Apr-11	23,690,883	23,690,883	-	-	-	23,690,883	23,690,883	-	23,690,883	-	-	-	Completed
5	Educational Institutions, Bait ul Mall, Sweet Homes	Establishment of 13 Computer labs in Selected Institutions-Analytical Solutions Pvt Ltd	5-Nov-15	26,793,250	25,900,141	-	-	-	25,900,141	25,900,141	-	25,900,141	-	893,109	893,109	Upto 3rd
6	Women Empowerment Centers-WEC1	Establishment of 50 Computer labs-Computer Marketing Co Pvt Ltd	17-May-16	108,448,712	97,603,840	3,614,957	-	3,614,957	101,218,797	97,603,840	3,614,957	101,218,797	11,552	7,229,915	5,999,713	Upto 2nd
7	Women Empowerment Centers-WECII	Establishment of 50 Computer labs Analytical Solutions Pvt Ltd	9-Jan-17	98,950,950	69,265,665	19,790,190	-	19,790,190	89,055,855	69,265,665	19,790,190	89,055,855	-	9,895,095	9,895,095	Upto 2nd
8	Computer labs-Government Girls School-ICT Rural Areas FDE-1	Establishment of 107 Computer labs in Government Girls School in Rural Areas of ICT-Computer Marketing Co Pvt Ltd	5-Jun-17	168,538,758	-	117,977,130	-	117,977,130	117,977,130	-	117,977,130	117,977,130	238,968	50,561,628	16,853,876	Upto 1st
9	ICTGS-HR-FDE-1	Recruitment, Management, Deployment & Monitoring Operations of 202 Computer Teachers in Govt Girls Schools of Rural Area of ICT-Pak Multi Services Pvt Ltd	24-Oct-17	413,081,568	-	3,903,788	44,736,612	48,640,400	48,640,400	-	44,475,483	44,475,483	-	364,441,168	2,524,156	Task-2-May/Salary Jun-18
10	Women Empowerment Centers-WECIII	Establishment of 44 Computer Labes in Women Empowerment Centers -Analytical Solutions Pvt Ltd	24-Oct-17	52,475,700	-	-	-	-	-	-	-	-	-	52,475,700	5,247,570	Contract Signed
11	Computer labs-Government Girls School-ICT Rural Areas FDE-II	Establishment of 119 Computer labs in Government Girls School in Rural Areas of ICT-Analytical Solutions Pvt Ltd	24-Oct-17	228,089,222	-	156,966,055	-	156,966,055	156,966,055	-	156,966,055	156,966,055	-	71,123,167	22,808,922	Upto 1st
12	Computer labs-ICT For CAD Special Educational Institutions	Establishment of 6 Computer labs -Analytical Solutions Pvt Ltd	8-May-18	23,913,000	-	-	-	-	-	-	-	-	-	23,913,000	2,391,300	Contract Signed
	Sub-total (E)			1,234,850,034	307,328,520	302,252,120	44,736,612	346,988,732	654,317,252	307,328,520	342,823,815	650,152,335	250,520	580,532,782	66,613,741	
	Total (A+B+C+D+E)			57,346,010,377	33,909,805,861	5,689,100,121	1,145,336,440	6,834,436,561	40,744,242,422	34,934,737,138	6,786,484,959	41,721,222,097	9,981,476	16,601,767,955	22,225,349,828	

* *Telenor Pakistan (Private) Limited (Telenor)*

** *Pakistan Mobile Communications Limited (PMCL) (a related party)*

*** *Warid Telecom (Private) Limited (Warid)*

**** *Pakistan Telecommunication Company Limited (PTCL) (a related party)*

***** *CM Pak Limited*

****** *Pakistan Telecomm Mobile Limited (PTML Ufone) (a related party)*

17 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 2018	For the year	As of 30 June 2019	As of 30 June 2018	For the year	As of 30 June 2019		
				Rupees								
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM												
1	Malakand	Telecom Services *	02-Aug-08	5,000,000	5,000,000	-	5,000,000	5,000,000	-	5,000,000	-	Contract Closed
2	DG Khan	Telecom Services *	01-Jan-09	12,594,400	12,594,400	-	12,594,400	12,594,400	-	12,594,400	-	Completed
3	Sukkur	Optiwave **	01-Jan-09	11,327,700	11,327,700	-	11,327,700	11,327,700	-	11,327,700	-	Completed
4	Bahawalpur	Telecom Services *	26-Mar-09	8,975,000	8,975,000	-	8,975,000	8,975,000	-	8,975,000	-	Completed
5	Dadu	Myson Engineering Systems	15-Apr-09	6,400,000	6,400,000	-	6,400,000	6,400,000	-	6,400,000	-	Completed
6	Pishin	Myson Engineering Systems	15-Apr-09	6,700,000	6,700,000	-	6,700,000	6,700,000	-	6,700,000	-	Completed
7	Mansehra	Optiwave **	09-Dec-09	5,264,040	5,264,040	-	5,264,040	5,264,040	-	5,264,040	-	Up to 2nd, Contract Closed
8	MirpurKhas	Telecom Services *	30-Dec-09	3,375,000	3,375,000	-	3,375,000	3,375,000	-	3,375,000	-	Completed
9	Nasirabad	Technology at Work Pvt. Ltd.	08-Feb-10	7,809,678	7,809,678	-	7,809,678	7,809,678	-	7,809,678	-	Completed/Idle days
10	Turbat	Technology at Work Pvt. Ltd.	21-May-14	5,636,303	4,252,911	-	4,252,911	4,150,170	-	4,150,170	1,383,392	Up to 4th
11	Mastung	Komkonsult ****	23-May-14	2,895,572	1,784,526	1,111,046	2,895,572	1,784,526	1,111,046	2,895,572	-	Completed
12	Chitral	Myson Engineering Systems	03-Nov-15	10,108,262	6,155,346	3,952,916	10,108,262	6,155,346	3,952,916	10,108,262	-	Completed
13	Sibi	Komkonsult ****	11-May-16	3,818,570	3,329,469	489,101	3,818,570	3,329,469	489,101	3,818,570	-	Completed
14	Shangla	GloTech Services *****	30-Jun-16	3,457,792	3,457,792	-	3,457,792	3,457,792	-	3,457,792	-	Completed
15	Zhob	Myson Engineering System Pvt	05-Dec-16	5,163,991	5,163,991	-	5,163,991	5,163,991	-	5,163,991	-	Completed
16	Khuzdar	GloTech Services *****	28-Mar-17	5,525,869	3,900,612	1,625,257	5,525,869	3,900,612	1,625,257	5,525,869	-	Completed
17	Chagai	Futursit Pvt Ltd	24-Mar-17	2,530,079	2,530,079	-	2,530,079	2,530,079	-	2,530,079	-	Completed
18	Awaran-Lasbela	Komkonsult ****	31-Jul-17	3,667,540	1,759,478	1,908,062	3,667,540	1,759,478	1,908,062	3,667,540	-	Completed
19	Kharan-Washuk	Komkonsult ****	20-Dec-17	6,942,943	1,388,588	2,777,176	4,165,764	1,388,588	2,777,176	4,165,764	2,777,179	Up to 3rd
20	Kohistan	Futursit Pvt Ltd	20-Dec-17	11,500,000	-	2,300,000	2,300,000	-	2,300,000	2,300,000	9,200,000	up to 1st
21	Khyber	Exceleron Communications Pvt	14-Feb-19	9,195,579	-	3,801,900	3,801,900	-	3,801,900	3,801,900	5,393,679	Up to 2nd
22	DI Khan	Myson Engineering System Pvt	14-Feb-19	11,416,750	-	10,986,750	10,986,750	-	10,986,750	10,986,750	430,000	Up to 4th
	Sub-total (A)			**149,305,068**	**101,168,610**	**28,952,208**	**130,120,818**	**101,065,869**	**28,952,208**	**130,018,077**	**19,184,250**	
B) OPTICAL FIBER CABLE- OFC												
1	Sindh-Package	Technology at Work Pvt. Ltd.	29-Sep-09	12,002,488	12,002,488	-	12,002,488	12,002,488	-	12,002,488	-	Completed & Idle days
2	Balochistan Package-1	Technology at Work Pvt. Ltd.	17-Mar-10	7,226,443	7,226,443	-	7,226,443	7,226,443	-	7,226,443	-	Completed, 2 Idle days
3	Balochistan Package-2	Shaukat Hayat Javed	21-May-10	8,601,988	6,245,588	-	6,245,588	6,245,588	-	6,245,588	2,356,400	Up to 3rd, 2 Idle days
4	Balochistan-Punjab Package-3	Teralight Limited	27-Sep-10	835,858	835,858	-	835,858	835,858	-	835,858	-	Up to 1st, Contract Closed
5	Balochistan-Punjab Package-5	TEACH ***	19-May-11	1,425,000	1,425,000	-	1,425,000	1,425,000	-	1,425,000	-	Up to 2nd/3rd 50% Contract Closed)
6	Balochistan-Punjab Package-4	TEACH ***	28-Oct-13	3,952,193	3,952,193	-	3,952,193	3,952,193	-	3,952,193	-	Completed
7	Balochistan-Punjab Package-3	TEACH ***	16-Apr-14	8,974,928	4,487,464	-	4,487,464	4,487,464	-	4,487,464	4,487,464	Up to 3rd
	Sub-total (B)			**43,018,898**	**36,175,034**	**-**	**36,175,034**	**36,175,034**	**-**	**36,175,034**	**6,843,864**	

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17 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 2018	For the year	As of 30 June 2019	As of 30 June 2018	For the year	As of 30 June 2019		
				Rupees								
	C) BROADBAND											
1	STR-1	BIDCON	27-Jul-10	13,689,376	13,689,376	-	13,689,376	13,689,376	-	13,689,376	-	Completed
2	HTR-PTCL	People Logic Pakistan Pvt. Ltd.	27-Jul-10	4,217,788	3,422,676	(35,160)	3,387,516	3,422,676	-	3,422,676	830,272	Up to 4th & Idle days
3	HTR-Wateen	People Logic Pakistan Pvt. Ltd.	27-Jul-10	2,343,463	1,987,633	-	1,987,633	1,987,633	-	1,987,633	355,830	Up to 4th and Idle days
4	MTR-World call	Emerging Systems	27-Jul-10	7,336,740	7,336,740	-	7,336,740	7,336,740	-	7,336,740	-	Completed
5	MTR-PTCL	Emerging Systems	27-Jul-10	10,567,406	10,567,406	-	10,567,406	10,567,406	-	10,567,406	-	Completed
6	CTR	Optiwave **	05-Aug-11	-	-	-	-	-	-	-	-	Advance refunded, Contract Closed
7	GTR-World call	Technology at Work Pvt. Ltd.	05-Aug-11	3,508,042	3,508,042	-	3,508,042	3,508,042	-	3,508,042	-	Completed
8	GTR-Wateen	Technology at Work Pvt. Ltd.	05-Aug-11	1,590,300	1,590,300	-	1,590,300	1,590,300	-	1,590,300	-	Completed
9	GTR-PTCL	Technology at Work Pvt. Ltd.	05-Aug-11	2,783,025	2,783,025	-	2,783,025	2,783,025	-	2,783,025	-	Completed
10	FTR-PTCL	Technology at Work Pvt. Ltd.	18-Apr-14	5,492,920	5,492,920	-	5,492,920	5,492,920	-	5,492,920	-	Completed, Descoped
11	FTR-Wateen	Technology at Work Pvt. Ltd.	18-Apr-14	1,386,228	1,386,228	-	1,386,228	1,386,228	-	1,386,228	-	Completed
12	STR-V PTCL	Seronic Pvt Limited	22-May-14	2,766,000	2,766,000	-	2,766,000	2,766,000	-	2,766,000	-	upto 2nd Contract Closed
13	NTR-1 PTCL	Seronic Pvt Limited	17-Oct-14	4,840,500	4,840,500	-	4,840,500	4,840,500	-	4,840,500	-	Completed
14	RTR-1 PTCL	Makkays	23-Oct-14	3,678,350	3,678,350	-	3,678,350	3,678,350	-	3,678,350	-	Completed
15	STR-V PTCL	Emerging Systems	26-Dec-18	8,331,900	-	5,499,054	5,499,054	-	5,499,054	5,499,054	2,832,846	3rd & 4th
	Sub-total (C)			**72,532,038**	**63,049,196**	**5,463,894**	**68,513,090**	**63,049,196**	**5,499,054**	**68,548,250**	**4,018,948**	
	Total (A+B+C)			**264,856,004**	**200,392,840**	**34,416,102**	**234,808,942**	**200,290,099**	**34,451,262**	**234,741,361**	**30,047,062**	

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

17.1 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 2017	For the year	As of 30 June 2018	As of 30 June 2017	For the year	As of 30 June 2018		
				Rupees								
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM												
1	Malakand	Telecom Services *	02-Aug-08	5,000,000	5,000,000	-	5,000,000	5,000,000	-	5,000,000	-	Contract Closed
2	DG Khan	Telecom Services *	01-Jan-09	12,594,400	12,594,400	-	12,594,400	12,594,400	-	12,594,400	-	Completed
3	Sukkur	Optiwave **	01-Jan-09	11,327,700	11,327,700	-	11,327,700	11,327,700	-	11,327,700	-	Completed
4	Bahawalpur	Telecom Services *	26-Mar-09	8,975,000	8,975,000	-	8,975,000	8,975,000	-	8,975,000	-	Completed
5	Dadu	Myson Engineering Systems	15-Apr-09	6,400,000	6,400,000	-	6,400,000	6,400,000	-	6,400,000	-	Completed
6	Pishin	Myson Engineering Systems	15-Apr-09	6,700,000	6,700,000	-	6,700,000	6,700,000	-	6,700,000	-	Completed
7	Mansehra	Optiwave **	09-Dec-09	5,264,040	5,264,040	-	5,264,040	5,264,040	-	5,264,040	-	Up to 2nd, Contract Closed
8	MirpurKhas	Telecom Services *	30-Dec-09	3,375,000	3,375,000	-	3,375,000	3,375,000	-	3,375,000	-	Completed
9	Nasirabad	Technology at Work Pvt. Ltd.	08-Feb-10	7,809,678	7,809,678	-	7,809,678	7,809,678	-	7,809,678	-	Completed/Idle days
10	Turbat	Technology at Work Pvt. Ltd.	21-May-14	5,636,303	4,150,170	102,741	4,252,911	4,150,170	-	4,150,170	1,383,392	Up to 4th
11	Mastung	Komkonsult ****	23-May-14	2,974,211	1,784,526		1,784,526	1,784,526	-	1,784,526	1,189,685	Up to 3rd
12	Chitral	Myson Engineering Systems	03-Nov-15	10,258,912	6,155,346		6,155,346	6,155,346	-	6,155,346	4,103,566	Up to 3rd
13	Sibi	Komkonsult ****	11-May-16	5,549,115	3,329,469		3,329,469	3,329,469	-	3,329,469	2,219,646	Up to 3rd
14	Shangla	GloTech Services *****	30-Jun-16	3,457,792	2,074,674	1,383,118	3,457,792	2,074,674	1,383,118	3,457,792	-	Completed
15	Zhob	Myson Engineering Systems	05-Dec-16	5,163,991	3,607,872	1,556,119	5,163,991	3,607,872	1,556,119	5,163,991	-	Completed
16	Khuzdar	GloTech Services *****	28-Mar-17	5,653,063	1,300,204	2,600,408	3,900,612	1,300,204	2,600,408	3,900,612	1,752,451	Up to 3rd
17	Chagai	Futursit Pvt Ltd	24-Mar-17	2,530,079	575,000	1,955,079	2,530,079	575,000	1,955,079	2,530,079	-	Completed
18	Awaran-Lasbela	Komkonsult ****	31-Jul-17	4,398,697	-	1,759,478	1,759,478	-	1,759,478	1,759,478	2,639,219	Up to 2nd
18	Kharan-Washuk	Komkonsult ****	20-Dec-17	6,942,943	-	1,388,588	1,388,588	-	1,388,588	1,388,588	5,554,355	up to 1st
19	Kohistan	Futursit Pvt Ltd	20-Dec-17	11,500,000	-	-	-	-	-	-	11,500,000	Contract Signed
	Sub-total (A)			**131,510,924**	**90,423,079**	**10,745,531**	**101,168,610**	**90,423,079**	**10,642,790**	**101,065,869**	**30,342,314**	
B) OPTICAL FIBER CABLE- OFC												
1	Sindh-Package	Technology at Work Pvt. Ltd.	29-Sep-09	12,002,488	12,002,488	-	12,002,488	12,002,488	-	12,002,488	-	Completed & Idle days
2	Balochistan Package-1	Technology at Work Pvt. Ltd.	17-Mar-10	7,226,443	7,226,443	-	7,226,443	7,226,443	-	7,226,443	-	Completed, 2 Idle days
3	Balochistan Package-2	Shaukat Hayat Javed	21-May-10	8,601,988	6,245,588	-	6,245,588	6,245,588	-	6,245,588	2,356,400	Up to 3rd, 2 Idle days/Adl node
4	Balochistan-Punjab Package-3	Teralight Limited	27-Sep-10	835,858	835,858	-	835,858	835,858	-	835,858	-	Up to 1st, Contract Closed
5	Balochistan-Punjab Package-5	TEACH ***	19-May-11	2,850,000	1,425,000	-	1,425,000	1,425,000	-	1,425,000	1,425,000	Up to 2nd, 3rd 50%
6	Balochistan-Punjab Package-4	TEACH ***	28-Oct-13	3,952,193	3,952,193	-	3,952,193	3,952,193	-	3,952,193	-	Completed
7	Balochistan-Punjab Package-3	TEACH ***	16-Apr-14	8,974,928	2,243,732	2,243,732	4,487,464	2,243,732	2,243,732	4,487,464	4,487,464	Up to 3rd
	Sub-total (B)			**44,443,898**	**33,931,302**	**2,243,732**	**36,175,034**	**33,931,302**	**2,243,732**	**36,175,034**	**8,268,864**	

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17.1 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 2017	For the year	As of 30 June 2018	As of 30 June 2017	For the year	As of 30 June 2018		
				Rupees								
C) BROADBAND												
1	STR-1	BIDCON	27-Jul-10	13,689,376	13,689,376	-	13,689,376	13,689,376	-	13,689,376	-	Completed
2	HTR-PTCL	People Logic Pakistan Pvt. Ltd.	27-Jul-10	4,668,084	3,422,676	-	3,422,676	3,422,676	-	3,422,676	1,245,408	Up to 3rd/4th 50% & Idle days
3	HTR-Wateen	People Logic Pakistan Pvt. Ltd.	27-Jul-10	2,343,463	1,987,633	-	1,987,633	1,987,633	-	1,987,633	355,830	Up to 4th and Idle days
4	MTR-World call	Emerging Systems	27-Jul-10	7,336,740	7,336,740	-	7,336,740	7,336,740	-	7,336,740	-	Completed
5	MTR-PTCL	Emerging Systems	27-Jul-10	10,567,406	10,567,406	-	10,567,406	10,567,406	-	10,567,406	-	Completed
6	CTR	Optiwave **	05-Aug-11	-	-	-	-	-	-	-	-	Advance refunded, Contract Closed
7	GTR-World call	Technology at Work Pvt. Ltd.	05-Aug-11	3,508,042	3,508,042	-	3,508,042	3,508,042	-	3,508,042	-	Completed
8	GTR-Wateen	Technology at Work Pvt. Ltd.	05-Aug-11	1,590,300	1,590,300	-	1,590,300	1,590,300	-	1,590,300	-	Completed
9	GTR-PTCL	Technology at Work Pvt. Ltd.	05-Aug-11	2,783,025	2,783,025	-	2,783,025	2,783,025	-	2,783,025	-	Completed
10	FTR-PTCL	Technology at Work Pvt. Ltd.	18-Apr-14	5,492,920	5,492,920	-	5,492,920	5,492,920	-	5,492,920	-	Completed, Descoped
11	FTR-Wateen	Technology at Work Pvt. Ltd.	18-Apr-14	1,386,228	1,386,228	-	1,386,228	1,386,228	-	1,386,228	-	Completed
12	STR-V PTCL	Seronic Pvt Limited	22-May-14	6,915,000	2,766,000	-	2,766,000	2,766,000	-	2,766,000	4,149,000	Up to 2nd
13	NTR-1 PTCL	Seronic Pvt Limited	17-Oct-14	4,840,500	4,840,500	-	4,840,500	4,840,500	-	4,840,500	-	Completed
14	RTR-1 PTCL	Makkays	23-Oct-14	3,678,350	2,942,680	735,670	3,678,350	2,942,680	735,670	3,678,350	-	Completed
		Sub-total (C)		**68,799,434**	**62,313,526**	**735,670**	**63,049,196**	**62,313,526**	**735,670**	**63,049,196**	**5,750,238**	
		Total (A+B+C)		**244,754,256**	**186,667,907**	**13,724,933**	**200,392,840**	**186,667,907**	**13,622,192**	**200,290,099**	**44,361,416**	

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

18 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.

18.1 Credit risk

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

The Company limits its exposure to credit risk by maintaining bank account only with counterparties that have a credit rating of at least A 1 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 30, 2019	June 30, 2018
	-------- Rupees	**---------**
Long term deposits	**127,500**	127,500
Long term advances	**498,259**	1,756,049
Advances	**504,941,286**	1,302,301,673
Interest accrued	**85,152,640**	54,653,185
Other receivables	**1,096,016,872**	4,500
Bank balance	**3,713,319,544**	2,866,549,681
	5,400,056,101	4,225,392,588

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 30, 2019	June 30, 2018
			-------- Rupees	**---------**
Bank name:	**Rating**	**Rating Agency**		
National Bank of Pakistan	AAA/A-1+	JCR-VIS/PACRA		
Bank balance			**3,713,319,544**	2,866,549,681
Interest accrued			**85,152,640**	54,653,185
			3,798,472,184	**2,921,202,866**

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

18.2 Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Maturity up to 1 year	Maturity over 1 year and up to 5 years
	--------------Rupees--------------			
June 30, 2019				
Project subsidy payable	**175,232,895**	**175,232,895**	**175,232,895**	-
Technical auditor fee payable	**102,741**	**102,741**	**102,741**	-
Payable to suppliers	**9,557,086**	**9,557,086**	**9,557,086**	-
Accrued liabilities	**3,593,281**	**3,593,281**	**3,593,281**	-
Earnest money	**181,545,000**	**181,545,000**	**181,545,000**	-
	370,031,003	**370,031,003**	**370,031,003**	-
June 30, 2018				
Project subsidy payable	321,152,194	321,152,194	321,152,194	-
Payable to suppliers	8,684,137	8,684,137	8,684,137	-
Accrued liabilities	3,687,359	3,687,359	3,687,359	-
Earnest money	64,188,109	22,203,109	22,203,109	-
	397,711,799	355,726,799	355,726,799	-

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

18.3 Market risk

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

18.3.1 Currency risk

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

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

18.3.2 Interest rate risk

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

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

Financial assets include **Rs. 3,713,319,544** (2018: Rs. 2,866,549,681) which earn interest. Applicable interest rates for financial assets have been indicated in note 10.1.

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.

18.3.3 Other price risk

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

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

18.4 Off-setting of financial assets and liabilities

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

18.5 Determination of fair values

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

18.6 Capital risk management

The Board of Directors monitors the Company's performance against target set on an annual basis. All of the financing required by the Company, for its activities, is provided through Grant from MoIT. The outstanding balance of the Grant is normally adequate for a year's operation. MoIT remains committed to met the requirements of the company.

19 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 20 to these financial statements. Balances with related parties are disclosed in note 7, 13 and 16 to the financial statements and significant transactions with related parties are as follows:

	Note	**June 30, 2019**	June 30, 2018
		-------- Rupees	**---------**
State-controlled entities			
- MoIT- grant received during the year		**6,949,000,000**	9,619,000,000
Associate due to common directorship			
Subsidy grant disbursement	16		
- Pakistan Telecommunication Company Limited		**377,427,300**	300,000,000
- Pak Telecom Mobile Limited (Ufone)		**3,176,159,452**	4,277,294,810
- Pakistan Mobile Communication Limited-Jazz		**45,101,418**	-
Forfeiting of bank guarantee			
- Pakistan Mobile Communication Limited-Jazz		**-**	28,000,000
		3,598,688,170	4,549,294,810
USF Employees' Gratuity Fund			
Contributions paid by the Company	13	**17,677,638**	9,597,938

20 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2019	2018	**2019**	2018	**2019**	2018
	Rupees					
Meeting fee	**-**	-	**284,000**	760,000	**-**	-
Managerial remuneration	**11,017,500**	5,985,938	**-**	-	**64,377,779**	46,370,052
Allowances	**8,112,433**	4,293,562	**-**	-	**58,399,945**	40,976,340
Bonus	**1,300,000**	-	**-**	-	**16,527,388**	11,600,456
	20,429,933	10,279,500	**284,000**	760,000	**139,305,112**	98,946,848
Number of persons	**1**	1	**9**	9	**29**	19

20.1 This includes monetization allowance, amounting to **Rs. 11,761,250** (2018: Rs. 9,390,000) 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.

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

20.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key managment personnels. There are no transactions with key management personnel other than under their terms of employments or entitlements.

21 NUMBER OF EMPLOYEES

	June 30, 2019	June 30, 2018
Employees at the year end (Number)	**88**	87
Average employees during the year (Number)	**88**	88

22 DATE OF AUTHORIZATION FOR ISSUE

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

23 GENERAL

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

CHIEF EXECUTIVE

DIRECTOR