

ANNUAL REPORT 2024-2025

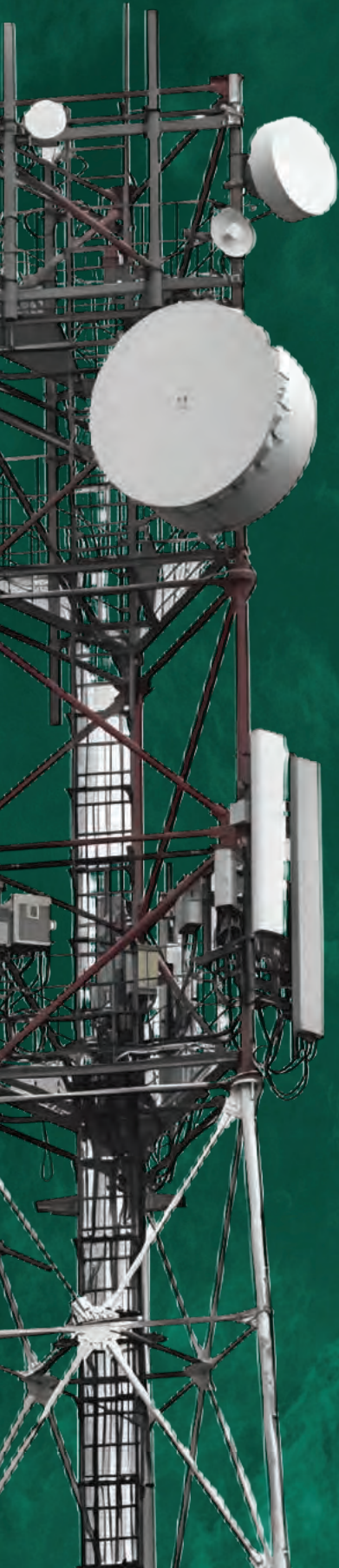


UNIVERSAL SERVICE FUND
EMPOWERING COMMUNITIES



Ministry of Information Technology
& Telecommunication

DIGITAL PAKISTAN



UNIVERSAL SERVICE FUND

EMPOWERING COMMUNITIES

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ACRONYMS

3G/4G/5G	3rd/4th/5th Generation
AFC	Audit and Finance Committee
BoD	Board of Directors
BSD	Broadband For Sustainable Development
BI	Business Intelligence
CMO	Cellular Mobile Operator
CEO	Chief Executive Officer
DWDM	Dense Wavelength Division Multiplexing
DHQ	District Headquarter
E1	European 1 Interface
FE	Fast Ethernet
FCF	Federal Consolidated Fund
FY	Fiscal Year
FDI	Foreign Direct Investment
FOC	Free Of Cost
FAB	Frequency Allocation Board
GE	Gigabit Ethernet
Gbps	Gigabits Per Second
GSMA	Global System for Mobile Communications Association
GoP	Government Of Pakistan
HRGC	Human Resource Governance Committee
ICT	Information And Communication Technology
IT	Information Technology
ITU	International Telecommunication Union
Kbps	Kilobits Per Second
KM	Kilometer
LC	Letter of Credit
LDI	Long Distance and International
LTE	Long-Term Evolution
Mbps	Megabits Per Second
MoITT	Ministry Of Information Technology & Telecommunication
NH&MW	National Highways & Motorways
NG-OFNS	Next Generation Optical Fiber Network & Services
NG-BSL	Next-Generation Broadband for Sustainable Development
OFC	Optical Fiber Cable
PEMRA	Pakistan Electronic Media Regulatory Authority
PICG	Pakistan Institute of Corporate Governance
PTA	Pakistan Telecommunication Authority
POC	Project Oversight Committee
STEM	Science, Technology, Engineering and Mathematics
STEAM	Science, Technology, Engineering, Arts and Mathematics
SECP	Securities and Exchange Commission of Pakistan
SLA	Service Level Agreement
SP	Service Provider
SSA	Services and Subsidy Agreement
SBP	State Bank of Pakistan
SOE	State Owned Enterprise Act 2023
SDGs	Sustainable Development Goals
THQ	Tehsil Headquarter
TD	Tourist Destination
UC	Union Council
UN	United Nations
USF	Universal Service Fund
WIP	Work In Progress

DEFINITIONS

Act (PTRA act)	<i>Act</i> means Pakistan Telecommunication (Re-organization) Act 1996 (XVII of 1996), as amended.
Broadband	<i>Broadband</i> refers to high-speed internet access. Broadband services must meet specific quality and coverage requirements as outlined in the USF Services and Subsidy Agreement to ensure that rural and underserved areas receive adequate internet connectivity.
Connectivity	<i>Connectivity</i> refers to the establishment of a telecommunications network that provides access to voice telephony and broadband internet services. It involves ensuring that the necessary infrastructure, such as transmission backbones, local access networks, and interconnection points, is in place to facilitate communication within the designated areas.
Fund	<i>Fund</i> means Universal Service Fund established under section 33-A of the Act.
Lot	As per USF Rules, <i>lot</i> means a geographical area identified for the grant of funding from the Fund as designed and approved by USF Board which shall not be smaller than a village.
Mandated Area	As per section 33-B of the Act, the USF has been <i>mandated</i> for providing access to telecommunication services to people in the unserved, underserved, rural, and remote areas.
Mauzas	<i>Mauzas</i> means the smallest part of the revenue system recognized by the Population Census Organization.
Node	<i>Node</i> in telecommunication refers to a connection point, redistribution point, or communication endpoint in a network.
Project	<i>Project</i> means a plan prepared for a lot before the auction mentioning adequate detail of the telecommunication system and telecommunication service required to be provided in the lot with a reserve price for auction calculated on the basis of net capital cost.
Rules	USF <i>Rules</i> 2006 (as amended) are established under the authority given by specific sections of the Act.
Underserved Area	An <i>underserved area</i> means an area not having adequate coverage nor provision of voice and data telecommunication services as determined by the Federal Government from time to time, except in some parts of it.
Universal Service	<i>Universal service</i> means provision or coverage of telecommunication service including at least voice and data to the whole population of Pakistan.
Unserved Area	An <i>unserved area</i> means an area having no coverage nor provision of any telecommunication service.

FOREWORDS





Message from the Federal Minister

Shaza Fatima Khawaja

*Federal Minister,
Ministry of IT & Telecommunication*

The Government of Pakistan's vision for a Digital Nation Pakistan is centered on inclusion, innovation, and opportunity for all. In this journey, the Universal Service Fund (USF) has played a pivotal role in ensuring that the benefits of digital transformation reach every corner of our country.

The past few years have been a reminder that digital connectivity is no longer a luxury; it has become a lifeline, for both the economy and the people. Technology now sits at the very heart of Pakistan's economic and social transformation, and USF has been integral to this progress, ensuring that opportunities reach the most remote corners of Pakistan.

During FY 2024–25, USF's projects brought high-speed internet and mobile broadband to hundreds of mauzas and connected communities that lie beyond the digital fold. Behind each statistic lies a story of a child who can now access online learning via the internet, of a woman receiving payment for her small business through digital wallets, and of a health worker being able to virtually reach patients in rural areas. Such are the outcomes that give true meaning to our efforts.

Guided by the Connect Pakistan 2030 vision, the government is steering Pakistan towards an inclusive digital transformation, with priorities spanning universal connectivity, innovation, and sustainable growth. Complementing this, the approval of Pakistan's first National Artificial Intelligence Policy marks a landmark step in preparing our workforce for future technologies and ensuring their responsible adoption. Together with efforts to strengthen IT exports, freelancing, and entrepreneurship, these initiatives chart a clear path for Pakistan to thrive as a competitive and forward-looking digital nation.

As we look ahead, the Ministry of IT and Telecommunication remains deeply committed to accelerating innovation and advancing economic prosperity through digital means. With the efforts of USF, we will continue to expand equitable access, promote gender inclusion, and equip our people with the skills to lead an increasingly digital global economy.

The journey ahead is one of transformation, and together, we are building a Pakistan where no one is left behind.

Shaza Fatima Khawaja

*Federal Minister,
Ministry of IT and Telecommunication*



Message from the Chairman

Zarrar Hasham Khan

*Secretary, Ministry of IT & Telecommunication
Chairman of the Board, Universal Service Fund*

Dear Stakeholders,

The fiscal year 2024–25 has been one of resilience, progress, and transformation for Pakistan’s digital landscape. It is my privilege to present the Universal Service Fund Annual Report at a time when connectivity has become the backbone of economic growth, social inclusion, and innovation worldwide.

Throughout the year, USF successfully completed 17 transformative projects, improving the lives of more than 584,810 people across 500 mauzas. These initiatives represent far more than infrastructure milestones; they are catalysts of opportunity, bringing healthcare, education, and commerce within reach of communities that had long been left behind. Our work remains closely aligned with the Sustainable Development Goals, especially in reducing inequalities and ensuring inclusive access to the benefits of digital transformation.

Significant strides were made to expand digital infrastructure. A total of 1,825 kilometers of optic fiber cable was deployed, connecting 136 Union Councils and towns, supported by 176 new nodes. In addition, 164 kilometers of critical road segments were covered with high-quality connectivity, enhancing mobility, and trade routes on National Highways & Motorways. In the same period, USF successfully completed its project NH&MW Lot 10 (M-8 Rato Dero – Gwadar), ensuring digital access along one of the most strategic corridors in the country. Collectively, these initiatives not only meet the immediate needs of underserved regions but also prepare Pakistan to embrace emerging technologies such as 5G, AI-driven services, and cloud innovations.

In the closing weeks of this fiscal year, devastating floods once again reminded us of the vulnerability of our people and infrastructure to climate change. These events underscore the importance of building resilient digital networks that can withstand environmental challenges and continue serving communities when they need it most. USF’s projects, designed with sustainability and resilience at their core, contribute to strengthening national preparedness and supporting recovery in times of crisis.

The Ministry of Information Technology and Telecommunication continues to drive this vision forward. Our policies emphasize not only connectivity but also innovation, entrepreneurship, and gender inclusivity, ensuring that women, youth, and marginalized groups are active participants in Pakistan’s digital journey.

This progress would not have been possible without the dedication of the USF team and the support of our stakeholders, government, private sector, and international partners alike. Together, we are laying the foundations of a knowledge-driven economy where universal access to ICTs fuels sustainable development and inclusive growth.

As we look ahead, our commitment remains clear: to expand digital access, build climate-resilient infrastructure, and ensure that Pakistan thrives in the digital era, leaving no one behind.

Sincerely,

Zarrar Hasham Khan

*Secretary, Ministry of IT & Telecommunication
Chairman of the Board, Universal Service Fund*





Message from the CEO

Chaudhry Mudassar Naveed
CEO, USF Pakistan.

The fiscal year 2024–25 marked a defining chapter in the Universal Service Fund’s ongoing journey to connect, empower, and transform lives through digital inclusion. It was a year of steady national progress and renewed momentum for USF, driven by strategic initiatives, structural reforms, and a shared commitment to advancing the Government of Pakistan’s Digital Pakistan and Connect 2030 visions.

After a gap of over two years, USF successfully launched 16 new projects, including 12 Next Generation Broadband for Sustainable Development (NGBSD) and 4 Next Generation Optical Fiber Network Services (NG-OFNS) initiatives. Of these, seven projects were evaluated and approved by the USF Board of Directors for award. These projects are poised to extend high-speed broadband to underserved populations and reinforce the country’s digital backbone through new fiber infrastructure.

During the same period, 16 projects were completed, underscoring USF’s strong operational performance. Under 10 NGBSD projects, over 562,000 people across 478 mauzas gained access to broadband connectivity. Through 6 OFNS projects, 126 Union Councils were connected via 1,825 kilometers of Optical Fiber Cable (OFC), expanding the reach of high-capacity networks across Pakistan.

Another key milestone was the fiberization of 301 mobile BTS towers, the first batch completed since the program’s inception in 2021–22. This achievement strengthens network reliability, supports future technologies, and marks a crucial step toward realizing Pakistan’s 5G readiness.

USF’s efforts also earned international recognition in May 2025, when the International Telecommunication Union (ITU) acknowledged USF’s work on its official platforms, a proud moment that reaffirmed Pakistan’s leadership in digital inclusion initiatives across developing economies.

In parallel, USF undertook a comprehensive program review and optimization process for both NGBSD and OFNS projects. Through extensive industry consultations, the program parameters were refined and updated to enhance infrastructure utilization, streamline processes, and increase private-sector participation, which, in turn, led to a marked surge in industry interest and bidding registrations for OFNS projects, increasing manifold.

Our financial stewardship remained robust. Following extensive engagement and support from the Ministry of IT & Telecom (MoITT) and persistent follow-up by USF management, a considerable amount was repatriated from the Federal Consolidated Fund in FY 2024–25, ensuring continued funding for new mobile & OFC projects.

Our progress is also defined by people. Guided by employee-centric policies, USF continued to invest in its workforce through continuous engagement and capacity building, offering technical, leadership, and management trainings, complemented by a bi-monthly digital newsletter that keeps the organization informed and inspired. We also strengthened collaboration with telecom operators, contractors, and industry stakeholders, while representing Pakistan at key national and international platforms with active engagement with key stakeholders, including MWC 2025, GSMA Early Warning Systems initiative, and the MCMC Malaysia visit and local sectoral events.

Looking ahead, USF remains aligned with the Ministry's Connect 2030 vision, committed to universal access, innovation, and resilience. As Pakistan enters a new era of digital advancement, powered by fiber, mobile broadband, and emerging technologies, USF stands at the forefront of this transformation, turning ambition into action and inclusion into impact.

“At USF, every connection we enable is a step toward progress, a bridge between potential and possibility. Together, we are shaping a digital future where no one is left behind.”

Chaudhry Mudassar Naveed

CEO, USF Pakistan.





ABOUT USF

OVERVIEW

Universal Service Fund (USF) was established by the Government of Pakistan under the Ministry of Information Technology (IT) and Telecommunication (MoITT) in 2006 under Section 42 of the Companies Act 2017 (formerly known as the Companies Ordinance 1984). It operates with a diverse Board of Directors representing both public and private sectors.

USF's core mission is to make Information and Communication Technologies (ICT) accessible to Pakistan's un-served and under-served communities, striving to ensure affordable and widespread broadband availability. USF achieves this by offering subsidies to licensed telecom operators through a competitive bidding process.

As USF paves the way for a Digital Pakistan, it's not just about today but constantly shaping a better digital future. Our commitment to excellence is the driving force behind reducing the digital divide and forging a sustainable path forward.

OBJECTIVES



Encourages the telecom operators to prioritize rural communities and improve telecom connectivity in these areas.



Increases the availability and accessibility of broadband services throughout the country.



Facilitates the development and acclimatization of e-services across all regions of Pakistan.

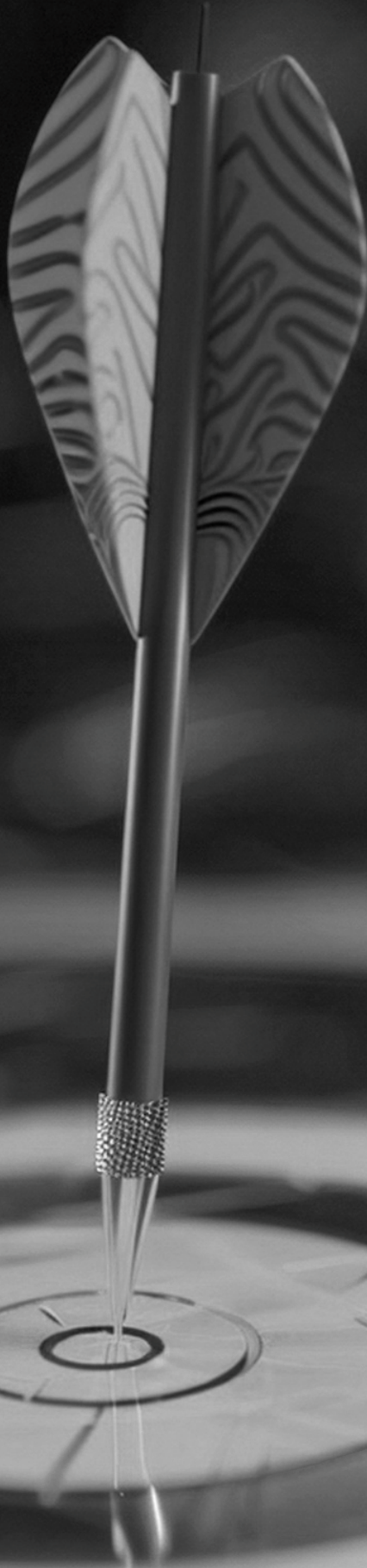
GOVERNING FRAMEWORK

The **Universal Service Fund (USF)** in Pakistan was established under the **Pakistan Telecommunication (Re-organization) Act of 1996 (as amended)**, specifically outlined in Sections 33A and 33B. The legal framework for the USF was further solidified when the Federal Government notified the USF Rules in 2006. This notification led to the creation of the **Universal Service Fund Company (USFCo)**, a not-for-profit entity, limited by guarantee, registered under Section 42 of the Companies Ordinance 1984, now the Companies Act 2017.

The Federal Government formulated the **Universal Service Fund Policy** in 2006 and subsequently issued Telecommunication Policy in 2015 that provided a detailed outline of the objectives and targets to improve telecommunication services, particularly in unserved, underserved rural and remote areas of Pakistan.

Universal Service Fund (USF) Co. was declared an essential State-Owned Enterprise (SOE) by the USF Board. Being an SOE, USF Co., in addition to the other applicable governing laws, now also adheres to the provisions of the SOE Act, Policy, and the regulations/guidelines issued from time to time by the Central Monitoring Unit (CMU), Finance Division, Government of Pakistan.

MISSION AND VISION STATEMENT



Mission



To improve the lives of unserved and underserved communities by making high-speed internet accessible and affordable for all.

Vision



To empower the unserved and underserved communities through Information and Communication Technologies (ICT) to achieve a digitally inclusive Pakistan.

OUR CORE VALUES

Diversity, Integrity, Growth, Innovation, and Teamwork are the cornerstones of our corporate culture and how we engage with stakeholders. At USF, these values guide our actions and interactions. They are embraced by all team members, fostering trust, personal responsibility, and mutual respect.



Diversity

We empower and welcome people regardless of factors such as religion, race, gender, age, disability, and more.



Integrity

Our commitment to high ethical standards includes accurate financial reporting, transparency, and fostering healthy critique and disagreement.



Growth

We seize opportunities for continuous learning and improvement.



Innovation

Our goal is to redefine excellence in all we do, delivering enhanced results and value to our stakeholders.



Teamwork

We cultivate an atmosphere of partnership and collaboration, supporting each other in achieving our goals.

OUR PILLARS – WAY OF WORK

USF relies on three key pillars to direct its actions: Merit, Excellence, and Discipline. As a leading public sector organization, we uphold high standards in our practices and operations. These pillars motivate us to continuously assess and improve our performance and accomplishments.



COMPANY INFORMATION

Registered office

3rd Floor, Evacuee Trust Complex, Agha Khan Road, F-5/1, Islamabad.

Phone: +92-51-9212308-09

Fax: +92-51-9214261

Registration Number: 0058825

NTN: 2931776-2

Legal Advisor

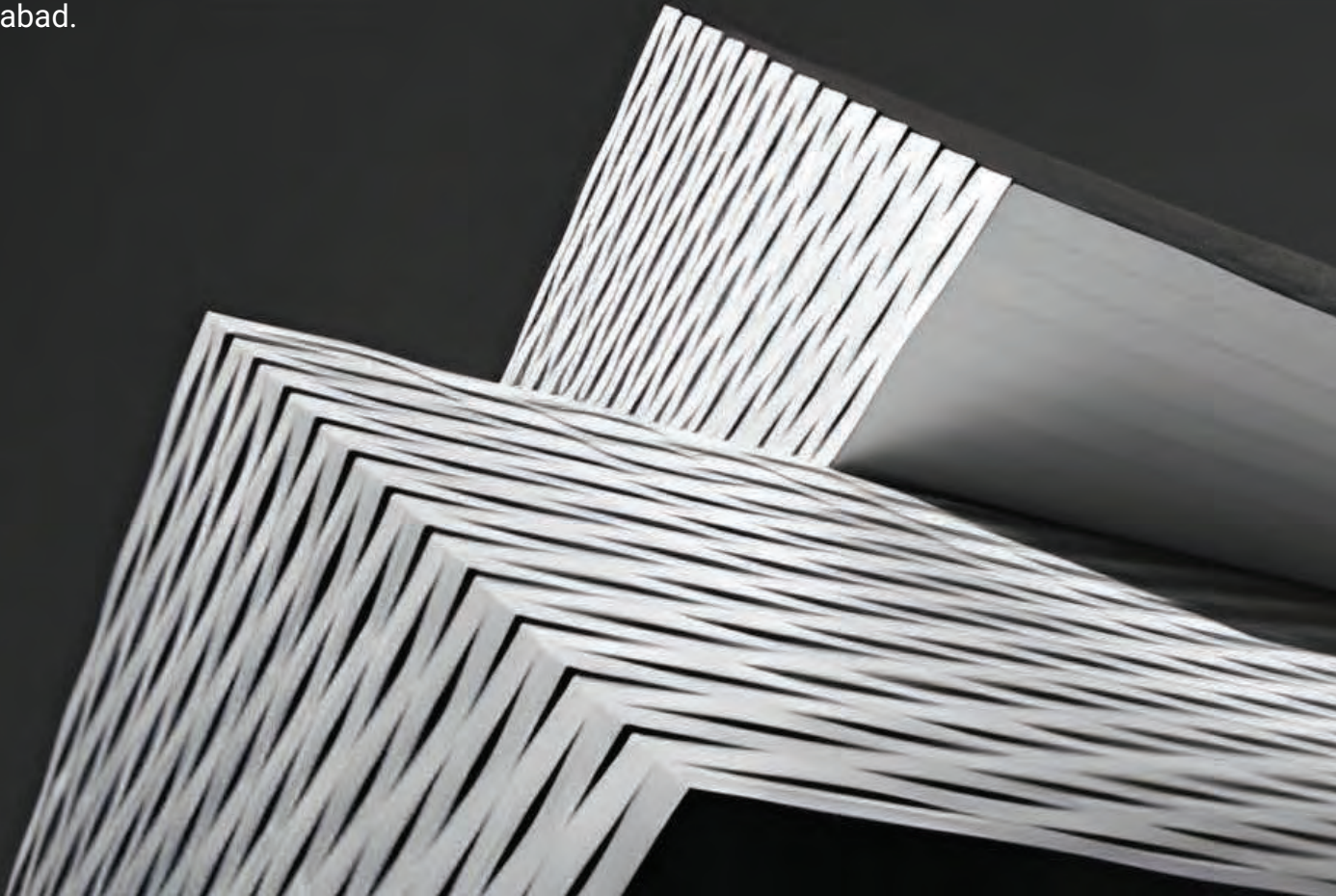
Mr. Rashid Hanif, Advocate Supreme Court, House # 64, Nazim-ud-din Road, F-8/4, Islamabad.

Tax Advisor

Khilji Rahat Waheed, Chartered Accountants, 3rd Floor, Rafi Centre, Plot # 13, Street # 28, G-7/1, Islamabad.

Auditors

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





BOARD OF DIRECTORS



Board of Directors for FY 2024-25



Mr. Zarrar Hasham Khan

*Secretary IT & Telecommunication
Chairperson USF Board (since September 2024)*

Zarrar Hasham Khan serves as the Secretary for the Ministry of Information Technology and Telecommunication (MoITT), marking a milestone as the first professional from the private sector to hold this position. His appointment underscores the government's vision to harness private sector expertise for national digital transformation. With over three decades of experience in IT and telecommunications, he has led initiatives that empower citizens, promote innovation, and drive the growth of a knowledge-based economy.

Before joining MoITT, Mr. Khan served as SEVP and Chief Business Solutions Officer at Pakistan Telecommunication Company Limited (PTCL), where he spearheaded large-scale ICT projects for enterprise and government clients. His leadership in infrastructure development, network optimization, and strategic planning strengthened PTCL's position as the national telecom leader. Earlier, at Saudi Telecom Company (STC), he played a pivotal role in one of the world's largest 5G deployments, further establishing his expertise in advancing digital connectivity.

An alumnus of the Ghulam Ishaq Khan Institute, Mr. Khan has pursued executive education at Harvard Business School, Oxford University, London Business School, and the University of Warwick, where he earned his MBA. His distinguished academic background and global experience position him as a visionary leader committed to fostering innovation, inclusivity, and sustainable digital growth in Pakistan.



Major General (R) Hafeez Ur Rehman

Chairman PTA

Major General (R) Hafeez Ur Rehman brings over 37 years of distinguished experience in national security, ICT development, spectrum management, digital transformation, cyber security, and policy making. He holds a BE in Telecommunications and an MS in War Studies from NDU Islamabad.

Throughout his career, he has led pivotal initiatives in ICT strategy and transformation, deploying advanced telecom infrastructure, enhancing network efficiency, managing fiberization, rights-of-way (RoW), and data centers. He has also served with the United Nations in multiple member countries.

Since May 2023, he has been serving as Chairman, Pakistan Telecommunication Authority (PTA). He also sits on the boards of PEMRA, FAB, USF Co., and IGNITE.

In recognition of his outstanding service and leadership, he has been conferred with the Hilal-e-Imtiaz (Military) and the prestigious Sitara-e-Imtiaz for his exemplary contributions to Marka-e-Haq and Pakistan's telecom sector.



Mr. Hatem Bamatraf

President and CEO PTCL Group (Nominee of Fixed Line Licensees)

Mr. Hatem Bamatraf is a seasoned telecommunications executive with over 30 years of experience in management and leadership roles around Middle East and the Asia region. He is currently serving as the President & Group CEO of Pakistan Telecommunication Company Limited (PTCL) and Ufone.

Mr. Hatem started his professional career with the Etisalat Group in 1995 as an

Engineer Mobile Technology and steadily rose through the ranks to assume higher roles. In 2007, he joined Telecom Company, du heading the Network Development and later as head of Enterprise Business Unit.

Earlier, he had a 3 years stint at Mobily, Kingdom of Saudi Arabia where he was part of the launch team of the company. His last role was Chief Technology Officer at Etisalat Group, a position he held for over 8 years till assuming his new role as the Head of PTCL Group in Pakistan. He has also served as the Board of Directors in a number of Etisalat group affiliates. Currently he is Board member of e& Money, Universal Service Fund & Chairman of the Ubank Board.

He is a graduate of the Etisalat College of Engineering and holds a Bachelor degree of Electrical & Electronic Engineering. He also holds Executive MBA degree from INSEAD Business school.



Ms. Ayla Majid

Financial Expert/Independent Director

Ayla is the Founder and CEO of Planetive Pakistan and the Middle East, a firm specializing in energy transition, decarbonization, and future energy technologies. With over 20 years of experience in investments, financial advisory, and strategy, her expertise encompasses a range of sectors, including energy, hydrogen, minerals, infrastructure, digital innovation, and climate technology. Ayla has made significant contributions to sustainable energy practices, adeptly guiding organizations through complex financial landscapes.

With 15 years of board leadership experience, she currently serves on the boards of energy, banking, pharmaceutical, and engineering companies, where she brings her deep understanding of governance and corporate strategy.

As the Global President of the Association of Chartered Certified Accountants, Ayla made history as the first South Asian to hold this prestigious position. This role underscores her global leadership and influence within the finance and accounting sectors. Her commitment to global development is further exemplified through her active involvement with the World Economic Forum's Global Future Councils on Energy Transition and the Mobilizing Investment for Clean Energy in Emerging Economies Global Taskforce, with focus on fostering innovative solutions for energy challenges worldwide.

Ayla has been recognized as a Young Global Leader by the World Economic Forum and is an Eisenhower Global Fellow. Her academic credentials include an MBA from Lahore University of Management Sciences and an LLB from the University of London, complemented by advanced studies at Harvard Kennedy School, the University of Oxford, Nanyang Technological University Singapore, the Andlinger Center for Energy and the Environment at Princeton University, and National Defence University, Pakistan.

She is also a sought-after international speaker, frequently addressing critical topics such as energy transition, clean tech innovation, emerging market finance, and sustainable infrastructure at high-profile conferences.



Mr. Muhammad Yousuf

ICT & Telecom Expert/Independent Director

Mr. Muhammad Yousuf, with over 35 years of experience in Information and Communications Technology across both public and private sectors, has a proven track record in managing large projects and providing innovative IT solutions. His educational background includes an MSc in Computer Sciences from the University of Karachi, and he received a scholarship from Japan for postgraduate studies in Computer Science. He is a certified Director. In the private sector, Mr. Yousuf worked with Japanese companies and organized seminars to promote the IT industry in Pakistan and also played a key role to manage software offshore development & ODA project for Pakistan during 1990-2000. In the public sector, he served in various roles, including Director General and Secretary to the Government, successfully leading numerous ICT-based projects from 2004-2022. Mr. Yousuf has been recognized for his contributions/meritorious services and was promoted to Grade BS-21 by the Sindh government. He has also been recommended for the Presidential Medal of Technology and Civil Award twice.



Mr. Muhammad Jahanzeb Rahim

Member Telecom- Ministry of IT and Telecommunication

Muhammad Jahanzeb is leading Pakistan's digital transformation as Member Telecom at the Ministry of IT & Telecommunication. Since 2019, he has driven key sector-first initiatives, including the Local Smartphone Manufacturing Policy, National Spectrum Strategy, 4G Auction in AJK & GB, Right of Way Policy, and 5G Policy Guidelines.

With over 22 years of experience in ICT policy, enterprise solutions, governance, and programme management, Jahanzeb has worked with global organizations such as IUCN, Millicom International, and China Mobile. He holds a degree in Computer Systems Engineering and a Master's in Engineering Management, with research on mobile broadband adoption and organizational development.

He is an NLP certified coach and volunteers in leadership and personal development, believing that character and competence are central to building strong organizations and nations.



Mr. Mudassar Naveed

CEO- USF

Chaudhry Mudassar Naveed, a seasoned telecom professional, currently serves as the CEO of USF Pakistan. With over 24 years of industry experience, his expertise spans government policy, regulation, technology, business growth, and digital transformation. Mudassar's career includes pivotal roles in spectrum management, cellular design, project execution, and corporate strategy. He has collaborated with industry leaders like Ericsson, Nortel Networks, and operators such as Telenor and PTCL Group.

At the Pakistan Telecommunication Authority, Mudassar served as DG (Strategy & Development), where he introduced key initiatives including the IoT & SRD Regulatory Framework and the adoption of next generation of Wi-Fi 6E and 7 in Pakistan. Mudassar holds a BS and MS in Electrical Engineering, an MBA, and is an alumnus of Carnegie Mellon University's Center for Executive Education in Technology Policy.

He is dedicated to significantly contributing to Pakistan's journey toward digital transformation and enhanced connectivity through his robust expertise. He held the Chair of APT South Asian Telecom Regulators' Council (SATRC) Working Group - Policy, Regulation & Services (WG-PRS) during 2021-23 in which Action Plan VIII was executed. Mudassar represented Pakistan at the ITU World Radio Conference (WRC-23). He is also a regular speaker at both international and national events, where he shares his insights on the latest trends and advancements in the telecom industry.

DIRECTORS' REPORT

FINANCIAL YEAR 2024-25



The Board of Directors of Universal Service Fund (USF) is pleased to present the Director's Report for the financial year ended June 30, 2025.



Macroeconomic Environment and Industry Overview

In FY 2024-25, Pakistan's telecommunications industry experienced considerable developments. PTA indicators showed total telecom subscribers reached approximately 200 million, while broadband users rose to around 150 million, driving broadband penetration to 61%. Average revenue per user (ARPU) recorded steady growth, reaching Rs. 313 per month in FY 2024-25. Macroeconomic indicators remained stable as compared to previous year. However, rising operational costs continued to constrain industry profitability. Regulatory measures promoting infrastructure sharing and rural connectivity, along with the government's emphasis on digital transformation and inclusion, created an enabling environment. The 5G roadmap and the increasing adoption of fintech and digital services also strengthened industry synergies and reinforced optimism for future growth.

In FY 2024-25, the Universal Service Fund (USF) played a pivotal role in expanding digital inclusion by launching 16 new projects, comprising 12 Next Generation Broadband for Sustainable Development (NG-BSD) and 4 Next Generation Optic Fiber Network Services (NG-OFNS) projects. Of these, five NG-BSD projects, worth PKR 1.8 billion, were approved for award, targeting broadband coverage for 965,956 people across 10 districts including Badin, Chiniot and Abbottabad. Additionally, two NG-OFNS projects, worth PKR 5.6 billion, were approved for award to connect 113 Union Councils with 940 km of OFC across districts of Sanghar and Jhang.

Furthermore, six projects—including four NG-BSD and two NG-OFNS initiatives—are currently in the approval process. Bid evaluations for these projects have been completed. NG-BSD projects will target 5 districts including Umar kot, Gujranwala, Mandi Bahuddin, Kohat and Khuzdar. NG-OFNS projects includes 3 districts including Sialkot.



Operational Performance Review

The Universal Service Fund (USF) is implementing two flagship nationwide programs, NG-BSD and NG-OFNS, to expand digital connectivity across Pakistan. The Access Program focuses on extending broadband services to unserved and underserved mauzas, while also covering previously unconnected road segments, including National Highways & Motorways (NH&MW) and major tourist destinations.

By targeting vital transport corridors and areas of high socio-economic importance, this initiative ensures seamless connectivity for both local communities and travellers. A key mandate under this program is the enablement of National Roaming across all NH&MWs, thereby providing users with uninterrupted digital access and fostering greater inclusivity in line with Pakistan's broader digital transformation agenda.

In FY 2024-25, the Universal Service Fund (USF) made considerable progress in advancing its mission to expand digital connectivity across underserved regions of Pakistan. Through NG-BSD and NG-OFNS programs, 500 new mauzas were covered, extending high-speed broadband coverage to over 584,000 people, and enabling connectivity along 163.84 km of road segments. Furthermore, 136 UCs/towns were linked, supported by the deployment of 176 network nodes, while 1,825 km of optical fiber was laid to strengthen the national backbone infrastructure. In the same period, 17 projects were completed under the NG-BSD and NG-OFNS programs.

In FY 2024-25, for the first time, USF completed fiberization of 301 BTS towers. Overall, USF ensured sustained delivery of projects, reaffirming USF's vital role in driving universal access and enabling inclusive digital transformation across Pakistan.



Future Outlook

In FY 2025-26, the Universal Service Fund (USF) will continue to advance its mission of bridging the digital divide and enabling inclusive connectivity across Pakistan through accelerated delivery. The strategic focus will remain on providing connectivity to unserved and underserved regions while strengthening the national fiber backbone to support sustainable and scalable growth of digital infrastructure with the launch of 19 projects.

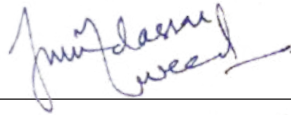
Under the NG-BSD Program, USF plans to launch 10 new projects across all four provinces in FY 25-26. These initiatives will target 1,313 mauzas, directly benefiting an estimated 2.99+ million people of districts Muzaffargarh, Rajanpur, Bahawalnagar, Tharparkar, Sujawal, Tando Mohammad Khan, Mansehra, Haripur, Dera Bugti, Kohlu, and Washuk. Additionally, 3 small lot projects will be launched targeting the districts of Tando Muhammad Khan, Layyah, Multan, Muzaffargarh and Buner.

In parallel, the NG-OFNS Program will reinforce Pakistan's digital backbone with launch of 6 new projects. These projects will target 259 unserved Union Councils/Towns via the deployment of 2,045 km of optical fiber cable in districts Narowal, Sheikhpura, Umer Kot, Swat, Mansehra, Quetta, and Ziarat. These projects will enable operators to deliver more reliable broadband services, improve quality of service, and lay the foundation for future technology advancements.

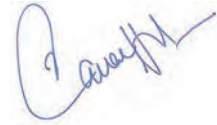
Collectively, these NG-BSD and NG-OFNS projects reflect USF's comprehensive approach to provide infrastructure and connectivity in rural/remote unserved/underserved regions. These projects are expected to significantly boost broadband penetration, empower rural populations, advance digital inclusion, and expand access to essential services such as e-learning, e-health, and e-commerce.

The board of directors would like to express its gratitude to all stakeholders of USF for their support and contribution including the government, Ministries of IT and Finance, partners and telecom operators, Pakistan Telecommunication Authority, the management and employees of the company. Aligned with the Government of Pakistan's Digital Pakistan vision, USF remains committed to driving equitable growth, innovation, and economic resilience.

FOR AND ON BEHALF OF THE BOARD



Chaudhry Mudassar Naveed
CEO



Mr. Zarrar Hasham Khan
Chairman of the Board

Islamabad
7th October 2025



CORPORATE GOVERNANCE

Composition of the Board

The composition of the Board of Directors and manner of Nomination is prescribed by the Universal Service Fund Rules 2006, best practices of Corporate Governance, and the Articles of Association.

USF has a diverse board structure comprising highly qualified professionals from both the public and private sectors. The USF Rules 2006 were amended in February 2023 and the composition of the Board was changed as per Rule 11 (1) of the Rules. Board of Directors' tenure initiated on June 6th 2023, vide Notification F. No. 18-18-2006-DT dated 6th June 2023, for a period of three years, pursuant to Article 30 of the Article of Association of Universal Service Fund which states that the Board shall remain for a term of three years. Captain (R) Muhammad Mahmood took over the responsibility of the Chairman of the Board from March 2024 till July 2024. Subsequently, Mr. Azfar Manzoor was given this responsibility till September 2024. Since September 2024, Mr. Zarrar Hasham Khan has been presiding as Chairman of the Board.

The composition of the Board for FY 2024-25 is as below:

Sr. No	Name	Executive/ Non-Executive/ Independent	Representative Ministry/Designation	Position in Board/ Management
1.	Captain (R) Muhammad Mahmood (Mar 2024-Jul 2024)	Ex-Officio	Additional Secretary IT (Incharge) - MoITT	Chairperson
2.	Mr. Azfar Manzoor (Jul 2024-Sep 2024)	Ex-Officio	Secretary IT - MoITT	Chairperson
3.	Mr. Zarrar Hasham Khan (from Sep 2024)	Ex-Officio	Secretary IT - MoITT	Chairperson
4.	Mr. Muhammad Jahanzeb Rahim	Ex-Officio	Member Telecom - MoITT	Member/Director
5.	Major General (R) Hafeez Ur Rehman	Ex-Officio	Chairman PTA	Member/Director
6.	Mr. Hatem Bamatraf	Nominee of Fixed-Line Licensees	President and CEO PTCL Group	Member/Director
7.	Ms. Ayla Majid	Independent	Financial Expert	Member/Director
8.	Mr. Muhammad Yousuf	Independent	ICT/ Telecom Expert	Member/Director
9.	Mr. Chaudhry Mudassar Naveed	Executive	CEO USF Co.	Member/Director

Meetings of the Board

During FY 2024-25, the Board convened octuple to review performance and address key issues and challenges. Notices/agendas of each were circulated in advance, in a prompt manner. Resolutions made during the meetings were documented in the minutes of the meetings by the Company Secretary, duly approved by the Chairman of the Board, and circulated to all directors for approval after confirmation/approval in the subsequent Board meetings. The minimum legal requirements of attendance were maintained as recommended by the applicable rules. In accordance with Corporate Governance Rules, the meetings were also attended by the Chief Financial Officer and the Company Secretary along with the Senior Management.

Furthermore, the 91st Board meeting was chaired by Captain (R) Muhammad Mahmood, Additional Secretary (Incharge) MoITT. The 92nd and 93rd Board meetings were chaired by Mr. Azfar Manzoor, Federal Secretary MoITT. Whereas, Mr. Zarrar Hasham Khan, Federal Secretary MoITT has chaired 94th to 98th Board Meetings.

The meetings were held on the following dates:

Board Meeting	Date
91 st BOD	18 th July 2024
92 nd BOD	20 th August 2024
93 rd BOD	29 th August 2024
94 th BOD	4 th October 2024
95 th BOD	27 th December 2024
96 th BOD	27 th February 2025
97 th BOD	28 th April 2025
98 th BOD	19 th June 2025

Attendance of Board Meetings FY 2024-25:

Board Member	Total Board Meetings	Board Meetings Attended
Chairperson	8	8
Member Telecom	8	8
Independent Director (Legal Expert)	8	0
Chairman PTA	8	7
Nominee Fixed Line Licensees	8	4
Nominee Mobile Cellular Licensees	8	0
Independent Director (Financial Expert)	8	7
Independent Director ICT/ Telecom Expert	8	8
CEO USF Co.	8	8

Roles and Responsibilities of the Board

The Board shall conduct and manage all the business affairs of the company, exercise all the powers, authorities, and discretion of the company, obtain or oppose the application by others for all concessions, grants, charters, and legislative acts and authorization from any government or authority, enter into, such contracts and do all such other things as may be necessary for carrying on the business of the company, except only such of them as under the statutes and Articles are expressly directed to be exercised by general meetings and (without in any way prejudicing or limiting the extent of such general powers) shall have the following special powers and duties:

1. Authorize CEO and one or more signatory to open one or more bank account of the USF company;
2. Draw or authorize to draw amounts from the bank accounts of the USF company;
3. Verify accounts of the USF company;
4. Approve investment policy and schemes for investment of the sums available with the USF Company in the Government risk free financial securities and schemes only; and
5. Evolve policies for operation and working of the USF company and incorporate these in the procedure manual;
6. Prepare and approve procedural manual for effective working of the USF company;
7. Allocate and approve annual budget of the USF Company for onward submission to USF Policy Committee along-with the schedule of quarterly release of grants and provides guidelines for financial controls;
8. Create committees of the Board and approve their charters;
9. Create an advisory council for seeking guidance and approve its membership and term of reference;
10. Propose changes in the USF policy of the Federal Government;
11. Delegate such of its powers and functions to the Chairman, committee of the Board or CEO, as it may consider necessary for the efficient working of the USF company;
12. Identify and lay-down criteria for selection and creation of lots and special projects and determine suitability of projects for allocation of funds;
13. Set goals for provision of universal service;
14. Oversee, examine, evaluate, approve, or review projects;
15. Request the division concerned to lend support staff or officers, as the case may be, on deputation;
16. Appoint employees of the USF company and set their salaries and terms and conditions of employment;
17. Engage and remove consultants and advisors as may be determined;
18. Fix extra remuneration & benefit for the deputationist.
19. Ensure transparency and accountability in the processes;
20. Assist Federal Government in preparing annual statutory reports;
21. Commission independent audits and publish such audit reports;
22. Request the Authority to furnish details about amounts received from licensees for Fund for any specific period;
23. Perform such other functions as the Federal Government may, from time to time, assign to it not inconsistent with the provisions of the Act and these rules.

Board Committees

The Committees are responsible for reviewing relevant matters and making recommendations to the Board within the realm of certain responsibilities delegated by the Board.

Audit and Finance Committee

The Board of Directors shall provide adequate resources and authority to enable the committee to carry out its responsibilities effectively.

AFC COMPOSITION

Ayla Majid
(Chairperson)

Muhammad Yousaf

(Vacant)

Muhammad Jahanzeb Rahim

The committee shall:

- Recommend appointment of external auditors to the Board of Directors and consider any questions of resignation or removal of external auditors, audit fees, etc.
- Facilitating the external audit and discussion with external auditors' observations arising from audits and any matter that the auditors may wish to highlight in the absence of management.
- Ensuring coordination between the internal and external auditors of the Company.
- Review of the scope and extent of internal audit, audit plan, reporting framework, and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- Ascertaining that the internal control systems including financial and operational controls, accounting systems, receipts and payments, assets and liabilities, and the reporting structure are adequate and effective.
- Review of the Company's Statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance and identification of significant violations thereof.
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors.

AFC meetings and attendance:

Committee Members	Total AFC Meetings	AFC Meetings Attended
Ayla Majid (Chairperson)	4	4
Muhammad Yousaf	4	4
Muhammad Jahanzeb Rahim	4	4

Human Resource Governance Committee

The Board of Directors shall provide adequate resources and authority to enable the committee to carry out its responsibilities effectively.

HRGC COMPOSITION

Major General (R)
Hafeez ur Rehman
(Chairman till 18-July-24)

Hatem Mohamed Ali Bamatraf
(Member & Chairman
from 18-July-24)

Ayla Majid

(Vacant)

The committee shall:

- Review and recommend HR management strategy and policies.
- Review and recommend recruitment, remuneration, and evaluation of senior management.
- Review and recommend to the Board development/training needs and strategy for the organization.
- Review and recommend to the Board succession plan and talent management for critical senior positions.
- Review and assess the performance of the CEO against specific performance criteria and objectives.
- Develop professional and ethical standards and values to be incorporated in the Code of Ethics and provide support to the Board on various aspects of employee relations.
- Consider any other issue or matter as may be assigned by the Board of Directors.
- Assist the Board in developing salary scales for different levels of employees and compensation strategies/policies.
- Review and align the Company's organizational structure and human resources.

HRGC meetings and attendance:

Committee Members	Total HRGC Meetings	HRGC Meetings Attended
Major General (R) Hafeez ur Rehman (Chairman till 18-July-24)	2	2
Ayla Majid	2	2
Mr. Hatem Mohamed Ali Bamatraf (Chairman & Member from 18-July-24)	2	1*

*Since his inception as Member and Chairman, one meeting of HRGC held.

Project Oversight Committee:

POC COMPOSITION

Major General (R)
Hafeez ur Rehman
(Chairman)

Hatem Bamatraf

Ayla Majid

(Vacant)

The roles and responsibilities of the Committee include:

- Monitoring the progress in the implementation of projects.
- Examining from time to time the development of project proposals and making recommendations to the Board on the implementation of such proposals.
- Keeping under review on an ongoing basis the in-house procedural framework related to the implementation of contracts and making recommendations on adjustment mechanisms to facilitate speedier and smoother implementation of projects.
- Developing strategies to address delays in the implementation of projects.
- Perform such other functions as assigned by the Board.

POC meetings and attendance:

Committee Members	Total POC Meetings	POC Meetings Attended
Major General (R) Hafeez ur Rehman (Chairman)	3	3
Ayla Majid	3	3
Vacant	-	-
Hatem Bamatraf	3	2

Risk Management Committee

RISK MANAGEMENT COMMITTEE COMPOSITION



The Committee carries out the following functions:

- To assess and analyze all financial and operational controls, including compliances.
- To execute risk mitigation measures and to confirm the integrity of financial information.
- Reviewing corporate strategy, programs and operational plans, and availability of funds for the Company.
- To assess the company's risk framework and internal control system.
- To identify and manage strategic risks of the company.

Procurement Committee

The USF has a Procurement Committee, to ensure transparency in procurement transactions and in dealing with the suppliers.

Muhammad Jehanzeb
Rahim (Chairman)

PROCUREMENT COMMITTEE COMPOSITION

Muhammad Yousaf

Hatem Bamatraf

(Vacant)

Whistle Blowing Committee

The Whistle Blowing Committee, comprising 1 OP2 grade officer (as nominated by the CEO), Chief Internal Auditor and Head of HR which will assess the reasonableness/adequacy of such reporting and will recommend investigation, if needed. The head of the Whistle Blowing Committee will be responsible for execution and compliance of this policy. The committee may also call the accused for the initial investigation. The CEO will have the authority to decide the final course of action. If the complaint/allegation is against any member of the committee, the Whistle Blowing Committee may report the matter to the CEO. If the complaint/allegation is against the CEO, the Whistle Blowing Committee may report the matter to the BoD.

Whistle Blowing Policy

The policy has been established to ensure that all cases of suspected wrongdoing are reported and managed in a timely and appropriate manner and to ensure all employees feel supported in speaking up in confidence and reporting matters they suspect may involve anything improper, unethical, or inappropriate.

- Encourage all improper, unethical, or inappropriate behaviors to be identified and challenged at all levels of the USF.
- Provide clear procedures for the reporting of such matters.
- Manage all disclosures in a timely, consistent, and professional manner.
- Provide assurance that all disclosures will be taken seriously, treated as confidential and managed without fear of retaliation.

Formal Orientation at Induction

New directors receive orientation to have a better understanding of the operations and the scope of their responsibilities that helps them to be more effective in their roles.

Orientation sessions are arranged to help the new directors understand the operations and the scope of their responsibilities.

Directors' Training Program

Frequent trainings are held to educate directors with leading trends and practices in corporate governance, equipping them with essential insights to increase their effectiveness as a board member. These trainings help develop an understanding of contemporary governance mechanisms and related best practices. In compliance with the regulatory requirements, SECP approved Director Training Programs are not only attended by the Directors but also various Heads of Departments.

Roles and Responsibilities of the Chairman and CEO

In accordance with legal and regulatory requirements, the Chairman of the Board and Chief Executive Officer of the Company have distinct, independent but complementary roles.

CEO's Performance Review by the Board

CEO's performance is reviewed by the Board with reference to his roles and responsibilities including those assigned by the statute.

Policy of Retention of Board Fee by the Executive Director on Other Companies' Boards

In line with the Directors' Remuneration Policy, executive directors are not paid any fee for attending the Board, committee, or general meetings.

List of Companies in which the Executive Director is Serving as Non-Executive Director

NONE

Statement of Compliance with the Code of Corporate Governance forms part of this Report and are stated on

Specific statements to comply with the requirements of the Code of Corporate Governance are as follows:

1. This report is also being submitted to the contributors of Universal Service Fund.
2. USF Co. Board makes the following statements, prepared under Section 227 of the Companies Act, 2017:
 - a. The Board has complied with the relevant principles of corporate governance and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such noncompliance (Statement of Compliance).
 - b. The financial statements prepared by the management of USF present fairly its state of affairs, the result of its operations, cash flows, and changes in equity.
 - c. Proper books of account of the USF have been maintained.
 - d. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
 - e. They recognize their responsibility to establish and maintain a sound system of internal control, which is regularly reviewed and monitored.
 - f. The appointment of the Chairman and other members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Public Sector company as well as in line with the best practices.

Directors Remuneration:

Directors Remuneration Total (Rs.)	
Azfar Manzoor	200,000
Muhammad Mahmood	100,000
Muhammad Jahanzeb Rahim	1,200,000
Hafeez Ur Rehman	1,200,000
Hatem Mohamed Ali Ahmed Bamatraf	800,000
Ayla Majid	1,600,000
Muhammad Yousuf	1,200,000
Zarrar Hasham Khan	500,000

Remuneration to CEO (Rs.)						
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Managerial Remuneration	1,599,315	9,060,484	11,583,948	12,974,016	3,008,000	16,500,000
Allowance	5,536,426	7,119,580	11,940,165	13,686,350	5,550,648	12,097,333
Total	7,135,741	16,180,064	23,524,113	26,660,366	8,558,648	28,597,333

The amounts disclosed are the fee for attending the meeting and no salary, other benefits, and performance-related elements are paid to the directors.

FINANCIAL HIGHLIGHTS

Details regarding clause no. 4 of Rule no. 17 of the Public Sector Companies (Corporate Governance) Rules are given below:

Program

BSD

Subsidy

16,573,141.Rs

Program

NGBSD

Subsidy

7,125,623,682.Rs

Program

OFC

Subsidy

3,731,455,273.Rs

Total Subsidy

10,873,652,096.Rs

Subsidy or other financial support from Government

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Government Grants (Rs.)	4,890,000,000	6,300,000,000	18,750,000,000	18,340,000,000	16,119,650,000	11,428,134,000

Summary of Operating and Financial data of last 6 years (Rs.)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Government Grants	4,890,000,000	6,300,000,000	18,750,000,000	18,340,000,000	16,119,650,000	11,428,134,000
Operational Expenses	392,333,759	437,602,565	513,295,673	568,817,739	578,309,764	712,274,307
Capital Expenditure	18,085,490	140,882,947	35,351,975	44,816,728	36,955,368	13,982,077
Subsidy Grant for projects Disbursed	5,472,282,626	5,365,658,506	20,487,160,337	16,557,440,324	15,374,749,843	10,873,652,096
Fee disbursed to Technical & Monitoring Auditors for projects	24,268,108	88,510,760	189,960,605	204,286,940	145,614,823	119,565,530

Balance Sheet - Assets

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Non-Current	50,565,430	156,334,761	140,140,269	126,178,691	157,940,858	248,498,380
Current	6,631,710,035	8,222,181,902	7,496,601,941	7,013,813,342	4,498,528,230	3,875,352,260
	6,682,275,465	8,378,516,663	7,636,742,210	7,139,992,033	4,656,469,088	4,123,850,640

Balance Sheet - Liabilities

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Non-Current	5,802,323,620	5,563,636,113	6,515,290,182	6,340,462,981	3,780,124,734	3,095,201,834
Current	879,951,845	2,814,880,550	1,121,452,028	799,529,052	876,344,354	1,028,648,806
	6,682,275,465	8,378,516,663	7,636,742,210	7,139,992,033	4,656,469,088	4,123,850,640
Commitments	10,277,296,359	26,763,868,323	39,684,169,456	42,768,830,479	22,200,754,088	8,723,525,445

Related Party Transactions (Rs.)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MoITT - GOP	4,890,000,000	6,300,000,000	18,750,000,000	18,340,000,000	16,119,650,000	11,428,134,000
Subsidy Payment PTCL	599,894,680	1,825,266,159	6,699,166,458	2,456,757,812	2,925,208,905	3,277,146,697
Subsidy Payment CM Pak	-	-	-	8,096,662	14,242,548	-
Subsidy Payment Ufone	1,322,100,387	1,240,241,108	3,969,791,357	5,271,963,733	5,046,654,529	3,781,123,481
Subsidy Payment Telenor	3,063,415,965	1,213,274,753	4,816,549,852	3,714,764,232	-	-
Employees Gratuity Fund Account	12,512,106	24,218,549	29,319,273	22,894,399	22,528,213	28,668,783

- No Statutory payment on account of taxes, duties, levies and charges is overdue or outstanding.
- The value of investments of provident, gratuity, and pension funds based on their respective audit accounts is as follow:
- USF Company is not maintaining any pension and provident fund. Employees' Gratuity is maintained separately by Trustees.

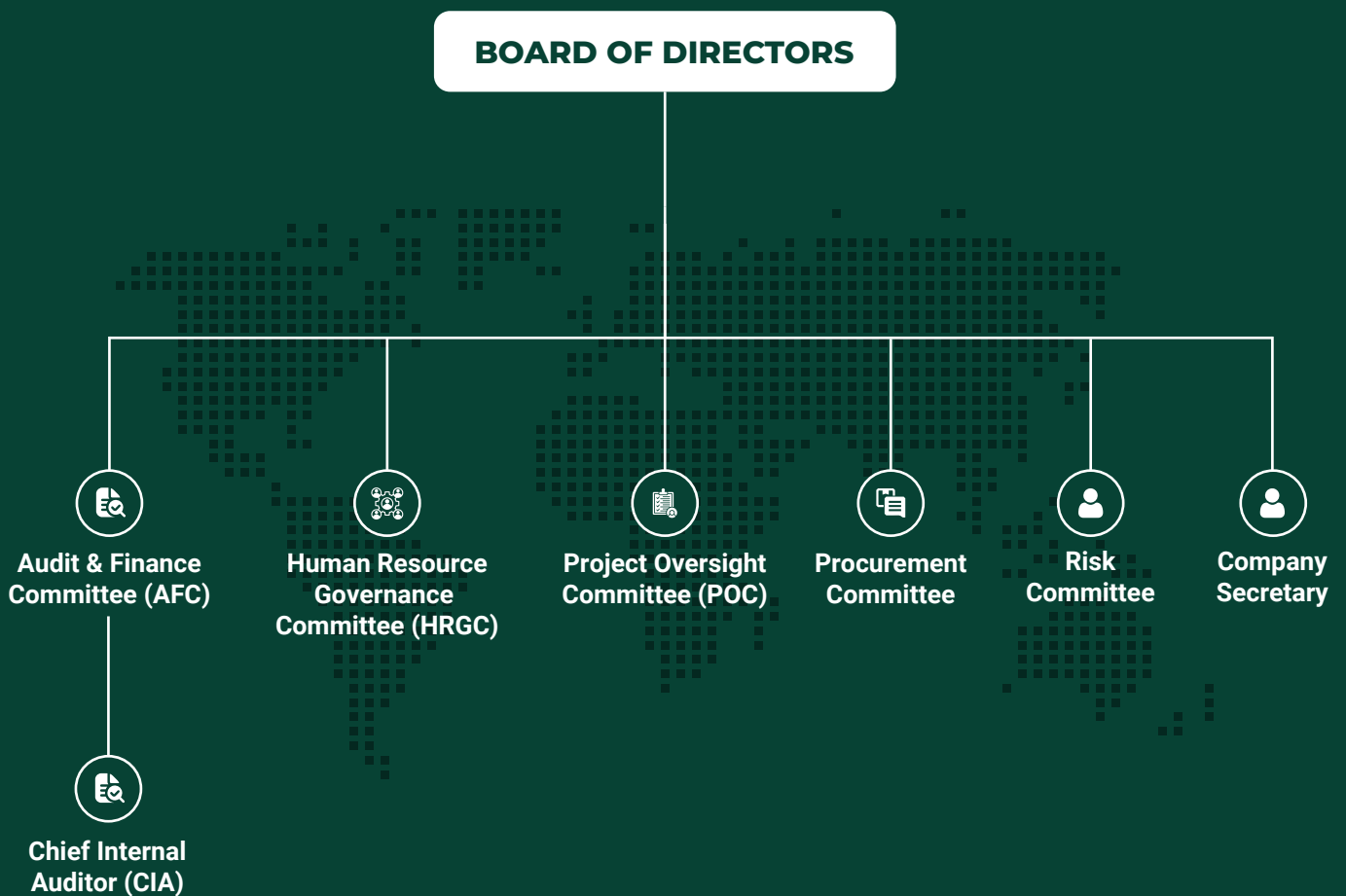
A black and white photograph showing the silhouettes of seven men in business suits standing on a rocky mountain peak. The tallest man stands at the very top, holding a flag on a pole. The other six men are arranged in a line descending the slope behind him. The background is a cloudy sky.

OUR LEADERSHIP

ORGANIZATION STRUCTURE

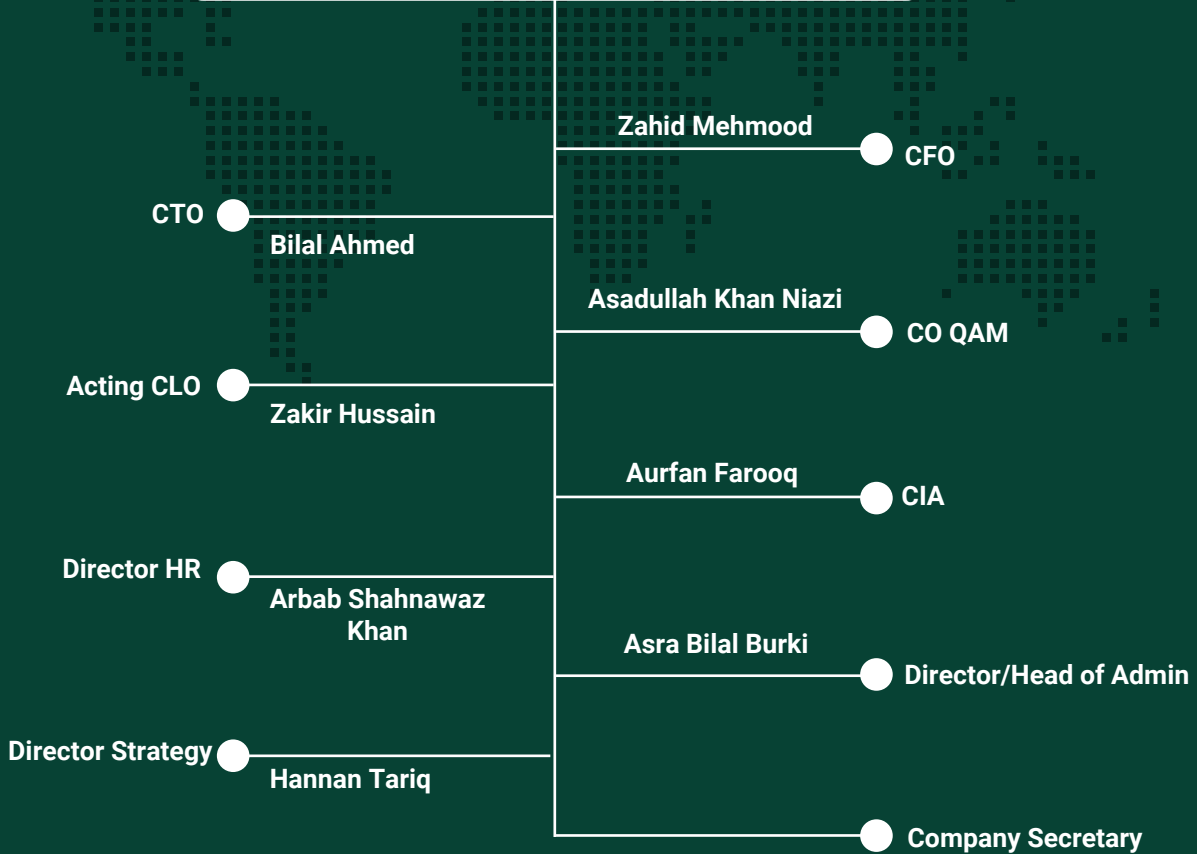
The Board of Directors of USF is the company’s highest governing body and is responsible, through the CEO, for ensuring that the company’s activities are soundly organized. The Board of Directors has five committees: **Audit and Finance Committee, Human Resource Governance Committee, Project Oversight Committee, Risk Management Committee and Procurement Committee.**

USF COMPANY BOARD & SUB-COMMITTEES



CEO SECRETARIAT

CEO
Chaudhry Mudassar Naveed



The senior management team supports the CEO in overseeing the day-to-day operations of USF and is responsible for the effective management of their respective departments. Each member operates under clearly defined job specifications outlining their roles, responsibilities, and delegated authority. Their key responsibilities include implementing USF's strategies and plan in line with applicable laws, regulations, and internal policies, ensuring operational efficiency, and maintaining internal controls.





PROGRESS & DEVELOPMENT

YEAR AT A GLANCE

Targets Achieved in FY 2024-25

Access Program (NG-BSD) & OFC Program

Mauzas Covered

500

01

02

Population Served

584,810

03

Road Segments
Covered (kms)

163.84

04

UC/Town Connected

136

05

Nodes Deployed

176

06

OFC Deployed (kms)

1,825.45

07

Total Projects
Completed

17

08

Total Milestones Certified

37

09

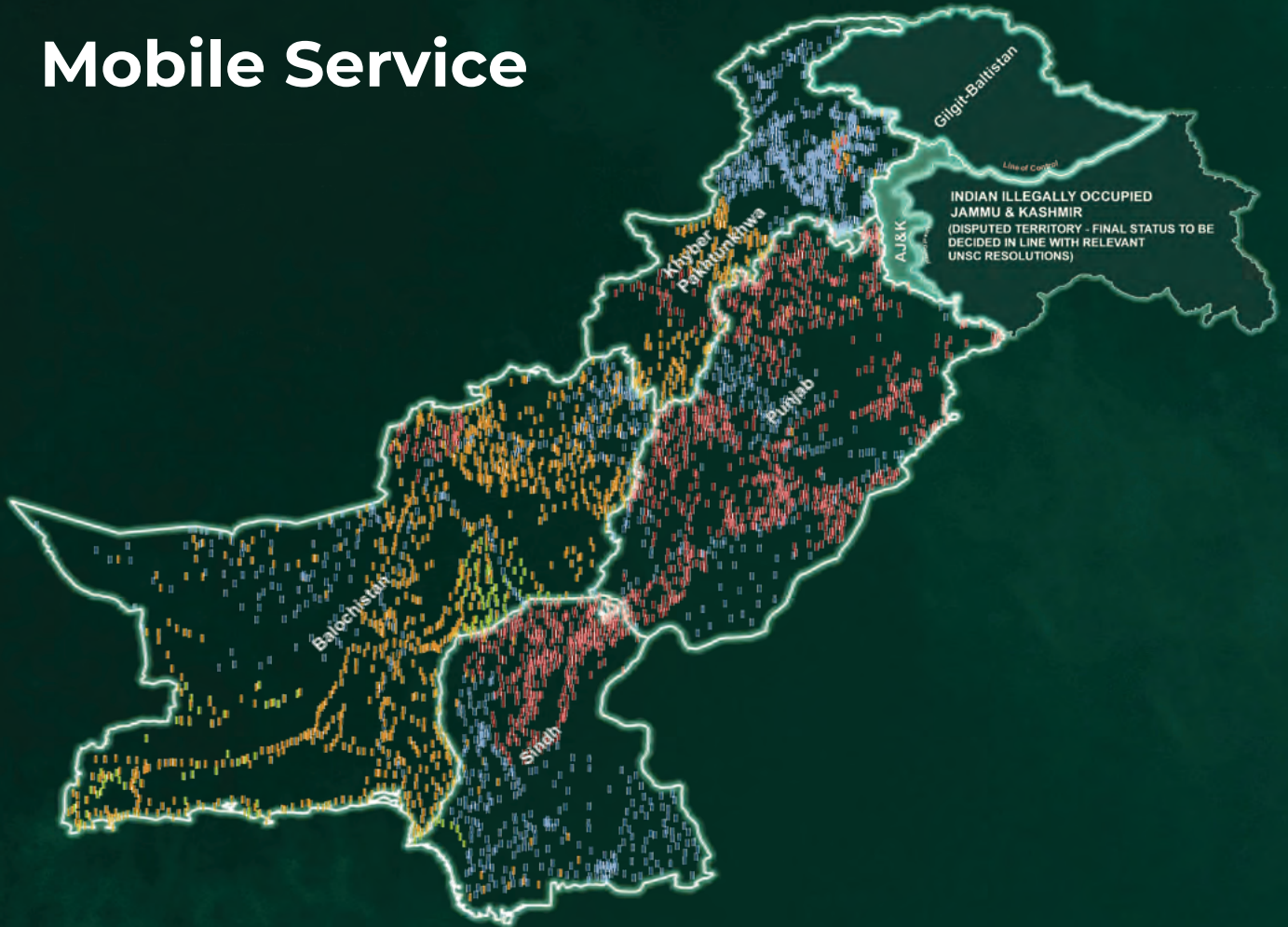
New Projects Advertised in
FY 2024-25

16



USF FOOTPRINT

Mobile Service



Access Projects Stats to Date:

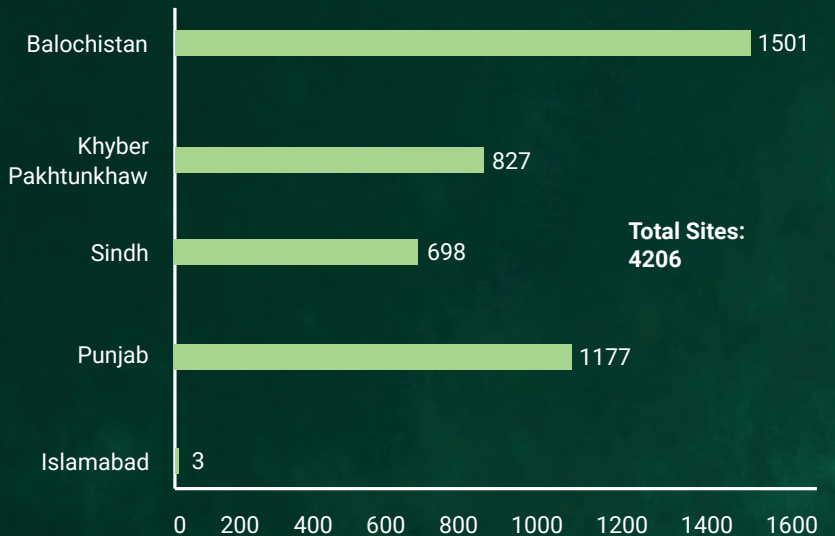
Population Served:
37.2 Million

BTS Deployed:
4,206

Mauzas Served:
21,741

Road Segments Covered:
2,478 kms

Province Wise USF Sites



USF Funded Service Providers

- Jazz
- Telenor
- Ufone
- Zong
- Province Boundary

Optical Fiber



OFC Projects Stats to Date:

OFC Deployed:

18,075 kms

UC/THQ/Towns Connected:

1,058

USF Funded Service Provider

— USF OFC

— All Operator OFC

■ District Boundary



STRATEGIC FOCUS

PROGRAMS

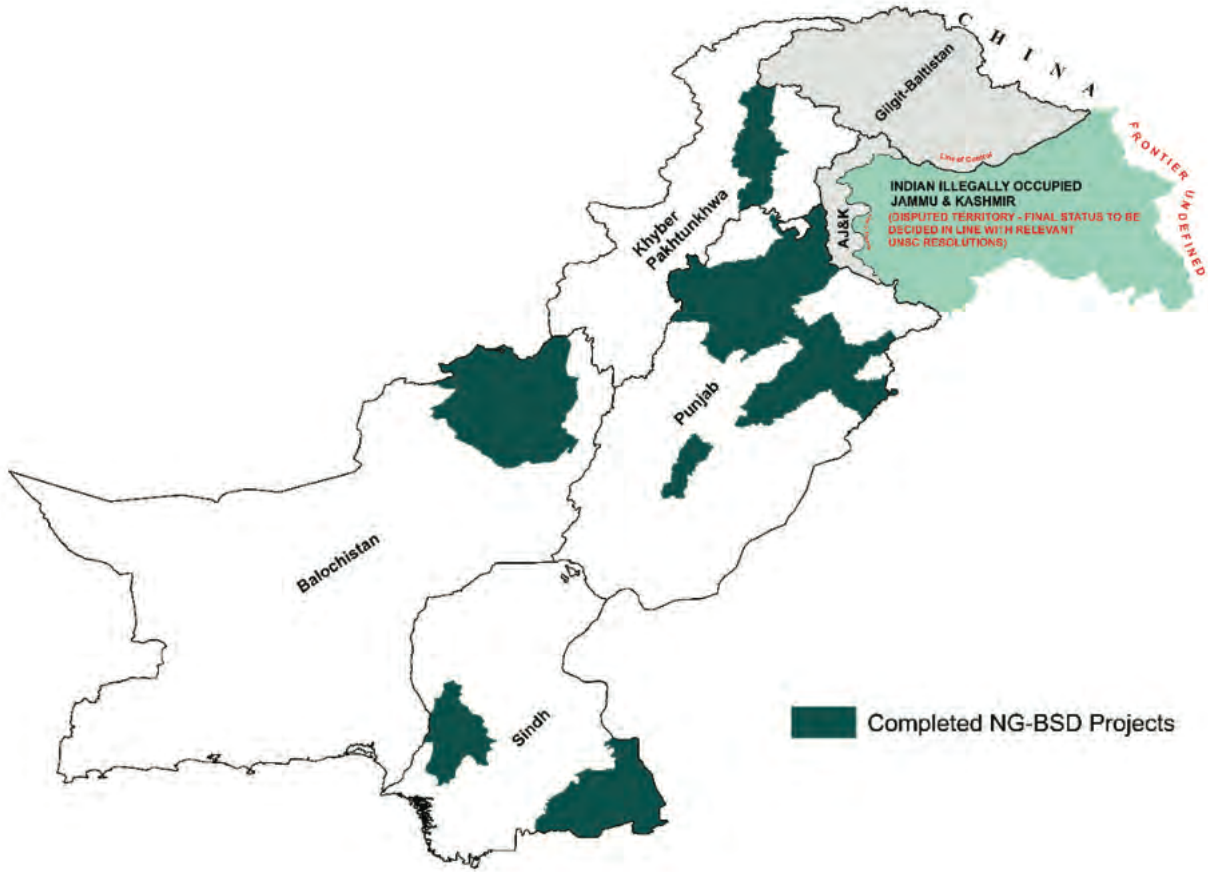
NG-BSD Program

Through the Next Generation Broadband for Sustainable Development Program, USF is providing voice and high-speed mobile broadband (at the minimum rate of 512 kbps) to the un-served and under-served mauzas across Pakistan. These projects have a notable role in the socio-economic progress of the people at grassroots level and opening the doors of opportunities for the marginalized communities.

In FY 2024-25, USF provided access and connectivity to 584,810 un/underserved population residing in 500 mauzas across the country. In the same period, USF successfully completed 10 NG-BSD projects.

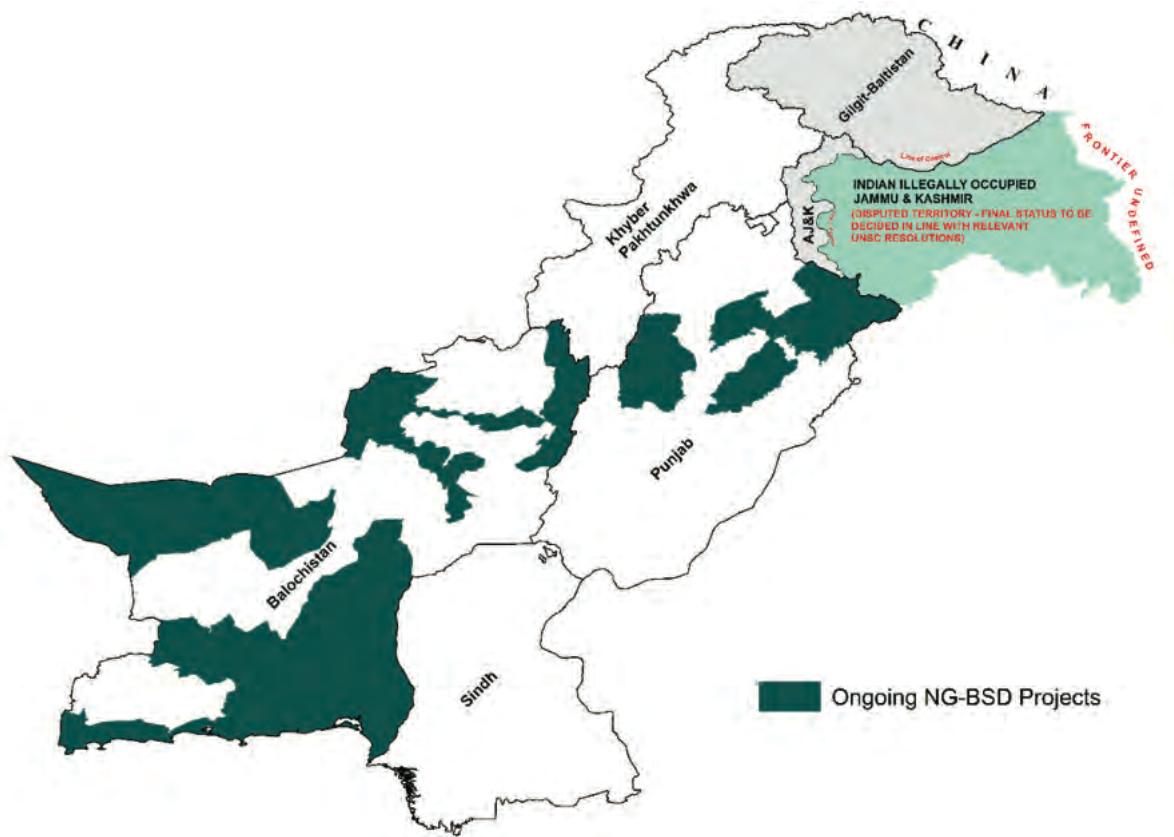
NG-BSD Completed Projects

Serial	Project (Lot)	Target Districts	SP	Target Mauzas	Target Population	Contracted Subsidy (PKR)
1	Jhelum	Jhelum, Chakwal	Jazz	175	302,896	254,720,966
2	Swat	Swat	Telenor	26	43,520	781,469,991
3	Mianwali	Mianwali, Khushab	Jazz	190	372,742	1,599,130,467
4	Buner	Buner, Shangla	Telenor	102	97,436	2,037,810,752
5	Killa Saifullah	Killa Saifullah, Zhob	Ufone	124	127,367	3,572,973,000
6	Nankana Sahib	Kasur, Nankana Sahib, Sheikhpura	Jazz	250	294,506	468,897,727
7	Loralai	Loralai	Ufone	143	81,743	2,600,000,000
8	Small Lot S-7	Jamshoro (Northern Part)	Telenor	37	38,242	658,000,000
9	Small Lot S-8	Jamshoro (Southern Part)	Telenor	42	31,384	851,078,833
10	Small Lot S-10	Tharparkar	Telenor	60	72,006	874,315,253



NG-BSD On-Going Projects

Serial	Project	Contracted Districts	Service Provider	Contracted Mauzas	Contracted Population	Contracted Subsidy (PKR)
1	North Waziristan	North Waziristan Agency, FR Bannu, FR Lakki Marwat	Jazz	401	564,393	192,083,284
2	South Waziristan	South Waziristan Agency, FR Tank	Jazz	411	638,286	90,096,348
3	Kurram	Kurram	Jazz	224	442,675	92,245,746
4	Pishin	Pishin, Killa Abdullah, Quetta	Jazz	378	646,620	1,319,809,195
5	Lasbela	Lasbela, Awaran	Ufone	223	154,083	1,773,747,000
6	Sialkot	Narowal, Gujrat, Sialkot	Jazz	232	255,276	624,802,198
7	Sibi	Sibi	Ufone	47	33,743	1,964,762,420
8	Musakhel (Rev-1)	Musakhel, Barkhan, Sherani	Ufone	114	71,792	3,397,000,000



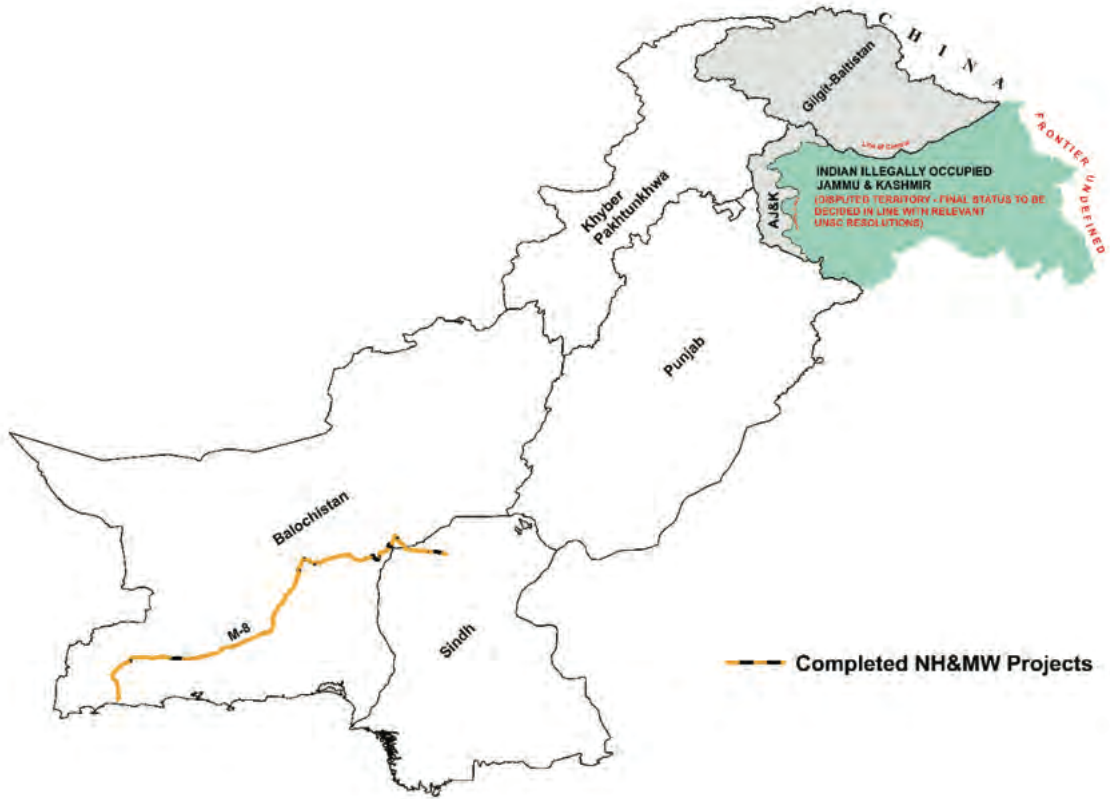
NG-BSD for National Highways & Motorways Program

USF aims to provide voice and high-speed broadband data services to commuters on un-served road segments of National Highways and Motorways in Pakistan. The program is first of its kind as it targets the commuters and offers a unique feature of National Roaming, which means commuters will get continuous services in USF served areas, irrespective of their subscribed networks. Broadband connectivity on highways and motorways is broadening digital access, boosting the economy, and laying the foundation for an intelligent transportation system in Pakistan.

In FY 2024-25, USF provided seamless access and connectivity to 164 Kms of unserved road segment for commuters on National Highways & Motorways. In the same period, USF successfully completed its project NH&MW Lot 10 (M-8 Rato Dero - Gwadar).

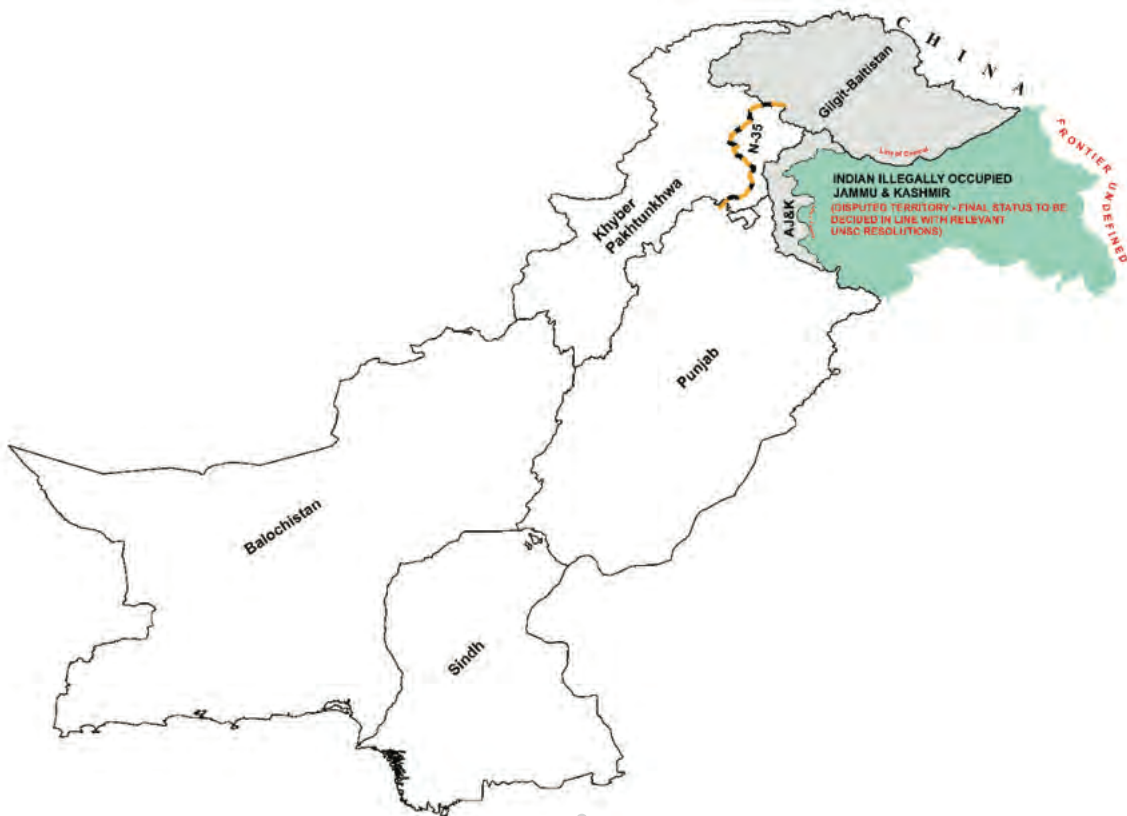
NH&MW Completed Projects

Serial	Project (Lot)	Target Districts	SP	Target Road Segment (Kms)	Contracted Subsidy (PKR)
1	Lot 10 (M-8 Rato Dero Gwadar)	Gwadar, Kech, Awaran, Khuzdar Jhal Magsi, Kambar Shahdad Kot Larkana	Ufone	413.81	4,822,797,972



NH&MW On-Going Projects

Serial	Project	Contracted Districts	Service Provider	Contracted Road Segment (kms)	Contracted Subsidy (PKR)
1	Lot 9 (N-35 KKH)	Attock, Haripur, Abbottabad, Mansehra, Batagram, Kohistan	Jazz	144.33	1,229,012,007

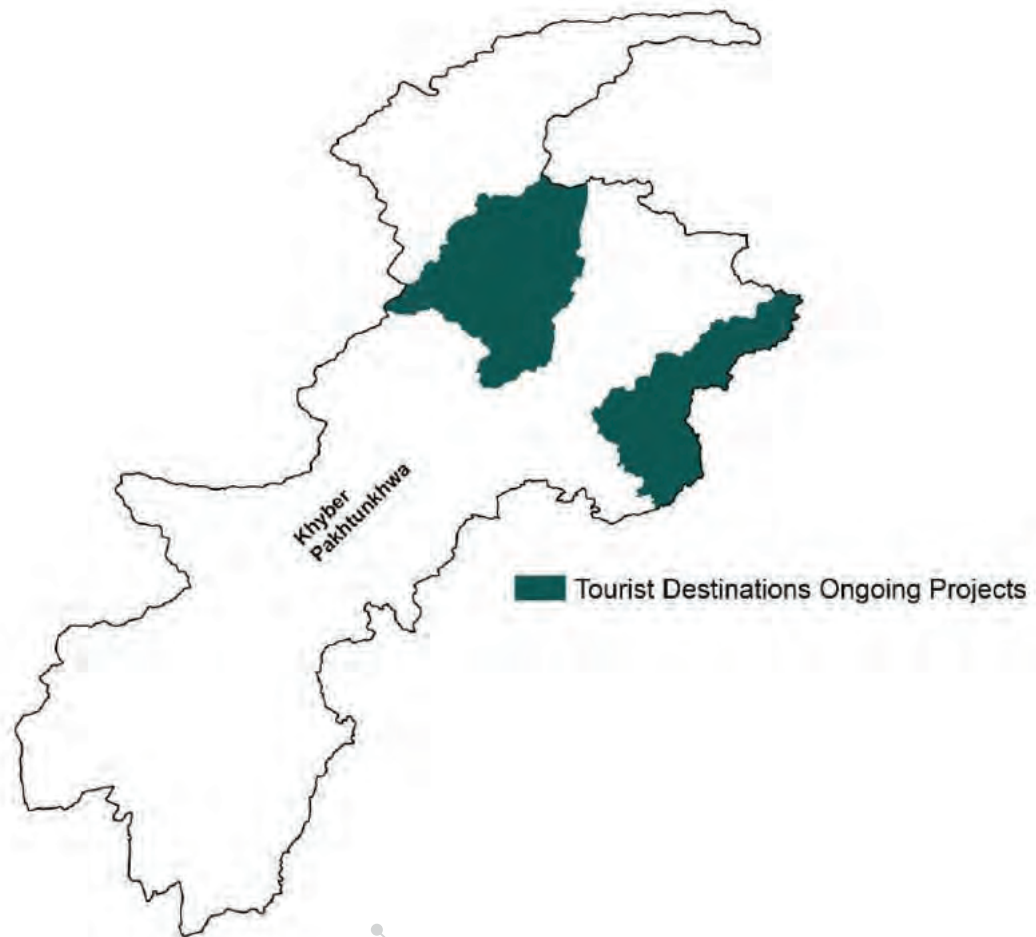


NG-BSD for Tourist Destination Program

USF aims to provide voice and high-speed mobile broadband services in tourist destinations and their respective un-served/under-served routes to promote tourism in Pakistan. The provision of ICT services will help the visiting tourists, and local citizenry and support them in income-generating activities. It will also play a significant role in sending timely responses to the agencies concerned in case of an emergency. The tourist locations include Babusar Top, Lake Saif Ul Malook and Sharan Forest in Mansehra district, Kumrat Valley in Upper Dir district, Mahodand Lake in Swat district, and Galiyat. Two USF projects remained under implementation during FY 2024-25.

NG-BSD Tourist Destinations On-going Projects

Serial	Project	Contracted Districts	Service Provider	Contracted Locations	Access Route Length (kms)	Contracted Subsidy
1	Tourist Destination K-1	Mansehra, Abbottabad	Jazz	23	97.95	1,172,958,500
2	Tourist Destination K-2	Swat, Upper Dir	Jazz	4	55.88	883,360,268



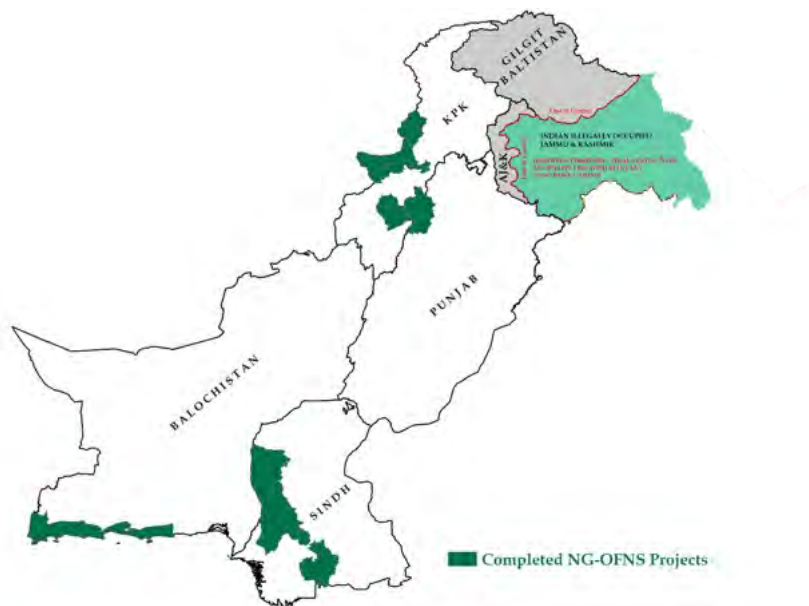
NG-OF Network and Services Program

Optic Fiber cable connectivity to Union Council is essential for bridging the digital divide in Pakistan and is considered integral across the globe for paving the way to provide ICT services. These projects will open avenues for access to digital apps and will guarantee their maximum utilization. Moreover, optic fiber will also help Pakistan in preparing for 5G. Our extensive fiber optic cable networks allow us to typically deliver redundant, end-to-end connectivity in un-served union councils of Pakistan.

In FY 2024-25, USF successfully deployed 1,825 kms of optic fiber cable connecting 136 UCs in the provinces of Balochistan, Khyber Pakhtunkhwa, Sindh and Punjab. In the same period, USF successfully completed 6 OFC projects.

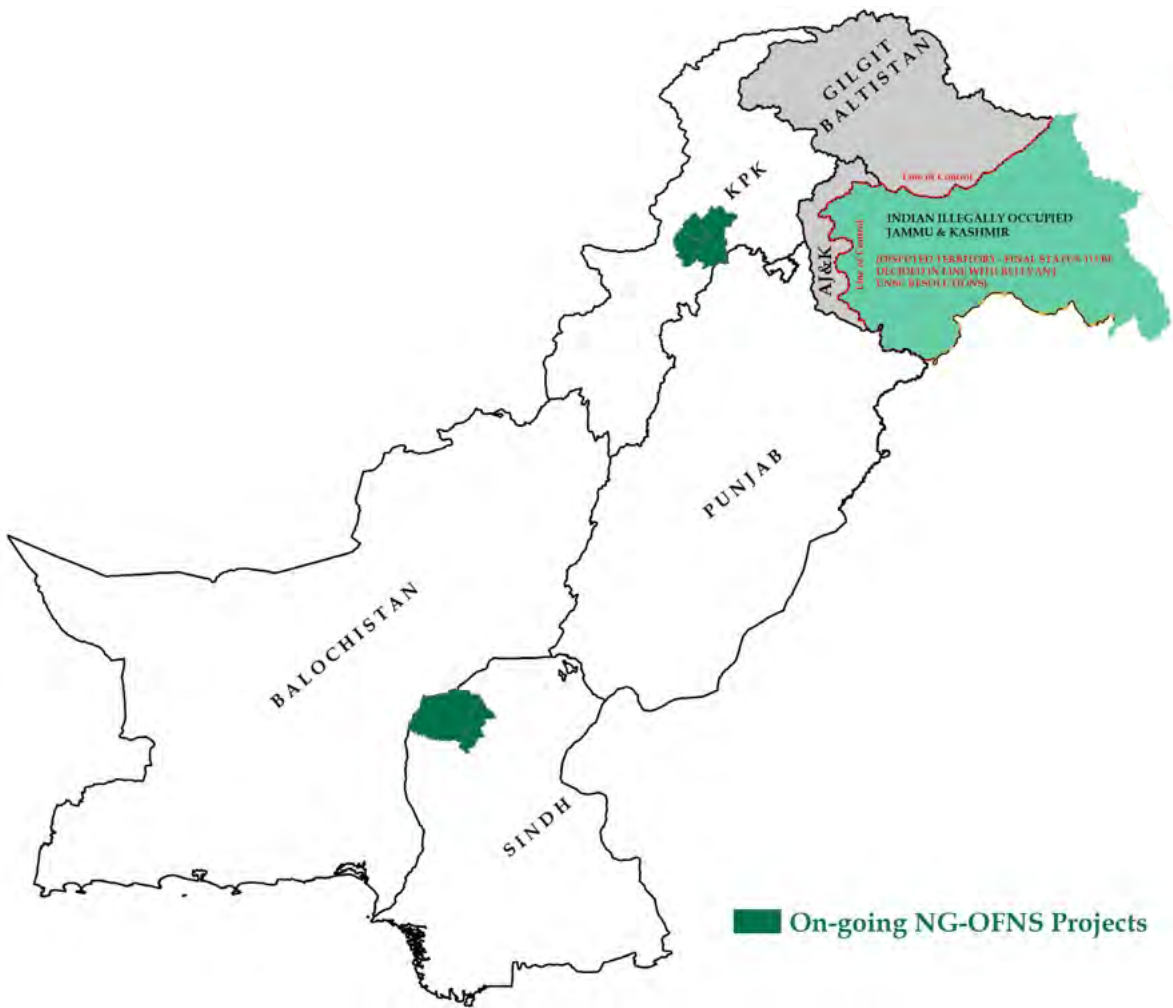
OFC Completed Projects

Serial	Project	Target Districts	Service Provider	Target UCs Towns	Target OFC Length (kms)	Contracted Subsidy (PKR)
1	KPK (Ex-FATA) Package-2	Bajaur, Mohmand, Khyber Orakzai, Kurram, FR Peshawar FR Kohat	PTCL	38	800.22	2,559,864,984
2	UC-BL-Lot-13	Gwadar	PTCL	13	370.18	1,995,482,850
3	UC-KP-Lot-18	Bannu, Lakki Marwat	Dancom	37	380.20	1,239,537,831
4	UC-PB-Lot-8	Mianwali	PTCL	29	341.07	614,000,000
5	UC-SD-Lot-10	Dadu, Jamshoro	PTCL	54	712.89	1,429,000,000
6	UC-SD-Lot-12	Hyderabad, Badin	PTCL	50	766.64	1,988,914,000



OFC ON-GOING PROJECTS

Serial	Project	Target Districts	Service Provider	Target UCs Towns	Target OFC Length (kms)	Contracted Subsidy (PKR)
1	OFC-UC-SD-Lot 11	Larkana, Kambar Shahdadkot	PTCL	62	660.65	1,610,000,000
2	OFC-UC-KP-Lot 17	Peshawar, Nowshera, Charsadda, Mardan	PTCL	78	769.05	2,800,000,000



NG-BSD Project Tenders Launched in FY2024-25

Sr. No	Province	Project	Project Districts	Un/underserved Population	Mauza Count	Status
1	Punjab	Chiniot Lot	Chiniot	189,934	50	Award of Contract in Process
2	Punjab	Gujranwala Lot	Gujranwala, Mandi Bahuddin	157,312	77	In-process for Approval for Award of Contract
3	Khyber Pakhtunkhwa	Abbottabad Lot	Abbottabad	120,542	50	Award of Contract in Process
4	Khyber Pakhtunkhwa	Kohat Lot	Kohat (Incl. Ex FR Kohat)	54,245	20	In-process for Approval for Award of Contract
5	Sindh	Badin Lot	Badin	525,074	159	Award of Contract in Process
6	Sindh	Umar Kot Lot	Umar Kot	446,952	79	In-process for Approval for Award of Contract
7	Balochistan	Khuzdar Lot	Khuzdar	23,028	26	In-process for Approval for Award of Contract
8	Balochistan	Kalat Lot	Kalat	20,356	42	No Show
9	Punjab	Small Lot P-14	Attock, Sargodha, Khushab	26,850	16	Award of Contract in Process
10	Punjab	Small Lot P-15	Bahawalnagar, Faisalabad, Sheikhpura, Hafizabad	15,700	9	Award of Contract in Process
11	Khyber Pakhtunkhwa	Small Lot KP-2	Haripur, Mansehra	6,130	15	No Show
12	Sindh	Small Lot S-11	Mirpurkhas, Sanghar	2,250	5	No Show
Total = 12				1,588,373	548	

NG-OFNS Project Tenders Launched in FY2024-25

Sr. No	Province	Project	Project Districts	Unserviced UCs/Towns	OFC Length (kms)	Status
1.	Sindh	OFC-UC-SD-LOT30	Sanghar	54	415	Award of Contract in Process
2.	Punjab	OFC-UC-PB-LOT31	Jhang	59	525	Award of Contract in Process
3	Sindh	OFC-UC-SD-LOT32	Sujawal, Tando Muhammad Khan	48	407	In-process for Approval for Award of Contract
4	Punjab	OFC-UC-PB-LOT29B	Sialkot	75	448	In-process for Approval for Award of Contract
Total = 4				236	1,795	

CHALLENGES IN FY 2024-25



CHALLENGES IN FY 2024-25

In FY 2024-25, security remained a consistent challenge adversely impacting the implementation of USF projects in the ex-FATA areas and Balochistan. Throughout the year USF and its Service Providers repeatedly engaged with the security institutions concerned, including LEAs, Field Formations, as well as provincial and federal government authorities, to highlight the challenges being faced and required support for their resolution.

Another challenge during the year was the rise in operational costs. While overall economic performance remained robust, increased expenses, particularly those related to energy and network maintenance, continued to strain industry profitability.

In addition, another substantial challenge faced by USF has been the availability of requisite funds in FY 2024-25 for payment of existing liabilities. Following extensive engagement with the Ministry of IT & Telecom (MoITT) and persistent follow-up by USF management, a considerable amount was repatriated from the Federal Consolidated Fund in FY 2024–25 ensuring continued funding for digital inclusion initiatives nationwide, however a significant amount is yet to be received from FCF for which a persistent follow-up is in place.

During FY 2024-25, these strategic interventions led to the successful completion of 17 projects and 37 project implementation milestones serving approximately 584,810 population residing in over 500 Mauzas across the country. Moreover, 164 kms of unserved road segments were provided with voice and high-speed broadband services for commuters on NH&MWs. Under the Backhaul program, USF deployed 1,825 km of Optic Fiber Cable connecting 136 un-served UCs/Towns across the country.



FUTURE OUTLOOK

In FY 2025-26, the Universal Service Fund (USF) will continue its mission to bridge the digital divide through accelerated delivery and strategic expansion of broadband infrastructure. The upcoming year will see the launch of 19 new projects under the NG-BSD and NG-OFNS programs, targeting over 1,300 mauzas and 259 unserved Union Councils across Pakistan. These initiatives will extend 2,045 km of optical fiber and provide reliable broadband access to nearly 3 million people in remote and underserved regions.

Details of 19 new projects across all four provinces in FY 25-26 are given below.
NG-BSD Projects FY 2025-26 (10 Projects)

NG-BSD Projects for FY 2025-26

Sr. No	Province	Project	Project Districts	Estimated Mauzas	Estimated Population
1	Punjab	Muzaffargarh Lot	Muzaffargarh	138	498,927
2	Sindh	Thaparkar Lot	Tharparkar	206	435,121
3	Khyber Pakhtunkhwa	Mansehra Lot	Mansehra	190	300,048
4	Balochistan	Dera Bugti Lot	Dera Bugti, Kohlu	102	130,852
5	Punjab	Rajanpur Lot	Rajanpur	177	492,916
6	Sindh	Sujawal Lot	Sujawal	174	362,841
7	Khyber Pakhtunkhwa	Haripur Lot	Haripur	33	117,032
8	Balochistan	Washuk Lot	Washuk	50	51,234
9	Punjab	Bahawalnagar Lot	Bahawalnagar	200	447,914
10	Sindh	Tando Mohammad Khan Lot	Tando Mohammad Khan	43	159,081
Total = 10				1,313	2,995,966

NG-OFNS Projects for FY2025-26

Sr. No	Province	Project	Project Districts	Estimated Unserviced UCs/Towns	Estimated OFC Length (kms)
1	Punjab	OFC-UC-PB-LOT33	Narowal	66	440
2	Balochistan	OFC-UC-BL-LOT34	Quetta, Ziarat	35	409
3	Khyber Pakhtunkhwa	OFC-UC-KP-LOT35	Mansehra	29	215
4	Sindh	OFC-UC-SD-LOT36	Umer Kot	34	295
5	Punjab	OFC-UC-PB-LOT37	Sheikhupura	62	460
6	Khyber Pakhtunkhwa	OFC-UC-KP-LOT38	Swat	33	226
Total = 6				259	2,045

Additionally, 3 small lot projects will be launched targeting the districts of Tando Muhammad Khan, Layyah, Multan, Muzaffargarh and Buner.

Aligned with the Government of Pakistan's Digital Pakistan vision, USF remains committed in providing inclusive connectivity to enable access to e-learning, e-health, e-commerce and fostering sustainable digital growth in remote and rural communities of Pakistan.



PTA INDICATORS

AS OF AUGUST 2025



Mobile Cellular Subscribers

197 MILLION



Mobile Broadband Subscribers

148 MILLION



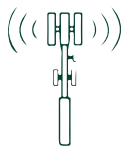
Fixed Telephone Subscribers

3 MILLION



Broadband Subscribers

152 MILLION



Mobile Teledensity

79.38%



Mobile Broadband Penetration

59.56%



Fixed Teledensity

1.03%



Broadband Penetration

61.09%

OUR PEOPLE



People & Culture

At USF, our people are the foundation of our progress. We continue to foster an agile, inclusive, and empowering work culture that values growth at every level. This year, more than 70 employees across departments participated in diverse training programs focused on AI, leadership, communication, financial controls, and project management, strengthening both technical and soft skills. We also prioritized employee well-being through regular wellness initiatives, team-building activities like inter-departmental tennis and cricket matches, and Spot Recognition Awards to celebrate exceptional contributions. We remain committed to expanding these efforts and nurturing a workplace where every individual can thrive.

The HR department was especially appreciated for its seamless onboarding process, with one employee noting, "I want to take a moment to express my heartfelt gratitude to you and your team for the warm welcome and exceptional support I've received since joining USF." The onboarding journey includes personalized orientation, early access to systems and tools, and hands-on support throughout the transition. These efforts reflect USF's commitment to building a resilient, future-ready, and people-centered organization.

Training & Development

USF's commitment to continuous professional growth was clearly demonstrated this year through a robust and well-structured training calendar. Over 70 employees participated in a variety of training courses that spanned leadership development, digital transformation, communication, and public sector management. In compliance with the State-Owned Enterprises Act, USF also conducted Directors' Training Programs (DTP) at prestigious institutes to build board-level capacity in governance and strategic oversight.



Key Focus Areas

- **Leadership & Governance:** Senior and mid-level staff participated in strategic programs including Directors Training and Board Governance.
- **Digital & Technological Skills:** Teams were trained in AI tools, Microsoft 365, and digital transformation to future-proof their skills.
- **Soft Skills & Communication:** Programs focused on enhancing communication, negotiation, and writing skills across departments.
- **Public Sector Expertise:** Certifications in procurement, contract management, project management, and HRM aligned staff with evolving governance needs.
- **Support Staff Development:** Reflecting our belief that growth opportunities should extend to all employees, tailored training was provided to office boys, drivers, and receptionists equipping them with essential communication and workplace skills.

This strategic focus on multi-tiered learning not only strengthened technical capacity but also fostered a culture of adaptability, innovation, and leadership. Our vision for the coming year is rooted in people-centered growth. We aim to expand leadership development opportunities, roll out structured capacity-building pathways, and strengthen talent retention frameworks. By investing in our people, we are building the foundation for a resilient, future-ready USF equipped to lead innovation in the public sector.

Intern Testimonials



Muhammad Osama Saleem *(CEO Secretariat & Admin Department)*

During my six months at USF, I had the privilege of working in two diverse departments. My journey began with the CEO Secretariat, where I honed skills in drafting, meeting coordination, and interdepartmental collaboration. Later, in the Admin Department, I gained firsthand experience in office management and administrative operations. This opportunity not only enhanced my communication and organizational skills but also allowed me to work alongside a highly supportive and professional team.

Syed Ahmad Faraz *(Law Department)*

My internship as a Law Intern at USF has been immensely rewarding. It provided me with a deeper understanding of telecom laws, corporate practices, and regulatory frameworks, while also offering practical exposure in drafting contracts. The professional environment at USF has been instrumental in shaping both my personal and professional growth.





Ayesha Noor (*Finance Department*)

Joining USF's Finance Department was a transformative experience that bridged the gap between academics and practice. I was able to apply theoretical knowledge in real-world scenarios, gaining valuable insight into financial processes within a public sector framework. The experience not only strengthened my analytical abilities but also enhanced my understanding of financial governance, making it both impactful and professionally enriching.



Malaika Riaz (*Communications Department*)

My internship at USF's Communications Department gave me meaningful insight into how corporate communications operate. From observing regulatory processes to assisting with content and campaigns, I learned how internal and external communication strategies are shaped. The experience strengthened my creativity, attention to detail, and understanding of communications in a professional environment.





STORIES FROM THE GROUND

From Silence to Signal: Katora Lake, KP

by Muazzam Farooq, Specialist Implementation, USF



The rocky and uneven path leading toward the lake, illustrating the challenges faced by the survey team.



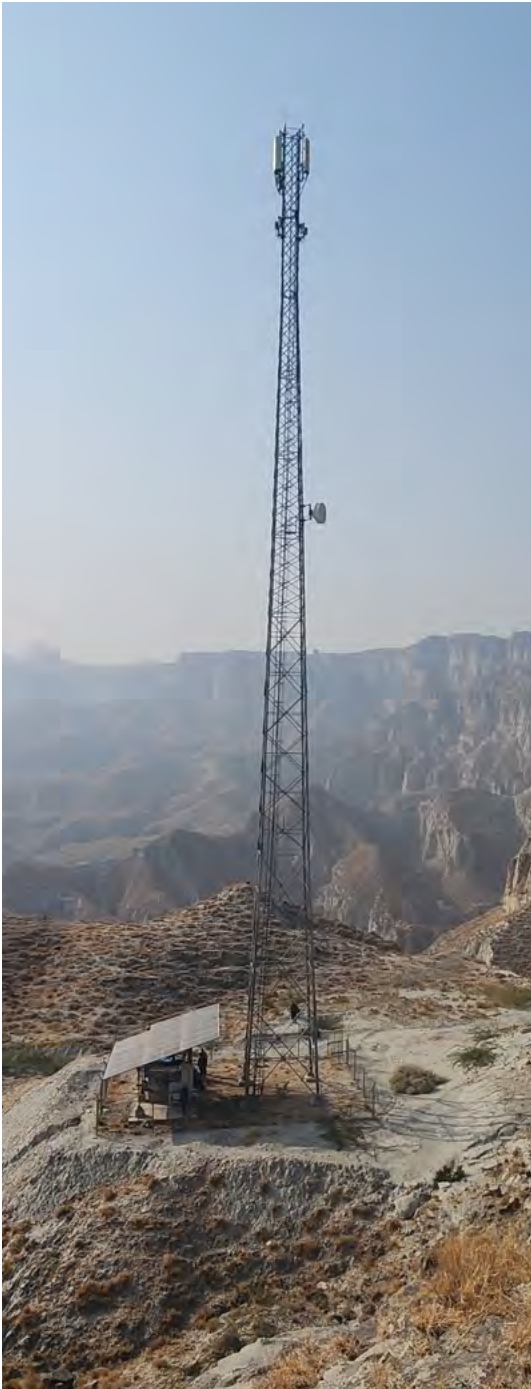
Installed BTS site at Katora Lake providing mobile coverage to the area.

The road to Katora Lake isn't really a road; it's a test of will. What began as a twenty-minute bumpy jeep ride from Kumrat soon turned into a four-hour climb on mules, through biting cold, thin air, and endless silence. There were no signs of any mobile signal, nowhere to rest, just raw, unyielding mountains.

I was there alone, to do what had never been done before: conduct a detailed field survey to assess the feasibility and potential impact of bringing mobile connectivity to this breathtaking yet isolated destination. Surveying such a location was no small feat; there was no shelter, no food, and no network coverage. The weather was unforgiving, and strict security protocols made even the simplest tasks a challenge. With no way to report back to the team in Islamabad, each moment tested endurance and resolve. Yet, every hardship fueled my determination to see it through.

When mobile services finally reached this corner of Upper Dir, it wasn't just a project milestone, it was the first digital heartbeat of an entire valley. For trekkers, it meant safety, for locals, opportunity. And for us, it was proof that no distance is too far when the mission is to connect Pakistan.





Scaling Heights: Mianwali, Punjab

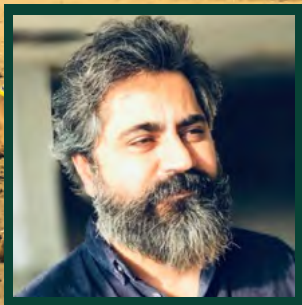
by Imran Khan, Manager,
Implementation, USF

Mianwali is a land of steep hills, rocky paths, and scattered settlements perched high in the mountains. Vehicles take you only so far; the rest of the journey demands hours of climbing on foot through challenging terrain.

I was part of the USF Implementation Team auditing newly deployed sites under the NG-BSD Mianwali Project. Each trek tested our endurance in harsh weather, remote paths, and near-total isolation, making communication with the city impossible. Yet every challenge fueled our determination to ensure the towers were operational, compliant, and ready to deliver reliable connectivity.

Reaching these remote communities wasn't just a technical success; it was a human one. Children now access online learning without leaving their villages, local entrepreneurs can explore new markets, and families can stay connected during emergencies. Standing atop those hilltops, looking over the rugged valleys, I felt the real impact of our work and how every arduous step we took brought the digital world a little closer to lives that had been disconnected for far too long.





Across the Plains of Ghotki, Sindh

by Arif Mehmood, Specialist Monitoring, USF

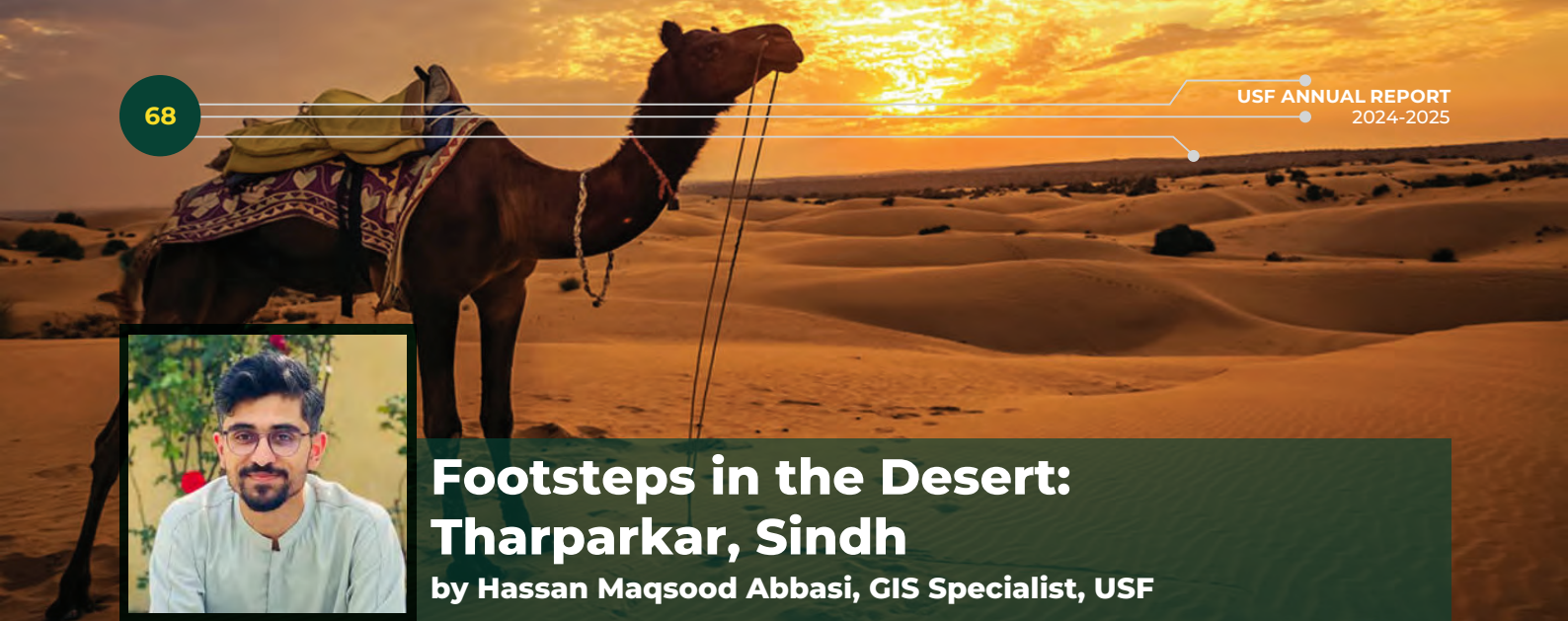


The stretch of land I visited in Ghotki lay across dry, sunbaked plains, a stark contrast to the district's greener agricultural pockets. In 2024, I set out for a monitoring audit of the USF Ghotki project, where Jazz had deployed telecom infrastructure to connect some of northern Sindh's most remote and underserved villages.

The journey was demanding, with narrow dirt tracks, scorching heat, and long distances between scattered settlements. Each site inspection meant hours of travel under the harsh sun, often with limited access and few basic facilities. My task was clear: to verify that the Base Transceiver Stations (BTS) were not only operational but delivering on their promise of reliable service. I assessed tower structures, hybrid solar power systems, and network performance using TEMS Investigation Handy to ensure every call, message, and byte of data reached those who had long been disconnected.

But the most rewarding part wasn't the technical validation; it was hearing from the community itself. Locals shared how improved connectivity had transformed daily life, from better digital access and stronger economic engagement to enhanced public services in education and healthcare. Standing beside a humming tower in the middle of the barren plains, I realized that these structures are more than metal and cables; they are lifelines, quietly transforming communities across Pakistan.





Footsteps in the Desert: Tharparkar, Sindh

by Hassan Maqsood Abbasi, GIS Specialist, USF

After years of planning connectivity projects from behind a desk, I finally stepped into the field to witness their real impact. Under the leadership of the CTO and CEO USF, I joined a visit to Tharparkar, one of Pakistan's most remote regions. What I had only seen on maps came to life before my eyes: endless dunes, scattered settlements, and a silence that carried both beauty and hardship.



The journey through the desert was grueling. In several stretches, vehicles could go no further, and we continued by foot through scorching sand where temperatures soared to 50°C. Each step under that blazing sun reminded me of the resilience of the people we serve those who live far from basic infrastructure yet hold immense determination to move forward.



Meeting the residents made every challenge worthwhile. They shared how connectivity has begun to transform their lives, students learning online, small entrepreneurs expanding through social media, and families accessing digital banking and healthcare information. In that moment, I realized our work is not just about building towers; it's about bringing hope, access, and a chance for a better future to those who need it most.





Across the Sands of Chaghi, Balochistan

by Muhammad Hassan, Expert Monitoring, USF

Bringing telecom connectivity to Pakistan’s most remote regions is never just about towers and signals; it’s a test of endurance and resolve. As part of a monitoring audit under USF’s NG-BSD Chaghi Project, I set out to assess the sites deployed by Telenor across one of the toughest terrains in Balochistan. The journey through Chaghi’s vast desert meant navigating blistering heat, loose sand, and long, isolated stretches.

The challenges didn’t end there. The region’s security sensitivities required close coordination with Law Enforcement Agencies to ensure safe passage and site access. Every checkpoint, every dune crossed, reinforced how much effort it takes to bring connectivity to these forgotten corners.

When I finally tested live signals in those remote settlements, it felt like more than just data verification; it was witnessing connection come to life. For the people of Chaghi, mobile service means safety, opportunity, and inclusion. For me, it was a reminder that behind every milestone lies persistence, purpose, and the power of connection.





Connecting the Heights of Chitral, KPK

by Muhammad Umer Butt, Specialist Monitoring, USF

Bringing telecom connectivity to Pakistan's remote regions is not just a technical mission; it's a journey of resilience, determination, and purpose. As part of a monitoring audit under the NG-BSD Chitral Project (Telenor), I set out to evaluate sites located deep within one of the country's most isolated and mountainous regions.



Crossing a tricky stretch on a bike after the vehicle couldn't proceed and standing atop the tower after a successful climb.



Locals help build a makeshift bridge to allow the USF vehicle to cross and reach the remote BTS tower site.



The journey demanded narrow winding roads, unpredictable weather, and areas where access was limited to footpaths. Security protocols added another layer of complexity, but every challenge reinforced why this work matters. Reaching these sites wasn't just about inspecting infrastructure; it was about ensuring that the promise of digital inclusion reaches those who've waited longest for it. When I finally tested live signals across the valleys, I felt an overwhelming sense of fulfillment. For the people of Chitral, connectivity means safety, opportunity, and hope. For me, it reaffirmed that each milestone in the field is a step toward a more connected and inclusive Pakistan.

A black and white photograph of a man in a hard hat and safety vest looking at a tall telecommunications tower. The man is in the foreground, wearing a hard hat and a safety vest, looking towards the right. In the background, a tall, lattice-structured telecommunications tower rises against a clear sky. The tower has several antennas and a large circular antenna near the top. The overall scene is industrial and technical.

HIGHLIGHTS OF THE YEAR

Driving Digital Inclusion Through Continued USF-GSMA Engagements



Throughout FY 2024–25, USF and the GSM Association (GSMA) strengthened collaboration through multiple strategic engagements, including a high-level visit to the Gokina Smart Village. Over other meetings and engagements, discussions focused on data sharing, capacity building, and digital literacy for women, girls, and underserved communities, as both organizations reaffirmed their commitment to leveraging technology for inclusive digital growth across Pakistan.

USF CEO Highlights and Addresses Connectivity Gaps at PkSIG’s 10th Anniversary



USF’s CEO, Mr. Chaudhry Mudassar Naveed, participated in the 10th Pakistan School on Internet Governance (PkSIG) held in Multan, marking a decade of digital dialogue. In his address on “Bridging the Digital Connectivity Divide: Challenges,” he shared insights on overcoming connectivity barriers and reaffirmed USF’s commitment to inclusive digital growth across Pakistan.



Independence Day 2024: Celebrating Pakistan's Spirit



USF Pakistan commemorated Pakistan's 77th Independence with an office celebration honoring the nation's independence and achievements. The event brought the USF team together in a spirit of unity and pride, reflecting on Pakistan's progress in digital transformation and reaffirming USF's commitment to bridging the connectivity gap across the country.

World Mental Health Day: Promoting Well-being at Work



In observance of World Mental Health Day, the Universal Service Fund (USF) reaffirmed its commitment to fostering a healthy and balanced workplace culture. To mark the occasion, USF organized a friendly table tennis tournament aimed at encouraging relaxation, teamwork, and mental well-being among employees. The initiative reflected USF's belief that employee wellness is central to sustained productivity and innovation.

USF Holds Industry Consultation on Future Program Design



USF convened a two-day consultation with key industry stakeholders, including Cellular Mobile Operators, LDI, and Fixed Line Service Providers, to review and refine future program design. Discussions focused on maximizing fund efficiency through a balanced mix of wireless and fiber-based projects, emphasizing long-haul fiber and FTTS initiatives to enhance broadband access in underserved regions.

USF Champions Women's Health with Breast Cancer Awareness Walk



USF organized a Breast Cancer Awareness Walk at Fatima Jinnah Park to promote early detection and support for those affected. Led by USF CEO Mr. Chaudhry Mudassar Naveed, Joint Secretary MoITT Ms. Saima Ahad, and oncologist Dr. Muhammad Farruk, the event emphasized awareness, regular screenings, and open dialogue, reflecting USF's commitment to women's health and community well-being.

USF Hosts Xecofy Masterclass on Strategic Corporate Storytelling



USF organized the Xecofy Masterclass on Corporate Storytelling in Persuasive Communications, led by Bob Ferguson, for its senior leadership team. The session focused on using storytelling to engage stakeholders, strengthen presentations, and communicate with impact, equipping leaders to drive USF's mission with greater clarity and influence.

USF GIS Team Recognized for Innovation and Excellence



USF's GIS team celebrated GIS Day with an engaging in-house event showcasing innovative mapping tools, data visualization techniques, and their vital role in strengthening USF's digital planning and monitoring. Their continued efforts earned USF formal recognition within the global GIS community and five free ArcGIS licenses, a milestone that enhances technical capacity and reflects the team's commitment to innovation and excellence.

USF Turns 18: Celebrating Innovation, Inclusion, and Impact



Marking 18 years of service, USF celebrated a legacy of growth, collaboration, and progress toward digital inclusion. The occasion paid tribute to the team and partners driving USF's mission to connect and empower communities across Pakistan through innovation and technology.

USF Highlights Role of Connectivity in Disaster Preparedness at HCC Workshop 2024



At the HCC Workshop 2024, organized by GSMA, ITU, and UNICEF, USF participated in a panel on "Early Warning Systems and Anticipatory Action," emphasizing the critical role of telecommunications in disaster preparedness. Through its fiberization and connectivity initiatives, USF is enabling resilient networks that power early warning systems, helping protect lives and strengthen disaster response across Pakistan.

USF Advances Inclusive Connectivity at National Broadband Network Forum 2024



USF participated in the National Broadband Network Forum 2024, organized by PTA, where CEO Chaudhry Mudassar Naveed joined a panel alongside MoITT and industry leaders to discuss the future of connectivity. Emphasizing deep fiberization, optimized spectrum use, and digital transformation, USF reaffirmed its commitment to expanding broadband access and bridging the digital divide across Pakistan.

USF Contributes to Internet Resilience Dialogue at SDPI



USF CEO Chaudhry Mudassar Naveed, along with Member Telecom Mr. Jahanzeb Rahim and PTA representatives, joined industry leaders at the Sustainable Development Policy Institute (SDPI) for a discussion on Internet Resilience in Pakistan. The hybrid session explored challenges to network stability and outlined a collaborative roadmap to strengthen the country’s digital infrastructure.

USF Engages with Malaysian Delegation on 5G and Digital Inclusion



USF hosted a high-level delegation from the Malaysian Communications and Multimedia Commission (MCMC) during the Regulatory Masterclass on 5G and Beyond, organized by PTA. CEO Chaudhry Mudassar Naveed joined expert panels on “Accelerating Digital Pakistan” and “Futureproofing 5G Deployment,” emphasizing sustainable rollout strategies, network sharing, and inclusive connectivity to bridge the digital divide and advance Pakistan’s digital transformation.

USF Showcases Pakistan’s Digital Vision at MWC Barcelona 2025



At MWC25 in Barcelona, USF CEO Chaudhry Mudassar Naveed engaged with global leaders and industry partners, including ITU, GDIP, and APT, to advance universal connectivity and digital inclusion. He delivered a keynote on “Connect the Unconnected to Boost Rural Development” and spoke on Early Warning Systems. Meetings with Ericsson, Huawei, Starlink, and GSOA focused on 5G readiness, satellite broadband, and network expansion, reinforcing USF’s commitment to global collaboration and inclusive digital growth.

USF Hosts Ericsson Middle East & Africa Leadership to Strengthen Collaboration



The Universal Service Fund (USF) Pakistan hosted the senior leadership of Ericsson Middle East & Africa for a strategic dialogue on rural connectivity, energy-efficient solutions, spectrum management, and 5G readiness. The engagement reaffirmed USF’s resolve to drive innovation and strengthen partnerships that advance sustainable, high-impact connectivity solutions across Pakistan’s underserved regions.

Women’s Day Celebration: Championing Inclusion and Leadership



On Women’s Day 2025, USF celebrated the leadership, resilience, and contributions of women across ICT and telecommunications. The event featured internal dialogues at USF, reflecting strategies to foster gender inclusion and empowerment within the organization. In addition, insights and testimonials from women in Gokina Village highlighted how connectivity initiatives are enabling education, healthcare access, and broader participation in community development.

TeleTimes International Exclusive: USF CEO on Advancing Connectivity Across Pakistan



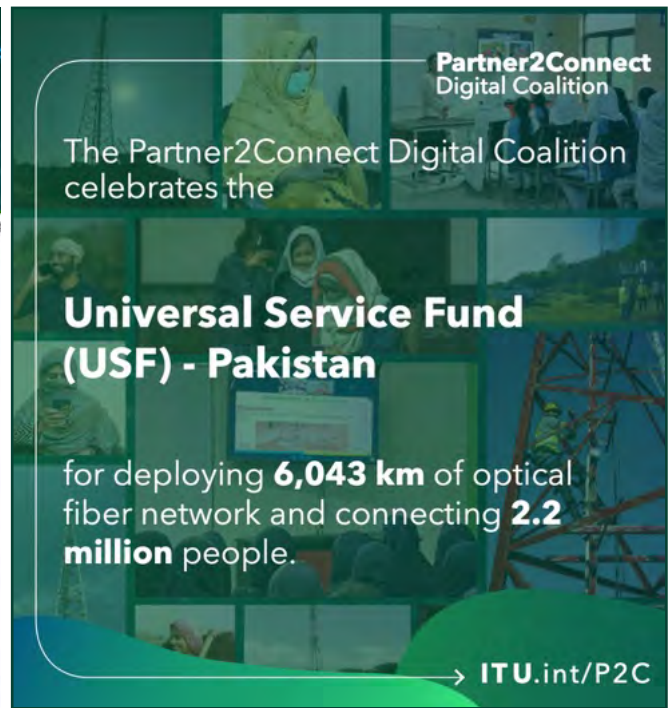
USF Pakistan's CEO, Mr. Chaudhry Mudassar Naveed, shared his insights in an exclusive interview with TeleTimes International, highlighting the organization's commitment to building a digitally empowered Pakistan. He emphasized USF's ongoing efforts to expand broadband, strengthen digital infrastructure, and promote digital inclusion for underserved and remote communities, underscoring the pivotal role of connectivity in driving socio-economic growth and bridging the digital divide.

USF Celebrates Girls in ICT Day 2025: Bridging the Gender Digital Divide



In collaboration with MoITT and Jazz, USF marked Girls in ICT Day 2025 with an event promoting digital inclusion and gender empowerment. The initiative highlighted USF's commitment to advancing equal access, digital education, and skill development for girls across Pakistan, empowering young women to lead and thrive in the country's digital future.

USF Earns Global Recognition by ITU for Advancing Digital Inclusion



USF was recognized by the International Telecommunication Union (ITU) in its Partner2Connect (P2C) Digital Coalition Impact Stories – 4th Edition (May 2025) for driving measurable digital transformation. Under MoITT's leadership, USF exceeded its pledges, connecting 3.7 million people, deploying 6,043 km of fiber, and reaching over 600 remote union councils. As a result, USF cemented its role in building an inclusive and connected digital Pakistan.

USF Highlights Role in Enabling Smart Trade Hubs



At the 5th CAREC Research Conference, USF CEO Mr. Chaudhry Mudassar Naveed emphasized the organization's pivotal role in advancing digital connectivity at strategic trade hubs, including Gwadar Port and Torkham Border. These efforts are laying the foundation for smart, technology-driven ports, demonstrating how robust digital infrastructure can enhance trade efficiency, drive economic growth, and position Pakistan as a digitally empowered regional hub.

USF Hosts World Bank & IFC Delegation for Digital Economy Enhancement Project



The Universal Service Fund (USF) Pakistan hosted a senior delegation from the World Bank and the International Finance Corporation (IFC) as part of the Implementation Support Mission for the Digital Economy Enhancement Project (DEEP). USF CEO Chaudhry Mudassar Naveed led in-depth discussions on broadband reforms, digital inclusion, and infrastructure development, highlighting USF's instrumental role in advancing Pakistan's digital growth and supporting the successful implementation of DEEP initiatives.

Celebrating Parents: A Tribute to Love and Support



USF Pakistan marked Mother's Day and Father's Day with heartfelt celebrations, honoring the invaluable role of parents in nurturing and supporting families. The events featured thoughtful surprises, engaging activities, and tokens of appreciation, fostering a warm and joyful atmosphere. By recognizing the contributions of mothers and fathers, USF reinforced the importance of family values and gratitude, while bringing the USF community together in a spirit of unity, appreciation, and celebration.

USF Board Approved PKR 7.49 Billion in Transformative Connectivity Projects



The 98th Board meeting of the USF marked a major milestone with the approval of seven transformative projects worth PKR 7.49 billion. These initiatives will deliver high-speed internet and mobile connectivity to 0.96 million residents across 347 mauzas in 10 districts, alongside two Optical Fiber Cable (OFC) projects extending 940 km to connect 113 towns and union councils, enabling fixed broadband for 2.8 million residents.





**COMMUNITY STORIES/
TESTIMONIALS**

Raja Muhammad Sabir

Anpur, Attock



Raja Muhammad Sabir, a farmer from Anpur, Attock, recalls the days when his village was cut off from essential communication, information, and opportunities due to the absence of mobile service.

“Before, this town used to lack service, but ever since the tower was installed, life has changed for us. Adults can now work and communicate efficiently, while children are able to study from their homes.”

Today, the installation of a telecom tower has transformed the area. From enabling students to access online educational resources to allowing families to send and receive money with ease, connectivity has become a lifeline for the entire community.



Ghulam Rasool

Tehsil Sohawa, Jhelum

For Ghulam Rasool, a farmer from the rural heartland of Tehsil Sohawa, connectivity has become as vital as the land he cultivates. Once limited by poor signal and slow communication, his village now stands transformed through seamless 4G coverage. The arrival of reliable service has not only simplified daily life but also brought financial inclusion to the doorstep of every household. From mobile banking to online learning, digital tools have opened new opportunities for growth and independence.

“Thanks to the company that installed the tower, life has become much easier. We can now use online banking services like JazzCash and Easypaisa to send and receive money easily. Communication is also much better. Before, we had to climb to the rooftop and adjust antennas, but now we can make calls comfortably from our homes.”



Muhammad Latif

Karunta, Jhelum



In the quiet village of Karunta, Muhammad Latif describes the transformation that reliable mobile service has brought to community life. Where once there were days of silence and uncertainty, there is now connection, confidence, and continuity. Families stay in touch effortlessly, loved ones working in cities can call home without worry, and digital access has made everyday tasks simpler and safer. For residents, the signal is more than convenience, it's a bridge that restores belonging and peace of mind.

“There were times when we would go days without being able to contact family members. Now, with proper service, we stay connected all the time and can even manage important tasks like payments and communication from home. It's brought peace of mind to everyone.”



Fahad Aziz

Karunta, Jhelum



In Karunta, Jhelum, poor internet access once held students back from exploring the digital world. Online classes were out of reach, and learning felt limited to whatever was within the classroom walls.

“As the principal of this high school, my focus has always been to ensure that students receive quality education through every possible means. The availability of stable internet has significantly improved their learning experience. Students can now access online study materials, participate in virtual learning sessions, and explore academic content beyond the classroom. I have observed increased engagement, confidence, and academic growth among them as a result.”

”

Bibi Naseema

Mastung, Balochistan

Although Bibi Naseema could not access higher secondary herself, she wishes her children to be educated and reach universities.

“There are numerous times when my children come to me for help with their homework and studies especially during the pandemic when their classes were online. That’s when I realized that there were many resources available online through which I could answer their curiosity and help them in their education. I monitor them when they are accessing online portals that would aid them in studies and I am glad that such platforms exist for people like me, so that my children can also excel at subjects as other kids.”



”

Qaseem

Ziarat, Balochistan



Qaseem Sinjavi is a prime example of an entrepreneur who has adapted to the internet age, using technology to expand his dry fruits business online and reach a wider audience.

“Dry fruits are a specialty of Ziarat, and I have been in this business since my father started it. I created a Facebook page and have been able to expand my business to other cities, especially Karachi. We have also sent large batches abroad.”

”

Bibi Fazila

Mastung, Balochistan



Dreaming of expanding her business that sells Balochi dresses, Bibi Fazila’s important assets are her phone and sewing machine.

“I sew dresses and named my business Bramsch Handicrafts. I use my phone to connect with my friends and realized that I could open my work to them. Turned out that people are interested and using WhatsApp groups, I post my designs and sewn clothes there and my friends respond to it. I have used online courier services to deliver my work as well. Now, my focus is to learn more about e-commerce so I can expand my online work and support my family as well without having to step outside.”

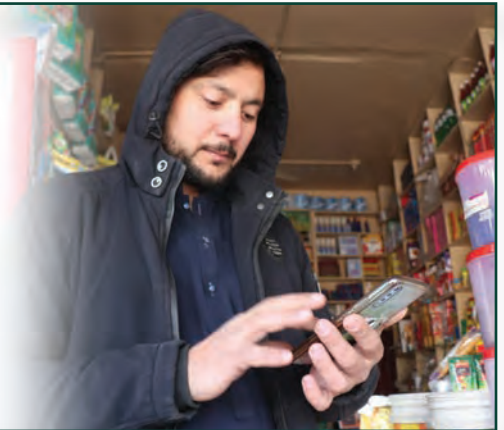


Hassan Ali

Lower Dir, Khyber Pakhtunkhwa

Hassan Ali utilized online platforms such as YouTube to overcome limited educational resources and enhance his digital skills. His growing familiarity with technology also led him to adopt online payment methods, allowing him to manage household bills and assist elderly neighbors with their financial transactions.

“I realized I could pay bills using my phone, so I took responsibility for managing them at home as well as for my elderly neighbors. I now handle their payments through mobile wallets and share screenshots for confirmation, which gives them peace of mind.”



A black and white photograph of a young boy with dark hair, smiling as he looks down at a smartphone he is holding in his hands. He is wearing a light-colored, possibly school, uniform with a patterned collar. The background is a plain, light color.

OUR CONTRIBUTIONS TO UN SDGs

As a key enabler of Pakistan’s digital transformation, the Universal Service Fund (USF) recognizes that connectivity is not just about access, it is about creating pathways to inclusive growth, empowerment, and sustainability. With sustainability at the heart of our mission, USF’s initiatives are guided by the United Nations Sustainable Development Goals (SDGs), delivering long-term socio-economic impact through expanded connectivity, empowered communities, and innovation, particularly in underserved and marginalized regions



SDG 3: Good Health and Well-being:

Access to healthcare should not be determined by geography. Through USF’s connectivity initiatives, rural and underserved communities now have access to digital healthcare solutions and telemedicine services, allowing them to consult medical professionals without the need for long and costly travel. These initiatives not only save time and resources but also improve health outcomes, reduce inequalities, and ensure that even the most remote households can access essential medical care.



SDG 4: Quality Education:

Education is a transformative force, and digital connectivity is its enabler. USF’s efforts in expanding high-speed internet to underserved areas have revolutionized access to education by bringing in digital resources, online classrooms, and learning platforms within reach of students who were previously disconnected. These interventions directly contribute to reducing educational disparities, enhancing digital literacy, and empowering the next generation with the skills required to thrive in a knowledge-based economy. By enabling equal access, we are investing in Pakistan’s most valuable resource, its youth.



SDG 5: Gender Equality:

The digital divide is not only geographical but also gendered. USF is committed to closing this gap by ensuring that women and girls in rural and marginalized communities have equitable access to digital tools and resources. Internet access opens doors for education, skill-building, entrepreneurship, and financial inclusion, allowing women to actively contribute to their families and communities. By empowering women through connectivity, USF contributes directly to gender equality, creating ripple effects that strengthen entire communities and drive sustainable development.



SDG 7 and 13: Affordable & Clean Energy and Climate Action:

Sustainability lies at the core of USF’s infrastructure strategy. Recognizing Pakistan’s vulnerability to climate change, USF has pioneered the deployment of solar-powered telecom sites that provide reliable connectivity while minimizing carbon emissions. This transition to clean energy not only reduces environmental impact but also demonstrates a replicable model of green infrastructure for the ICT sector. By integrating renewable energy into our operations, we reaffirm our commitment to climate action, environmental stewardship, and building resilient systems that safeguard future generations.



SGD 9: Industry, Innovation and Infrastructure:

USF is building the backbone of Pakistan’s digital economy by expanding resilient broadband and mobile infrastructure to remote and underserved regions. By bridging connectivity gaps, we empower millions of citizens and create opportunities for entrepreneurship, industrialization, and innovation. These efforts are essential for driving inclusive economic growth, strengthening national competitiveness, and ensuring that rural Pakistan is not left behind in the digital age. With every new site deployed, we are laying the foundation for a future where access to reliable digital infrastructure is a right, not a privilege.



SDG 17: Partnerships for the Goals

USF firmly believes that collaboration multiplies impact. Our progress is the result of strong partnerships with the Ministry of IT and Telecommunication (MoITT), Pakistan Telecommunication Authority (PTA), International Telecommunication Union (ITU), GSMA, service providers, and advocacy organizations. Together, we pool expertise, resources, and innovation to accelerate Pakistan’s digital transformation and advance the vision of “Digital Pakistan.” These multi-stakeholder collaborations ensure that connectivity is not only expanded but also made sustainable, inclusive, and impactful for every community we serve.



FINANCIAL STATEMENTS



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

We have audited the annexed financial statements of **Universal Service Fund (the Company)**, which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure and other comprehensive income, the statement of changes in fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

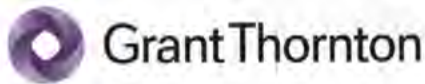
In our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming 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, 2025 and of the surplus and other comprehensive loss, the changes in fund 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 Matters

We draw attention to notes 18.1.1-2 and 18.1.5 to the accompanying financial statements, which describe the status of certain legal and tax contingencies. These include suit filed by Pakistan Telecommunication Company Limited (PTCL) relating to late delivery charges, descoping, and associated receivable and payable, as well as ongoing tax litigation regarding the treatment and disallowance of government grants. No provision is recorded due to expectation of favorable decisions. Our opinion is not modified in respect of this matter.



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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of income and expenditure and other comprehensive income the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 are in agreement with the books of accounts and returns;
- investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Grant Thornton Anjum Rahma
GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Islamabad
Date: October 27, 2025
UDIN: AR202510209DZRQxU1B0

**UNIVERSAL SERVICE FUND
(A COMPANY INCORPORATED UNDER
SECTION 42 OF THE COMPANIES ACT, 2017)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

UNIVERSAL SERVICE FUND

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

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	June 2025 (Rupees)	June 2024 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	45,852,119	65,661,744
Right of use assets	6	178,856,705	48,814,938
Intangible assets	7	11,597,530	30,290,957
Long term deposits	8	7,535,000	7,535,000
Long term advances	9	4,657,026	5,638,219
		248,498,380	157,940,858
CURRENT ASSETS			
Advances	10	165,200,754	183,035,216
Short-term prepayments and receivable	11	4,012,757	4,166,785
Other receivables	12	1,691,109,880	2,346,988,683
Cash and bank balance	13	2,015,028,869	1,964,337,546
		3,875,352,260	4,498,528,230
TOTAL ASSETS		4,123,850,640	4,656,469,088
FUNDS AND LIABILITIES			
General fund-unrestricted fund		-	-
NON-CURRENT LIABILITIES			
Fund balance (restricted)	14	2,884,507,853	3,657,473,249
Deferred capital grant	15	57,449,649	95,952,701
Lease liability	16	153,244,332	26,698,784
		3,095,201,834	3,780,124,734
CURRENT LIABILITIES			
Trade and other payables	17	998,586,181	854,985,326
Current portion of lease liabilities	16	30,062,625	21,359,028
		1,028,648,806	876,344,354
TOTAL FUNDS AND LIABILITIES		4,123,850,640	4,656,469,088
CONTINGENCIES AND COMMITMENTS	18		

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR

UNIVERSAL SERVICE FUND

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

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 2025 (Rupees)	June 2024 (Rupees)
INCOME			
Amortization of deferred capital grant	15	52,485,129	56,044,908
EXPENDITURE			
Administrative and general expenses	19	712,274,307	578,309,764
Subsidy grant for projects	20	11,029,115,890	18,544,541,061
Technical and monitoring audit fee	21	96,904,399	166,802,738
Liquidated damages for projects - written off	22	655,878,803	-
		12,494,173,399	19,289,653,563
		(12,441,688,270)	(19,233,608,655)
FUNDS (RESTRICTED) RECOGNIZED AS GRANT AGAINST EXPENDITURE EXCESS FOR THE YEAR			
	14	12,464,571,943	19,237,233,894
		22,883,673	3,625,239
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to statement of income and expenditure:		-	-
Remeasurement loss on defined benefit plan		(22,883,673)	(3,625,239)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR

UNIVERSAL SERVICE FUND

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

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2025

	General fund/unrestricted fund (Rupees)
Balance as at July 01, 2023	-
Excess for the year	3,625,239
Other comprehensive loss for the year	(3,625,239)
Balance as at June 30, 2024	-
Excess for the year	22,883,673
Other comprehensive loss for the year	(22,883,673)
Balance as at June 30, 2025	-

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 2025 (Rupees)	June 2024 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Subsidy grant disbursement		(10,873,652,096)	(15,374,749,843)
Technical & monitoring audit fee		(119,565,530)	(145,614,823)
Liquidated damages and others		281,339,443	5,121,142
Payment to suppliers and employees		(652,012,067)	(519,757,219)
Net cash used in operating activities		<u>(11,363,890,250)</u>	<u>(16,035,000,743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Procurement of property, equipment and intangibles		(13,552,427)	(36,973,300)
Net cash used in investing activities		<u>(13,552,427)</u>	<u>(36,973,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		<u>11,428,134,000</u>	16,119,650,000
Net cash generated from financing activities		<u>11,428,134,000</u>	16,119,650,000
Net (decrease)/ increase in cash and cash equivalents		50,691,323	47,675,957
Cash and cash equivalents at beginning of year		1,964,337,546	1,916,661,589
Cash and cash equivalents at end of year	13	<u><u>2,015,028,869</u></u>	<u><u>1,964,337,546</u></u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

UNIVERSAL SERVICE FUND**(A Company incorporated under Section 42 of the Companies Act, 2017)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025****1 STATUS AND ACTIVITIES**

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

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

The Company is certified from Pakistan Centre for Philanthropy (PCP), a certifying body for all local and international NGOs, having certification no. PCP-2021/871 dated August 10, 2021. During current year the certification is renewed via certification no. PCP-R1/2025/871 dated April 28, 2025.

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 and State Owned Enterprises (Governance and Operations) Act, 2023.

Where provisions of and directives issued under the Companies Act, 2017 and State Owned Enterprises (Governance and Operations) Act, 2023 differ from the IFRS Standards or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 and State Owned Enterprises (Governance and Operations) Act, 2023 have been followed.

2.2 Basis of measurement

These Financial statements have been prepared under the historical cost convention except as otherwise disclosed.

2.3 Functional and presentation currency

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

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS**3.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year**

There were certain amendments and interpretations to published accounting and reporting standard which are mandatory for the Company's accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements and have not disclosed.

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, 2025****3.1.1. Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:**

		Effective date (annual periods beginning on or after)
IFRS S1	General Requirements for Disclosure of Sustainability Related Financial Information	July 1, 2025
IFRS S2	Climate-related Disclosures	July 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

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

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30 2025;

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 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 so as to write off the cost of assets over their estimated useful lives, using the straight-line method at rates specified in note 5 to the financial statements.

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

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

Depreciation is charged on additions when the assets become available for use and ceases when asset is derecognized.

The cost of the day-to-day servicing of property and equipment is recognized in the income and expenditure statement when incurred. Major improvements are capitalized.

4.2 Leases**Right of use asset**

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes a right of use asset and a lease liability at the lease commencement date. On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

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

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

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, 2025**

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

Lease against right of use assets

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

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

4.3 Intangibles

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

Intangible assets are measured on initial recognition at cost, being the fair value of the consideration given. Following initial recognition, intangible assets are carried at cost less accumulated amortization and Amortization is charged on straight line basis so as to write off the amortizable amount of intangible asset over their estimated useful life at rate mentioned in note 7.

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

4.4 Cash and cash equivalents

For the purpose of cashflow statement, cash and cash equivalents comprise cash in hand and cash with bank in assignment account.

4.5 Fund balance (restricted)

The management is following deferral method of accounting for amount received from MoIT&T and included in the fund balance (restricted). Any income earned on these funds is also included in the fund balance. Grant that compensate the Company for expenditure incurred is transferred from the fund balance to the income and expenditure statement to match the expenditure incurred during the year. Grant that compensate the Company for cost of an asset are transferred to deferred capital grant and recognized in income and expenditure statement on systematic basis over the expected useful life of related asset, upon capitalization.

Grant received from MOIT&T for subsidy disbursement for projects is recognized in income and expenditure statement when the Company becomes unavoidably obliged to make payments to service providers under the terms of the subsidy agreements. The expense is measured at the amount contractually payable, adjusted where applicable for certified BOQ limits and network coverage completed.

4.6 Trade and other payables

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

4.7 Provision and contingent liabilities

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.

A contingent liability is disclosed when the Company has a possible obligation as a result of past event, whose existence will be confirmed by one or more uncertain future events not wholly within the control of the Company or the Company has present legal or constructive obligation as a result of the past event but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation cannot be measured with sufficient reliability.

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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, 2025****4.8 Staff retirement benefits:**

The Company operates a funded gratuity scheme for employees who have completed the minimum qualifying period of service to the Company as defined under the respective scheme. Provision for gratuity is made to cover obligations under the scheme in accordance with the actuarial recommendations using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at June 30, 2025, details are given in the note 17.2 of the financial statements. Gain or losses on remeasurement are recognized in the period in which they occur in other comprehensive income.

4.9 Taxation**i) Current**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to surplus for the year if enacted after taking into account tax credits, rebates and exemptions, if any. Where, at assessment stage, the taxation authorities have adopted a different tax treatment and the Company considers that the most likely outcome will be in favour of the Company, the amounts are shown as contingent liabilities.

ii) Deferred

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

No provision for taxation has been made in the financial statements as the management considers that grants received by the Company from the MoIT&T are not chargeable to tax.

Notwithstanding the above, the Company being a Non-Profit Organization also qualifies for tax credit equal to 100% of its tax liability for which application for approval under Section 2(36) is pending before Commissioner. The management and its tax advisor are confident of a favorable outcome.

4.10 Financial instruments

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

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

4.10.1 Financial assets

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

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

Classification of financial assets:**(i) Debt instruments designated at amortized cost**

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

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

(ii) Debt instrument designated at other comprehensive income

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

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, 2025**

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

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

Amortized cost and effective interest rate method:

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

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

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

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

Interest income is recognized in income and expenditure statement and is included in the "finance income - interest income" line item.

(iii) Equity instruments designated as at FVTOCI

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

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

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

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, 2025****(iv) Financial assets at FVTPL**

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

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

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

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

Impairment of financial assets:

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

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

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

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

(i) Significant increase in credit risk

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

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

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

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, 2025**

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

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

(ii) Definition of default:

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

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

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

(iii) Credit-impaired financial assets:

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

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

(iv) Write-off policy:

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

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, 2025****(v) Measurement and recognition of expected credit losses:**

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

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

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

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

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

Derecognition of financial assets:

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

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in income and expenditure statement. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income and expenditure statement. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to income and expenditure statement, but is transferred to retained earnings.

4.10.2 Financial liabilities

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

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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, 2025****(i) Financial liabilities at FVTPL**

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

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

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

(ii) Financial liabilities measured subsequently at amortized cost

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

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

Derecognition of financial liabilities:

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

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.

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, 2025****4.11 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.

4.12 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected.

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

4.12.1 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.

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, 2025****4.12.2 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

4.12.3 Taxation

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

4.12.4 Provisions and contingencies

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

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

4.12.5 Lease and right of use asset

The Company assesses whether a contract is or contains a lease or a sublease at inception of the contract. This assessment involves the exercise of judgment to determine if the control of an identified asset has been passed between the parties. Control exists if substantially all of the economic benefits from the use of the asset are transferred to the lessee and the lessee has the ability to direct its use for a period of time.

Further, the Company assesses the lease term as the non-cancellable lease term in line with lease contract together with the period for which the Company has extension options if it is reasonably certain to be exercised or to purchase the underlying asset and the periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. For contracts that contain a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. Further, the judgement is made whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to classify the lease as a finance or operating lease.



UNIVERSAL SERVICE FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

5 PROPERTY AND EQUIPMENT

Description	Vehicles	Furniture and equipment	Computer and accessories	Communication equipment	Leasehold improvements	Total
Cost						
Opening balance as at July 01, 2024	29,704,498	78,607,164	65,885,071	5,294,351	28,690,483	208,181,567
Additions	-	1,300,796	12,183,000	498,631	-	13,982,427
Disposals	-	-	(6,290,436)	-	-	(6,290,436)
Closing balance as at June 30, 2025	29,704,498	79,907,960	71,777,635	5,792,982	28,690,483	215,873,558
Accumulated depreciation						
Opening balance as at July 01, 2024	(29,704,428)	(53,288,972)	(38,262,356)	(3,636,449)	(17,627,618)	(142,519,823)
Charge for the year	-	(11,948,870)	(15,451,841)	(652,896)	(5,738,095)	(33,791,702)
Disposals	-	-	6,290,086	-	-	6,290,086
Closing balance as at June 30, 2025	(29,704,428)	(65,237,842)	(47,424,111)	(4,289,345)	(23,365,713)	(170,021,439)
Net book value as at June 30, 2025	70	14,670,118	24,353,524	1,503,637	5,324,770	45,852,119
Cost						
Opening balance as at July 01, 2023	29,704,498	92,057,500	49,020,672	5,294,351	28,690,483	204,767,504
Additions	-	190,825	22,711,795	-	-	22,902,620
Disposals	-	(13,641,161)	(5,847,396)	-	-	(19,488,557)
Closing balance as at June 30, 2024	29,704,498	78,607,164	65,885,071	5,294,351	28,690,483	208,181,567
Accumulated depreciation						
Opening balance as at July 01, 2023	(29,704,428)	(54,035,667)	(31,350,160)	(2,981,487)	(11,889,523)	(129,941,265)
Charge for the period	-	(12,876,874)	(12,779,252)	(654,962)	(5,738,095)	(32,049,183)
Disposals	-	13,623,569	5,847,056	-	-	19,470,625
Closing balance as at June 30, 2024	(29,704,428)	(53,288,972)	(38,262,356)	(3,636,449)	(17,627,618)	(142,519,823)
Net book value as at June 30, 2024	70	25,318,192	27,622,715	1,657,902	11,062,865	65,661,744
Depreciation rate per annum	20%	20%	33%	20%/6-33%	20%	

5.1 Depreciation for the year is charged to administrative and general expenses (refer to note 19).

5.2 Cost and accumulated depreciation of fully depreciated assets is Rs. 76,362,443 (June 30, 2024; Rs. 70,749,474) and Rs. 76,359,443 (June 30, 2024; Rs. 70,747,054) respectively, having carrying amount of Rs. 3,000 (June 30, 2024; Rs. 2,420).

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6	RIGHT OF USE ASSETS	Note	June 2025 Rupees	June 2024 Rupees
	Right of use assets	6.1	<u>178,856,705</u>	<u>48,814,938</u>
6.1	Right of use (ROU) assets			
	Cost			
	Opening balance as at July 01		67,589,914	64,633,094
	Additions	6.1.1	159,370,287	67,589,914
	Deletion on maturity		-	(64,633,094)
	Closing balance as at June 30		<u>226,960,201</u>	<u>67,589,914</u>
	Accumulated depreciation			
	Opening balance as at July 01		(18,774,976)	(61,042,372)
	Charge for the year	6.1.2	(29,328,520)	(22,365,698)
	Deletion on maturity		-	64,633,094
	Closing balance as at June 30		<u>(48,103,496)</u>	<u>(18,774,976)</u>
	Net book value at June 30		<u>178,856,705</u>	<u>48,814,938</u>
	Depreciation rate per annum		6 years	3 years

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

6.1.2 Depreciation for the year is charged to administrative and general expenses (refer to note 19). 

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7 INTANGIBLE ASSETS

Description	Digital maps	Software	Total
	(Rupees in '000)		
Cost			
Opening balance as at July 01, 2024	7,500,000	106,088,898	113,588,898
Additions	-	-	-
Transfers	-	-	-
Disposals	-	-	-
Closing balance as at June 30, 2025	7,500,000	106,088,898	113,588,898
Accumulated amortization			
Opening balance as at July 01, 2024	(7,499,990)	(75,797,951)	(83,297,941)
Amortization charge for the year	-	(18,693,427)	(18,693,427)
Disposals	-	-	-
Closing balance as at June 30, 2025	(7,499,990)	(94,491,378)	(101,991,368)
Net book value as at June 30, 2025	10	11,597,520	11,597,530
Cost			
Opening balance as at July 01, 2023	7,500,000	92,018,218	99,518,218
Additions	-	14,070,680	14,070,680
Transfers	-	-	-
Disposals/ write off	-	-	-
Closing balance as at June 30, 2024	7,500,000	106,088,898	113,588,898
Accumulated amortization			
Opening balance as at July 01, 2023	(7,499,990)	(55,392,948)	(62,892,938)
Charge for the year	-	(20,405,003)	(20,405,003)
Disposals/ write off	-	-	-
Closing balance as at June 30, 2024	(7,499,990)	(75,797,951)	(83,297,941)
Net book value as at June 30, 2024	10	30,290,947	30,290,957
Depreciation rate per annum	20%	33%	

7.1 Amortization for the year is charged to administrative and general expenses (refer to note 19).

7.2 Cost and accumulated amortization of fully depreciated assets is Rs. 62,537,437 (June 30, 2024: Rs. 48,178,067) and Rs. 62,537,037 (June 30, 2024: Rs. 48,177,727) respectively, having carrying amount of Rs. 400 (June 30, 2024: Rs. 340).

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2025****8 LONG TERM DEPOSITS**

This includes security deposits of Rs. 4.008 million (June 30, 2024: Rs. 4.008 million), representing two months' rent for the 3rd floor premises at Evacuee Trust Complex, F-5/1, Agha Khan Road, Islamabad, in accordance with the lease agreement dated August 26, 2020.

9 LONG TERM ADVANCES

	June 2025 (Rupees)	June 2024 (Rupees)
Advance against gratuity balance to employees	18,751,007	16,670,413
Current portion	<u>(14,093,981)</u>	<u>(11,032,194)</u>
	<u>4,657,026</u>	<u>5,638,219</u>

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

10 ADVANCES	Note	June 2025 (Rupees)	June 2024 (Rupees)
Considered good - secured			
To employees			
- against gratuity - current portion	9	14,093,981	11,032,194
- against expenses		31,800	-
Advance against projects	10.1	<u>151,074,973</u>	<u>172,003,022</u>
		<u>165,200,754</u>	<u>183,035,216</u>

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

	Note	June 2025 (Rupees)	June 2024 (Rupees)
Advances to related parties:			
PTML-NG-BSD Sibbi		151,074,973	111,631,998
PTCL-OFC-UC-PB-Lot-8		-	20,995,767
Advances to other than related parties:			
PMCL-NG-BSD TD-K1		-	39,375,257
		<u>151,074,973</u>	<u>172,003,022</u>

11 SHORT-TERM PREPAYMENTS AND RECIEVABLE

Insurance	2,002,158	2,004,621
Others	1,970,599	2,162,164
Receivable from employees	<u>40,000</u>	<u>-</u>
	<u>4,012,757</u>	<u>4,166,785</u>

12 OTHER RECEIVABLES

Secured - considered good			
PTCL Mastung	122,443,566	281,929,919	
PTCL OFC BP-05	909,862,248	1,387,060,677	
PTCL BB HTR	33,999,531	53,193,552	
PTCL OFC BP-02	624,804,535	624,804,535	
	<u>1,691,109,880</u>	<u>2,346,988,683</u>	

12.1

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12.1 This includes receivables against liquidated damages for delay amounting to Rs. 1,562.719 million and receivable against descoping from Pakistan Telecommunication Company Limited (PTCL) amounts Rs. 128.391 million. Liquidated damages are recognized on delay in implementation of projects milestones as per contracts. PTCL has filed law suit in District Court Islamabad against the balance of project OFC BP-02 as detailed in note 18.1.5 to the financial statements. Receivable from PTCL are secured against performance bank guarantee provided by PTCL amounting to Rs. 2,426.237 million.

12.2 Maximum outstanding balance at end of any month during the year amounts to Rs. 2,346.989 million (2024: Rs. 2,346.989 million).

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

	June 2025 Rupees	June 2024 Rupees
Past due 1-30 days	-	-
Past due 30-90 days	-	-
Past due 90 days	1,691,109,880	2,346,988,683
	<u>1,691,109,880</u>	<u>2,346,988,683</u>

13 CASH AND BANK BALANCES	Note	June 2025 Rupees	June 2024 Rupees
Cash in hand		-	35,202
Cash at bank :			
Assignment account with NBP	13.1	2,015,028,869	1,964,302,344
		<u>2,015,028,869</u>	<u>1,964,337,546</u>

13.1 This represents non-lapsable assignment account opened on November 09, 2021, with National Bank of Pakistan. Accountant General Pakistan Revenues (AGPR) issues authorization for placement of funds in assignment account. The authorization is made to arrange payment for withdrawals from this account against the Company's approved budget through AGPR.

14 FUND BALANCE (RESTRICTED)	Note	June 2025 Rupees	June 2024 Rupees
Balance at the beginning of the year		3,657,473,249	6,225,420,740
Grant received during the year		11,428,134,000	16,119,650,000
Adjustments	14.1	281,379,093	586,900,171
		11,709,513,093	16,706,550,171
Grants transferred to:			
-Deferred capital grant	15	(13,982,077)	(36,955,368)
-Income and expenditure statement		(12,441,688,270)	(19,233,608,655)
-Other comprehensive loss	17.3.4	(22,883,673)	(3,625,239)
		(12,464,571,943)	(19,237,233,894)
Fund deposited in USF public fund - MoIT&T	14.2	(3,924,469)	(308,400)
		<u>2,884,507,853</u>	<u>3,657,473,249</u>

14.1 This represent different miscellaneous receipts and deductions from vendors/operators payments against liquidated damages for delay for delay and includes amount of Rs. 275,962,765 (2024: Rs. 585,694,636) deducted from subsidy payments to operators.

14.2 Miscellaneous receipts are included in the fund balance, being income of USF Fund MoIT&T, Government of Pakistan and are deposited in USF public fund with SBP.

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		June 2025	June 2024
	Note	Rupees	Rupees
15 DEFERRED CAPITAL GRANT			
Balance at beginning of the year		95,952,701	115,042,241
Transferred from fund balance (restricted) - net	14	13,982,077	36,955,368
Depreciation/amortization charged		(52,485,129)	(56,044,908)
Balance at end of the year		<u>57,449,649</u>	<u>95,952,701</u>
16 LEASE LIABILITY			
Opening balance		48,057,812	-
Add: Addition during the year		159,370,287	67,589,914
		207,428,099	67,589,914
Interest expense		14,055,058	10,527,898
Less: Lease payments		(38,176,200)	(30,060,000)
		183,306,957	48,057,812
As at June 30, 2025			
Less: Current lease liabilities		(30,062,625)	(21,359,028)
Non-current liabilities		<u>153,244,332</u>	<u>26,698,784</u>
Maturity analysis - contractual undiscounted cash flows:			
Less than one year		50,921,640	30,060,000
More than one year and less than five years		185,406,312	30,060,000
More than five years		-	-
Total undiscounted lease		236,327,952	60,120,000
Future finance charges		(53,020,995)	(12,062,188)
Present value of lease payments		<u>183,306,957</u>	<u>48,057,812</u>
Amount recognized in statement of income and expenditure			
Interest expense on lease liabilities		<u>14,055,058</u>	<u>10,527,898</u>
17 TRADE AND OTHER PAYABLES			
Project subsidy	17.1	948,488,080	813,952,335
Technical and monitoring auditor fee		899,800	23,560,931
Payable to suppliers		11,576,578	7,906,211
Accrued liabilities		7,084,929	5,958,891
Withholding income taxes payable		1,800	-
Payable to gratuity fund	17.2	22,418,794	3,606,958
Lease liability payable		8,116,200	-
		<u>998,586,181</u>	<u>854,985,326</u>

- 17.1 This includes an amount of Rs. 818.17 million (June 30, 2024: 739.43 million) payable to related parties which also includes the amount payable to PTCL amounting to Rs. 743.76 million (June 30, 2024: 689.775 million). The Company is in litigation with PTCL on receivable and payables as explained in note 18.1.5 to the financial statements.

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		June 2025	June 2024
		Rupees	Rupees
17.2	Payable to gratuity fund		
	The movement in net liability is as follows:		
	Balance at beginning of the year	3,606,958	2,008,194
	Charge for the year	24,596,946	20,501,738
	Remeasurement loss	22,883,673	3,625,239
	Contribution	(28,668,783)	(22,528,213)
	Balance at end of the year	<u>22,418,794</u>	<u>3,606,958</u>
17.3	The details of actuarial valuation carried out as at June 30, 2025 are as follows:		
		June 2025	June 2024
		Rupees	Rupees
17.3.1	Reconciliation of payable to gratuity fund		
	Present value of the defined benefit obligation	223,571,996	164,112,390
	Fair value of the plan assets	(201,153,202)	(160,505,432)
		<u>22,418,794</u>	<u>3,606,958</u>
17.3.2	Change in the present value of defined benefit obligation		
	Opening balance	164,112,390	127,830,345
	Current service cost	26,179,242	22,053,858
	Interest cost on defined benefit obligation	23,777,551	19,093,360
	Benefits paid	(5,817,312)	(20,074,296)
	Benefits due but not paid	-	(591,194)
	Actuarial loss	15,320,125	15,800,317
		<u>223,571,996</u>	<u>164,112,390</u>
17.3.3	Expense charge for the year is as follows:		
	Current service cost	26,179,242	22,053,858
	Interest expense	23,777,551	19,093,360
	Interest income on plan assets	(25,359,847)	(20,645,480)
	Interest income - net	(1,582,296)	(1,552,120)
	Expense chargeable to income and expenditure	<u>24,596,946</u>	<u>20,501,738</u>
17.3.4	Total remeasurement chargeable to other comprehensive income	June 2025	June 2024
		Rupees	Rupees
	Remeasurement of plan obligations		
	Actuarial losses from changes in demographic assumptions	-	-
	Actuarial losses from changes in financial assumptions	8,014,408	16,641,961
	Experience adjustments	7,305,717	(841,644)
		<u>15,320,125</u>	<u>15,800,317</u>
	Return on plan assets excluding the interest income	7,563,548	(12,175,078)
		<u>22,883,673</u>	<u>3,625,239</u>
17.3.5	Change in fair value of plan assets	June 2025	June 2024
		Rupees	Rupees
	Opening balance	160,505,432	125,822,151
	Interest income	25,359,847	20,645,480
	Contribution made directly to gratuity fund	28,668,783	22,528,213
	Payments made on behalf of the gratuity fund	-	-
	Benefits paid	(5,817,312)	(20,074,296)
	Benefits due but not paid	-	(591,194)
	Return on plan assets, except amount included in interest	(7,563,548)	12,175,078
		<u>201,153,202</u>	<u>160,505,432</u>

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

	June 2025 Rupees	June 2024 Rupees
Cash and other deposits:		
-Bank A/c	118,685,757	53,269,719
-Investment in T-Bills with accrued interest	75,753,212	97,955,127
-Accrued Interest on bank balance	6,714,233	9,871,780
-Payables	-	(591,194)
-Percentage	<u>100%</u>	<u>100%</u>

17.3.6 The principal actuarial assumptions used were as follows:

Actuarial valuation of the plan was carried out as at June 30, 2025, by an independent valuer using projected unit credit method, on following assumptions:

	June 2025	June 2024
Discount rate used for interest cost in income and expenditure charge	14.75%	16.25%
Discount rate used for year end obligation	11.75%	14.75%
Salary increase used for year end obligation		
Salary increase FY 2025	N/A	27.50%
Salary increase FY 2026	16.00%	14.25%
Salary increase FY 2027 onward	11.25%	14.25%
Next salary is increased on	01-Jul-25	01-Jul-24
Mortality rates	SLIC 2001-2005 Setback 1 year Age-Based (per appendix)	SLIC 2001-2005 Setback 1 year Age-Based (per appendix)
Withdrawal rates		
Retirement assumption	Age 60 2026	Age 60 2025

17.3.7 Estimated expenses to be charged to income & expenditure

	Rupees	Rupees
Current service cost	31,549,989	26,179,242
Interest cost on defined benefit obligation	25,600,428	23,510,385
Interest income on plan assets	(24,650,511)	(24,639,814)
	<u>32,499,906</u>	<u>25,049,813</u>

17.3.8 For a change of 100 basis points in these assumptions, keeping other present value of defined benefit obligation as at June 30, 2025 would have been as follows:

	June 2025		June 2024	
	Present value of obligation 1 % Increase	1 % decrease	Present value of obligation 1 % Increase	1 % decrease
	-----Rupees-----		-----Rupees-----	
Discount rate	205,227,289	244,466,578	116,934,782	140,273,227
Salary increase rate	<u>244,606,933</u>	<u>204,771,974</u>	<u>140,427,747</u>	<u>116,610,066</u>

The average duration of the defined benefit obligation

9 Years

9.6 Years

H

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**NOTES TO THE FINANCIAL STATEMENTS
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17.3.9	Historical information	2025	2024	2023	2022
		----- Rupees -----			
	Net staff retirement benefit	22,418,794	3,606,958	2,008,194	5,432,099
	Remeasurement loss on defined benefit plan	22,883,673	3,625,239	1,582,547	4,889,349

18 CONTINGENCIES AND COMMITMENTS**18.1 Contingencies**

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

The Company filed appeals with the Appellate Tribunal Inland Revenue (ATIR) against the ACIR's & CIR(A) refusal to treat the Company funding from Government as Government Grants and its operations not of welfare organizations. ATIR decided the all appeals in Company's favour. The Department filed reference to Islamabad High Court against the order of ATIR. High Court while deciding the departmental reference for tax year 2011 has rigorously dismissed the departmental plea.

During the current financial year High Court while deciding the departmental reference for remaining tax years has referred the matter to the forum of ADRC. USF filed Civil Petition for Leave to Appeal (CPLA) for Tax year 2012 in the Supreme Court of Pakistan challenging the order of the High Court. Accordingly, no provision in this regard has been recognized in these financial statements.

18.1.2 The Deputy Commissioner Inland Revenue DCIR(Audit), passed the orders for Tax years 2015 to 2023 and raised the demand of Rs. 23,233,011,406 by disallowing the USF projects subsidy expense for non withholding u/s 153 & 174(N) and advertisement expense u/s 21(n) considering capital in nature. The Company filed appeals to the Commissioner Inland Revenue CIR(A) for ignoring the facts and not considering subsidy payments as exempt. CIR (A) maintained the orders of DCIR(Audit) for all the Tax years, except for TY 2015 where demand is reduced by Rs.446,111,502 & TY 2023 where matter is transferred to ADRC to resolution under section 134A.

The Company filed appeals with Appellate Tribunal Inland Revenue (ATIR) for TY 2015 to TY 2022. During current financial year ATIR disposed of appeals of TY 2015 to TY 2021 without adjudication on merits with directions to approach ADRC. The appeal for TY 2022 was re-heard on May 26, 2025 with the direction that the case shall be transferred to ADRC, however order is still pending.

USF filed reference for TY 2015-2021 to Islamabad High Court against order of ATIR. High Court while deciding the reference filed by USF for TY 2015 to TY 2021 has also issued direction to approach ADRC for resolution of matter. USF filed CPLA in the Supreme Court of Pakistan challenging the orders of the High Court. During the current financial year, ADRC decided the matter of TY 2023 in Department favour, USF filed the appeal in Islamabad High Court. Based on advice of tax consultant, the Company is confident that there are reasonable grounds for favorable decision and accordingly no provision in this regard has been recognized in the financial statements.

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- 18.1.3** During prior financial year, the Assistant/Deputy Commissioner Inland Revenue (A/DCIR) raised a demand in respect of tax year 2018 dated June 29, 2024, amounting to Rs. 6,080,396 against tax in default under section 161 and default surcharge under section 205 of income tax ordinance 2001. The Company filed appeal against this demand, with the Commissioner Inland Revenue Appeals [CIR(A)]. The CIR(A) has directed to the Company to file an appeal before Alternate Dispute resolution committee (ADRC) under section 134A. The Company being aggrieved, filed a Writ petition before Islamabad High court against CIR(A) and court accepted Company's stance that if matter not resolved at ADRC the appeal shall be deemed pending before the CIR(A). The Company file appeal at ADRC. Matter has been settled by depositing demand of nominal value as decided by ADRC in protest.
- 18.1.4** Notice of default had been issued to PTCL by the Company claiming the amount of liquidated damages for delay and deduction of subsidy on the basis of actual bills of quantities (BOQs). In prior year, PTCL has filed law suits claiming recovery of amount Rs. 1,460,631,584 in the court of law at Islamabad. PTCL has contended that work has been completed in accordance with the contracts and delay in the completion of work is protected under force majeure clause to the contracts. However, the Company contests the suits on the grounds that PTCL failed to complete the contracted scope of the projects in the agreed time. On December 15, 2021, the Additional District Judge Islamabad dismissed the PTCL applications of permanent mandatory injunctions against the encashment of performance guarantees, and on the same day, the Company has submitted the bank guarantees for encashment, however, being aggrieved, PTCL filed appeals before the Islamabad High Court, Islamabad, whereby, the Company is restrained from encashing the guarantees vide First Appeal Against Order (FAO) 139/2021, 140/2021 and 141/2021 dated December 17, 2021. During prior financial year Islamabad High Court decided the FAOs for encashment of bank guarantees in the Company favour. In the meanwhile, on request of PTCL, the Board of the Company has approved the formation of the Appeal Committee in line with USF Rules 2006 (as amended) and the ToRs. A settlement agreement has been signed between the parties in line with the Board's directions. PTCL has provided the Bank guarantees/extension for all three projects with one-year validity, all court cases have been withdrawn and now the matter will be decided by the Appeal Committee as agreed by the parties. The Appeal Committee is constituted by USF Co Board of Directors and matter is decided by Appeal Committee subsequent to the year end. The financial impact of the decision has been incorporated as an adjusting event as disclosed in note 22.
- 18.1.5** During the prior year, a notice of default has been issued to PTCL by the Company claiming the amount of liquidated damages for delay and deduction of subsidy on the basis of actual bill of quantity (BOQ). PTCL has filed a civil suit claiming recovery of amount Rs. 240,000,000 which is pending in Civil Court of Islamabad. PTCL has contended that work has been completed in accordance with the contract and delay in the completion of work is protected under force majeure clause to the contract. However, the Company contests the suit on the grounds that PTCL failed to complete the contracted scope of the project in the agreed time. The Company has submitted the bank guarantee for encashment, however, the Company is restrained from encashing the guarantees vide civil court order dated September 23, 2023. Based upon the advice of its legal advisor, the Company is confident of a favorable outcome of the above cases and accordingly, no provision in this regard has been recognized in these financial statements.
- 18.1.6** CM Pak filed a law suit on August 27, 2018 for recovery of Rs. 584,713,888 claiming the amount of liquidated damages for delay and deduction of subsidy on the basis of actual bill of quantity (BOQ), in the Civil Courts at Islamabad. CM Pak has contended that work has been completed in accordance with the contract and delay in the completion of work is protected under force majeure clause to the contract. However, the Company contests the suit on the grounds that CM Pak failed to complete the contracted scope of the project in the agreed time. The Civil Court at Islamabad has dismissed the suit of the CM Pak in favour of the Company by its order dated January 21, 2025 which has been challenged by CM Pak through appeal in Islamabad High Court dated February 20, 2025.

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, 2025**

18.1.7 Wateen Telecom Limited has filed two civil suits dated April 27, 2019, in respect of projects, namely BP 3 & BP 4, whereby the claim amounting to Rs. 608,593,089 refers to liquidated damages for delay, deductions and outstanding payment, which are presently pending in the Civil Courts at Lahore.

The Company contests the suit on the grounds that Wateen failed to complete the contracted scope of the project within the agreed time and deductions are in accordance with the terms of the contracts. The Company is restrained by the Court from taking any coercive action against Wateen Telecom.

Based upon the advice of its legal advisors, the Company is confident of a favorable outcome of the cases and accordingly, no provision in this regard has been recognized in these financial statements.

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

18.2	Commitments	Note	June 2025	June 2024
			Rupees	Rupees
	Subsidy grant commitments	20	8,624,458,539	22,141,984,873
	Technical auditor's fee	21	33,518,840	58,769,215
	Monitoring auditor's fee	21.2	65,548,066	-

19 ADMINISTRATIVE & GENERAL EXPENSES

	Salaries and benefits	19.1	480,506,867	394,594,065
	Training & human resource development		13,146,991	2,714,599
	Legal and professional charges		9,476,799	6,337,952
	Utilities and office supplies		12,035,598	9,773,776
	Communication charges		2,221,587	2,133,202
	Entertainment		1,943,245	1,588,879
	Traveling		19,390,559	6,869,772
	Printing and stationery		2,636,155	3,560,945
	Vehicle fuel expenses		29,489,538	28,176,419
	Repairs and maintenance		4,409,799	5,913,011
	Annual Subscriptions & Service Level Agreements		30,808,490	22,709,693
	Advertisement		7,257,095	5,623,661
	Depreciation	5	63,120,222	54,414,881
	Amortization of intangible asset	7	18,693,427	20,405,003
	Interest on finance lease	16	14,055,058	10,527,898
	Auditors' remuneration	19.2	494,615	494,615
	Insurance expense		2,588,262	2,471,393
			<u>712,274,307</u>	<u>578,309,764</u>

19.1 Salaries and benefits include Rs. 24,596,946 (2024: Rs. 20,501,738) charged in respect of defined benefit scheme.

19.2	Auditors' remuneration:	June 2025	June 2024
		Rupees	Rupees
	Annual audit fee	270,710	270,710
	Interim audit fee	129,030	129,030
	Review of Code of Corporate Governance	94,875	94,875
		<u>494,615</u>	<u>494,615</u>

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, 2025

20 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract *****	Subsidy due For the year		As of 30 June 2024	Capex	Opex	Total	Subsidy disbursed For the year		As of 30 June 2025	Liquigated damages for the year	Balance commitment	Bank guarantee	Milestones achieved	
					2024	2025					2024	2025						As of 30 June 2025
1	Mising	PTCI****	31-Mar-12	2,407,732,977	-	-	2,407,732,977	-	-	2,407,732,977	2,443,391,334	-	2,443,391,334	-	-	1,262,400,000	Completed (Receivable)	
2	Kohistan	Telenor**	14-Mar-17	3,442,820,767	-	-	3,442,820,767	-	-	3,442,820,767	3,442,820,767	4,454,283	3,447,271,050	477,151	-	-	Completed	
3	Mahmud	Telenor**	12-Jun-18	79,341,622	-	-	79,341,622	-	-	79,341,622	79,341,622	12,118,858	91,460,480	-	5,641,437	-	Completed	
4	North Waziristan	PNCL**	11-Dec-18	138,686,214	-	-	138,686,214	-	-	138,686,214	110,955,538	-	110,955,538	-	27,730,676	76,833,313	up to 2nd	
5	South Waziristan	PNCL	26-Jun-19	46,065,266	-	-	46,065,266	-	-	46,065,266	18,019,269	-	18,019,269	-	28,045,997	36,092,115	Mobilization Adv.	
Sub-total (A)										6,526,318,329	6,759,872,601	5,027,650	6,764,900,251	6,779,648,114	16,573,141	61,418,078	1,375,225,428	

Rupees

B) NEXT GENERATION- BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract *****	Subsidy due For the year		As of 30 June 2024	Capex	Opex	Total	Subsidy disbursed For the year		As of 30 June 2025	Liquigated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					2024	2025					2024	2025					
1	NIKAW Lot-2(NH 2-5665)	Telenor	26-Jun-19	228,791,440	-	-	228,791,440	-	-	228,791,440	228,791,440	-	228,791,440	-	-	100,257,322	Completed-HG
2	Behawalgar	PNCL	30-Oct-19	165,883,604	-	-	165,883,604	-	-	165,883,604	165,883,604	-	165,883,604	-	-	-	Completed-HG
3	Rahwarukhan	PNCL	30-Oct-19	191,822,718	-	-	191,822,718	-	-	191,822,718	191,822,718	-	191,822,718	-	-	34,032,919	Completed-HG
4	Dera Ghazi Khan	PNCL	13-Dec-19	476,979,584	-	-	476,979,584	-	-	476,979,584	476,979,584	-	476,979,584	-	-	36,898,298	Mobilization Adv.
5	Karim	PNCL	9-Mar-20	92,129,259	-	-	92,129,259	-	-	92,129,259	92,129,259	-	92,129,259	-	-	73,080,110	Completed-HG
6	Small Lot Baluchistan-3	PTML*****	16-Aug-20	47,000,000	-	-	47,000,000	-	-	47,000,000	47,000,000	-	47,000,000	-	-	188,400,000	Completed
7	Bolan	PTML	16-Aug-20	457,524,649	-	-	457,524,649	-	-	457,524,649	457,524,649	-	457,524,649	-	-	167,553,695	Completed-HG
8	Ghokh	PNCL	18-Sep-20	583,811,542	-	-	583,811,542	-	-	583,811,542	583,811,542	-	583,811,542	-	-	67,619,289	Completed-HG
9	Small Lot Baluchistan-2	PTML	18-Sep-20	220,000,000	-	-	220,000,000	-	-	220,000,000	220,000,000	-	220,000,000	-	-	35,214,675	Completed
10	Jaffarabad	CM Pk****	17-Jul-20	71,341,577	-	-	71,341,577	-	-	71,341,577	71,341,577	-	71,341,577	-	-	9,607,843	Completed-HG
11	Mirpur	CM Pk****	11-Nov-20	21,516,623	-	-	21,516,623	-	-	21,516,623	21,516,623	-	21,516,623	-	-	186,285,714	Completed-HG
12	Messing	PTML	11-Nov-20	614,499,981	-	-	614,499,981	-	-	614,499,981	614,499,981	-	614,499,981	-	-	548,834,021	Completed
13	Chitral	Telenor	11-Nov-20	1,372,085,052	-	-	1,372,085,052	-	-	1,372,085,052	1,372,085,052	-	1,372,085,052	-	-	548,834,021	Completed
14	Gwasar	Telenor	25-Jun-21	1,258,106,394	-	-	1,258,106,394	-	-	1,258,106,394	1,258,106,394	-	1,258,106,394	-	-	548,834,021	Completed
15	Chitral	PTML	25-Jun-21	450,000,000	-	-	450,000,000	-	-	450,000,000	450,000,000	-	450,000,000	-	-	180,000,000	Completed-HG
16	Koch	PTML	25-Jun-21	754,698,926	-	-	754,698,926	-	-	754,698,926	754,698,926	-	754,698,926	-	-	831,105,244	up to 2nd (Desposed)
17	Pishin	PNCL	25-Jun-21	235,569,266	-	-	235,569,266	-	-	235,569,266	235,569,266	-	235,569,266	-	-	101,888,386	Completed
18	Pishin	PNCL	22-Apr-21	1,299,554,334	-	-	1,299,554,334	-	-	1,299,554,334	1,299,554,334	-	1,299,554,334	-	-	527,923,678	up to 2nd
19	Multan	PNCL	22-Apr-21	154,078,229	-	-	154,078,229	-	-	154,078,229	154,078,229	-	154,078,229	-	-	103,257,091	Completed-HG
20	Shikarpur	PNCL	24-Apr-21	343,630,512	-	-	343,630,512	-	-	343,630,512	343,630,512	-	343,630,512	-	-	236,000,000	Completed-HG
21	Punjab	PTML	28-Apr-21	597,144,500	-	-	597,144,500	-	-	597,144,500	597,144,500	-	597,144,500	-	-	321,000,000	Completed-HG
22	Swat	Telenor	30-Apr-21	555,000,000	-	-	555,000,000	-	-	555,000,000	555,000,000	-	555,000,000	-	-	272,887,997	Completed-HG
23	Small Lot Baluchistan-5	PTML	30-Apr-21	586,694,380	-	-	586,694,380	-	-	586,694,380	586,694,380	-	586,694,380	-	-	54,544,400	Completed
24	Bannu	PNCL	19-Jul-21	135,977,813	-	-	135,977,813	-	-	135,977,813	135,977,813	-	135,977,813	-	-	125,809,668	Completed-HG
25	Bannu	PNCL	19-Jul-21	308,924,161	-	-	308,924,161	-	-	308,924,161	308,924,161	-	308,924,161	-	-	125,809,668	Completed-HG
26	Bannu	PNCL	19-Jul-21	201,531,667	-	-	201,531,667	-	-	201,531,667	201,531,667	-	201,531,667	-	-	9,552,126	Completed-HG
27	Small Lot Punjab-5	Telenor	4-Aug-21	23,880,315	-	-	23,880,315	-	-	23,880,315	23,880,315	-	23,880,315	-	-	5,090,884	Completed-HG
28	Small Lot Punjab-6	Telenor	4-Aug-21	16,597,305	-	-	16,597,305	-	-	16,597,305	16,597,305	-	16,597,305	-	-	6,638,922	Completed-HG
29	Small Lot Punjab-7	Telenor	4-Aug-21	681,284,742	-	-	681,284,742	-	-	681,284,742	681,284,742	-	681,284,742	-	-	272,513,897	Completed-HG
30	Sahawal	PNCL	25-Oct-21	246,405,845	-	-	246,405,845	-	-	246,405,845	246,405,845	-	246,405,845	-	-	98,562,338	Completed-HG
31	Kanchar Shakhikot	PNCL	25-Oct-21	451,645,455	-	-	451,645,455	-	-	451,645,455	451,645,455	-	451,645,455	-	-	180,638,182	Completed-HG
32	Noushahero Feroze	PNCL	25-Oct-21	135,142,364	-	-	135,142,364	-	-	135,142,364	135,142,364	-	135,142,364	-	-	42,071,620	Completed-HG
33	NIKAW M-3	PNCL	25-Oct-21	154,790,090	-	-	154,790,090	-	-	154,790,090	154,790,090	-	154,790,090	-	-	46,437,027	Completed-HG
34	NIKAW M-5	PNCL	25-Oct-21	1,172,958,500	-	-	1,172,958,500	-	-	1,172,958,500	1,172,958,500	-	1,172,958,500	-	-	976,082,214	Mobilization Adv.
35	TD-K1	PNCL	21-Dec-21	883,360,268	-	-	883,360,268	-	-	883,360,268	883,360,268	-	883,360,268	-	-	713,138,139	Mobilization Adv.
36	TD-K2	PNCL	21-Dec-21	17,506,346	-	-	17,506,346	-	-	17,506,346	17,506,346	-	17,506,346	-	-	5,446,419	Completed-HG
37	Small Lot Punjab-5	PNCL	21-Dec-21	1,598,775,965	-	-	1,598,775,965	-	-	1,598,775,965	1,598,775,965	-	1,598,775,965	-	-	639,652,187	Completed-HG
38	Minhawali	PNCL	21-Dec-21	1,754,696,172	-	-	1,754,696,172	-	-	1,754,696,172	1,754,696,172	-	1,754,696,172	-	-	709,498,800	up to 3rd
39	Lashella	PTML	22-Dec-21	49,593,870	-	-	49,593,870	-	-	49,593,870	49,593,870	-	49,593,870	-	-	19,837,548	Completed-HG
40	Small Lot Punjab-9	Telenor	22-Dec-21	1,999,232,929	-	-	1,999,232,929	-	-	1,999,232,929	1,999,232,929	-	1,999,232,929	-	-	815,124,301	Completed
41	Bauer	Telenor	22-Dec-21	375,356,870	-	-	375,356,870	-	-	375,356,870	375,356,870	-	375,356,870	-	-	150,142,748	Completed-HG
42	NIKAW Lot-7 (Hakkar)	PNCL	25-Mar-22	22,601,942	-	-	22,601,942	-	-	22,601,942	22,601,942	-	22,601,942	-	-	7,031,715	Completed-HG
43	Small Lot Punjab-10	PNCL	25-Mar-22	11,023,710	-	-	11,023,710	-	-	11,023,710	11,023,710	-	11,023,710	-	-	3,429,599	Completed-HG
44	Killa Sattalab	PTML	29-Mar-22	3,555,838,268	-	-	3,555,838,268	-	-	3,555,838,268	3,555,838,268	-	3,555,838,268	-	-	1,429,189,200	Completed-HG
45	Killa Sattalab-2	PTML	29-Mar-22	2,256,599,207	-	-	2,256,599,207	-	-	2,256,599,207	2,256,599,207	-	2,256,599,207	-	-	902,639,683	Completed-HG
46	Jhang	Telenor	22-Jun-22	2,543,783,839	-	-	2,543,783,839	-	-	2,543,783,839	2,543,783,839	-	2,543,783,839	-	-	1,040,000,000	Completed-HG
47	Loralai	PTML	22-Jun-22	458,844,690	-	-	458,844,690	-	-	458,844,690	458,844,690	-	458,844,690	-	-	249,220,879	Up to 3rd
48	Suikot	PNCL	22-Jun-22	596,838,636	-	-	596,838,636	-	-	596,838,636	596,838,636	-	596,838,636	-	-	86,986,850	Completed-HG
49	Nisban Sahib	PNCL	22-Jun-22	457,180,006	-	-	457,180,006	-	-	457,180,006	457,180,006	-	457,180,006	-	-	187,559,091	Completed-HG
50	Lodhran	PNCL	22-Jun-22	1,189,527,379	-	-	1,189,527,379	-	-	1,189,527,379	1,189,527,379	-	1,189,527,379	-	-	475,973,827	Completed
51	NIKAW Lot-8 (M-4)	PNCL	22-Jun-22	44,394,899	-	-	44,394,899	-	-	44,394,899	44,394,899	-	44,394,899	-	-	17,970,820	Completed-HG
52	Small Lot Punjab-6	Telenor	22-Jun-22														

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(A Company incorporated under Section 42 of the Companies Act, 2017)
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FOR THE FINANCIAL YEAR ENDED 31.03.2025

20 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract documents	Subsidy due for the year		Total	Subsidy disbursed		Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					Capex	Opex		As of 30 June 2024	For the year				
59	Small Lot Shalib-10	Telenor	22-Nov-22	874,315,253	699,452,202	174,863,051	874,315,253	699,452,202	874,315,253	69,943,220	-	349,726,101	Completed
60	Small Lot Baluchistan-8	PTCL	22-Nov-22	1,967,246	-	1,967,246	1,967,246	-	1,967,246	-	1,676,730	73,252,547	Completed
61	Shib	PTCL	2-Dec-22	1,857,812,629	200,967,720	213,964,404	1,861,149,091	956,845,707	2,176,857	-	796,662,938	783,904,968	Up to 3rd
Sub-total (B)				45,047,749,319	6,860,452,061	356,889,701	7,217,411,762	31,475,623,682	39,685,589,521	275,485,614	5,396,431,066	18,896,522,129	

21 OPTICAL FIBER CABLE- OFC

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract documents	Subsidy due for the year		Total	Subsidy disbursed		Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					Capex	Opex		As of 30 June 2024	For the year				
1	Balochistan Package-2	PTCL	25-Jun-09	916,992,426	-	-	916,992,426	960,000,000	-	-	-	-	Completed, Receivable
2	Balochistan-Parqub Package-3	Wateen**	24-Nov-09	986,000,000	-	-	986,000,000	591,600,000	-	-	394,400,000	-	Up to 2nd
3	Balochistan-Parqub Package-5	PTCL	17-May-10	1,498,000,000	-	-	1,498,000,000	898,800,000	-	-	-	599,200,000	Completed-Payable
4	OFC-IC-SD-ILOT1	PTCL	18-Nov-20	1,301,314,173	-	-	1,301,314,173	1,301,314,173	-	-	-	238,181,820	Completed-BG
5	OFC-IC-SD-ILOT2	PTCL	18-Nov-20	1,720,763,165	-	-	1,720,763,165	1,720,763,165	-	-	-	319,357,422	Completed-BG
6	OFC-IC-SD-ILOT3	PTCL	25-Jun-21	2,095,009,569	-	-	2,095,009,569	2,095,009,569	-	-	-	361,818,182	Completed-BG
7	OFC-KPK-I/A/T/42	PTCL	25-Jun-21	2,149,003,005	-	-	2,149,003,005	2,149,003,005	-	-	-	1,023,945,994	Completed-BG
8	OFC-IC-PB-ILOT4	Nayatel	9-Apr-21	1,580,000,000	-	-	1,580,000,000	1,580,000,000	-	-	-	287,272,728	Completed-BG
9	OFC-IC-PB-ILOT5	Nayatel	9-Apr-21	1,725,000,000	-	-	1,725,000,000	1,725,000,000	-	-	-	313,636,364	Completed-BG
10	OFC-IC-PB-ILOT6	PTCL	28-Apr-21	1,131,487,727	-	-	1,129,880,287	1,129,880,287	-	-	1,607,440	466,000,000	Completed-BG, Withheld due
11	OFC-IC-PB-ILOT7	PTCL	19-Jul-21	939,912,912	-	-	939,912,912	939,912,912	-	-	-	380,000,000	Completed-BG
12	OFC-IC-PB-ILOT8	PTCL	22-Dec-21	560,377,236	136,486,609	7,326,948	143,813,557	429,029,603	123,272,994	-	6,917,324	245,600,000	Completed-BG
13	OFC-IC-SD-ILOT10	PTCL	22-Dec-21	1,364,814,621	608,220,490	14,213,143	622,735,633	1,336,089,812	610,256,002	-	28,724,809	571,600,000	Completed-BG
14	OFC-IC-SD-ILOT12	PTCL	24-Dec-21	1,894,904,712	470,311,150	29,213,651	499,724,801	751,026,735	494,422,381	-	639,823,985	795,565,600	Up to 4th
15	OFC-SMALL IOT-3	PTCL	30-Mar-22	145,037,750	-	-	145,037,750	145,037,750	-	-	-	94,000,000	Completed-BG
16	OFC-IC-SD-ILOT11	PTCL	30-Mar-22	1,595,400,774	875,292,722	15,882,661	291,454,885	1,166,734,607	871,452,972	-	428,646,167	644,000,000	Up to 3rd
17	OFC-IC-SD-ILOT13	PTCL	22-Jun-22	1,822,616,756	1,077,056,417	8,117,376	733,578,934	1,801,600,530	1,076,138,972	-	11,981,475	798,193,140	Completed
18	OFC-IC-PB-ILOT17	PTCL	2-Aug-22	3,777,030,392	618,117,544	12,735,605	929,107,057	2,442,220,743	3,133,133,686	-	1,534,809,649	1,120,000,000	Up to 3rd
19	OFC-IC-PB-ILOT14	Nayatel	19-Oct-22	2,692,668,898	-	-	4,172,661	2,657,075,151	4,161,450	-	30,378,483	1,077,200,000	Completed
20	OFC-IC-KP-ILOT18	Discom*****	9-Jun-23	1,234,291,154	439,716,839	10,640,675	684,992,113	1,135,369,617	682,688,341	-	88,921,537	495,816,000	Completed
21	OFC-IC-SMALL IOT-1	PTCL	26-Sep-23	42,103,608	-	475,164	475,164	41,705,082	551,804	-	398,526	16,841,443	Completed
Sub-total (C)				30,162,728,878	23,189,443,005	3,703,876,478	3,806,676,478	26,996,119,483	22,637,071,698	3,731,455,273	3,166,609,395	9,868,228,693	

22 BROADBAND

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract documents	Subsidy due for the year		Total	Subsidy disbursed		Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
					Capex	Opex		As of 30 June 2024	For the year				
1	HTR	PTCL	24-Nov-09	196,295,292	-	-	196,295,292	169,273,356	-	-	-	-	84,636,679
Sub-total (D)				196,295,292	-	-	196,295,292	169,273,356	-	-	-	-	84,636,679
Total (A+B+C+D)				82,233,091,818	62,579,517,389	10,564,430,655	11,029,115,890	73,608,633,279	62,865,959,807	10,873,652,096	8,624,458,539	30,224,712,929	

20.1 Subsidy disbursed includes receivable balance of Rs.85,303,357/-, and Rs.43,007,374/- for Manning and BPO-2 projects respectively due to decoupling and advance balance of Rs.151,074,073/- for Siba Project.

* Telenor Pakistan (Private) Limited (Telenor)
** Pakistan Mobile Communications Limited (PMCL)
*** Wateen Telecom Limited (Wateen)
**** Pakistan Telecommunications Company Limited (PTCL) (a related party)
***** CN Jask Limited
***** Pakistan Telecommunications Limited (PTCL) (a related party)
***** Docomo Pakistan Private Limited
***** This represents updated cost of decoupling, usage and other amendments.

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
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FOR THE YEAR ENDED JUNE 30, 2025

20.2 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / lot	Contract date	Total subsidy as per contract *****		Subsidy due		Subsidy disbursed		As of 30 June 2024	As of 30 June 2023	Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
			Capex	Opex	For the year	Total	For the year	Total						
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM														
1	Mesung	11-Min-12	-	-	2,407,732,977	-	2,407,732,977	2,443,391,334	-	2,443,391,334	-	-	-	Completed, Receivables
2	Kohistan	31-Min-17	-	-	3,450,649,886	-	3,450,649,886	3,413,245,046	-	3,413,245,046	-	9,826,723	1,402,819,846	Completed
3	Deer Bugli	PTCL*****	-	-	988,612,037	-	988,612,037	988,612,037	-	988,612,037	-	-	633,600,000	Completed
4	Khyber	PTCL*****	-	-	1,935,359,858	-	1,935,359,858	1,935,359,858	-	1,935,359,858	-	-	-	Completed
5	Mohmand	12-Jun-18	-	-	803,105,261	-	803,105,261	762,341,622	-	762,341,622	-	20,763,639	319,858,858	Completed
6	North Waziristan	PTCL**	-	-	185,300,059	-	185,300,059	110,955,570	-	110,955,570	-	74,404,889	76,833,313	Up to 2nd
7	South Waziristan	PTCL	-	-	90,096,348	-	90,096,348	18,019,269	-	18,019,269	-	72,077,079	36,092,114	Mobilization Adv.
					9,860,916,426		9,860,916,426	9,526,114,560		9,526,114,560		3,132,473	177,071,930	2,489,204,133
B) NEXT GENERATION- BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM														
1	NH&MW Lot-1(NH 10&25)	11-Dec-18	-	-	754,930,908	-	754,930,908	754,930,908	-	754,930,908	-	-	216,000,000	Completed-BG
2	Dadu	26-Jun-19	-	-	207,239,861	-	207,239,861	207,239,861	-	207,239,861	-	-	86,718,303	Completed-BG
3	NH&MW Lot-2(NH 25&65)	26-Jun-19	-	-	228,791,440	-	228,791,440	228,791,440	-	228,791,440	-	-	100,257,322	Completed-BG
4	NH&MW Lot-3(NH 50&70)	26-Jun-19	-	-	391,928,446	-	391,928,446	391,928,446	-	391,928,446	-	-	164,470,533	Completed-BG
5	Hydrabad	22-Jul-19	-	-	449,692,145	-	449,692,145	449,692,145	-	449,692,145	-	-	179,876,859	Completed-BG
6	Bahawalpur	23-Sep-19	-	-	343,707,705	-	343,707,705	343,707,705	-	343,707,705	-	-	137,483,083	Completed-BG
7	Bahawalnagar	30-Oct-19	-	-	165,883,604	-	165,883,604	165,883,604	-	165,883,604	-	-	28,561,910	Completed-BG
8	Muzaffargarh	191,822,718	-	-	191,822,718	-	191,822,718	191,822,718	-	191,822,718	-	-	34,082,279	Completed-BG
9	Deer Ghaz Khan	30-Oct-19	-	-	476,979,584	-	476,979,584	476,979,584	-	476,979,584	-	-	140,293,585	Completed-BG
10	Tharparkar	23-Dec-19	-	-	1,197,734,430	-	1,197,734,430	1,197,734,430	-	1,197,734,430	-	-	479,093,773	Completed-BG
11	Sanghar	23-Jun-20	-	-	588,169,155	-	588,169,155	588,169,155	-	588,169,155	-	-	235,267,662	Completed-BG
12	Kurrum	9-Mar-20	-	-	18,449,149	-	18,449,149	18,449,149	-	18,449,149	-	73,796,597	36,898,298	Mobilization Adv.
13	Small Lot Punjab-4	5-Jun-20	-	-	37,812,923	-	37,812,923	37,812,923	-	37,812,923	-	-	14,840,186	Completed-BG
14	Muzaffargarh	5-Jun-20	-	-	624,494,754	-	624,494,754	624,494,754	-	624,494,754	-	-	260,087,961	Completed-BG
15	Small Lot Islamabad-1	5-Jun-20	-	-	30,245,525	-	30,245,525	30,245,525	-	30,245,525	-	-	12,098,210	Completed-BG
16	Small Lot Bahuchistan-3	16-Aug-20	-	-	47,000,000	-	47,000,000	47,000,000	-	47,000,000	-	-	14,377,047	Completed-BG
17	Bolan	16-Aug-20	-	-	451,304,656	-	451,304,656	451,304,656	-	451,304,656	-	-	8,680,840	Completed-BG
18	Ghazni	18-Sep-20	-	-	583,811,542	-	583,811,542	583,811,542	-	583,811,542	-	-	167,553,695	Completed-BG
19	Small Lot Bahuchistan-2	18-Sep-20	-	-	220,000,000	-	220,000,000	220,000,000	-	220,000,000	-	-	6,492,471	Completed-BG
20	Jhinnawal	18-Sep-20	-	-	75,196,821	-	75,196,821	75,196,821	-	75,196,821	-	-	35,214,675	Completed
21	Small Lot Sindh-4	11-Nov-20	-	-	21,516,623	-	21,516,623	21,516,623	-	21,516,623	-	-	260,800,000	Completed-BG
22	Mesung	23-Ming	-	-	614,499,981	-	614,499,981	614,499,981	-	614,499,981	-	-	9,607,843	Completed
23	Chitral	11-Nov-20	-	-	1,372,085,052	-	1,372,085,052	1,372,085,052	-	1,372,085,052	-	-	548,834,021	Completed
24	Chagai	25-Jan-21	-	-	1,265,312,246	-	1,265,312,246	1,265,312,246	-	1,265,312,246	-	-	548,130,549	Completed
25	Gwadar	25-Jan-21	-	-	450,000,000	-	450,000,000	450,000,000	-	450,000,000	-	-	180,000,000	Completed-BG
26	Keesh	25-Jan-21	-	-	764,672,392	-	764,672,392	764,672,392	-	764,672,392	-	-	831,105,244	up to 2nd (Decesped)
27	Jhelum	25-Jan-21	-	-	254,720,966	-	254,720,966	254,720,966	-	254,720,966	-	-	101,888,386	Up to 3rd
28	Pishin	22-Apr-21	-	-	1,301,818,347	-	1,301,818,347	1,301,818,347	-	1,301,818,347	-	-	57,923,678	Up to 1st
29	Multan	23-Apr-21	-	-	154,078,229	-	154,078,229	154,078,229	-	154,078,229	-	-	44,022,351	Completed-BG
30	Shikapur	24-Apr-21	-	-	343,630,512	-	343,630,512	343,630,512	-	343,630,512	-	-	103,257,091	Completed-BG
31	Panjar	28-Apr-21	-	-	567,144,500	-	567,144,500	567,144,500	-	567,144,500	-	-	232,000,000	Completed-BG
32	Swabi	30-Apr-21	-	-	555,000,000	-	555,000,000	555,000,000	-	555,000,000	-	-	312,587,997	Completed-BG
33	Small Lot Bahuchistan-5	30-Apr-21	-	-	156,295,998	-	156,295,998	156,295,998	-	156,295,998	-	-	236,000,000	Completed
34	Small Lot Bahuchistan-5	19-Jul-21	-	-	1,056,259	-	1,056,259	1,056,259	-	1,056,259	-	-	488,833	Completed
35	Attock	19-Jul-21	-	-	308,924,161	-	308,924,161	308,924,161	-	308,924,161	-	-	54,544,400	Completed
36	Bannu	19-Jul-21	-	-	201,531,667	-	201,531,667	201,531,667	-	201,531,667	-	-	123,569,666	Completed
37	Small Lot Punjab-5	4-Aug-21	-	-	23,880,315	-	23,880,315	23,880,315	-	23,880,315	-	-	9,553,126	Completed-BG
38	Small Lot Punjab-6	4-Aug-21	-	-	12,727,210	-	12,727,210	12,727,210	-	12,727,210	-	-	80,612,668	Completed-BG
39	Small Lot Punjab-7	4-Aug-21	-	-	16,597,305	-	16,597,305	16,597,305	-	16,597,305	-	-	5,090,884	Completed-BG
40	Sahawal	4-Aug-21	-	-	681,284,742	-	681,284,742	681,284,742	-	681,284,742	-	-	6,638,972	Completed-BG
41	Kambar Shahdoot	25-Oct-21	-	-	246,405,845	-	246,405,845	246,405,845	-	246,405,845	-	-	272,513,897	Completed-BG
42	Nausahro Feroze	25-Oct-21	-	-	451,645,455	-	451,645,455	451,645,455	-	451,645,455	-	-	98,562,338	Completed-BG
43	NH&MW M-3	25-Oct-21	-	-	135,142,364	-	135,142,364	135,142,364	-	135,142,364	-	-	180,658,182	Completed-BG
44	NH&MW M-5	25-Oct-21	-	-	154,790,090	-	154,790,090	154,790,090	-	154,790,090	-	-	42,071,630	Completed-BG
45	TD-61	21-Dec-21	-	-	1,172,958,500	-	1,172,958,500	1,172,958,500	-	1,172,958,500	-	-	46,337,027	Completed-BG
46	TD-62	21-Dec-21	-	-	883,360,268	-	883,360,268	883,360,268	-	883,360,268	-	-	469,183,400	Mobilization Adv.
47	Small Lot Sindh-5	21-Dec-21	-	-	17,506,346	-	17,506,346	17,506,346	-	17,506,346	-	-	5,446,419	Mobilization Adv.
48	Manawal	21-Dec-21	-	-	1,599,130,467	-	1,599,130,467	1,599,130,467	-	1,599,130,467	-	-	319,826,095	Up to 3rd
49	Lusbella	22-Dec-21	-	-	1,771,013,559	-	1,771,013,559	1,771,013,559	-	1,771,013,559	-	-	699,652,187	Up to 3rd
50	Small Lot Punjab-9	22-Dec-21	-	-	49,593,870	-	49,593,870	49,593,870	-	49,593,870	-	-	19,837,548	Completed-BG
51	Buner	22-Dec-21	-	-	2,037,810,752	-	2,037,810,752	2,037,810,752	-	2,037,810,752	-	-	815,124,301	up to 3rd
					126,220,914		126,220,914	156,934,605		177,505,449		3,132,473	9,780,280,009	1,630,248,600

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(A Company incorporated under Section 42 of the Companies Act, 2017)
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20.2 SUBSIDY GRANT FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total subsidy as per contract*****		Subsidy due For the year		As of 30 June 2023	As of 30 June 2024	Subsidy disbursed For the year	As of 30 June 2024	Liquidated damages for the year	Balance commitment	Bank guarantee	Milestones achieved
				Capex	Opex	Capex	Opex								
52	NH&MW Lot-7 (Hakih-D/Kh)	PMCL	25-Mar-22	75,071,374	-	75,071,374	-	300,285,496	375,356,870	75,071,374	375,356,870	-	-	150,142,748	Completed-BG
53	Small Lot Punjab-10	PMCL	25-Mar-22	22,601,942	-	22,601,942	-	22,601,942	22,601,942	-	22,601,942	-	-	7,031,715	Completed-BG
54	Small Lot Islamabad-2	PMCL	25-Mar-22	11,023,710	-	11,023,710	-	11,023,710	11,023,710	-	11,023,710	-	-	3,429,599	Completed-BG
55	Killa Saifallah	PMCL	29-Mar-22	2,083,448,626	692,365,800	2,775,814,426	25,793,973	2,079,558,912	2,801,608,399	708,677,249	2,788,036,161	-	765,699,991	1,429,189,200	Up to 3rd
56	Ihang	PMCL	31-Mar-22	2,566,599,207	-	2,566,599,207	-	1,353,959,523	902,639,684	902,639,684	2,256,599,207	-	-	902,639,683	Completed
57	Lorain	PMCL	23-Jun-22	2,498,294,425	-	2,498,294,425	-	1,016,703,880	2,048,600,465	1,030,127,132	2,046,831,012	-	549,693,960	1,040,000,000	Up to 3rd
58	Saitori	PMCL	22-Jun-22	624,802,198	-	624,802,198	-	124,960,439	374,881,317	249,920,878	374,881,317	-	249,920,879	249,920,879	Up to 2nd
59	Nanana Sahib	PMCL	22-Jun-22	468,897,727	-	468,897,727	-	281,538,635	281,538,635	-	281,538,635	-	187,559,092	187,559,091	Up to 2nd
60	Lothian	PMCL	22-Jun-22	1,189,527,379	-	1,189,527,379	-	475,973,826	713,553,553	713,553,553	1,189,527,379	-	-	475,973,827	Completed
61	NH&MW Lot-8 (M+)	PMCL	22-Jun-22	44,394,899	-	44,394,899	-	44,394,899	44,394,899	-	44,394,899	-	-	17,970,820	Completed-BG
62	Small Lot Sindh-6	Teleor	22-Jun-22	366,416,006	-	366,416,006	-	366,416,006	366,416,006	-	366,416,006	-	-	146,566,403	Completed-BG
63	Musahel	PMCL	20-Oct-22	3,397,000,000	2,721,227	3,397,000,000	2,721,227	1,301,521,227	649,400,000	649,400,000	1,298,800,000	-	2,095,478,773	1,358,800,000	Up to 1st
64	NH&MW Lot-10 (M+)	PMCL	20-Oct-22	4,818,510,520	307,258,179	5,125,768,699	29,549,200	2,355,932,551	2,663,190,730	1,768,084,288	2,654,964,798	-	2,155,319,790	1,929,119,189	Up to 2nd
65	NH&MW Lot-9 (N+5)	PMCL	20-Oct-22	1,229,012,007	-	1,229,012,007	-	98,320,961	147,481,440	245,802,401	245,802,401	-	983,209,606	491,604,803	Mobilization Adv.
66	Small Lot Punjab-11	PMCL	20-Oct-22	317,455,507	-	317,455,507	-	63,734,583	253,720,924	253,720,924	317,455,507	-	-	127,469,167	Completed
67	Small Lot Sindh-7	Teleor	1-Nov-22	658,000,000	-	658,000,000	-	131,600,000	131,600,000	-	131,600,000	-	526,400,000	263,200,000	Mobilization Adv.
68	Small Lot Sindh-8	Teleor	1-Nov-22	851,078,833	-	851,078,833	-	170,215,767	170,215,767	-	170,215,767	-	680,863,066	340,431,534	Mobilization Adv.
69	Small Lot Sindh-9	Teleor	22-Nov-22	874,315,253	-	874,315,253	-	174,865,051	174,865,051	-	174,865,051	-	699,452,202	349,726,101	Mobilization Adv.
70	Small Lot Baluchistan-8	PMCL	22-Nov-22	1,888,117,197	-	1,888,117,197	-	184,344,553	36,620,235	147,095,544	183,731,579	-	3,772,644	75,252,547	Completed
71	Sibi	PMCL	2-Dec-22	1,964,762,420	-	1,964,762,420	-	847,187,567	847,187,567	637,897,138	956,845,707	-	1,117,574,853	785,904,968	Up to 2nd
Sub-total (B)				51,337,385,461	24,606,892,825	76,944,278,286	265,578,161	37,859,862,343	27,415,145,373	9,690,776,318	37,105,921,691	765,202	14,277,523,018	20,789,593,206	

C) OPTICAL FIBER CABLE - OFC

1	Balochistan Package-2	PTCL	25-Jun-09	916,992,426	-	916,992,426	-	960,000,000	916,992,426	-	960,000,000	581,796,961	-	-	Completed, Receivables
2	Balochistan- Punjab Package-3	Watecom	24-Nov-09	986,000,000	-	986,000,000	-	591,600,000	591,600,000	-	591,600,000	-	394,400,000	-	Up to 2nd
3	Balochistan- Punjab Package-5	PTCL	17-May-10	1,498,000,000	-	1,498,000,000	-	1,498,000,000	1,498,000,000	-	1,498,000,000	-	-	-	Completed-Payable
4	FATA Package-1	PTCL	27-Jun-18	644,491,128	-	644,491,128	-	644,491,128	644,491,128	-	644,491,128	-	100,858,896	-	Completed-BG
5	OFC-UC-SD-L0T1	PTCL	18-Nov-20	1,301,314,173	-	1,301,314,173	-	1,301,314,173	1,301,314,173	-	1,301,314,173	-	381,090,910	-	Completed-BG
6	OFC-UC-SD-L0T2	PTCL	18-Nov-20	1,720,763,165	-	1,720,763,165	-	1,720,763,165	1,720,763,165	-	1,720,763,165	-	510,971,871	-	Completed-BG
7	OFC-UC-SD-L0T3	PTCL	25-Jun-21	2,095,009,569	-	2,095,009,569	-	2,095,009,569	2,095,009,569	-	2,095,009,569	-	840,000,000	-	Completed-BG
8	OFC-KPK(FATA)P&2	PTCL	25-Jun-21	2,529,737,723	-	2,529,737,723	-	2,017,764,723	2,017,764,723	-	2,017,764,723	-	511,973,000	1,023,945,994	Up to 3rd
9	OFC-UC-PB-L0T4	Navatel	9-Apr-21	1,580,000,000	-	1,580,000,000	-	1,580,000,000	1,580,000,000	-	1,580,000,000	-	459,636,364	-	Completed-BG
10	OFC-UC-PB-L0T5	Navatel	9-Apr-21	1,725,000,000	-	1,725,000,000	-	1,725,000,000	1,725,000,000	-	1,725,000,000	-	501,818,182	-	Completed-BG
11	OFC-UC-PB-L0T6	PTCL	28-Apr-21	1,131,487,727	-	1,131,487,727	-	698,206,548	1,129,880,287	431,673,739	1,129,880,287	-	1,607,440	466,000,000	Completed-BG, Withheld due
12	OFC-UC-PB-L0T7	PTCL	19-Jul-21	939,912,912	-	939,912,912	-	939,912,912	939,912,912	-	939,912,912	-	-	380,000,000	Completed-BG
13	OFC-UC-PB-L0T8	PTCL	22-Dec-21	614,000,000	-	614,000,000	-	318,091,455	409,646,355	114,093,074	429,029,603	-	204,353,645	245,600,000	Up to 3rd
14	OFC-UC-SD-L0T-10	PTCL	22-Dec-21	1,425,959,400	-	1,425,959,400	-	713,536,179	237,256,249	473,207,410	710,463,659	-	712,603,221	571,600,000	Up to 2nd
15	OFC-UC-SD-L0T-12	PTCL	24-Dec-21	1,988,819,000	-	1,988,819,000	-	249,367,123	755,355,926	501,659,612	751,026,755	-	1,233,463,074	795,565,600	Up to 2nd
16	OFC-SMALL-L0T-3	PTCL	30-Mar-22	145,037,750	-	145,037,750	-	47,000,000	98,037,750	98,037,750	145,037,750	-	-	94,000,000	Completed-BG
17	OFC-UC-SD-L0T-11	PTCL	30-Mar-22	1,609,628,550	-	1,609,628,550	-	130,410,000	875,299,722	581,652,972	875,299,722	-	734,328,828	644,000,000	Up to 2nd
18	OFC-UC-BL-L0T-13	PTCL	22-Jun-22	1,894,857,950	-	1,894,857,950	-	392,254,624	744,889,722	683,884,348	1,076,138,972	-	817,801,603	798,193,140	Up to 2nd
19	OFC-UC-KP-L0T-17	PTCL	2-Aug-22	2,799,999,998	-	2,799,999,998	-	313,113,686	1,077,056,347	683,884,348	313,113,686	-	2,486,886,312	1,120,000,000	Mobilization Adv.
20	OFC-UC-PB-L0T-14	Navatel	19-Aug-22	2,692,671,148	-	2,692,671,148	-	2,443,609,494	2,443,609,494	2,125,804,500	2,657,075,151	-	34,553,394	1,077,200,000	Completed
21	OFC-UC-KP-L0T-18	Ducomi*****	9-Jun-23	1,239,537,831	-	1,239,537,831	-	454,467,340	684,092,113	455,454,671	684,092,113	-	554,545,718	495,816,000	Up to 2nd
22	OFC-UC-SMALL-L0T-BLI	PTCL	26-Sep-23	42,103,608	-	42,103,608	-	41,229,918	41,229,918	41,000,000	41,000,000	-	873,690	16,841,443	Completed
Sub-total (C)				31,521,324,058	17,899,297,285	49,420,621,343	32,345,591	17,775,094,750	5,906,468,974	5,906,468,974	23,281,563,836	581,796,961	7,687,389,925	10,523,136,400	

D) BROADBAND

1	HTR	PTCL	24-Nov-09	196,295,292	-	196,295,292	-	169,273,356	169,273,356	-	169,273,356	-	-	-	Completed-Payable
Sub-total (D)				196,295,292	-	196,295,292	-	169,273,356	169,273,356	-	169,273,356	-	-	-	
Total (A+B+C+D)				92,915,921,137	52,229,295,203	145,145,216,340	328,637,533	70,733,936,264	18,544,541,061	15,374,79,843	70,269,37,882	585,694,636	22,141,984,773	33,801,935,827	

20.3 Subsidy disbursed includes receivable balance of Rs.85,383,357/- and Rs.43,007,574/- for Manning and BP-02 projects respectively due to de-scoping and advance balance of Rs.172,003,022/- for Sibi Project.
***** This represents updated master list as of de-scoping, outage and other amendments.

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21 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, 2024	For the year	As of 30 June, 2025	For the year		
1	North Waziristan	Ranop Solutions Private Limited	17-Dec-19	6,888,050	1,528,146	-	1,528,146	-	5,359,904	Up to 2nd
2	South Waziristan	Ranop Solutions Private Limited	17-Dec-19	8,209,404	-	-	-	-	8,209,404	Contract Signed
Sub-total (A)				15,097,454	1,528,146	-	1,528,146	-	13,569,308	

A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	North Waziristan	Ranop Solutions Private Limited	17-Dec-19	6,888,050	1,528,146	-	1,528,146	-	5,359,904	Up to 2nd
2	South Waziristan	Ranop Solutions Private Limited	17-Dec-19	8,209,404	-	-	-	-	8,209,404	Contract Signed
Sub-total (A)				15,097,454	1,528,146	-	1,528,146	-	13,569,308	

B) NEXT GENERATION BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

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, 2024	For the year	As of 30 June, 2025	For the year		
1	Kurrum	Excelleron Communications Pvt	01-Dec-20	2,106,417	-	-	-	-	2,106,417	Contract Signed
2	Jhelum	Komkonsult Private Limited	29-Oct-21	3,696,348	3,428,304	268,044	3,428,304	268,044	3,696,348	Completed
3	Fishin	Komkonsult Private Limited	01-Nov-21	7,959,465	2,487,899	1,364,606	2,487,899	1,364,606	3,852,505	Up to 2nd
4	Swat	Ranop Solutions Private Limited	11-Nov-21	959,000	959,000	-	959,000	-	959,000	Up to 2nd, Terminated
5	Jhang	Myson Engineering System Pvt	04-Oct-22	12,350,499	11,667,999	682,500	11,667,999	682,500	12,350,499	Completed
6	Lasbella	LCC Pakistan Private Limited	06-Oct-22	6,118,600	4,273,500	-	4,273,500	-	4,273,500	Up to 3rd
7	Buner	LCC Pakistan Private Limited	06-Oct-22	5,189,750	3,228,300	1,961,450	3,228,300	1,961,450	5,189,750	Completed
8	Killa Saifullah	LCC Pakistan Private Limited	06-Oct-22	5,557,500	4,199,900	1,357,600	4,199,900	1,357,600	5,557,500	Completed
9	Mianwali	GCS Private Limited	11-Oct-22	3,444,499	3,444,499	-	3,444,499	-	3,444,499	up to 3rd, Terminated
10	Lodhran	Myson Engineering System Pvt	27-Oct-22	5,439,000	5,134,000	305,000	5,134,000	305,000	5,439,000	Completed
11	Loralai	Komkonsult Private Limited	11-Nov-22	3,159,300	2,325,000	834,300	2,325,000	834,300	3,159,300	Completed
12	Sialkot	Komkonsult Private Limited	11-Nov-22	2,563,009	932,642	422,389	932,642	422,389	1,355,031	Up to 3rd
13	Nankana Sahib	Komkonsult Private Limited	11-Nov-22	3,665,026	2,136,563	810,771	2,136,563	810,771	2,947,334	Up to 4th
14	Sibi	LCC Pakistan Private Limited	21-Sep-23	2,150,000	709,000	437,500	709,000	437,500	1,146,500	up to 3rd
15	Musakhel	Komkonsult Private Limited	14-Dec-23	3,406,462	1,364,000	1,080,200	1,364,000	1,080,200	2,444,200	up to 3rd
16	NH&MW Lot-10 (M-8)	Komkonsult Private Limited	14-Dec-23	2,693,839	1,728,980	964,859	1,728,980	964,859	2,693,839	Completed
17	NH&MW Lot-9 (N-35)	Komkonsult Private Limited	14-Dec-23	2,992,103	-	686,005	-	686,005	686,005	Up to 1st
18	Small Lot Sindh-10	LCC Pakistan Private Limited	27-Aug-24	1,469,000	-	1,469,000	-	1,469,000	-	Completed
19	Small Lot Sindh-7	Myson Engineering System Pvt	30-Aug-24	1,283,309	1,283,309	-	1,283,309	-	1,283,309	Completed
20	Small Lot Sindh-8	Myson Engineering System Pvt	30-Aug-24	1,236,160	1,236,160	-	1,236,160	-	1,236,160	Completed
Sub-total (B)				77,439,286	48,019,586	15,163,693	48,019,586	15,163,693	63,183,279	14,256,007

C) OPTICAL FIBER CABLE- OFC

1	KPK (FATA)-Package-2	Global Enterprises	04-Feb-22	2,940,513	1,956,718	144,773	1,956,718	144,773	2,101,491	839,022	Up to 4th
2	UC-SD-I-OT-10	Global Enterprises	05-Oct-22	2,471,442	966,521	739,820	966,521	739,820	1,706,341	765,101	Up to 5th
3	UC-SD-I-OT-11	Global Enterprises	05-Oct-22	2,480,705	1,001,825	359,297	1,001,825	359,297	1,361,122	1,119,583	Up to 2nd
4	UC-SD-I-OT-12	Global Enterprises	05-Oct-22	2,483,822	1,094,166	837,573	1,094,166	837,573	1,931,739	552,083	Up to 4th
5	UC-PB-I-OT-14	LCC Pakistan Private Limited	31-Aug-23	2,076,300	1,733,718	-	1,733,718	-	1,733,718	342,582	Up to 4th
6	UC-KP-I-OT-18	LCC Pakistan Private Limited	31-Aug-23	1,772,300	812,628	646,151	812,628	646,151	1,458,779	313,521	Up to 4th
7	UC-BI-I-OT-13	Komkonsult Private Limited	24-Jan-24	1,141,622	530,916	610,706	530,916	610,706	1,141,622	-	Completed
8	UC-KP-I-OT-17	LCC Pakistan Private Limited	24-Jan-24	3,887,917	-	2,126,284	-	2,126,284	2,126,284	1,761,633	Up to 3rd
Sub-total (C)				19,254,621	8,096,492	5,464,604	8,096,492	5,464,604	13,561,096	5,946,841	5,693,525
Total (A+B+C)				111,791,361	57,644,224	20,628,297	57,161,987	21,110,534	78,272,521	33,518,840	

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

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21.1. 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, 2023	For the year	As of 30 June, 2024	As of 30 June, 2023	For the year	As of 30 June, 2024				
Rupees														
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM														
1	North Waziristan	Ranop Solutions Private Limited	17-Dec-19	6,888,050	1,528,146	-	1,528,146	1,528,146	-	1,528,146	5,359,904	Up to 2nd Contract Signed		
2	South Waziristan	Ranop Solutions Private Limited	17-Dec-19	8,209,404	-	-	-	-	-	-	8,209,404	Contract Signed		
3	Mohmand	Komkonsult Private Limited	20-Feb-20	5,700,300	4,435,110	1,265,190	5,700,300	4,435,110	1,265,190	5,700,300	-	Completed		
Sub-total (A)					20,797,754	1,265,190	1,265,190	5,963,256	1,265,190	7,228,446	13,569,308			
B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM														
1	Kurram	Excleron Communications Pvt	01-Dec-20	2,106,417	-	-	-	-	-	-	2,106,417	Contract Signed		
2	Jaffarabad	Relaxon Services Pvt. Ltd.	18-May-21	2,891,500	2,616,500	275,000	2,891,500	2,616,500	275,000	2,891,500	-	Completed		
3	Mastung	LCC Pakistan Private Limited	16-Aug-21	5,310,778	5,250,778	60,000	5,310,778	5,250,778	60,000	5,310,778	-	Completed		
4	Chaghi	LCC Pakistan Private Limited	16-Aug-21	8,428,999	6,171,000	2,257,999	8,428,999	6,171,000	2,257,999	8,428,999	-	Completed		
5	Chitral	Ranop Solutions Private Limited	07-Sep-21	7,895,999	3,513,000	4,382,999	7,895,999	3,513,000	4,382,999	7,895,999	-	Completed		
6	Keesh	Excleron Communications Pvt	29-Oct-21	2,919,410	2,906,910	12,500	2,919,410	2,906,910	12,500	2,919,410	-	Completed		
7	Jhelum	Komkonsult Private Limited	29-Oct-21	4,585,114	2,649,450	778,854	3,428,304	2,649,450	778,854	3,428,304	1,156,810	Up to 3rd		
8	Pishin	Komkonsult Private Limited	01-Nov-21	7,959,465	2,487,899	-	2,487,899	2,487,899	-	2,487,899	5,471,566	Up to 1st		
9	Panjgur	Komkonsult Private Limited	04-Nov-21	2,191,506	1,590,722	600,784	2,191,506	1,590,722	600,784	2,191,506	-	Completed		
10	Swabi	Ranop Solutions Private Limited	11-Nov-21	1,747,000	1,677,000	70,000	1,747,000	1,677,000	70,000	1,747,000	-	Completed		
11	Swat	Ranop Solutions Private Limited	11-Nov-21	3,292,000	501,000	458,000	959,000	501,000	458,000	959,000	2,333,000	Up to 2nd		
12	Kambar Shahdadkot	LCC Pakistan Private Limited	21-Feb-22	3,119,000	2,981,300	137,700	3,119,000	2,981,300	137,700	3,119,000	-	Completed		
13	Naushahro Feroze	LCC Pakistan Private Limited	21-Feb-22	3,295,500	3,113,500	182,000	3,295,500	3,113,500	182,000	3,295,500	-	Completed		
14	Sahiwal	LCC Pakistan Private Limited	09-Mar-22	2,993,549	34,999	34,999	2,993,549	34,999	35,000	2,993,549	-	Completed		
15	Bannu	Komkonsult Private Limited	14-Mar-22	2,540,765	2,440,765	100,000	2,540,765	2,440,765	100,000	2,540,765	-	Completed		
16	Attock	Myson Engineering System Pvt	17-Mar-22	4,232,229	3,096,510	1,135,719	4,232,229	3,096,510	1,135,719	4,232,229	-	Completed		
17	Jhang	Myson Engineering System Pvt	04-Oct-22	12,515,175	5,871,000	5,796,999	11,667,999	5,871,000	5,796,999	11,667,999	847,176	Up to 4th		
18	NH&MW Lot-7 (Hakla-DIKhan)	Myson Engineering System Pvt	04-Oct-22	927,865	362,760	565,105	927,865	362,760	565,105	927,865	-	Completed		
19	Lasbella	LCC Pakistan Private Limited	06-Oct-22	6,118,600	3,017,500	1,256,000	4,273,500	3,017,500	1,256,000	4,273,500	1,845,100	Up to 3rd		
20	Buner	LCC Pakistan Private Limited	06-Oct-22	5,250,300	3,228,300	3,228,300	3,228,300	3,228,300	3,228,300	2,022,000	Up to 3rd			
21	Killa Saifullah	LCC Pakistan Private Limited	06-Oct-22	6,557,500	2,919,100	1,280,800	4,199,900	2,919,100	1,280,800	4,199,900	2,357,600	Up to 3rd		
22	Mianwali	GCS Private Limited	11-Oct-22	5,978,600	3,444,499	-	3,444,499	3,444,499	-	3,444,499	2,534,101	Up to 3rd		
23	Lodhran	Myson Engineering System Pvt	27-Oct-22	5,707,000	1,516,000	3,618,000	5,134,000	1,516,000	3,618,000	5,134,000	573,000	Up to 4th		
24	Loralai	Komkonsult Private Limited	11-Nov-22	3,475,471	835,900	1,489,100	1,489,100	835,900	1,489,100	2,325,000	1,150,471	Up to 3rd		
25	Sialkot	Komkonsult Private Limited	11-Nov-22	2,563,009	-	932,642	932,642	-	932,642	1,630,367	1,150,471	Up to 2nd		
26	Nankana Sahib	Komkonsult Private Limited	11-Nov-22	3,665,026	2,136,563	-	2,136,563	2,136,563	-	2,136,563	1,528,463	Up to 2nd		
27	Small Lot Punjab-11	LCC Pakistan Private Limited	21-Sep-23	1,100,000	-	1,100,000	1,100,000	-	1,100,000	1,100,000	-	Completed		
28	Sibi	LCC Pakistan Private Limited	21-Sep-23	2,150,000	-	709,000	709,000	-	709,000	1,441,000	1,441,000	Up to 2nd		
29	Small Lot Baluchistan-8	LCC Pakistan Private Limited	05-Dec-23	635,000	-	635,000	635,000	-	635,000	635,000	-	Completed		
30	Musakhel	Komkonsult Private Limited	14-Dec-23	3,406,462	-	1,364,000	1,364,000	-	1,364,000	2,042,462	2,042,462	Up to 1st		
31	NH&MW Lot-10 (M-8)	Komkonsult Private Limited	14-Dec-23	3,686,619	-	1,728,980	1,728,980	-	1,728,980	1,957,639	1,957,639	Up to 2nd		
32	NH&MW Lot-9 (N-35)	Komkonsult Private Limited	14-Dec-23	2,992,103	-	-	-	-	-	-	2,992,103	Contract Signed		
Sub-total (B)					64,058,206	34,190,480	98,248,686	63,965,190	34,283,496	98,248,686	33,989,275			
C) OPTICAL FIBER CABLE- OFC														
1	KPK (FATA) -Package-2	Global Enterprises	04-Feb-22	2,940,513	1,956,718	-	1,956,718	1,956,718	-	1,956,718	983,795	Up to 3rd		
2	UC-PB-LOT-6	LCC Pakistan Private Limited	21-Feb-22	2,614,214	1,649,711	964,503	2,614,214	1,649,711	964,503	2,614,214	-	Completed		
3	UC-SD-LOT-10	Global Enterprises	05-Oct-22	2,471,442	-	966,521	966,521	-	966,521	484,284	1,504,921	Up to 1st		
4	UC-SD-LOT-11	Global Enterprises	05-Oct-22	2,480,705	-	1,001,825	1,001,825	-	1,001,825	1,478,880	1,478,880	Up to 2nd		
5	UC-SD-LOT-12	Global Enterprises	05-Oct-22	2,483,822	-	1,094,166	1,094,166	-	1,094,166	1,389,656	1,389,656	Up to 2nd		
6	UC-PB-LOT-8	GCS Private Limited	11-Oct-22	820,351	820,351	-	820,351	820,351	-	820,351	-	Up to 2nd, Terminated		

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21.1 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, 2023	For the year	As of 30 June, 2024	For the year				
Rupees												
7	UC-PB-LOT-14	LCC Pakistan Private Limited	31-Aug-23	2,076,300		1,733,718	1,733,718	1,733,718	342,582	Up to 4th		
8	UC-KP-LOT-18	LCC Pakistan Private Limited	31-Aug-23	1,772,300		812,628	812,628	812,628	959,672	Up to 2nd		
9	UC-BL-LOT-13	Komkonsult Private Limited	24-Jan-24	1,194,125		530,916	530,916	530,916	663,209	Up to 2nd		
10	UC-KP-LOT-17	LCC Pakistan Private Limited	24-Jan-24	3,887,917		-	-	-	3,887,917	Contract Signed		
Sub-total (C)					22,741,689	4,426,780	7,104,277	11,531,057	4,426,780	11,048,820	11,210,632	
Total (A+B+C)					175,777,404	74,448,242	42,559,947	117,008,189	74,355,226	42,170,726	116,525,952	58,769,215

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

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21.2 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract*	Monitoring Audit fee due			Monitoring audit fee disbursed			Balance commitment	Milestones achieved
					As of 30 June, 2024	For the year 2024	As of 30 June, 2025	As of 30 June, 2024	For the year 2025	As of 30 June, 2025		
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM												
1	Kohistan	Komkonsult Pvt Ltd	13-Mar-24	2,476,000	1,672,000	804,000	2,476,000	-	2,476,000	2,476,000	-	Completed
2	Small Lot B-1	Komkonsult Pvt Ltd	13-Mar-24	1,695,000	1,695,000	-	1,695,000	-	1,695,000	1,695,000	-	Completed
3	Dera Bugti	SC Technologies Global (Pvt.) Ltd	22-Mar-24	1,827,988	1,827,988	-	1,827,988	-	1,827,988	1,827,988	-	Completed
4	Zhob	Spine Engineering Private Limited	25-Mar-24	1,385,302	1,385,302	-	1,385,302	-	1,385,302	1,385,302	-	Completed
5	Shangla	Spine Engineering Private Limited	25-Mar-24	938,900	938,900	-	938,900	-	938,900	938,900	-	Completed
6	Chitral	Spine Engineering Private Limited	25-Mar-24	1,512,120	1,512,120	-	1,512,120	-	1,512,120	1,512,120	-	Completed
7	Chaghi	Myson Engineering Systems Pvt Ltd	26-Mar-24	1,100,000	1,100,000	-	1,100,000	-	1,100,000	1,100,000	-	Completed
8	D.I.Khan	Global Connect Synergy Pvt. Ltd.	08-Apr-24	732,112	732,112	-	732,112	-	732,112	732,112	-	Completed
9	Khyber	Global Connect Synergy Pvt. Ltd.	08-Apr-24	955,417	955,417	-	955,417	-	955,417	955,417	-	Completed
10	Sibi & NGBSD B-5	LCC Pakistan Private Limited	13-Dec-24	3,372,000	3,372,000	3,372,000	3,372,000	-	3,372,000	3,372,000	-	Completed
11	Khuzdar	LCC Pakistan Private Limited	13-Dec-24	3,398,000	3,398,000	3,398,000	3,398,000	-	3,398,000	3,398,000	-	Completed
12	Khyber	Global Alliance Private Limited	19-Dec-24	936,000	936,000	936,000	936,000	-	936,000	936,000	-	Completed
13	Kohistan	Global Alliance Private Limited	19-Dec-24	1,704,000	1,704,000	1,704,000	1,704,000	-	1,704,000	1,704,000	-	Completed
14	Mohmand	Myson Engineering Systems Pvt Ltd	23-Dec-24	1,102,720	1,102,720	1,102,720	1,102,720	-	1,102,720	1,102,720	-	Completed
15	Kalat	Myson Engineering Systems Pvt Ltd	23-Dec-24	1,157,820	1,157,820	1,157,820	1,157,820	-	1,157,820	1,157,820	-	Completed
16	Awaran-Lashela	Myson Engineering Systems Pvt Ltd	23-Dec-24	1,895,400	1,895,400	1,895,400	1,895,400	-	1,895,400	1,895,400	-	Completed
17	Kharan-Washuk	Myson Engineering Systems Pvt Ltd	23-Dec-24	1,895,400	1,895,400	1,895,400	1,895,400	-	1,895,400	1,895,400	-	Completed
18	Dera Bugti	Myson Engineering Systems Pvt Ltd	23-Dec-24	2,948,400	2,948,400	2,948,400	2,948,400	-	2,948,400	2,948,400	-	Completed
19	D.I.Khan	Ranop Solutions Private Limited	23-Dec-24	2,592,500	2,592,500	2,592,500	2,592,500	-	2,592,500	2,592,500	-	Completed
20	Shangla	Spine Engineering Private Limited	24-Dec-24	1,099,078	1,099,078	1,099,078	1,099,078	-	1,099,078	1,099,078	-	Completed
21	Zhob	Spine Engineering Private Limited	24-Dec-24	2,595,782	2,595,782	2,595,782	2,595,782	-	2,595,782	2,595,782	-	Completed
22	Dera Bugti	SC Technologies Global (Pvt.) Ltd	25-Jun-25	2,675,080	-	-	-	-	-	-	2,675,080	Contract Signed
23	Kharan-Washuk	SC Technologies Global (Pvt.) Ltd	25-Jun-25	2,682,724	-	-	-	-	-	-	2,682,724	Contract Signed
24	Khuzdar	SC Technologies Global (Pvt.) Ltd	25-Jun-25	3,055,748	-	-	-	-	-	-	3,055,748	Contract Signed
25	Khyber	LCC Pakistan Private Limited	25-Jun-25	1,881,000	-	-	-	-	-	-	1,881,000	Contract Signed
26	Kohistan	LCC Pakistan Private Limited	25-Jun-25	2,800,000	-	-	-	-	-	-	2,800,000	Contract Signed
27	Sibi & B1	Myson Engineering Systems Pvt Ltd	30-Jun-25	3,191,160	-	-	-	-	-	-	3,191,160	Contract Signed
28	Kalat	Myson Engineering Systems Pvt Ltd	30-Jun-25	2,199,650	-	-	-	-	-	-	2,199,650	Contract Signed
29	Awaran-Lashela	Myson Engineering Systems Pvt Ltd	30-Jun-25	3,370,032	-	-	-	-	-	-	3,370,032	Contract Signed
30	Mohmand	Myson Engineering Systems Pvt Ltd	30-Jun-25	1,752,064	-	-	-	-	-	-	1,752,064	Contract Signed
Sub-total (A)				60,927,397	11,818,839	25,501,100	37,319,939	-	37,319,939	37,319,939	23,607,458	

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Gwadar	Komkonsult Pvt Ltd	21-Mar-24	1,340,000	1,340,000	-	1,340,000	-	1,340,000	1,340,000	-	Completed
2	Chaghi	SC Technologies Global (Pvt.) Ltd	22-Mar-24	2,401,065	2,401,065	-	2,401,065	-	2,401,065	2,401,065	-	Completed
3	NH & MW Lot 3	Spine Engineering Private Limited	25-Mar-24	619,999	619,999	-	619,999	-	619,999	619,999	-	Completed
4	Mastung	Myson Engineering Systems Pvt Ltd	26-Mar-24	1,800,000	1,800,000	-	1,800,000	-	1,800,000	1,800,000	-	Completed
5	Shikarpur	Myson Engineering Systems Pvt Ltd	26-Mar-24	1,357,954	1,357,954	-	1,357,954	-	1,357,954	1,357,954	-	Completed
6	Bahawalnagar	Global Connect Synergy Pvt. Ltd.	08-Apr-24	578,106	578,106	-	578,106	-	578,106	578,106	-	Completed
7	Jaffarabad	Global Connect Synergy Pvt. Ltd.	08-Apr-24	750,279	750,279	-	750,279	-	750,279	750,279	-	Completed
8	Multan	Global Connect Synergy Pvt. Ltd.	08-Apr-24	584,769	584,769	-	584,769	-	584,769	584,769	-	Completed
9	Ghotki	Global Connect Synergy Pvt. Ltd.	08-Apr-24	1,017,683	1,017,683	-	1,017,683	-	1,017,683	1,017,683	-	Completed
10	NH&MW Lot-(NH 10&25)	LCC Pakistan Private Limited	13-Dec-24	1,000,000	1,000,000	1,000,000	1,000,000	-	1,000,000	1,000,000	-	Completed
11	Swabi	LCC Pakistan Private Limited	13-Dec-24	945,000	945,000	945,000	945,000	-	945,000	945,000	-	Completed
12	NH&MW M-3 & M-4 & SL Punjab	LCC Pakistan Private Limited	13-Dec-24	2,332,000	2,332,000	2,332,000	2,332,000	-	2,332,000	2,332,000	-	Completed
13	Keoch & RTes Turbat	LCC Pakistan Private Limited	13-Dec-24	3,376,000	3,376,000	3,376,000	3,376,000	-	3,376,000	3,376,000	-	Completed
14	NH&MW Lot-7 (Hakla-DIKham)	TEACH	19-Dec-24	579,595	579,595	579,595	579,595	-	579,595	579,595	-	Completed
15	Bahawalpur	TEACH	19-Dec-24	935,656	935,656	935,656	935,656	-	935,656	935,656	-	Completed

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21.2 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract*	Monitoring Audit fee due			Monitoring audit fee disbursed		Balance commitment	Milestones achieved	
					As of 30 June, 2024	For the year	As of 30 June, 2025	For the year	As of 30 June, 2025			
8	UC-PB-LOT-7	Myson Engineering Systems Pvt Ltd	09-Sep-24	491,398	491,398	491,398	491,398	491,398	-	-	Completed	
9	FATA Package-1	Fast Solutions	11-Sep-24	690,000	690,000	690,000	690,000	690,000	-	-	Completed	
10	UC-PB-LOT-4	Fast Solutions	11-Sep-24	496,000	496,000	496,000	496,000	496,000	-	-	Completed	
11	OF-C- KPC	LCC Pakistan Private Limited	12-Sep-24	700,000	700,000	700,000	700,000	700,000	-	-	Completed	
12	UC-PB-LOT-6	Komkonsult Pvt Ltd	16-Sep-24	523,000	523,000	523,000	523,000	523,000	-	-	Completed	
13	UC-PB-LOT-14	Komkonsult Pvt Ltd	16-Sep-24	480,000	480,000	480,000	480,000	480,000	-	-	Completed	
14	UC-SD-LOT-1	Komkonsult Pvt Ltd	16-Sep-24	582,000	582,000	582,000	582,000	582,000	-	-	Completed	
15	UC-SD-LOT-3	Komkonsult Pvt Ltd	15-Apr-25	476,600	476,600	476,600	476,600	476,600	-	-	Completed	
16	UC-PB-LOT-6	Komkonsult Pvt Ltd	15-Apr-25	474,800	474,800	474,800	474,800	474,800	-	-	Completed	
17	UC-KP-LOT-18	Komkonsult Pvt Ltd	15-Apr-25	476,000	476,000	476,000	476,000	476,000	-	-	Completed	
18	FATA Package-1	LCC Pakistan Private Limited	15-Apr-25	499,998	499,998	499,998	499,998	499,998	-	-	Completed	
19	BP-Package-2	LCC Pakistan Private Limited	15-Apr-25	525,000	525,000	525,000	525,000	525,000	-	-	Completed	
20	BP-Package-3	LCC Pakistan Private Limited	15-Apr-25	498,000	498,000	498,000	498,000	498,000	-	-	Completed	
21	BP-Package-5	LCC Pakistan Private Limited	15-Apr-25	514,998	514,998	514,998	514,998	514,998	-	-	Completed	
22	UC-BI-LOT-13	LCC Pakistan Private Limited	15-Apr-25	499,000	499,000	499,000	499,000	499,000	-	-	Completed	
23	UC-PB-LOT-14	Myson Engineering Systems Pvt Ltd	16-Apr-25	263,844	263,844	263,844	263,844	263,844	-	-	Completed	
24	OF-C- KPC	Global Enterprises	16-Apr-25	490,000	490,000	490,000	490,000	490,000	-	-	Completed	
25	UC-PB-LOT-7	Global Enterprises	16-Apr-25	438,000	438,000	438,000	438,000	438,000	-	-	Completed	
26	UC-PB-LOT-4	MYCO Engineers	17-Apr-25	399,975	399,975	399,975	399,975	399,975	-	-	Completed	
27	UC-PB-LOT-5	MYCO Engineers	17-Apr-25	399,993	399,993	399,993	399,993	399,993	-	-	Completed	
28	UC-SD-LOT-1	Fast Solutions	21-Apr-25	461,800	461,800	461,800	461,800	461,800	-	-	Completed	
29	UC-SD-LOT-2	Fast Solutions	21-Apr-25	489,600	489,600	489,600	489,600	489,600	-	-	Completed	
				Sub-total (C)	810,000	14,460,618	15,270,618	14,370,818	14,370,818	-	-	
				Total (A+B+C)	23,078,694	76,276,102	99,354,796	98,454,996	98,454,996	65,548,066	-	-

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

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21.2.1 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract*	Monitoring Audit fee due		Monitoring audit fee disbursed		Balance commitment	Milestones achieved
					As of 30 June, 2023	For the year	As of 30 June, 2024	For the year		
Rupees										
A) BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM										
1	Awaran-Lesbla	LCC Pakistan Private Limited	18-Sep-23	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-	Completed
2	Khuzdar	LCC Pakistan Private Limited	18-Sep-23	1,436,500	1,436,500	1,436,500	1,436,500	1,436,500	-	Completed
3	Kharan-Washuk	LCC Pakistan Private Limited	18-Sep-23	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	Completed
4	Kohistan	LCC Pakistan Private Limited	18-Sep-23	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	-	Completed
5	Small Lot Balochistan-1	LCC Pakistan Private Limited	18-Sep-23	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	Completed
6	Chitral	Spine Engineering Private Limited	27-Sep-23	1,516,480	1,516,480	1,516,480	1,516,480	1,516,480	-	Completed
7	Zhob	Spine Engineering Private Limited	27-Sep-23	1,437,500	1,437,500	1,437,500	1,437,500	1,437,500	-	Completed
8	Shangla	Spine Engineering Private Limited	27-Sep-23	964,020	964,020	964,020	964,020	964,020	-	Completed
9	D.I.Khan	Spine Engineering Private Limited	27-Sep-23	1,181,450	1,181,450	1,181,450	1,181,450	1,181,450	-	Completed
10	Sibi	Myson Engineering Systems Pvt.Ltd	28-Sep-23	1,737,000	1,737,000	1,737,000	1,737,000	1,737,000	-	Completed
11	Mastung	Myson Engineering Systems Pvt.Ltd	28-Sep-23	769,550	769,550	769,550	769,550	769,550	-	Completed
12	Kalat	Myson Engineering Systems Pvt.Ltd	28-Sep-23	945,000	945,000	945,000	945,000	945,000	-	Completed
13	Dera Bugti	Myson Engineering Systems Pvt.Ltd	28-Sep-23	1,933,000	1,933,000	1,933,000	1,933,000	1,933,000	-	Completed
14	Chaghi	Myson Engineering Systems Pvt.Ltd	02-Oct-23	1,108,000	1,108,000	1,108,000	1,108,000	1,108,000	-	Completed
15	Small Lot Punjab-1	Global Connect Synergy Pvt. Ltd.	03-Oct-23	719,933	719,933	719,933	719,933	719,933	-	Completed
16	Khyber	Global Connect Synergy Pvt. Ltd.	03-Oct-23	1,111,806	1,111,806	1,111,806	1,111,806	1,111,806	-	Completed
17	Turbat	LCC Pakistan Private Limited	11-Jan-24	1,640,258	1,640,258	1,640,258	1,640,258	1,640,258	-	Completed
18	Awaran-Lasbela	LCC Pakistan Private Limited	11-Mar-24	2,134,000	2,134,000	2,134,000	2,134,000	2,134,000	-	Completed
19	Sibi	LCC Pakistan Private Limited	11-Mar-24	2,120,000	2,120,000	2,120,000	2,120,000	2,120,000	-	Completed
20	Kharan-Washuk	LCC Pakistan Private Limited	11-Mar-24	2,420,000	2,420,000	2,420,000	2,420,000	2,420,000	-	Completed
21	Khuzdar	LCC Pakistan Private Limited	11-Mar-24	1,789,500	1,789,500	1,789,500	1,789,500	1,789,500	-	Completed
22	Kohistan	Komkonsult Pvt Ltd	13-Mar-24	1,672,000	1,672,000	1,672,000	1,672,000	1,672,000	-	Completed
23	Small Lot B-1	Komkonsult Pvt Ltd	13-Mar-24	1,695,000	1,695,000	1,695,000	1,695,000	1,695,000	-	Completed
24	Kalat	Komkonsult Pvt Ltd	21-Mar-24	1,092,000	1,092,000	1,092,000	1,092,000	1,092,000	-	Completed
25	Turbat	Myson Engineering Systems Pvt.Ltd	21-Mar-24	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	-	Completed
26	Mohmand	Myson Engineering Systems Pvt.Ltd	21-Mar-24	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	-	Completed
27	Dera Bugti	SC Technologies Global (Pvt.) Ltd.	22-Mar-24	1,827,988	1,827,988	1,827,988	1,827,988	1,827,988	-	Completed
28	Zhob	Spine Engineering Private Limited	25-Mar-24	1,385,302	1,385,302	1,385,302	1,385,302	1,385,302	-	Completed
29	Shangla	Spine Engineering Private Limited	25-Mar-24	938,900	938,900	938,900	938,900	938,900	-	Completed
30	Chitral	Spine Engineering Private Limited	25-Mar-24	1,512,120	1,512,120	1,512,120	1,512,120	1,512,120	-	Completed
31	Chaghi	Myson Engineering Systems Pvt.Ltd	26-Mar-24	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	-	Completed
32	D.I.Khan	Global Connect Synergy Pvt. Ltd.	08-Apr-24	732,112	732,112	732,112	732,112	732,112	-	Completed
33	Khyber	Global Connect Synergy Pvt. Ltd.	08-Apr-24	955,417	955,417	955,417	955,417	955,417	-	Completed
				50,574,836	50,574,836	50,574,836	50,574,836	50,574,836	38,755,997	

Sub-total (A)

B) NEXT GENERATION-BROADBAND FOR SUSTAINABLE DEVELOPMENT PROGRAM

1	Shikarpur	Joynt Pvt Ltd	22-May-23	1,542,000	1,542,000	1,542,000	1,542,000	1,542,000	-	Completed
2	Ghokti	Global Connect Synergy Pvt. Ltd.	25-May-23	741,370	741,370	741,370	741,370	741,370	-	Completed
3	Jaffarabad	Global Connect Synergy Pvt. Ltd.	25-May-23	830,192	830,192	830,192	830,192	830,192	-	Completed
4	NH&MW M-3	Netkom Technologies Private Limited	27-Sep-23	480,000	480,000	480,000	480,000	480,000	-	Completed
5	Jaffarabad	Netkom Technologies Private Limited	27-Sep-23	876,000	876,000	876,000	876,000	876,000	-	Completed
6	Shikarpur	Netkom Technologies Private Limited	27-Sep-23	997,200	997,200	997,200	997,200	997,200	-	Completed
7	Bahawalpur	Netkom Technologies Private Limited	27-Sep-23	522,800	522,800	522,800	522,800	522,800	-	Completed
8	Tharparker	Netkom Technologies Private Limited	27-Sep-23	1,039,000	1,039,000	1,039,000	1,039,000	1,039,000	-	Completed
9	Dera Ghazi Khan	Netkom Technologies Private Limited	27-Sep-23	2,373,600	2,373,600	2,373,600	2,373,600	2,373,600	-	Completed
10	Bannu	Spine Engineering Private Limited	27-Sep-23	497,360	497,360	497,360	497,360	497,360	-	Completed
				50,574,836	50,574,836	50,574,836	50,574,836	38,755,997		

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21.2.1 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract*	Monitoring Audit fee due		Monitoring audit fee disbursed		Balance commitment	Milestones achieved
					As of 30 June, 2023	For the year	As of 30 June, 2024	For the year		
Rupees										
11	NH&MW Lot-3(NH 50&70)	Spine Engineering Private Limited	27-Sep-23	624,997	624,997	624,997	624,997	624,997	-	Completed
12	Mastung	Myson Engineering Systems Pvt Ltd.	28-Sep-23	748,125	748,125	748,125	748,125	748,125	-	Completed
13	Hyderabad	Myson Engineering Systems Pvt Ltd.	28-Sep-23	1,275,000	1,275,000	1,275,000	1,275,000	1,275,000	-	Completed
14	Bolan	Komkonsult Pvt Ltd	02-Oct-23	1,551,000	1,551,000	1,551,000	1,551,000	1,551,000	-	Completed
15	Ghotki	Komkonsult Pvt Ltd	02-Oct-23	1,588,000	1,588,000	1,588,000	1,588,000	1,588,000	-	Completed
16	Dadu	Komkonsult Pvt Ltd	02-Oct-23	2,169,000	2,169,000	2,169,000	2,169,000	2,169,000	-	Completed
17	Gwadar	Komkonsult Pvt Ltd	02-Oct-23	1,065,000	1,065,000	1,065,000	1,065,000	1,065,000	-	Completed
18	NH&MW Lot-2(NH 25&65)	Komkonsult Pvt Ltd	02-Oct-23	1,095,000	1,095,000	1,095,000	1,095,000	1,095,000	-	Completed
19	Swabi	Global Connect Synergy Pvt. Ltd.	03-Oct-23	530,798	530,798	530,798	530,798	530,798	-	Completed
20	Bahawalnagar	Global Connect Synergy Pvt. Ltd.	03-Oct-23	639,921	639,921	639,921	639,921	639,921	-	Completed
21	Sanghar	Global Connect Synergy Pvt. Ltd.	03-Oct-23	818,220	818,220	818,220	818,220	818,220	-	Completed
22	Muzaffargarh	Global Connect Synergy Pvt. Ltd.	03-Oct-23	864,716	864,716	864,716	864,716	864,716	-	Completed
23	NH&MW M-5	Joynt Pvt Ltd	04-Oct-23	495,000	495,000	495,000	495,000	495,000	-	Completed
24	Mullian	Joynt Pvt Ltd	04-Oct-23	580,000	580,000	580,000	580,000	580,000	-	Completed
25	Rahimyar Khan	Joynt Pvt Ltd	04-Oct-23	695,000	695,000	695,000	695,000	695,000	-	Completed
26	NH&MW M-4	Joynt Pvt Ltd	04-Oct-23	395,000	395,000	395,000	395,000	395,000	-	Completed
27	NH&MW Lot-1(NH 10&25)	Joynt Pvt Ltd	04-Oct-23	795,000	795,000	795,000	795,000	795,000	-	Completed
28	Sahiwal	Joynt Pvt Ltd	11-Jan-24	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000	-	Completed
29	Sanghar	LCC Pakistan Private Limited	11-Mar-24	1,313,000	1,313,000	1,313,000	1,313,000	1,313,000	-	Completed
30	Bolan	Komkonsult Pvt Ltd	13-Mar-24	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	-	Completed
31	NH&MW M3	Komkonsult Pvt Ltd	13-Mar-24	855,000	855,000	855,000	855,000	855,000	-	Completed
32	Gwadar	Komkonsult Pvt Ltd	21-Mar-24	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	-	Completed
33	Hyderabad	Myson Engineering Systems Pvt Ltd.	21-Mar-24	1,299,998	1,299,998	1,299,998	1,299,998	1,299,998	-	Completed
34	Sahiwal	SC Technologies Global (Pvt.) Ltd	22-Mar-24	2,703,411	2,703,411	2,703,411	2,703,411	2,703,411	-	Completed
35	Chaghi	SC Technologies Global (Pvt.) Ltd	22-Mar-24	2,401,065	2,401,065	2,401,065	2,401,065	2,401,065	-	Completed
36	NH&MW Lot-7 (Hakla-DIK)	SC Technologies Global (Pvt.) Ltd	22-Mar-24	1,704,897	1,704,897	1,704,897	1,704,897	1,704,897	-	Completed
37	Swabi	Spine Engineering Private Limited	25-Mar-24	403,200	403,200	403,200	403,200	403,200	-	Completed
38	Bannu	Spine Engineering Private Limited	25-Mar-24	474,180	474,180	474,180	474,180	474,180	-	Completed
39	NH & MW Lot 3	Spine Engineering Private Limited	25-Mar-24	619,999	619,999	619,999	619,999	619,999	-	Completed
40	Tharparkar	Nerikom Technologies Private Limited	26-Mar-24	1,024,000	1,024,000	1,024,000	1,024,000	1,024,000	-	Completed
41	Bahawalpur	Nerikom Technologies Private Limited	26-Mar-24	531,900	531,900	531,900	531,900	531,900	-	Completed
42	Dadu	Nerikom Technologies Private Limited	26-Mar-24	1,684,500	1,684,500	1,684,500	1,684,500	1,684,500	-	Completed
43	DG Khan	Nerikom Technologies Private Limited	26-Mar-24	2,083,000	2,083,000	2,083,000	2,083,000	2,083,000	-	Completed
44	Muzaffargarh	Nerikom Technologies Private Limited	26-Mar-24	796,500	796,500	796,500	796,500	796,500	-	Completed
45	NH&MW(NH25&NH65)Lot	Nerikom Technologies Private Limited	26-Mar-24	1,023,000	1,023,000	1,023,000	1,023,000	1,023,000	-	Completed
46	Mastung	Myson Engineering Systems Pvt Ltd.	26-Mar-24	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	-	Completed
47	Shikarpur	Myson Engineering Systems Pvt Ltd.	26-Mar-24	1,357,954	1,357,954	1,357,954	1,357,954	1,357,954	-	Completed
48	Bahawalnagar	Global Connect Synergy Pvt. Ltd.	08-Apr-24	578,106	578,106	578,106	578,106	578,106	-	Completed
49	Jaffarabad	Global Connect Synergy Pvt. Ltd.	08-Apr-24	750,279	750,279	750,279	750,279	750,279	-	Completed
50	Mullian	Global Connect Synergy Pvt. Ltd.	08-Apr-24	584,769	584,769	584,769	584,769	584,769	-	Completed
51	Ghotki	Global Connect Synergy Pvt. Ltd.	08-Apr-24	1,017,683	1,017,683	1,017,683	1,017,683	1,017,683	-	Completed
Sub-total (B)					54,734,740	54,734,740	54,734,740	54,734,740	44,284,885	44,284,885

C) OPTICAL FIBER CABLE- OFC

1	BP-Package-5	Global Enterprises	05-Apr-23	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	-	Completed
2	BP-Package-2	Komkonsult Pvt Ltd	24-Jan-24	1,153,000	1,153,000	1,153,000	1,153,000	1,153,000	-	Contract Signed
3	UC-PB-LOT-7	LCC Pakistan Private Limited	24-Jan-24	931,400	931,400	931,400	931,400	931,400	-	Completed

UNIVERSAL SERVICE FUND
(A Company incorporated under Section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

21.2.1 FEE TO MONITORING AUDITORS FOR PROJECTS

Sr. No.	Project / Lot	Allotted to	Contract date	Total cost as per contract*	Monitoring Audit fee due		Monitoring audit fee disbursed		Balance commitment	Milestones achieved	
					As of 30 June, 2023	For the year	As of 30 June, 2024	For the year			As of 30 June, 2024
Rupees											
4	BP-Package-3	Global Enterprises	25-Jan-24	875,000	-	875,000	875,000	875,000	-	Completed	
5	BP-Package-4	Global Enterprises	25-Jan-24	876,000	-	876,000	876,000	876,000	-	Completed	
6	BP-Package-5	Global Enterprises	25-Jan-24	980,000	-	980,000	980,000	980,000	-	Completed	
7	OFC- KPK	Global Enterprises	25-Jan-24	830,000	-	830,000	830,000	830,000	-	Completed	
8	UC-SD-LOT-3	Global Enterprises	25-Jan-24	950,000	-	950,000	950,000	950,000	-	Completed	
9	FATA Package-1	Fast Solutions	19-Feb-24	792,000	-	792,000	792,000	792,000	-	Completed	
10	UC-SD-LOT-1	Fast Solutions	19-Feb-24	842,500	-	842,500	842,500	842,500	-	Completed	
11	UC-SD-LOT-2	Fast Solutions	19-Feb-24	842,600	-	842,600	842,600	842,600	-	Completed	
12	UC-PB-LOT-4	Fast Solutions	19-Feb-24	892,500	-	892,500	892,500	892,500	-	Completed	
13	UC-PB-LOT-5	Fast Solutions	19-Feb-24	891,800	-	891,800	891,800	891,800	-	Completed	
14	UC-SD-LOT-3	Myson Engineering Systems Pvt.Ltd.	23-Apr-24	813,853	-	813,853	813,853	813,853	-	Completed	
15	UC-PB-LOT-7	Myson Engineering Systems Pvt.Ltd.	23-Apr-24	813,853	-	813,853	813,853	813,853	-	Completed	
16	UC-PB-LOT-4	Netkom Technologies Private Limited	26-Apr-24	478,800	-	478,800	478,800	478,800	-	Completed	
17	FATA Package-1	LCC Pakistan Private Limited	26-Apr-24	742,600	-	742,600	742,600	742,600	-	Completed	
18	UC-SD-LOT-2	LCC Pakistan Private Limited	26-Apr-24	793,200	-	793,200	793,200	793,200	-	Completed	
19	BP-Package-3	MYCO Engineers	29-Apr-24	629,600	-	629,600	629,600	629,600	-	Completed	
20	BP-Package-5	Komkonsult Pvt Ltd	29-Apr-24	810,000	-	810,000	810,000	810,000	-	Contract Signed	
21	UC-SD-LOT-1	Komkonsult Pvt Ltd	29-Apr-24	707,500	-	707,500	707,500	707,500	-	Completed	
22	UC-PB-LOT-5	Joynt Pvt Ltd	30-Apr-24	697,015	-	697,015	697,015	697,015	-	Completed	
23	OFC- KPK	Global Enterprises	30-Apr-24	790,000	-	790,000	790,000	790,000	-	Completed	
24	BP-Package-2	Global Enterprises	30-Apr-24	799,992	-	799,992	799,992	799,992	-	Completed	
Sub-total (C)					2,280,000	18,933,215	21,213,215	20,403,215	-	-	
Total (A+B+C)					2,280,000	124,242,791	126,522,791	103,444,097	103,444,097	-	-

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

UNIVERSAL SERVICE FUND

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

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2025****22 LIQUIDATED DAMAGES FOR PROJECTS - WRITTEN OFF**

In line with the settlement agreement and the conclusion reached by the Appeal Committee dated September 3, 2025, liquidated damages for delay amounting to Rs. 655,878,803/- previously recognized on various projects of PTCL have been disallowed. Accordingly, the Company has written off liquidated damages receivables amounting to Rs. 655,878,803.

23 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.

23.1 Interest rate risk

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

23.2 Credit risk

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

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

	June 2025 Rupees	June 2024 Rupees
Advance against gratuity balance to employees	18,751,007	16,670,413
Other receivables	1,691,109,880	2,346,988,683
Bank balance	2,015,028,869	1,964,302,344
	<u>3,724,889,756</u>	<u>4,327,961,440</u>

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

Bank name:	Rating	Rating Agency	June 2025 Rupees	June 2024 Rupees
National Bank of Pakistan:	AAA/A-1+	JCR-VIS/PACRA		
Bank balance			2,015,028,869	1,964,302,344
			<u>2,015,028,869</u>	<u>1,964,302,344</u>

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, 2025**

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

23.3 Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Maturity up to 1 year	Maturity over 1 year and up to 5 years
-----Rupees-----				
June 30, 2025				
Project subsidy payable	948,488,080	948,488,080	948,488,080	-
Technical auditor fee payable	899,800	899,800	899,800	-
Payable to suppliers	11,576,578	11,576,578	11,576,578	-
Accrued liabilities	7,084,929	7,084,929	7,084,929	-
Lease liability	183,306,957	236,327,952	50,921,640	185,406,312
	<u>1,151,356,344</u>	<u>1,204,377,339</u>	<u>1,018,971,027</u>	<u>185,406,312</u>
June 30, 2024				
Project subsidy payable	813,952,335	813,952,335	813,952,335	-
Technical auditor fee payable	23,560,931	23,560,931	23,560,931	-
Payable to suppliers	7,906,211	7,906,211	7,906,211	-
Accrued liabilities	5,958,891	5,958,891	5,958,891	-
Lease liability	48,057,812	60,120,000	50,921,640	9,198,360
	<u>899,436,180</u>	<u>911,498,368</u>	<u>902,300,008</u>	<u>9,198,360</u>

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

23.4 Market risk

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

23.4.1 Currency risk

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

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

23.4.2 Interest rate risk

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

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

Financial assets include Rs. Nil (June 30, 2024: Rs. Nil) which earn interest.

Fair value sensitivity analysis for fixed rate instruments

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

UNIVERSAL SERVICE FUND

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025****23.4.3 Other price risk**

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

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

23.5 Off-setting of financial assets and liabilities

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

23.6 Determination of fair values

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

23.7 Capital risk management

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

24 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 25 to these financial statements. Balances with related parties are disclosed in note 10, 12, 17 and 20 to the financial statements and significant transactions with related parties are as follows:

	Note	June 2025 Rupees	June 2024 Rupees
State-controlled entities			
- MoIT&T- grant received during the year		<u>11,428,134,000</u>	<u>16,119,650,000</u>
Associate due to common directorship			
Subsidy grant disbursement	20		
- Pakistan Telecommunication Company Limited		3,277,146,697	2,925,208,905
- Pak Telecom Mobile Limited (Ufone)		3,781,123,481	5,046,654,529
- Telenor Pakistan Private Limited-Telenor*		-	-
- CM Pak Private Limited-Zong		-	14,242,548
		<u>7,058,270,178</u>	<u>7,986,105,982</u>

*PTCL signed share purchase agreement with Telenor Pakistan Private Limited dated 14th December, 2023 to acquire 100% stake of Telenor Pakistan Private Limited. The completion of the acquisition is subject to regulatory approvals and customary closing conditions.

	Note	June 2025 Rupees	June 2024 Rupees
USF Employees' Gratuity Fund			
Contributions paid by the Company	17.2	<u>28,668,783</u>	<u>22,528,213</u>

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, 2025

25 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	June 2025			June 2024		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	-	6,800,000	-	-	5,950,000	-
Meeting fee						
Managerial remuneration	16,500,000	-	163,926,970	3,008,000	-	106,438,626
Allowances	12,097,333	-	131,085,363	2,090,910	-	86,835,011
Bonus	-	-	25,040,143	3,459,738	-	24,863,154
	28,597,333	6,800,000	320,052,476	8,558,648	5,950,000	218,136,791
	----- (Rupees) -----					
Number of persons	1	8	57	1	8	34

25.1 This includes monetization allowance, amounting to Rs. 13,106,060 (2024: Rs. 11,407,601) 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.

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

UNIVERSAL SERVICE FUND

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

26	NUMBER OF EMPLOYEES	June 2025	June 2024
	Employees at the period end (Number)	94	89
	Average employees during the period (Number)	90	92

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 27 OCT 2025.

28 GENERAL

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

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

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

- Balance available with USF Fund.
- Annual contribution inflow from licensees.
- Return of USF fund kept by the Federal Government.
- Timely release of budgeted funds to the Company by Policy Committee.

b) The financial statements and the notes to them comply with the requirements of International accounting standards.

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

28.3 Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation, however no material reclassification has been made.


CHIEF EXECUTIVE OFFICER


DIRECTOR



**Grant Thornton Anjum
Rahman**

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

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REVIEW REPORT TO THE MEMBERS

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Universal Service Fund ("the Company") for the year ended June 30, 2025.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company, for the year ended June 30, 2025.

Grant Thornton Anjum Rahman
GRANT THORNTON ANJUM RAHMAN

Chartered Accountants

Engagement Partner: Waqas Waris
Islamabad

Date: November 17, 2025

UDIN: CR202510209jzS5KfTn9

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

Name of company: **UNIVERSAL SERVICE FUND COMPANY**

Name of the line ministry: **MINISTRY OF INFORMATION TECHNOLOGY & TELECOM**

For the year ended: **June 30, 2025**

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

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

S. No.	Provision of the Rules	Rule no.	Y	N																			
			Tick the relevant box																				
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	√																				
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes:	3(2)	√																				
	<table border="1"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Independent Directors</td> <td>1. Ms. Ayla Majid</td> <td>06th June 2023</td> </tr> <tr> <td>2. Mr. Muhammad Yousuf</td> <td>06th June 2023</td> </tr> <tr> <td>Executive Directors</td> <td>3. Chaudhary Mudassar Naveed</td> <td>10th June 2024</td> </tr> <tr> <td rowspan="4">Non-Executive Directors</td> <td>4. Mr. Zarrar Hasham Khan</td> <td>3rd September 2024</td> </tr> <tr> <td>5. Mr. Muhammad Jahanzeb Rahim</td> <td>01st March 2024</td> </tr> <tr> <td>6. Major General (r) Hafeez UR Rehman</td> <td>06th June 2023</td> </tr> <tr> <td>7. Mr. Hatem Bamatraf (President and CEO PTCL)</td> <td>06th June 2023</td> </tr> </tbody> </table>	Category	Names	Date of appointment	Independent Directors	1. Ms. Ayla Majid	06th June 2023	2. Mr. Muhammad Yousuf	06th June 2023	Executive Directors	3. Chaudhary Mudassar Naveed	10th June 2024	Non-Executive Directors	4. Mr. Zarrar Hasham Khan	3 rd September 2024	5. Mr. Muhammad Jahanzeb Rahim	01st March 2024	6. Major General (r) Hafeez UR Rehman	06th June 2023	7. Mr. Hatem Bamatraf (President and CEO PTCL)	06th June 2023		
Category	Names	Date of appointment																					
Independent Directors	1. Ms. Ayla Majid	06th June 2023																					
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	7. Mr. Hatem Bamatraf (President and CEO PTCL)	06th June 2023																					

3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	√	Comment: The USF does not have the authority to appoint its ex officio members. However the independent directors have confirmed that they comply with this provision by providing affidavits.
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	N/ A	Comment: The Board members are appointed by Federal Government and it has assessed the fit and proper criteria.
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	√	
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	4(4)	√	
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	N/ A	Comment: State Owned Enterprises Act 2023 requirement have been followed in this regard
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. https://www.usf.org.pk/publications (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	√ √ √	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity, and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	√	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b(ii)	√	

11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	√	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	√	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	√	
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	√	
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	√	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	The board has quantified the outlay in respect of services to be delivered by USF Co. However, request for compensation in this regard is not submitted to GOP. The company does not draw on Government resources to meet its financial obligations. The company is compensated out of a Special Purpose Fund, which is collected by levying a charge on the adjusted gross revenue of contributing telecom and broadband service providers.
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	√	

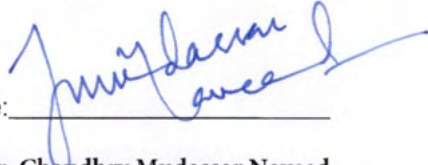
18.	(a)	The Board has met at least four times during the year.	6(1)	√	
	(b)	Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	√	
	(c)	The minutes of the meetings were appropriately recorded and circulated.	6(3)	√	
19.		The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	√	
20.		The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	√	
21.	(a)	The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	√	
	(b)	In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.		N/A	
	(c)	The Board has placed the annual financial statements on the company's website.		√	
22.		All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	√	
23.	(a)	The Board has formed the requisite committees, as specified in the Rules.	12	√	
	(b)	The committees were provided with written term of reference defining their duties, authority and composition.		√	
	(c)	The minutes of the meetings of the committees were circulated to all the Board members.		√	
	(d)	The committees were chaired by the following non-executive directors:		√	

	Committee	Number of members	Name of Chair	12		<p>Risk Management Committee Chair is vacant since 25th April 2024 due to resignation of Ms. Sofia Saeed as Board Member.</p> <p>Human Resources Committee Chair has been changed on 18th July 2024, Mr. Hatem Bamatraf has been added in this committee and has replaced Major General (R) Hafeez Ur Rehman as chairman Human Resources Committee.</p>
	Audit Committee	4	Ms. Ayla Majid			
	Risk Management Committee	3	Vacant			
	Human Resources Committee	3	Major General (R) Hafeez Ur Rehman			
	Procurement Committee	3	Muhammad Jahanzeb Rahim			
	Nomination Committee	N/A	N/A			
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.			13	N/A	No new appointments were made during the year.
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules			14	√	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of Section 225 of the Act.			16	√	
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.			17	√	
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.			18	√	
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the company contains criteria and details of remuneration of each director.			19	√	√
30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.			20	√	

31.	<p>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</p> <table border="1" data-bbox="304 342 960 786"> <thead> <tr> <th>S. No</th> <th>Name of member</th> <th>Category</th> <th>Professional background</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ayla Majid</td> <td>Independent director</td> <td>Financial expert</td> </tr> <tr> <td>2</td> <td>Vacant</td> <td>Independent director</td> <td>Legal expert</td> </tr> <tr> <td>3</td> <td>Muhammad Yousuf</td> <td>Independent director</td> <td>ICT/Telecom expert</td> </tr> <tr> <td>4</td> <td>Muhammad Jahanzeb Rahim</td> <td>Ex-officio</td> <td>Member Telecom, MOITT</td> </tr> </tbody> </table> <p>The chief executive and chairman of the Board are not members of the audit committee.</p>	S. No	Name of member	Category	Professional background	1	Ayla Majid	Independent director	Financial expert	2	Vacant	Independent director	Legal expert	3	Muhammad Yousuf	Independent director	ICT/Telecom expert	4	Muhammad Jahanzeb Rahim	Ex-officio	Member Telecom, MOITT	21 (1) and 21(2)	√	S No.2 is vacant from 25 th April 2024 due to resignation of Ms. Sofia Saeed as Board Member.
S. No	Name of member	Category	Professional background																					
1	Ayla Majid	Independent director	Financial expert																					
2	Vacant	Independent director	Legal expert																					
3	Muhammad Yousuf	Independent director	ICT/Telecom expert																					
4	Muhammad Jahanzeb Rahim	Ex-officio	Member Telecom, MOITT																					
32.	<p>(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.</p> <p>(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.</p> <p>(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</p>	21(3)	√ √ √																					
33.	<p>(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.</p> <p>(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.</p> <p>(c) The internal audit reports have been provided to the external auditors for their review.</p>	22	√ √ √																					
34.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	√																					

35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	√	
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Signature: _____



Name: Mr. Chandhry Mudassar Naveed

CEO

Signature: _____



Name: Mr. Zarrar Hasham Khan

Chairman of the Board

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