



Ministry of IT & Telecom
DIGITAL PAKISTAN



ANNUAL REPORT

FY 2022-23



CONTENTS

Our Mission	03
Board of Directors	04
Composition of Board	05
Directors' Report to the Members	06
Operational Performance	08
Monitoring Department	11
Review Report to the Members	24
Ignite is Creating A Knowledge Economy	33
Tech Innovation Grants	34
Solicitation, Engagement and Evaluation...	36
Highlights 2021-2022	39
National Incubation Center (NIC) Program	44
DigiSkills	48
Top DigiSkills Earning Freelancers	52
Digital Skills Training	53
National Grassroots ICT Research Initiative (NGIRI)	54
Outreach	58
Financial Statements	66





OUR MISSION

To solve the most meaningful problems in Pakistan using ICT and to avail global opportunities through innovation and entrepreneurship.



AREAS OF FOCUS

INNOVATION:

Using 4IR technologies to solve local and global problems.

ENTREPRENEURSHIP:

Launch of new commercial and social ideas & products.

DIVERSITY:

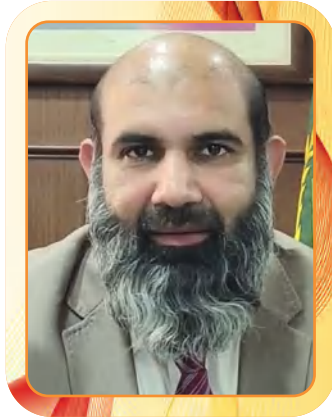
Evolution through diversity & inclusion of women and minorities.

CAPACITY BUILDING:

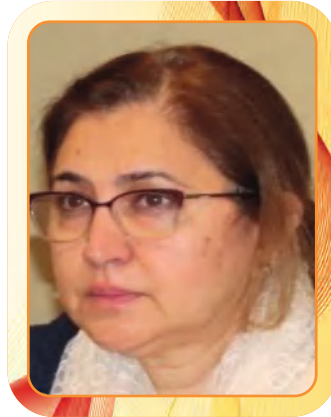
Training of students and professionals to build their skillset.

BOARD OF DIRECTORS

AS OF 30TH JUNE, 2023



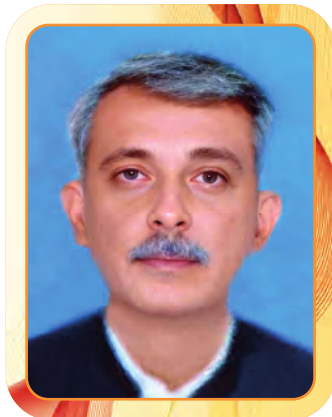
Mr. Baber Majid Bhatti
CEO
National Information
Technology Board



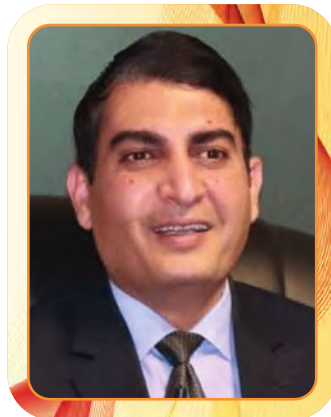
**Ms. Aisha Humera
Chaudhry**
Additional Secretary
Ministry of IT & Telecom



**Maj. (Gen) (R)
Hafeez ur Rehman**
Chairman PTA



Mr. Saad Fazil Abbasi
Additional Secretary
Ministry of Finance



Mr. M Omar Malik
Member Telecom
Ministry of IT & Telecom



Syed Junaid Imam
Member IT
Ministry of IT & Telecom









Mr. Asim Shahryar Husain
CEO Ignite

Independent Directors held office till September 15, 2022

COMPOSITION OF BOARD

THIRTEEN (13) DIRECTORS INCLUDING:

05		Ex-Officio office bearers in the Federal Government	01		Chairman of the Authority (PTA)
03		From amongst the nomination made by the relevant licenses (Data Service Provider, Fixed line and Cellular)	02		From amongst the nominations made by the scientific and academic community
01		Corporate Management Executive	01		CEO of the Company



**DIRECTORS'
REPORT TO THE
MEMBERS**



DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of Ignite is pleased to present you the annual audited financial statements for the year ended June 30, 2023 together with the Auditors' Report thereon. The year under review was full of challenges and the Board remained focused on efficiency improvement and capacity building of the Company.

FINANCIAL REVIEW

In FY 2022-23, the Company recognized the grant income of Rs. 1,730.7 million compared to Rs. 1,159.3 million in corresponding year. Total disbursement in 2022-23 remained at Rs. 1,402.2 million.

In compliance to the Public Financial Management Rules, the Company is maintaining a non-lapsable assignment account line with the initiative of Federal Government to exercise strict monetary and financial controls. With transition of this account management, all payments have been made after endorsement by AGPR.

Financial Performance (As per audited accounts):

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Rupees in Million					
Grant Income Recognized	1,390.45	1,166.20	1,149.34	845.13	1,159.39	1,730.75
Projects/Programs Activities	1,180.61	957.79	908.57	580.00	846.24	1,384.68
Research & Innovation and NGIRI	303.39	333.89	226.02	58.51	51.98	86.60
National Incubation Centers	455.56	371.58	418.64	343.91	550.03	864.20
DigiSkills.pk	78.81	247.12	256.98	171.97	194.63	330.79
HRD projects (Scholarships, Internships)	229.02	3.03	-	-	-	-
Conferences, Seminars, and Events	6.49	2.17	6.93	5.61	49.59	103.09
National ICT Scholarship	107.36	-	-	-	-	-
Operating Cost	223.21	206.57	236.04	249.63	278.39	330.70
Finance Cost	-	-	-	9.35	11.79	9.80
Total Expenditure	1,403.81	1,164.36	1,144.61	838.98	1,136.42	1,725.16
Re-measurement (gain) / loss on staff gratuity	(13.36)	1.84	4.73	6.15	22.97	5.59

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Rupees in Million					
Non Current Assets	13.30	12.17	8.10	206.85	239.58	237.76
Current Assets	613.65	545.38	646.16	661.05	480.06	737.74
Total Assets	626.94	557.55	654.26	867.89	719.64	975.49
Funds	6.71	6.71	6.71	6.71	1.44	-
Non Current Liabilities	159.94	13.06	8.10	186.38	209.15	208.36
Current Liabilities	460.29	537.79	639.45	674.81	509.04	767.13
Total Fund & Liabilities	626.94	557.55	654.26	867.89	719.64	975.49

OPERATIONAL PERFORMANCE

PROJECTS DEPARTMENT

For Projects Department, it was a year full of challenges. The highlights of the period under review are as under:-

1. National Incubation Centers

During the fiscal year 2022-23, three additional incubation centers became functional in Hyderabad, Faisalabad, and Rawalpindi. The network, comprising eight NICs in Islamabad, Lahore, Peshawar, Karachi, Hyderabad, Quetta, Faisalabad, and Rawalpindi, successfully incubated over 400 promising startups. In the same period, 172 startups graduated which collectively secured an investment of 8 billion and generated revenue surpassing 7 billion.

2. New Initiatives

▶ Pakistan Startup Connect

Pakistan Startup Connect has been developed during fiscal year 2022-23. Pakistan Startup Connect Ecosystem Networking Portal, aims to bridge the gap between Investors and startups in Pakistan.

▶ Study for Assessment of Pakistan's Startup and Freelancing Ecosystems

Ignite has conducted a detailed study of Pakistan's Startup and Freelancing ecosystems of Pakistan in collaboration with IConsult (Pvt.) Ltd. and Arthur D. Little. The study has provided an in-depth assessment of Pakistan's startup and freelancing ecosystems and has also proposed policy measures to promote startup ecosystem in the country. Final reports and policy recommendations were circulated to MoITT, SBP, FBR, SECP, BOI, and IPO for review and implementation.

▶ Center of Excellence in gaming and Animation (CEGA)

During FY 2022-23, RFP for Center of Excellence in Gaming and Animation was prepared which has also been approved by the Board subsequently.

▶ **Virtual Production Studio (VPS)**

RFP for Virtual Production Studio (VPS) was developed based on industry consultations which will be presented to the Board.

▶ **Codi Skills**

Ignite has developed RFP for Codi skills Program to empower the youth of Pakistan with highly demanded skills in programming and to prepare them with practical and job ready skills.

▶ **DEEP - Digital Economy Enhancement Project (World Bank funded)**

Ignite designed the Civic Technology Lab component of the World Bank project. Civic Technology takes a bottom-up approach and utilizes increased collaboration with citizens to design ICT solutions for the citizens based on their needs. The program design was submitted to MoITT and World Bank for approval.

3. Local and International Collaborations

▶ **MoU between Ignite and Bank Alfalah**

Ignite has signed an MoU with Bank Alfalah for financial facilitation of startups and freelancers by providing them a one-stop solution for all their banking needs.

▶ **MoU with Institute of Rural Management (IRM)**

Ignite has signed MoU with Institute of Rural Management to provide support in achieving the target of 15,000 Google Career Certificates in Pakistan.

▶ **MoU with Huawei Technologies (Pakistan)**

Ignite signed MoU with a view to developing and expanding a framework of cooperation between both organizations to strengthen relationships through talent development activities and startup programs.

▶ **Collaboration activities with HUB71, Abu Dhabi**

Ignite has initiated collaboration activities with HUB71, a government backed accelerator in Abu Dhabi to foster cross-border collaborations in startup ecosystems of both countries. For this purpose, proposed MOU was submitted to MoITT for cabinet's approval.

4. Startup Success Stories

▶ **Global Recognition**

Three startups from Ignite's National Incubation Centers won international recognition. "KalPay" of NIC Lahore and "Bioniks" of NIC Karachi made it to the Forbes 30 Under 30 Asia list under "Finance & Venture Capital" and "Social Impact" categories respectively while Aero Engine Craft of NIC Lahore successfully registered a patent on supersonic jet engines that comply with current aircraft noise standards and can also achieve high performance of the engine during flight.

▶ **Prime Minister's National Innovation Award**

Under the esteemed Prime Minister's Youth Program, the award recognizes and amplifies the power of innovation, bringing together the brightest minds from across Pakistan. 50 startups out of the participating 250 were selected as winners of the prestigious Prime Minister's National Innovation Award. The top 10 were declared winners receiving PKR 1 million in grant while the remaining 40 received PKR 0.5 million. 5 startups (50%) incubated at NICs across Pakistan made remarkable achievement not only showcasing their brilliance but also of coming in the top 10 category while 14 were part of the runners up. Under the esteemed Prime Minister's Youth Program, the award recognizes and amplifies the power of innovation, bringing together the brightest minds from across Pakistan.

▶ **Investments Raised**

Swag Kicks, an eCommerce startup from NIC Karachi for preloved fashion goods, announced raising an impressive \$1.2 million in seed round. Okayker, a digital automotive services startup from in NIC Karachi, raised \$700,000 in seed investment from institutional investors including Orbit Startups, Cur8 Capital, FRIM Ventures, and Sabr Capital. BizB, a marketplace for buying and selling preloved clothes saving money for buyers, raised \$250,000 from Accelerate Asia. Easyfresh, an agritech startup from NIC Islamabad raised \$250,000 from Orbit SOSV. Similarly, Instacare from NIC Lahore and Valeem from NIC Karachi also raised investments.

5. International Participation

Ignite funded the international travel of startups for their participation in various international events, including GITEX Global, Dubai (October 2022), LEAP Tech Conference, Riyadh (February 2023) and London Tech Week (June 2023). 24 startups exhibited their ideas and products at these events. International exposure has played a crucial part in startup success, providing them with multiple opportunities scale their businesses, gain valuable insights, and form partnerships. Such participation has showcased the entrepreneurial talent of Pakistan as well as generated new leads and business opportunities for these startups.

6. National Participation

Ignite National Technology Fund participated in 21st ITCN Asia 2022 held in Karachi (August 2022) and 22nd ITCN Asia 2023 held in Islamabad (February 2023), showcasing various startups from different National Incubation Centers. These events provided a comprehensive platform to showcase solutions for all important verticals of the economy including Government, Cloud, Data Center, Cybersecurity, ERP, Education, Banking & Finance, Health & Pharma, Ecommerce, Artificial Intelligence, and Robotics with a focus on networking, knowledge sharing & lead generation.

MONITORING DEPARTMENT

Monitoring Department performed a thriving role during FY 2022-23 and it remained very watchful on its assignments.

1. DigiSkills.pk 2.0 Training Project

Ignite had launched its flagship training project “DigiSkills.pk” in 2018 to empower the youth with skills that are in-demand in freelance market. The vision behind this initiative is:

“A digitally literate population with marketable digital skills that is gainfully engaged in a vibrant economy through dedicated, committed and excellent trainings”.

Ignite through this program wants to build a freelancing community which has the necessary skills to compete globally doing different projects and to earn their own living and to contribute towards boosting the IT exports of Pakistan.

DigiSkills.pk has so far provided more than 3.9 million free online trainings including more than 1.18 million trainings during FY 2022-23 in 15 most in demand freelancing related courses to students and professionals inside as well as outside Pakistan.

Overall enrollments comprise of 72% male and 28% female enrollments. Furthermore, DigiSkills.pk freelancers have contributed \$827 million (2018-2022) to IT Exports of Pakistan so far, by providing freelancing services to both foreign and domestic clients.

2. National Grassroots ICT Research Initiative (NGIRI)

National Grassroots ICT Research Initiative (NGIRI) is aimed at promoting R&D and Innovation at the grassroots level by providing financial support to selected Final Year Projects (FYP) of undergraduate students, enrolled in ICT-related disciplines of public and private sector institutions. This program is being executed since 2012.

Rs. 66 M was disbursed to 1,032 FYPs pertaining to NGIRI 2021-22 program whereas reimbursement of final year projects (FYPs) pertaining to NGIRI 2022-23 program is currently in process.

3. Digital Skills Training and Support Program for Southern Balochistan

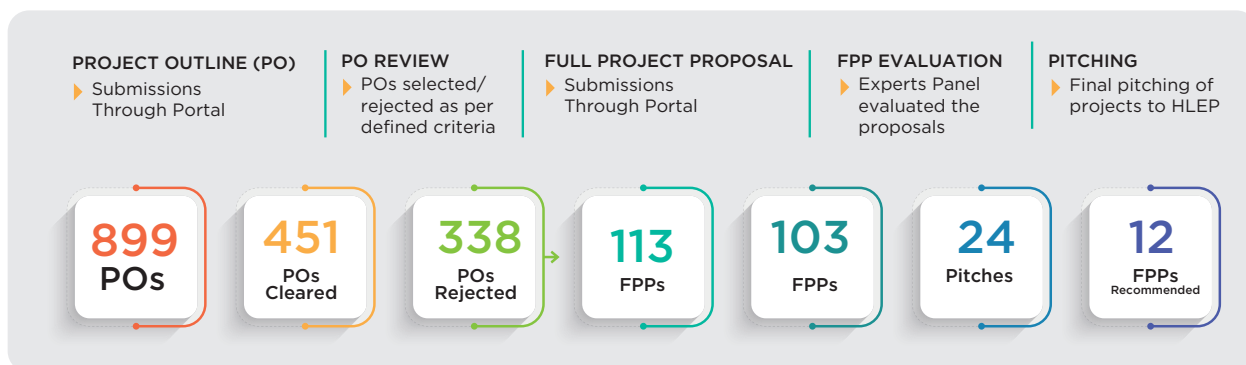
Launched in Feb-22, Digital Skills Training & Support Program for Southern Balochistan aimed at equipping the people of Southern Balochistan with Freelancing knowledge, skills and tools & techniques necessary to enable them to seize the earning opportunities available in the online marketplaces as well as in the local IT industry. Along with the emphasis on making skilled Freelancers, this program will open new socio-economic opportunities for the locals.

During FY 2022-23, 11,540 trainings were imparted against a target of 6,720. Total enrolments comprise of 65% Males and 35% Females.

SOLICITATION, ENGAGEMENT AND EVALUATION DEPARTMENT (SEED) OVERVIEW

SEED also played a very active role during the year under review.

1. Challenge-driven Innovation Fund (CIF)



The Ignite Challenge-driven Innovation Fund (CIF) is a new initiative aimed at supporting breakthrough technologies and game-changing innovations in key enabling technologies. The fund aims to build a portfolio of research projects that explore different perspectives, competing approaches, or complementary aspects of each challenge. The complexity and high-risk nature of this research require multidisciplinary collaborations. The CIF program was launched in June 2022, and applicants submitted Project Outlines and Full Proposals. The selection of Challenge-driven Innovation Grant awards was made through an open, rigorous, transparent, competitive, and merit-based process consistent with international standards for funding research and innovation projects shown in the figure. The program focuses on areas of strategic significance such as transport, health, climate change, education, ICT-enabled agriculture, smart energy, smart cities, digital industry, connectivity, interoperability, and safety. 12 projects have been recommended by review panels for funding.

2. National Cybersecurity Hackathon

Ignite Cybersecurity Hackathons 2022

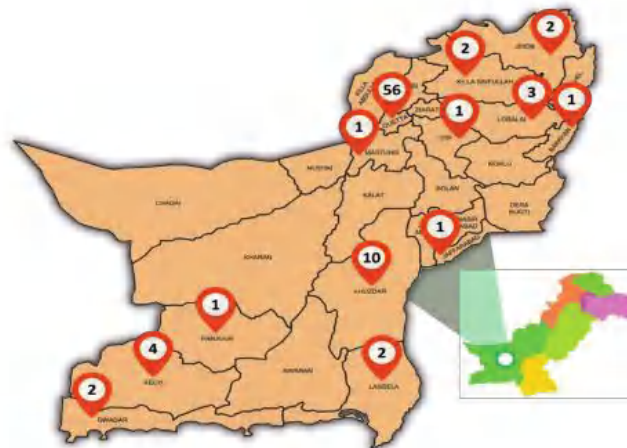


Ignite has been instrumental in enhancing cybersecurity in Pakistan, a country with a rapidly growing digital infrastructure and 124 million broadband subscribers. The initiative, which includes hands-on workshops, aims to engage, train, and recognize

talent at the national level. With a shortage of 3.4 million cybersecurity professionals globally, Pakistan can capitalize on this opportunity by training its graduates and professionals in cybersecurity tools and technologies. The workshops, attended by experts from banks, ICT companies, students, and researchers from leading universities, have been a significant success in enhancing cybersecurity capabilities. Cybersecurity hackathons were held in five cities including Karachi, Quetta, Lahore, Peshawar, and Islamabad followed by a final competition.

Cash awards of Rs. 6 million were given to the top 3 teams after the final competition.

3. Challenging the Geeks of Balochistan



Ignite organized a speed programming contest for the Geeks of Balochistan on October 24-25, 2022. The event was held at the National Incubation Center, Quetta. The competition involved teams of Startups, Computer Science/ Engineering Students, Professionals, and Freelancers from Balochistan. A total of 86 teams participated in the preliminary online phase, with 24 selected for the final round at the National Incubation Center Quetta. The competition aimed to foster problem-solving, programming, and teamwork skills among participants.

Corporate Strategy

Ignite has been established to transform Pakistan’s economy into a knowledge-based economy by promoting efficient, sustainable and effective ICT initiatives through synergic development of industrial and academic resources. The emerging information and knowledge age and the accompanying technological revolution are heralding a new economic and social order characterized by the development and exploitation of information and communication technologies (ICT) within all spheres of human endeavor. The knowledge and information economy has emerged as a new source for the creation of quality jobs, wealth generation and redistribution, rapid economic development and prosperity as well as a means for facilitating competitiveness. This vision is being achieved by pursuing the following goals:

- ▶ Cultivate industry-academia partnership by funding concrete development and research initiatives.
- ▶ Enhance the national ICT related human resource development capacity manifolds by facilitating industrial demand focused human resource capacity building and R&D capabilities in the country and promoting ICT related educational programs and activities.
- ▶ Make Pakistan an attractive destination for service oriented and research and development related outsourced jobs.
- ▶ Use ICT as a tool for wealth creation and upward mobility for economically challenged groups of citizens.
- ▶ Spread the ICT activities on a true national level

Human Resource Development

During FY 2022-23, the HR Department embarked on several remarkable initiatives aimed at enhancing our operational efficiency, employee engagement, and professional development. One of the standout achievement during this period was our successful transition from manual processes to a comprehensive digital system i.e. Implementation of HRIS (Human Resource Information System). Ignite implemented three key modules: Payroll, Attendance, and Leave Management. These modules are now fully operational, streamlining our HR processes and significantly improving the employee experience.

The transition to the digital system was a significant milestone. Dedicated HR team worked tirelessly to ensure a smooth transition with the necessary requirements to align the system with our specific needs. The primary objective of this transition was to make the system more employee-friendly and to ensure that critical data is readily available with just one click. This shift has not only improved operational efficiency but also increased the transparency and accessibility of important HR information for our employees.

Another major accomplishment in the fiscal year 2022-23 was our ability to attract and hire talent for several key positions within the organization. At different levels, 8 new recruitments were made to strengthen the workforce. These strategic hires have not only expanded our workforce but also diversified our skill set, enabling us to better address the dynamic needs of market.

Employee well-being and motivation were central to our HR initiatives. We launched various engagement activities throughout the year to create a positive and inclusive work environment. Our efforts were directed towards fostering teamwork, collaboration, commitment, and communication among different departments and teams. These activities were related to team-building activities that encouraged cross functional interactions.

We have successfully provided our employees with opportunities to participate in various functional and non-functional training programs from institutions across different regions of Pakistan. We have effectively initiated various functional and non-functional training opportunities, partnering with institutions from different regions of Pakistan. These initiatives have not only contributed to our employees' personal

growth but have also significantly enhanced their professional development. By investing in their professional growth, we intend to cultivate a skilled and motivated workforce that can adapt to evolving industry demands and contribute to the company's success.

In summary, the HR Department has been instrumental in driving positive change and fostering a more efficient, inclusive, and dynamic work environment at Ignite during the financial year 2022-2023. We are committed to building on these achievements and further enhancing our HR initiatives in the coming year to ensure the continued growth and success of our organization.

Internal Audit Department

Internal audit is intended to be an independent, objective assurance and consulting activity designed to add value and to improve Company's operations. It is an important part of the internal control framework and helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes. In Ignite, the internal audit function provides the head of the department and the Audit Committee and senior executives with assurance that key risks to the achievement of a department's objectives are being appropriately addressed. The internal audit department's reporting structure is operationally independent from line management. The internal audit headed by Chief Internal Auditor has a dual reporting structure—it reports on its plans and activities to the audit committee, and reports administratively to the CEO.

The internal audit department examines the internal audit functions of all operational departments and assesses how well they use their resources. Internal audit has evaluated the role and positioning of the internal audit function within departments, its independence and objectivity, the alignment of internal audit plans with departmental goals and risks, quality assurance and resourcing, performance against stakeholder expectations, and the communication of internal audit outcomes and insights.

In addition to that the internal audit department has also facilitates the audit by Auditor General of Pakistan (AGP) and keeps a close liaison with the auditors appointed by that office for the purpose. Post audit matters are also handled diligently. Recurring issues relate to the adequacy of internal audit resources— their capacity and capability—and whether the way they are used in the risk and control environments of each department so that it maximizes their value and impact. In order to ensure that departments use resources effectively to provide a reasonable level of assurance on the effectiveness of risk management, controls and governance processes, the internal audit has been very vigilant. Internal audit has performed the core aspects of its role well across all departments. Internal audit has made efforts to largely meet the challenges so as to make Ignite an efficient, fraud and corruption free organization that must be compliant with regulatory regime. However, on account of non-availability of Audit Committee during the year under review, it has faced certain challenges and it could not present its working before that Committee. After constitution of the Audit Committee in the ensuing year, the department would

be able to add greater value by enhancing communication and sharing insights, identifying trends and providing comprehensive review reports of department-wide internal audit activities. This would provide greater assurance on risk management, controls and governance processes.

Board of Directors Composition

Being a Public Sector Company fully owned by Federal Government, Ignite operates under the oversight of Ministry of Information Technology and Telecommunication (MoITT). All Directors of the Company are appointed by Federal Government. Earlier, the Board of Directors of the Company as constituted vide notification dated 18th July 2019 which completed its tenure in 2022. The last meeting of this Board was held on September 15, 2022. Thereafter, the MoITT initiated the process to constitute Board comprising new Independent Directors in line with provisions contained in the Articles of Association of the Company read with Research and Development Fund Rules 2006. A Selection Committee was constituted in terms of provisions contained in the Articles of Association of the Company comprising (i) Federal Secretary (ii) Additional Secretary and (iii) Member IT as its Members. This Selection Committee finalized its recommendations by December 2022. The same were forwarded to Prime Minister of Pakistan for having consent for forwarding the case to the Federal Cabinet.

In the meantime, State Owned Enterprises (Governance and Operations) Act 2023 was enacted which required that selection of Directors will be made by a Board Nomination Committee comprising the (i) Minister In-charge (ii) Secretary of the relevant Division and (iii) Secretary Finance Division or his nominee. Accordingly, on the advice of PM office, the case was finalized by the Board Nomination Committee and the nominations were vetted by the said Committee. After a lengthy process, the Federal Cabinet approved the nominations which were notified on 4th July 2023 whereby six independent, six ex-officio and one executive Directors have been appointed by the Federal Government. After enactment of State Owned Enterprises (Governance and Operations) Act 2023, some alignment of the existing Articles of Association and R & D Rules 2006 are being felt imperative.

During most part of the financial year under review, the Board of the Company was not available. Since the term of independent directors is prescribed to be three years under section 161 read with section 166 of Companies Act 2017 and after holding office for two consecutive terms, independent director cannot continue for the third term without a gap of one term, therefore, the independence of such Directors was getting impaired. On the other hand, by virtue of section 165 of the Companies Act 2017, the term of office of ex-officio Directors is not specified and they may hold office during the pleasure of nominating authority, i.e., Federal Government, therefore, in order to undertake some essential business, a couple of meetings of the Board of Directors only comprising ex-officio Members were held during the last quarter of this financial year on account of delay occurring in the appointment of new Directors by the Federal Government. As a result thereof, some compliances of Public Sector Companies (Corporate Governance) Rules 2013 could not be achieved during the year under review.

Term of the Board of Directors

The Board of Directors of the Company was constituted on July 09, 2019 by the Federal Government for three years term.

Composition of the Board

(i)	Independent Directors	05
(ii)	Ex-officio Non-executive Directors	06
(iii)	Non Executive Director	01
(iv)	Executive Director	01
	Total	13

During FY 2022-23, one Director on the Board was female.

Corporate and Financial Reporting Framework

Ignite is a public sector enterprise which operates under the framework enshrined in the Companies Act, 2017, Public Sector Companies (Corporate Governance) Rules 2013, Association not for Profit and Association with Charitable and Not for Profit Objects Regulations 2018. Since February 2023, State Owned Enterprises (Governance and Operations) Act 2023 has also become applicable to Ignite being a state owned entity. As required under the Rules, the Board is pleased to report the following:

- 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 non-compliance;
- b) The Financial statements prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- c) Proper books of accounts of the company have been maintained;
- d) The Board recognize its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored with ongoing efforts towards its future improvement;
- e) The appointment of Chairman and other members of 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;
- f) Disclosure of remuneration of Chief Executive, Directors and Executives is also given in the audited financial statement of the Company for FY 2022-23;

- g) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- h) The Board recognizes its responsibility to establish and maintain sound system of internal control which is regularly reviewed and monitored; and
- i) The appointment of Chairman and other members of the Board and the term of their appointment along with the remuneration policy adopted in the best interest of the Company in line with the best practices.
- j) The Company is not reliant on the subsidy or other financial support from the Government, however, the Company is operated with the R & D Fund levy imposed on licensees under Pakistan Telecommunication (Re-Organization) Act, 1996 in line with its objects;
- k) Any significant deviations from last year's operational results are adequately highlighted.
- l) Key operating and financial data of last six years has been provided in a tabulated form in the annual report.
- m) The Company is focused on responding to accountability requirements, improved service delivery, reduced cost adherence to the principles of corporate social responsibilities;
- n) Information about outstanding taxes and levies is given in the notes to the Financial Statements.
- o) During the year, three (3) meetings of the Board of Directors were held. Attendance of these meetings is as follows.

Board of Directors Meeting of Ignite during FY 2022-23

During FY 2022-23, only three (3) meetings of the Board of Directors could take place. Those Directors, who have not attended the meetings, have applied for leave of absence which was duly granted by the Board. As stated earlier, the Board constituted vide notification dated 8th July 2019 continued till September 15, 2022. Thereafter two Board meetings comprising ex-officio members was convened. The following is the attendance of the Directors with regards to Board meetings held during FY 2022-23:

S. No	Name of Director	Designation	No. of Meetings Attended
1	Ms. Aisha Humera Ch. Mr. Baber Majid Bhatti	Additional Secretary MoITT & ED NITB CEO NITB	3/3 2/2
2	Mr. Syed Junaid Imam	Member IT MoITT	3/3
3	Mr. M. Omar Malik	Member Telecom MoITT	2/3
4	Mr. Amir Azeem Bajwa Mr. Muhammad Naveed Mr. Hafeez ur Rehman	Chairman PTA	1/1 1/1 1/1
5	Mr. Saad Fazil Abbasi	Sr. Joint Secretary MoF	3/3
6	Mr. Khawaja Saad Saleem	Independent Director	1/1
7	Mr. Aamir Ibrahim	Independent Director	0/1
8	Mr. Danish Ali Lakhani	Independent Director	0/1
9	Dr. Faisal Ahmad Khan	Independent Director	1/1
10	Dr. Shahid Qureshi	Independent Director	1/1
11	Mr. Zia ul Mustafa Awan	Corporate Management Executive	1/1
12	Mr. Asim Shahryar Husain	Chief Executive Officer	3/3

DIRECTORS' REMUNERATION

Non-executive Directors (NEDs) and the Independent Directors are entitled to a Directors' fee for meetings attended. Besides, they are also entitled for reimbursement of their expenses. As required vide NPO and Charitable Organizations Regulations 2018, the details of remuneration paid to Directors is also reported in this part of the Directors' Report.

Every Non-Executive/Independent Director is entitled to Rs. 62,500 per meeting as a fee for attending the meeting of the Board/Committee. Directors are not entitled for any salary, benefits and other performance-related elements except for meeting fee and reimbursement of travel and boarding & lodging expenses at actual for attending the Board/Committees meetings. CEO Ignite has got the following remuneration during FY 2022-23:

	Rs.'000
Managerial Remuneration	13,323
Perquisites	2,088
Contribution to Gratuity Fund	517
Total Emoluments	15,928

Details of meetings fees and actual expenses incurred with regard to meetings of the Board and Committee are as under:

Name of Director	BOD and Committee Meeting Fee Rs	Expenses Incurred Rs.
Ms. Aisha Humera Ch.	500,000	
Mr. Baber Majid Bhatti	125,000	
Syed Junaid Imam	375,000	191,083
Mr. M. Omar Malik	125,000	
Mr. Amir Azeem Bajwa	125,000	
Mr. Muhammad Naveed	125,000	
Mr. Hafeez-ur Rehman	62,500	
Mr. Saad Fazil Abbasi	437,500	
Mr. Khawaja Saad Saleem	62,500	
Dr. Faisal Ahmad Khan	62,500	4,000
Dr. Shahid Qureshi	62,500	66,870
Mr. Zia ul Mustafa Awan	62,500	27,320
Mr. Asim Shahryar Husain	-	-
	2,125,000	289,273
		24,141,273

COMMITTEES' MEETINGS

- a) Due to non-availability of Independent Directors, no meeting of Audit Committee could take place during the year 2022-23.
- b) During the year, four (04) meetings of Finance and Procurement Committee (FPC) were held. Attendance of these meetings were as follows:

S. No	NAME OF MEMBERS	NO OF MEETINGS ATTENDED
1	Ms. Aisha Humera Ch	4/4
2	Mr. Saad Fazil Abbasi	4/4

C) During the year one meeting of the Human Resource Governance Committee was held, attendance of these meeting is as follows:

S. No	NAME OF MEMBERS	NO OF MEETINGS ATTENDED
1	Ms. Aisha Humera Ch	1/1
2	Syed Junaid Imam	1/1

d) During the year two (2) meetings of Project Management and Appraisal Committee were held, attendance of these meetings is as follows:

S. No	NAME OF MEMBERS	NO OF MEETINGS ATTENDED
1	Syed Junaid Imam	2/2
2	Mr. Amir Azeem Bajwa	1/1
3	Mr. Muhammad Naveed	1/1

No meeting of Digital Strategy Committee was held during the year.

APPOINTMENT OF AUDITORS

M/s. A F Fergusons & Co., Chartered Accountants were the auditors of the Company for the term 2022-23. Proposals have been invited from the firms for the audit services for FY 2023-24. The Audit Committee in its 6th meeting held on December 22, 2023 has suggested the appointment of M/s. BDO Ebrahim & Co., Chartered Accountants to be the external auditors of the Company for FY 2023-24 and their scope of services includes the annual audit services and compliance review of State Owned Enterprises (Governance and Operations) Act 2023 and Public Sector Companies (Corporate Governance) Rules 2013, at the gross remuneration of PKR 1,055,000/- inclusive of out of pocket expenses and sales tax. The appointment of auditors for the above mentioned scope and remuneration has been recommended by the Board of Directors in its meeting No. 99 held on January 12, 2024 .

APPRECIATION

The Board of Directors is pleased to put on record its appreciation to the workers, staff and management of the Company who have worked with dedication and determination for the betterment of the Company. The Board also places on record its appreciation for the support of Government of Pakistan particularly for the Ministry of Information Technology and Telecommunication, Ministry of Finance, PTA and all allied bodies for their professional support for running the affairs of the Company.



Asim Shahryar Husain
Chief Executive Officer



Saifal Hasan
Independent Director

Islamabad. January 12, 2024





**REVIEW REPORT
TO THE MEMBERS**





A.F.FERGUSON&Co.

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 Ignite (the Company) for the year ended June 30, 2023.

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 requires 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 mechanism. 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, 2023.

Chartered Accountants
Islamabad
Date: January 16, 2024

Engagement Partner: Asim Masood Iqbal

UDIN: CR202310053ZUIbho6w2

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924, 2206473; < www.pwc.com/pk >

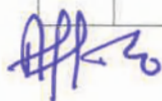
■ KARACHI ■ LAHORE ■ ISLAMABAD

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

Name of company: iGNITE
Name of the line ministry: Ministry of Information Technology & Telecommunication (MoITT)
For the year ended: 30th June, 2023

- 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		Required																			
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)		✓	There were no independent directors as at June 30, 2023.																			
2.	The Board has at least one-third of its total members as independent directors. As at 30 th June, 2023, the Board includes: <table border="1" data-bbox="272 1048 983 1451"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date - of Appointment</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>1. Mr. Asim Shahryar Hussain</td> <td>18-01-2021</td> </tr> <tr> <td rowspan="5">Non-Executive Directors</td> <td>1. Mr. Baber Majid Bhatti (Chairman)</td> <td>10-04-2023</td> </tr> <tr> <td>2. Ms. Aisha Humera Ch.</td> <td>23-04-2022</td> </tr> <tr> <td>3. Mr. Hafeez ur Rehman</td> <td>25-05-2023</td> </tr> <tr> <td>4. Mr. Saad Fazil Abbasi</td> <td>12-09-2022</td> </tr> <tr> <td>5. Syed Junaid Imam</td> <td>19-07-2019</td> </tr> <tr> <td>6. Mr. Muhammad Omar Malik</td> <td>27-08-2020</td> </tr> </tbody> </table>	Category	Names	Date - of Appointment	Executive Director	1. Mr. Asim Shahryar Hussain	18-01-2021	Non-Executive Directors	1. Mr. Baber Majid Bhatti (Chairman)	10-04-2023	2. Ms. Aisha Humera Ch.	23-04-2022	3. Mr. Hafeez ur Rehman	25-05-2023	4. Mr. Saad Fazil Abbasi	12-09-2022	5. Syed Junaid Imam	19-07-2019	6. Mr. Muhammad Omar Malik	27-08-2020	3(2)		✓	There were no independent directors as at June 30, 2023. Independent directors of previous Board continued till September 15, 2022. Independent directors of new Board have been appointed on July 04, 2023.
Category	Names	Date - of Appointment																						
Executive Director	1. Mr. Asim Shahryar Hussain	18-01-2021																						
Non-Executive Directors	1. Mr. Baber Majid Bhatti (Chairman)	10-04-2023																						
	2. Ms. Aisha Humera Ch.	23-04-2022																						
	3. Mr. Hafeez ur Rehman	25-05-2023																						
	4. Mr. Saad Fazil Abbasi	12-09-2022																						
	5. Syed Junaid Imam	19-07-2019																						
6. Mr. Muhammad Omar Malik	27-08-2020																							
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)	✓																					
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)			All the nominations on the Board of Directors are made by the Government of Pakistan (GoP).																			



S. No.	Provision of the Rules	Rule No.	Required	
			Y	N
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)		Not Applicable since Chairman of the Board is appointed by the Federal Government
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓	
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. (www.ignite.org.pk) 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)	✓	

APF-2

S. No.	Provision of the Rules	Rule No.	Y N		Required
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 has submitted its request for appropriate compensation to the Government for consideration.	5(8)			Not Applicable
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)			Not Applicable. No directions were received during the year.
18.	a) The Board has met at least four times during the year.	6(1)		✓	in the wake of constitution of new Board by Federal Government, the Board has met three times during the year,
	b) Written notices of the Board meetings, along with agenda and working papers, were circulated-at least seven days before the meetings.	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)		✓	In the wake of constitution of new Board, the performance of senior management could not be evaluated.
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		✓	Subsequent to year end, Board soon after its appointment has approved financial statements for FY 2021-22, and three quarters financial results of FY 2022-23.
	b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.				

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S. No.	Provision of the Rules	Rule No.	Y N		Required																				
	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		✓	Orientation course of Board members was held in August 2023.																				
23.	a) The Board has formed the requisite committees, as specified in the Rules.	12		✓	Board had formed such committees however, after September 15, 2022, independent directors were not part of such Committee during rest of the year.																				
	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:				Board has formed such committees however as per Public Sector Corporate Governance Rules, the number of independent directors in such committees should be equal to their proportionate strength in the board, however, independent directors were not part of these committees after September 15, 2022. Further, no audit committee meeting was held during the year due to non-																				
	<table border="1"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chairperson</th> </tr> </thead> <tbody> <tr> <td>Audit Committee (AC)</td> <td>04</td> <td>Zia ul Mustafa Awan, The AC remained functional till September 15, 2022.</td> </tr> <tr> <td rowspan="2">Finance & Procurement Committee (FPC)</td> <td>04</td> <td>Dr. Shahid Qureshi till September 15, 2022</td> </tr> <tr> <td>02</td> <td>Ms. Aisha Humera Ch. after September 15, 2022</td> </tr> <tr> <td rowspan="2">Human Resource & Governance Committee/Nomination Committee</td> <td>04</td> <td>Khawaja Saad Saleem till September 15, 2022</td> </tr> <tr> <td>02</td> <td>Ms. Aisha Humera Ch. after September 15, 2022</td> </tr> <tr> <td rowspan="2">Project Management & Appraisal Committee (PMAC)</td> <td>04</td> <td>Khawaja Saad Saleem till September 15, 2022</td> </tr> <tr> <td>02</td> <td>Syed Junaid Imam after September 15, 2022</td> </tr> </tbody> </table>	Committee	Number of Members	Name of Chairperson		Audit Committee (AC)	04	Zia ul Mustafa Awan, The AC remained functional till September 15, 2022.	Finance & Procurement Committee (FPC)	04	Dr. Shahid Qureshi till September 15, 2022	02	Ms. Aisha Humera Ch. after September 15, 2022	Human Resource & Governance Committee/Nomination Committee	04	Khawaja Saad Saleem till September 15, 2022	02	Ms. Aisha Humera Ch. after September 15, 2022	Project Management & Appraisal Committee (PMAC)	04	Khawaja Saad Saleem till September 15, 2022	02	Syed Junaid Imam after September 15, 2022		✓
Committee	Number of Members	Name of Chairperson																							
Audit Committee (AC)	04	Zia ul Mustafa Awan, The AC remained functional till September 15, 2022.																							
Finance & Procurement Committee (FPC)	04	Dr. Shahid Qureshi till September 15, 2022																							
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Project Management & Appraisal Committee (PMAC)	04	Khawaja Saad Saleem till September 15, 2022																							
	02	Syed Junaid Imam after September 15, 2022																							
			✓																						
			✓																						
			✓																						
			✓																						

APK-8

S. No.	Provision of the Rules			Rule No.	Y N		Required
	Digital Strategy Committee (DSC)	04	Aamir Hafeez Ibrahim. The DSC remained functional till September 15, 2022.		✓		availability of independent directors.
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.			13	✓		
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.			14	✓		
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.			16	✓		
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.			17	✓		
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.			18	✓		
29.	a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. b) The annual report of the Company contains criteria and details of remuneration of each director.			19	✓	✓	
30.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.			20	✓		
31.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members till September 15, 2022:			21(1) and 21(2)		✓	No audit committee meeting was held during the year as independent members continued till September 15, 2022. Thereafter due to non-availability of independent directors, audit committee meetings could not be held.
	Name of member	Category	Professional Background				
	Mr. Zia ul Mustafa Awan	Non-executive Director	CFO, Pakistan Expo Centers				
	Dr. Shahid Qureshi	Independent Director	Program Director, IBA Karachi				
	Mr. Malik Riaz Ahmed/ Mr. Saad Fazil Abbasi	Non-executive Director	Joint Secretary/Sr. Joint Secretary, Ministry of Finance				
	Dr. Faisal Ahmad Khan	Non-executive Director	Pro Vice Chancellor BUITEMS				

Handwritten signature/initials in blue ink.



S. No.	Provision of the Rules	Rule No.	Required	
			Y	N
	The chief executive and chairman of the Board are not members of the audit committee. New members were appointed on the audit committee subsequent to year end in August 2023.			
32.	a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed. b) The audit committee met the external auditors, at least once a year, without the presence of chief financial officer, the chief internal auditor and other executives. c) The audit committee met the chief internal auditor and other members of the Internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21(3)	✓	As mentioned above. No audit committee meeting held during the year as audit committee remained functional upto September 15, 2022. ✓ However, these requirements were met after constitution of Audit Committee while considering annual accounts of FY 2021-22.
33.	a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. c) The Internal audit reports has been provided to the external auditors for their review.	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)		Not Applicable

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Adnan

CHIEF EXECUTIVE OFFICER

INDEPENDENT DIRECTOR

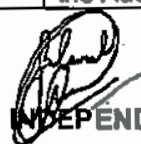
**Explanation for Non-Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

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

Sr. No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
1	2(d) & 3(2)	After completion of tenure, independent directors of the previous Board were not available after September 15, 2022 till June 30, 2023.	Being a state owned entity, the Board including the Independent Directors are appointed by the Federal Government. The Independent directors have been appointed by the Federal Government in July 2023.
2	6(1)	The Board could not meet at-least four times as per the requirement of Public Sector Companies (Corporate Governance) Rules 2023 due to non-availability of independent directors.	New Board members have been appointed in July 2023 and meeting will be held more frequently.
3	8(2)	Due to non-availability of independent directors in the Committees, Board has not been able to monitor and assess the performance of senior management.	Independent directors were appointed in July 2023. Now, this issue will be taken care of.
4	9	No audit committee meeting held during the year as audit committee remained dysfunctional since September 15, 2022.	New audit committee was formulated in August 2023 and meetings are being held as per the requirements of Code.
5	10(a)	Due to non-availability of independent directors, Board meeting have not been held to approve accounts. Subsequent to year end, Board has approved financial statements for the year June 30, 2022 and three quarters financial results of FY 2022-23.	New Board and audit committee has been appointed in July and August 2023 respectively. Therefore, upon having mandatory recommendation of Audit Committee, the Board approved the financial statements of FY 2021-22.
6	11(1)	Due to non-availability of independent directors, Board meeting have not been held to approve accounts. Orientation of Board members were held in August, 2023 after appointment of new Board members.	Now these courses will be a regular feature of the Board.
7	12(a) & 12(d)	Board has formed such committees, however, as per Public Sector Corporate Governance, the number of independent directors in such committees should be equal to their proportionate strength in the board, accordingly non complied as independent directors were not present throughout the year.	Subsequent to year end, independent directors have been appointed and they are now part of all Committees of the Board.
8	21(1), 21(2) & 21(3)	No audit committee meeting held during the year as audit committee remained functional upto September 15, 2022.	New Independent Directors were appointed subsequent to year end and they have been inducted in the Audit Committee.

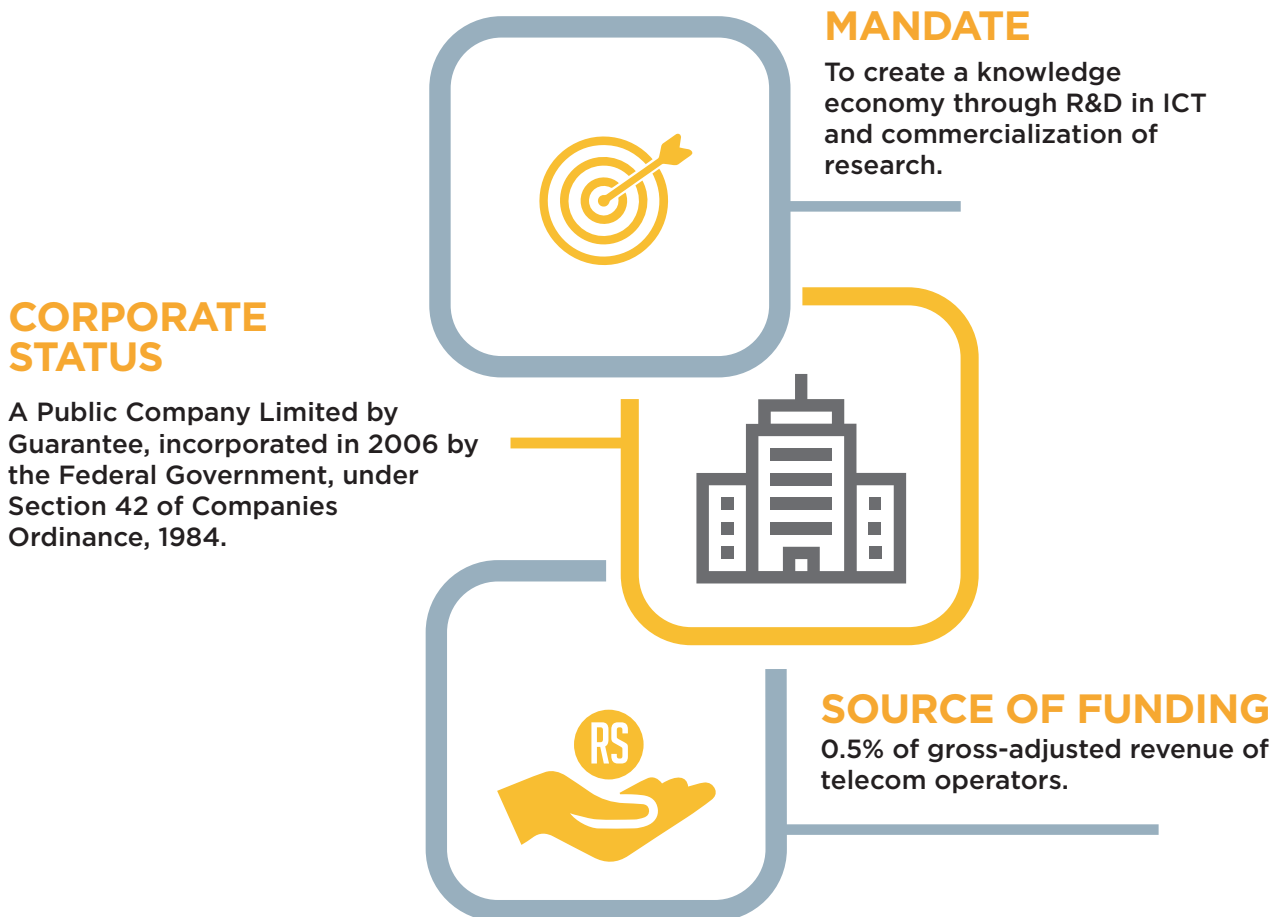


CHIEF EXECUTIVE OFFICER




INDEPENDENT DIRECTOR

IGNITE IS CREATING A KNOWLEDGE ECONOMY



OUR CORE ACTIVITIES

- **TECH INNOVATION GRANTS:** Solving meaningful problems and availing opportunities using Fourth Industrial Revolution (4IR) Technologies.
- **NIC PROGRAM:** Accelerating entrepreneurial eco-system by nurturing startups and engaging them with investors and corporations.
- **DIGISKILLS.PK:** Building the capacity of freelancers so that they learn and earn from home.
- **FYP FUND:** Igniting university innovation and providing final year students with hands-on skills.
- **OUTREACH:** Ignite outreach engages corporates, professionals, entrepreneurs, academics, media and policy makers with programs and informs them about the importance of innovation, and the challenges and threats posed by 4IR.



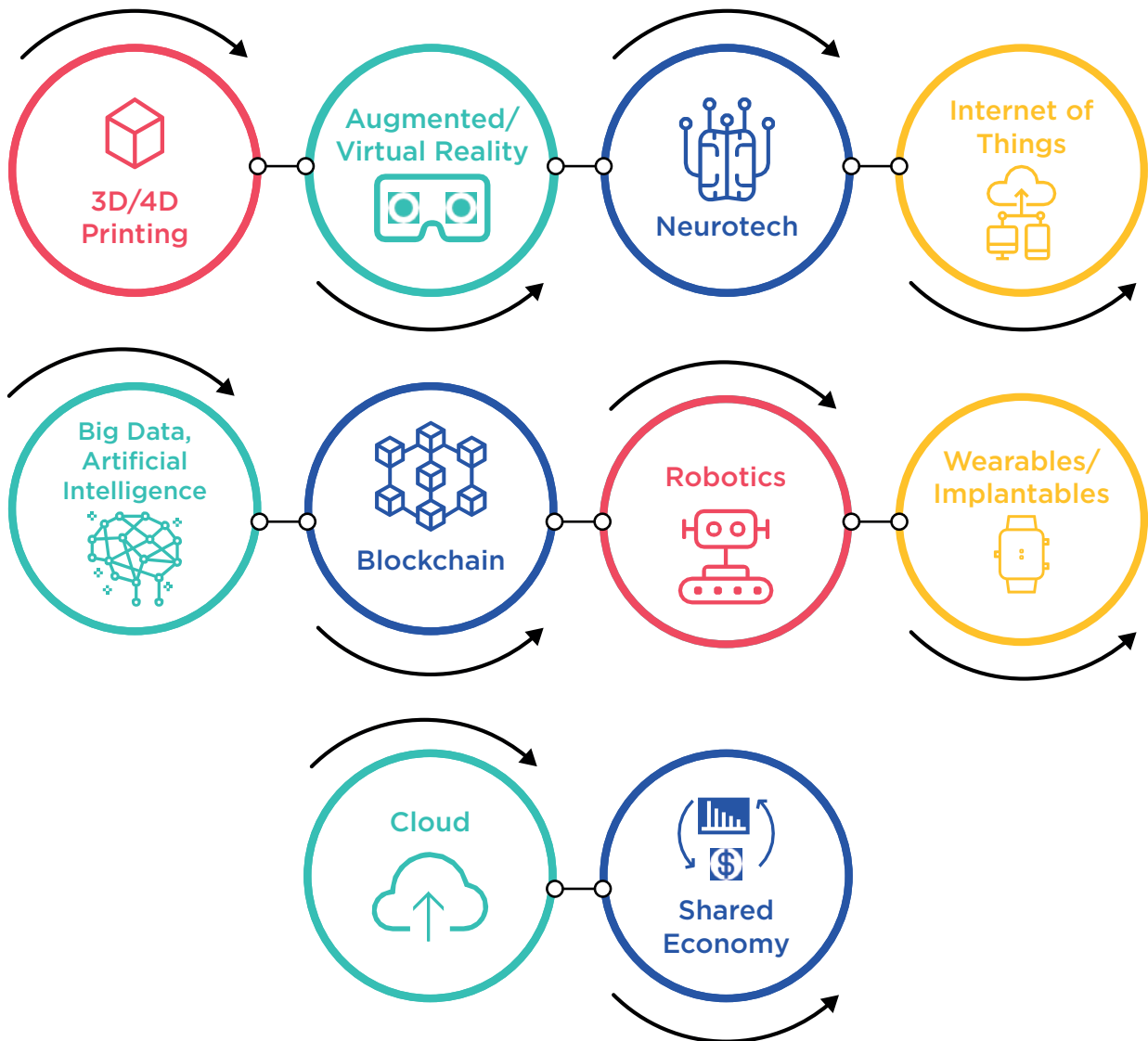
**TECH
INNOVATION
GRANTS**



TECH INNOVATION GRANTS

Thematic Areas

Through Tech Innovation Grants, Ignite funds startups and innovative projects which utilize 4th Industrial Wave Tech to solve local problems and to target opportunities in health, education, agriculture, energy, telecom, finance, security and other verticals.



SOLICITATION, ENGAGEMENT AND EVALUATION DEPARTMENT (SEED) PROGRAMS:

Through Tech Innovation Grants, Ignite funds startups and innovative projects that utilize 4th Industrial Wave Tech to solve local problems and target global opportunities in health, education, agriculture, energy, telecom, finance, security and other verticals.

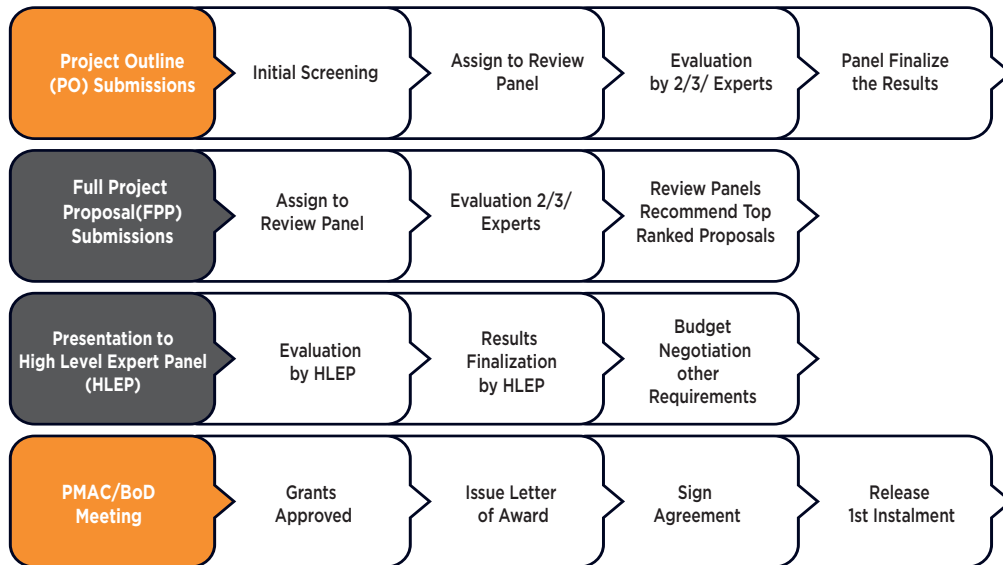
Challenge-Driven Innovation Fund (CIF)

- ▶ Ignite has launched a new initiative for supporting breakthrough technologies and game-changing innovations in key enabling technologies with the potential to scale up and become market leaders. Detailed information regarding CIF is available at <https://ignite.org.pk/cif/>. Ignite Challenge-driven Innovation Fund aims to build on new, cutting-edge directions in information and communication technology to disrupt a field and a market or create new opportunities by realizing innovative technological solutions grounded in high-risk/high-gain research and development. With each specific challenge, the Ignite will establish a portfolio of projects that explore different perspectives, competing approaches or complementary aspects of the challenge. The complexity and high-risk nature of this research will require multidisciplinary collaborations.
- ▶ With projects funded under the Challenge-driven Innovation Fund, the Ignite aims to build a portfolio of coherent projects with a medium to long-term business goal and a technology-based strategic plan. For this purpose, they may include applied research, technology development and/or method/tool and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment. Project outcomes must also include top-level scientific publications as well as an adequate formal protection of the generated intellectual property (IP). The activities have their center of gravity at Technology Readiness Level 3 to 4.
- ▶ The CIF program was launched in June 2022. The applicants first submitted a Project Outline to the Ignite. Those Project Outlines that passed the preliminary screening were invited to submit a Full Proposal to the Ignite through its online portal. The selection of Challenge-driven Innovation Grant awards were made through an open, rigorous, transparent, competitive, and merit-based process consistent with international standards for funding research and innovation projects.

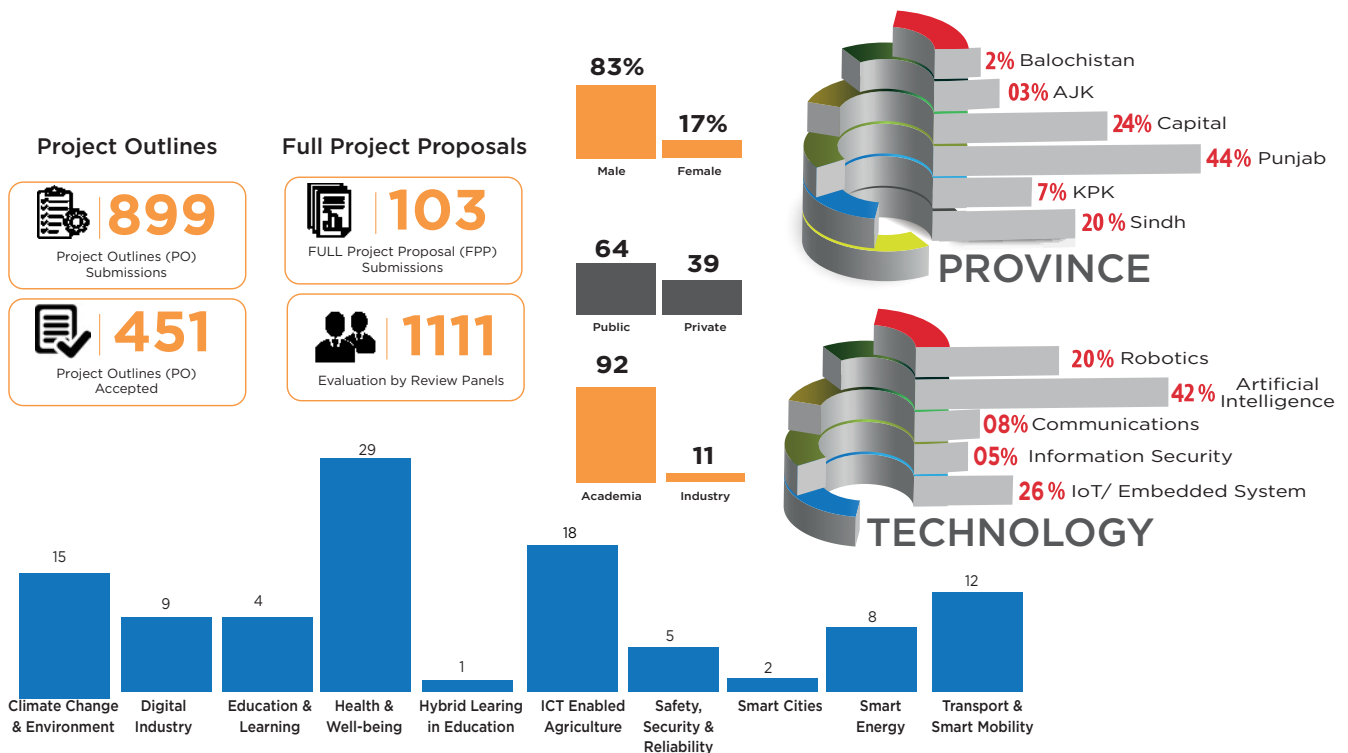
The following areas of strategic significance have been identified for the program:

- | | |
|--------------------------------|-----------------------------------|
| ■ Transport & Smart Mobility | ■ Smart Cities & Communities |
| ■ Health & Well-being | ■ Digital Industry |
| ■ Climate Change & Environment | ■ Digital Life |
| ■ Education & Learning | ■ Connectivity & Interoperability |
| ■ ICT enabled Agriculture | ■ Safety, Security & Reliability |
| ■ Smart Energy | |

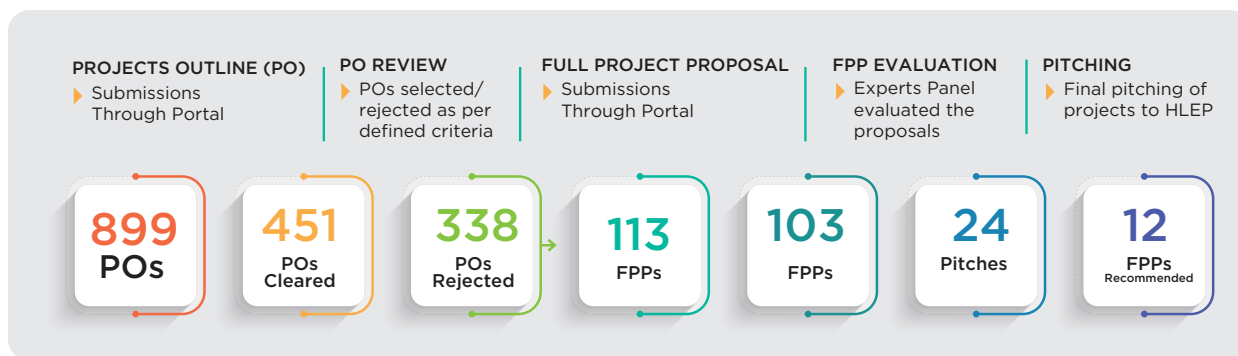
A high-level flow diagram describes the process involved at each stage of the CIF program.



High Level Flow Diagram of CIF Program



The selection of Challenge-driven Innovation Fund awards were made through an open, rigorous, transparent, competitive and merit-based process consistent with international standards for funding research and innovation projects. All Full Proposals submitted in response to this Call for Proposals were evaluated by independent experts. The picture below depicts the summary of evaluation stages, together with number of ideas/proposals filtered through each level.



The final award of grants will be made after approval from Project Management and Appraisal Committee/BoD

Research Innovation Grant Management System (RIGMS)

A web portal has been developed. This portal will be used to process all fund-seeking proposals submitted for various funding initiatives within the R&I Framework. The portal made it easier for applicants to upload pertinent documents and track the progress of their ideas or fund seeking proposals. It also enabled subject matter experts to evaluate the ideas or proposals using an online review module. The RIGMS also includes modules for approval, monitoring, grievance, and finance that address every stage of a project's life cycle.

Digital Pakistan Cyber Security Hackathon

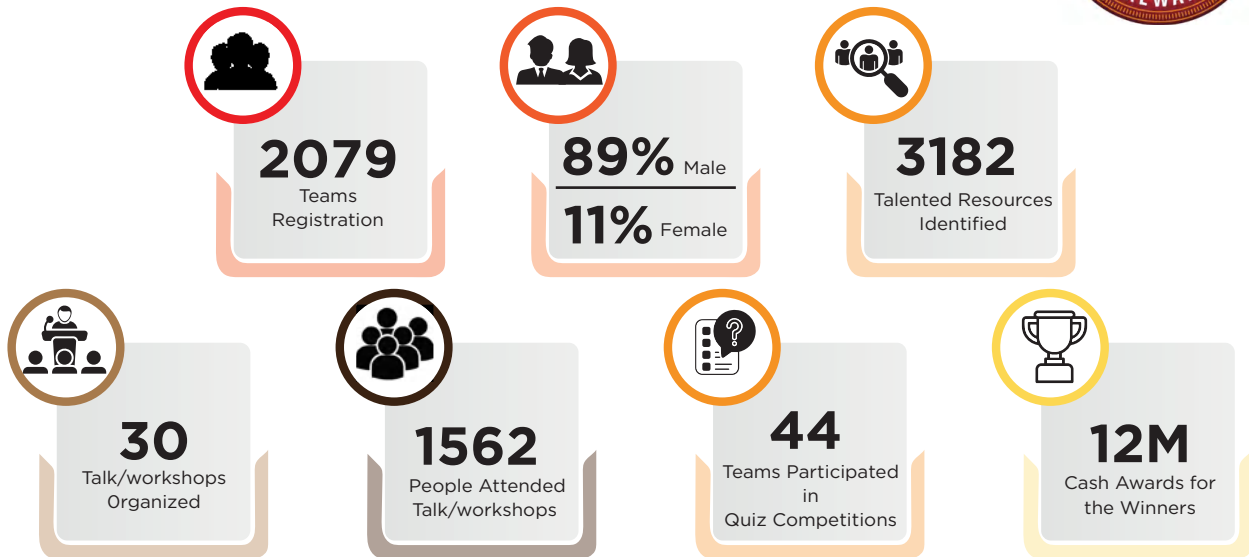
Ignite has made significant contributions to the cybersecurity field over the past two years. The initiative is nationwide and successfully mobilized the cybersecurity community through events, hands-on workshops, and competitions. The purpose is to engage, train, assess, and then recognize the talent at the national level. Pakistan has an emerging modern digital infrastructure and with the emergence of 3G/ 4G, Pakistan has 124 million broadband subscribers as of February 2023, the 8th in the world. Pakistan's Cyberspace is also at risk and it is on the list of countries experiencing the most cyber-attacks. The ultimate objective is to increase the capability of cybersecurity professionals in order to safeguard the cyber fronts of Pakistan.



On a global scale, Cybersecurity is a rapidly growing field with a shortage of 3.4 million cybersecurity professionals (Cybersecurity Workforce Study 2022). Pakistan can take advantage of this opportunity by training its graduates and professionals in tools and technologies related to cybersecurity. Below are results of Ignite's notable contributions to cybersecurity over the past two years:

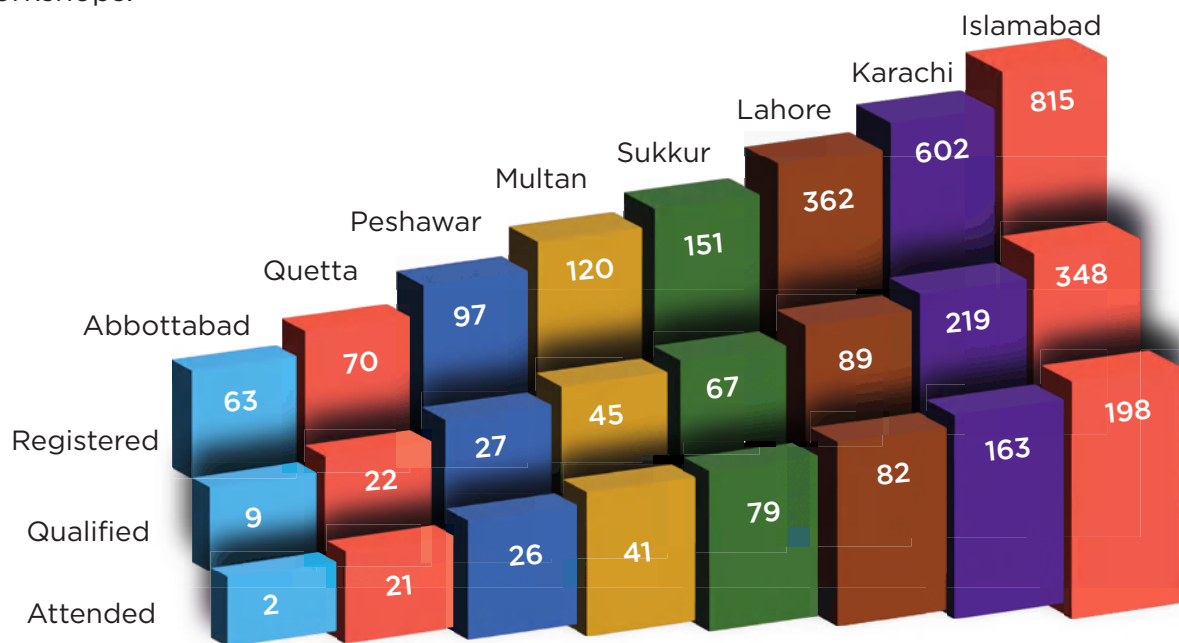


HIGHLIGHTS 2021-2022



Hands-On Workshops

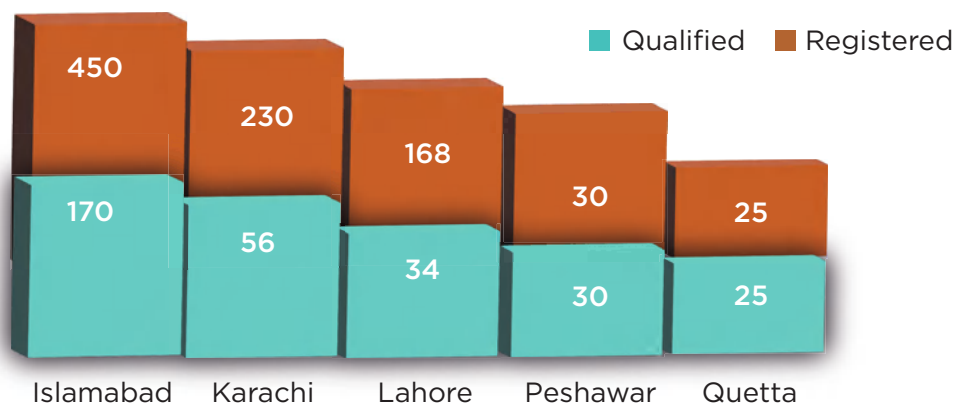
A series of hands-on workshops were held in major cities of Pakistan. A total of 2,280 participants were registered for the training workshops including experts from banks, ICT companies, students, and researchers from leading universities. After an online test, 826 participants were selected out of which 612 attended the hands-on training workshops.



Registrations for Cyber Security Hands-on Workshops 2022

Competition

The competition was held in Islamabad, Karachi, Lahore, Peshawar and Quetta. A large number of teams consisting of students and professionals related to cyber security area were registered in the competition.



Teams' Participation in Cyber Security Hackathon 2022.

Achievements:

- Provided opportunity to work cooperatively with others to obtain common goals in a game situation
- Promoted the literacy and competencies in cybersecurity area
- Provided opportunity to identify talented pool of resources
- Helped in preparing teams to compete in International Competitions
- 1176 teams registered for the hackathon including university students, freelancers, professionals, and hackers from all over the country
- Talks / Workshops on latest trends in Cybersecurity by academicians and industry experts; attended by students, researchers and professionals

CHALLENGING THE GEEKS OF BALOCHISTAN

Ignite organized a speed programming contest for the Geeks of Balochistan on October 24-25, 2022. The event was held at National Incubation Center at Balochistan University of Information Technology, Engineering and Management Sciences (BUITEMS), Quetta.

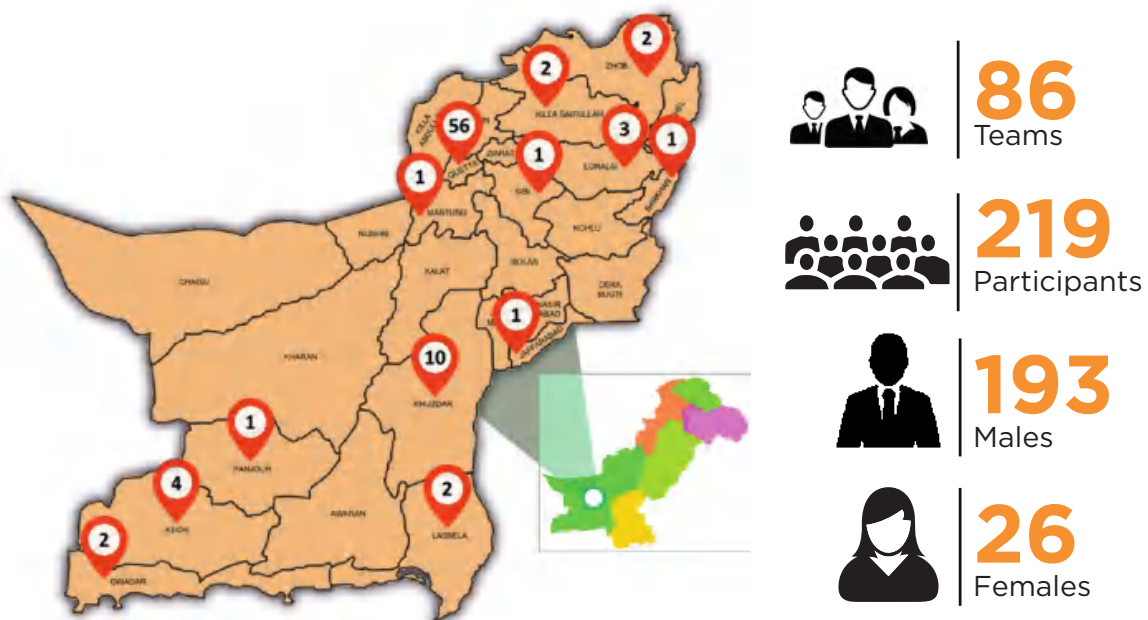
This special initiative was carried out on the directions of Ms. Ayesha Humera Chaudhry, Chair of the Ignite Board and Additional Secretary IT & Telecom, Ministry of Information Technology and Telecommunications. She came up with the idea of the competition specially for the Balochistan province, thus giving an exposure to the youth of the province.

Challenging the Geeks of Balochistan (CGB) was a provincial competition in which teams of Startups, Computer Science/Engineering Students, Professionals (beginners, mid-careers) and Freelancers from Balochistan competed against each other to solve programming assignments in a prescribed time span. A total of 86 teams had contested the preliminary online phase to qualify for the first round of the competition. After the online test, 24 best teams were selected for the final round held at National Incubation Center Quetta.

CGB was a team-based programming competition that fosters problem-solving, programming and team work skills amongst the participants. The competition was held in phases - online as a preliminary phase, and on-site as a competition for those who qualify from the online phase.

The on-site event spanned over a period of two days; mock round was conducted on first day while final competition was held on second day.

A panel of seven judges from the ICPC Asia Topi team presided the contest including members from GIKI, FAST-NUCES, University of Lahore, University of Central Punjab along with a member from University of Birmingham who monitored the competition online.




District wise registrations of participants

The award ceremony was held on 25th October 2022 wherein participating teams along with guests from academic institutions and industry were invited. The Chief Guest of the ceremony, Engr. Ahmed Farooq Bazai (SI), Vice Chancellor BUITEMS, admired the efforts of Ministry of Information Technology and Telecommunication (MoITT), Ignite and ICPC Asia for organizing the prestigious speed programming competition for the youth of Balochistan. He emphasized on the collaboration of these organizations with the universities of Balochistan to create more opportunities for the native students. Engr. Ahmed Farooq Bazai strongly encouraged the students speaking about the abundance of opportunities available for Baloch youth and urged them to work hard and show their presence in all disciplines at both the national and international platforms. He also laid emphasis on the participation of female students in such programming contests.

The team CS19 from Balochistan University of Information Technology, Engineering & Management Sciences comprising Ibrar Ali, Ali Hassan, and Adnan Ali declared the winners and received the cash prize worth Rs. 500,000. The first runner-up team Thunderbolts from National University of Science and Technology (NUST) Balochistan Campus comprising Kashif Ghafoor, Muhammad Adnan Khan, Arslan bagged cash prize of Rs. 300,000. The second runner-up team Pythonista from Balochistan University of Information Technology, Engineering and Management Sciences comprising Ehtisham Ahmed, Abdullah, and Ahsan Ullah received cash prize of Rs. 200,000. The teams ranked from 4th to 10th were awarded with appreciation certificates and gift hampers from Ignite.





**NATIONAL
INCUBATION
CENTER (NIC)
PROGRAM**



NATIONAL INCUBATION CENTER (NIC) PROGRAM



The Government of Pakistan (GoP) has outlined a vision of accelerated digitization and transformation of Pakistan into a knowledge-based economy to spur economic growth through innovation and entrepreneurship. Keeping in mind the critical role played by startups in economic growth, job creation, financial inclusion, reducing the income divide and building a knowledge economy, Ignite launched a program to build a network of National Incubation Centers (NIC) in different cities of Pakistan with entrepreneurial talent.

The key objective of this program is to facilitate talented entrepreneurs and provide them all with necessary support to transform their innovative ideas into sustainable businesses. NICs facilitate and provide all the key support required by startups to

succeed, including mentorship and networking by leading entrepreneurs, corporate chieftains, top professionals, investors and global entrepreneurial organizations through numerous events and meet-ups. Other key facilities provided to startups include rent-free office space, high speed broadband Internet, makers lab, usability labs, fintech lab, design thinking lab, AI R&D centers, and a host of other shared facilities.

Ignite's network of National Incubation Centers has grown to 8 cities of Pakistan now including Islamabad, Lahore, Karachi, Peshawar, Quetta, Hyderabad, Faisalabad and Rawalpindi.

NIC Program Impact FY 2022-23

NIC	Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Millions)	Revenue Generated (Rs. in Millions)	Funds Disbursed (Rs. in Millions)
Islamabad	2	2,447	65	44	5,071	2,522.33	957.39	88.46
Lahore	2	215	50	31	98	39.20	91.89	87.52
Peshawar	2	968	33	10	257	102.64	72.43	51.61
Karachi	2	589	52	52	3275	3,620.89	3,038.55	97.96
Quetta	2	332	45	23	96	13.64	17.94	60.97
Hyderabad	2	470	50	-	825	139	610	93.32
Faisalabad	2	200	31	-	416	16	19	68.18
NICAT	1	250	15	-	409	65	186	93.18

NIC Program Impact Since Inception

Cohort Inducted	Startup Applications Received	Startup Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Millions)	Revenue Generated (Rs. in Millions)
59	23,097	1388	654	134355	2354	1535

Till June 2023, 654 startups have graduated from our NICs which have raised Rs. 23.54 billion in investments and generated Rs. 15.35 billion in revenue.





DIGISKILLS.PK



CAPACITY BUILDING OF FREELANCERS

OVERVIEW

Aiming towards enhancing skills of freelancers, poverty alleviation, financial inclusion, and women empowerment, DigiSkills.pk is an online training platform and flagship project of Ignite for freelancers which has more than 3.96 million enrollments including around 1.18 million enrollments during FY 2022-23, comprising of Pakistanis from all walk of life as well as Pakistani Nationals residing outside Pakistan. As per survey, digiskills trained freelancers contributed around \$827 million to annual IT Exports of Pakistan by providing freelancing services to foreign clients.

Aims and Objectives

The program aims to increase:





Impact FY 2022-23

- \$827M Earnings from inception till Dec-22 as per survey
- 1.18M Enrollments
- 27% Female Enrollments
- 73% Male Enrollments
- 118% Above Target of 0.8M enrollments for 2022-23
- 30% Course Completion

10,774
EXPATS/OVERSEAS



Actual Batch-wise Enrollments and Course Completion Vs Target

In any free online training program; increasing enrollments, retaining trainees and ensuring course completion is always a big challenge. Research shows that the course completion percentage of Coursera is 7% to 9%. In order to tackle this challenge, DigiSkills.pk did interventions to improve completion rate by:

- Using Urdu as primary medium of instruction
- Creating engaging content
- Constant motivational phone calls & customized messages and follow-ups with trainees
- Providing individual attention through online coaches

As a result of these interventions, overall course completion rate of the entire DigiSkills.pk training project is 31% whereas the progress of batch-wise enrollments w.r.t target is as follows:

ENROLLMENTS			
DESCRIPTION	TARGET	ACTUAL TARGET ACHIEVED	% OF ACHIEVEMENT
BATCH-2	250,000	278,006	111%
BATCH-3	250,000	303,707	122%
BATCH-4	250,000	303,230	121%
BATCH-5	250,000	302,617	121%
TOTAL	1,000,000	1,187,560	

IMPACT SINCE INCEPTION	
Enrollment Target	3 Million
Target Achieved	3.96 Million
Male	72%
Female	28%

TOP DIGISKILLS EARNING FREELANCERS



Muhammad Talha Javed
Sargodha
Earned: US\$ 345,218
Skillset: SEO,
Web Development



Muhammad Rizwan
Kasur
Earned: US\$ 264,601
Skillset: SEO,
Web Development



Syed M. Bilal
Karachi
Earned:US\$ 256,402
Skillset: Freelancing, SEO,
E-commerce
Management,Wordpress



Faisal Masroor
Mirpur Khas
Earned:US\$ 199,187
Skillset: Freelancing,
Creative Writing



M. Ali Hussain
Karor
Earned:US\$ 189,278
Skillset: Freelancing,
E-commerce
Management, Wordpress

DIGITAL SKILLS TRAINING & SUPPORT PROGRAM FOR SOUTHERN BALOCHISTAN

Overview:

Digital Skills Training & Support Program for Southern Balochistan is aimed at equipping the people of Southern Balochistan with Freelancing knowledge, skills and tools & techniques necessary to enable them to seize the earning opportunities available in the online marketplaces as well as in the local IT industry. Along with the emphasis on making skilled Freelancers, this program will open new socio-economic opportunities for the locals.

Digital Skills Training & Support Program for Southern Balochistan is providing 5040 free of cost blended trainings to students and professionals in 3 districts of Southern Balochistan i.e. Kech, Khuzdar and Gwadar. Moreover, to enhance the capacity of three institutes of these districts in ICT, state of the art computer labs has been established. In this program, course content of Ignite’s premier freelancing program “Digiskills.pk” was being used to impart these trainings.

Status of Enrollments FY 2022-23

Trainings commenced from February 2022 and till date there are a total of 12,904 enrollments. These include 65% male and 35% female. During FY 2022-23, 11,540 trainings have been imparted against a target of 6,720. Total enrollments comprise of 65% Males and 35% Females.

Project Highlights Since Inception FY 2022-23

12,904
Trainee’s
Enrollments
till 5th Batch

65%
Males
Enrolled

35%
Females
Enrolled

151%
Above Actual
Target of 8.4k

32%
Course
Completion
Rate

District wise breakup of enrollments is as follows:

District	Enrollments
Khuzdar	5,509
Kech	4,162
Gwadar	3,233
Total	12,904



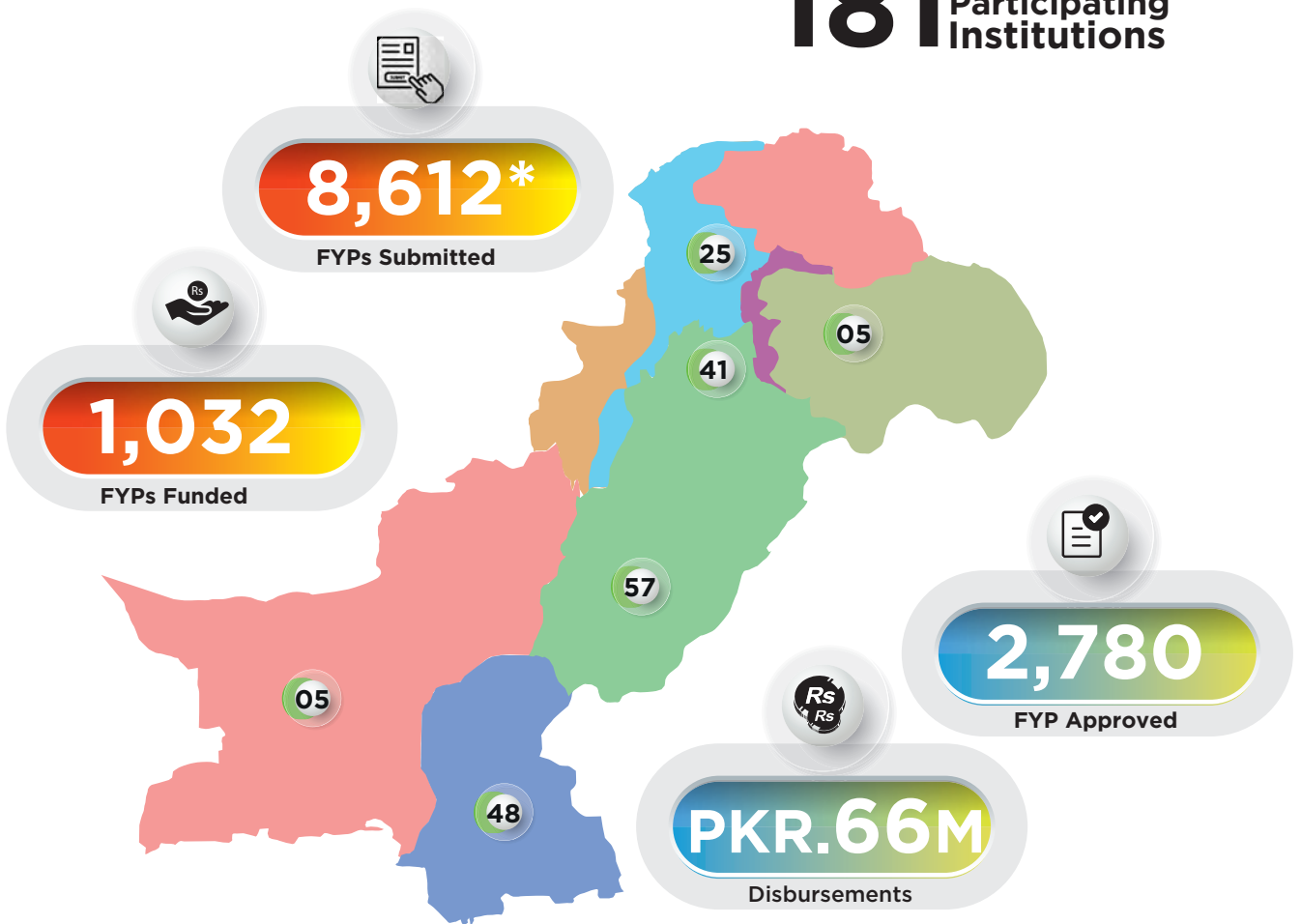
**NATIONAL
GRASSROOTS
ICT RESEARCH
INITIATIVE
(NGIRI)**

NGIRI FINAL YEAR PROJECTS

National Grassroots ICT Research Initiative (NGIRI) is aimed at promoting R&D and Innovation at the grassroots level by providing financial support to selected Final Year Projects (FYP) of undergraduate students, enrolled in ICT-related disciplines of public and private sector institutions. This program is being executed since 2012:

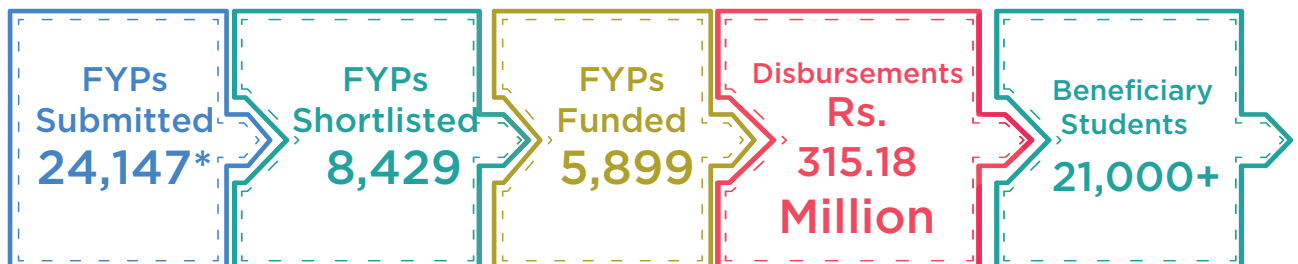
Impact FY 2022-23:

181 (IN 2022-23)
Participating Institutions



*NGIRI 2022-23: Verification of Expense reports of shortlisted FYPs in process

Impact Since Inception:



National Grassroots ICT Research Initiative (NGIRI)

Yearly Breakup (2011-12 to 2022-23)

Year	Participating Institutes	FYPs Submitted	FYPs Shortlisted	FYPs Funded	Disbursements (Rs. in Millions)
2011-12	68	785	272	272	15.27
2012-13	78	1,017	418	418	31.78
2013-14	72	1,247	430	430	25.13
2014-15	75	1,324	436	436	29.59
2015-16	76	1,166	512	360	18.14
2017-18	89	1,623	569	439	21.45
2018-19	136	2,124	815	677	30.72
2019-20	156	2,832	1,042	857	28.6
2020-21	159	3,417	1,155	978	48.63
2021-22	174	4,149	1,358	1032	65.87
2022-23	181	4,463	1,422*		
Total		24,147	8,429	5,899	315.18





OUTREACH

OUTREACH

Ignite Conducted Digital Pakistan Cybersecurity Hackathon 2022 Across Pakistan



Ignite National Technology Fund conducted the qualifier rounds of Digital Pakistan Cybersecurity Hackathon 2022 in Karachi, Quetta, Lahore, Peshawar and Islamabad. The Cybersecurity Hackathon aims to improve cybersecurity readiness, protection, and incident response capabilities of the country by conducting cyber drills at national level and to identify cybersecurity talent for public and private sector organizations. The goal of the cybersecurity hackathon is to create awareness about the rising importance of cybersecurity for Pakistan and also to identify and motivate cybersecurity talent which can be hired by public and private sector organizations to secure their networks from cyberattacks. Top cybersecurity experts were invited for keynote talks during the occasion.

8 NIC Startups Exhibited at Leap Tech Conference 2023 in Saudi Arabia

“We are so happy to have Pakistani startups here with us joining at LEAP. Thank you for your partnership and cooperation. We always aspire to partner to expand the market for Pakistani startups to Middle East and we are always there to support them.”

Secretary General Digital Cooperation Organization (DCO) Deemah AlYahya,
2nd edition of global technology conference LEAP was held in Riyadh, Saudi Arabia from 6th to 9th February, 2023 to address the future challenges using technology.



Continuing with its tradition of fueling Pakistan's startup ecosystem, Ignite National Technology Fund, a public sector company with Ministry of IT & Telecom, participated in this year's LEAP Tech Conference 2023 in Saudi Arabia with eight promising startups from its different National Incubation Centers (NICs). NIC startups participating in LEAP included Valeem (Edtech), DigiKhata (retailtech), Investors Lounge (fintech), Blockship (Edtech), Datini Fibres (cleantech), AgriDunya (agritech), MyTM (fintech), and Gridizen (proptech). Out of 90 startups that pitched in the Rocket Fuel Startup Pitch Competition, four NIC startups including MyTM, DigiKhata, Valeem, and Gridizen qualified to pitch in the semifinals of LEAP's Rocket Fuel Startup Pitch Competition.

Pakistani Startups Showcased Their Products at London Tech Week 2023



London Tech Week 2023, a global celebration of tech, uniting the most innovative thinkers and talent of tomorrow in a week-long festival, was held at Queen Elizabeth II Centre in London. It brings together industry leaders, innovators, entrepreneurs, investors, and policymakers from around the world to explore the latest advancements and trends in technology.

Ignite participated in London Tech Week

2023 showcasing six exciting startups from its different National Incubation Centers (NICs). NIC startups participating include Xylexa (NIC Islamabad), CricFlex (NIC Islamabad), EyeSmarty (NIC Peshawar), CalCart Technologies (NIC Islamabad), Gridizen (NIC Karachi), and SLOSH AI Solutions (NIC Islamabad). Pakistan's High Commissioner in UK, Mr. Moazzam Ahmad Khan, met Pakistani startups at the event and appreciated their work and passion to generate new leads for sales and investments in future.

Ignite Participated In 22nd ITCN Asia Islamabad With 11 Exciting NIC Startups

Ignite National Technology Fund, participated in 22nd ITCN Asia Information Technology & Telecom Show in Islamabad, with 11 exciting NIC startups from different National Incubation Centers providing them opportunities for networking with key customers, technology partners, industry players besides connecting with right investors



for raising next round of funding in order to grow and scale their products/services. NIC startups participating in 22nd ITCN Asia included Find My Doctor (HealthTech), Okaykar (SAAS), EyeSmarty (SAAS), TrustVibes (Blockchain and Security), RemoteWell (AgriTech), Edraak (AI and Robotics), AgriBotx (AgriTech), Triisum (Tourism and Blockchain), Scool.ai (EdTech), Innovation Lab (IoT & Agritech) and Furnisho (E-Commerce).

Pakistani Startups Created Buzz at GITEX 2022



Ten startups from different National Incubation Centers participated with Ignite National Technology Fund at Gulf Information Technology Exhibition (GITEX) 2022 exhibition in Dubai. GITEX is the largest technology event in the middle east which attracted more than 100,000 visitors from more than 170 countries in 2022. Ignite established a large Pakistan pavilion in Zaabeel Hall 5 for the first time in the history of GITEX. Based on pitch decks and results achieved by startups so far, evaluation committee selected startups from different verticals to showcase the entrepreneurial potential of Pakistan in different areas including MyTM (Fintech), MapAlytics (AR/VR), XpertFlow (AI), Empowering People and Organizations (e-services), Asani.IO (CleanTech), InstaCare (HealthTech), Brayt (Ecommerce), Edversity(EdTech), WonderTree(AR/VR), and Orbit (EdTech). Three of these startups qualified for the Supernova pitching competition at GITEX.

Ignite Exhibited at IDEAS 2022 in Karachi



Ignite exhibited at the 11th Edition of International Defence Exhibition and Seminar, "IDEAS 2022" at Karachi Expo Centre. Two startups with defense related products from National Incubation Center (NIC) Karachi and two Ignite funded projects were showcased at the event. Ignite's stall showcased defense related startups and funded projects which

attracted the attention of many visitors. The startups from Ignite's NIC Karachi included Bioniks, a startup providing best, cost-effective and highly trustable artificial limbs in Pakistan, and VTOL Dynamics, a startup providing drone-based solutions for inspection, mapping, surveying, surveillance and agriculture. Funded projects included 5G SDR; a flexible solution for tactical communications (5G air-interface testbed: development of waveform and IP components) from CASE Institute of Technology, and Multimodal sensing enabled real-time intelligent wireless camera networks for secure spaces from Al-Khwarizmi Institute of Computer Science (KICS) at University of Engineering & Technology (UET) Lahore.

Ignite Signed MoU With Bank Alfalah to Support the Startups and Freelancers of Pakistan

Ignite signed a Memorandum of Understanding (MoU) with Bank Alfalah to provide financing support to startups and freelancers of Pakistan. The MoU was signed by Asim Shahryar Husain, CEO Ignite and Mehreen Ahmed, Group Head of Retail Banking. Also present on the occasion were Mohsin Mushtaq, Additional



Secretary (Incharge) IT & Telecom, Aisha Humera Additional Secretary Ministry of IT & Telecom, along with officials from Ministry of IT & Telecom, Ignite, and Bank Alfalah. Both, Ignite and Bank Aflalah will work together to facilitate the short-term financing needs of startups of National Incubation Centers (NICs) and freelancers of Digiskills program.

Ignite Held Startups Business Match Making and Networking Event with APICTA Investors and Corporates



APICTA - Asia Pacific ICT Alliance, is an alliance of national ICT organizations representing their respective economy to build and enhance a mutually cooperative network to promote ICT, to enhance technology innovations, capability and adoption, and to encourage the development of indigenous ICT solutions for the global market. The 16 member countries of APICTA include Australia, Bangladesh, Brunei, China,

Chinese Taipei, Hong Kong, Indonesia, Japan, Macao, Malaysia, Myanmar, Pakistan, Singapore, Sri Lanka, Thailand and Vietnam. For the first time in the history of APICTA, annual APICTA awards were held in Islamabad, Pakistan in December 2022.

Ignite and P@SHA utilized the opportunity to organize a Business Match Making and Networking Event between visiting APICTA delegates and startups from different National Incubation Centers. Speakers included CEO Ignite, Chairman APICTA, Additional Secretary, MoITT, and Chairman P@SHA. The event was attended by more than 50 startups and many visiting APICTA delegates.

National Incubation Center (NIC) Program Startups & Digiskills.pk Freelancers Recognized at Pakistan-ITU Digital Inclusion Week



The Pakistan-ITU Digital Inclusion Week 2022 was held in Islamabad. The two-day event aimed to raise awareness about the importance of mainstreaming digital inclusion in Pakistan in addressing the digital divide particularly among people in vulnerable segments such as girls, children, and differently abled. On the occasion, awards were given to female-led

startups of National Incubation Center (NIC) Program Startups and top performing and female freelancers trained through Digiskills.pk by Syed Amin Ul Haque, Federal Minister for IT & Telecom and Ms. Shaza Fatima Khawaja, SAPM. Female entrepreneurship awards were given to Dr. Sarah Qureshi (NICL), Ayesha Amin (NICH), Sehrish Raza (NICP), Maryam Iqbal (NICP), Uruba Ali (NICP), Hafsa Qadeer (NIC Islamabad). Awards for top earning freelancers trained through Digiskills were given to Muhammad Rizwan (Kasur), Muhammad Ali Hasnain (Karor), Aroosa Amanat (Attock), and Sabeela Mumtaz (Rahimyar Khan).

Federal Minister for IT and Telecom Inaugurated Ignite's 6th National Incubation Center in Hyderabad

The Ministry for Information Technology and Telecom (MoITT) and Ignite National Technology Fund launched their 6th National Incubation Center (NIC) in Hyderabad. Federal Minister for IT & Telecom, Syed Amin-Ul-Haque, inaugurated the state-of-the-art Incubation Center in Hyderabad which is being managed by PTCL in



partnership with LMKT. The event started with a visit to the NIC where all startups briefed IT Minister about their ideas and products. This was followed by a launch ceremony which featured a documentary on Ignite's incubation program, thoughts from incubated startups, as well as speeches from Vice Chancellor, University of Sindh, Chief Business Officer, PTCL, CEO Ignite, Member IT and Minister IT. In his address,

CEO Ignite stated that NIC Hyderabad has inducted a very diverse cohort of startups from different verticals including agritech, edtech, greentech, blockchain, AI and cybersecurity & that the NIC will be a game changer for Hyderabad’s tech ecosystem. The goal of these incubators is to incubate and boost early stage startups through revenue generation and fund raising.

Ignite Participated in 21st ITCN Asia with 14 Exciting Start-ups

Ignite National Technology Fund participated in 21st ITCN Asia with fourteen exciting startups from different National Incubation Centers. ITCN Asia Information Technology & Telecom Show was held at Expo Center Karachi. Chief Guest for the opening ceremony was Syed Amin-ul-Haque, Federal Minister for IT & Telecom. Ignite’s pavilion featuring many diverse



startups attracted the attention of visitors from industry and public. Startups included The Natural Fibers Company (Textile, NIC Quetta), Zaibtaan (Ecommerce, NIC Quetta), Mixeal (Virtual Reality, NIC Hyderabad), AgriDuniya (Agritech, NIC Hyderabad), Aprus (HealthTech, NIC Peshawar), Milkify (Agritech, NIC Lahore), Parwaaz-e-Umeed (EdTech, NIC Lahore), YPay (FinTech, NIC Karachi), HealthSolutions (HealthTech, NIC Karachi), Asaani.io (Cleantech, NIC Karachi), HarKaam (Services, NIC Karachi), Khaalis (AgriTech, NIC Islamabad), Orbit Ed (Edtech), and Optera (Transmedia).


Ignite in Collaboration With Google and IRM Launched Google Career Certification Program



Ignite, National Technology Fund signed a memorandum of understanding with Institute of Rural Management (IRM) for outreach of Google Career Certification



program to underserved areas. The MoU was signed by Asim Shahryar Husain, CEO Ignite and Dr. Roomi Hayat, CEO IRM. Grow with Google has equipped tens of thousands of Pakistanis with free access to training courses, tools, products, and programs ever since 2020. In the first phase, Google in collaboration with Ignite and IRM launched a brand-new Google Career Certificates program for 15,000 scholarships in Pakistan. More than 11,500 enrollments have been completed so far. The program is designed to make the Pakistani youth job-ready and to equip them with in demand tech skills including project management, data analytics, UX design, digital marketing and e-commerce etc.



**FINANCIAL
STATEMENTS
FOR THE
YEAR ENDED
JUNE 30, 2023**



INDEPENDENT AUDITOR'S REPORT

To the members of Ignite

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ignite (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of 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 the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 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.

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 auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924, 2206473; < www.pwc.com/pk >




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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





A.F. FERGUSON & CO.

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.



Chartered Accountants
Islamabad

Date: January 16, 2024

UDIN: AR202310053aLe9OkQ42

IGNITE**(A Company incorporated under section 42 of the Companies Act, 2017)****STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2023**

	Note	2023 Rs '000	2022 Rs '000
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	29,555	29,232
Intangible assets	7	14,259	1,686
Right of use asset	8	189,446	200,588
Long term security deposit	9	3,219	3,219
Long term loans and advances - considered good	10	1,279	4,857
		237,758	239,582
CURRENT ASSETS			
Loans and advances - considered good	10	35,166	118,252
Short term prepayments		487	337
Funds receivable	11	602,210	342,353
Accrued interest on bank balance		109	124
Bank balances	12	99,764	18,989
		737,736	480,055
TOTAL ASSETS		975,494	719,637
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds		-	1,444
NON CURRENT LIABILITIES			
Lease liabilities	13	164,546	178,231
Deferred capital grant	14	43,814	30,918
		208,360	209,149
CURRENT LIABILITIES			
Current portion of lease liabilities	13	65,633	47,648
Trade and other payables	15	701,501	461,396
		767,134	509,044
TOTAL FUNDS AND LIABILITIES		975,494	719,637
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 25 form an integral part of these financial statements.




 CHIEF EXECUTIVE
 OFFICER



 DIRECTOR

IGNITE
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rs '000	2022 Rs '000
INCOME			
Grant income recognized	17	1,730,749	1,159,385
EXPENDITURE			
Project / program activities	18	1,384,680	846,236
Operating costs	19	330,679	278,394
Finance costs	13.2	9,800	11,787
		1,725,159	1,136,417
SURPLUS FOR THE YEAR		5,590	22,966
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to income and expenditure			
Re-measurement loss on staff gratuity	15.3.4	(5,590)	(22,968)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The annexed notes 1 to 25 form an integral part of these financial statements.





**CHIEF EXECUTIVE
OFFICER**



DIRECTOR

IGNITE
(A Company Incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Unrestricted Funds Rs '000
Balance at July 1, 2021	6,709
Surplus for the year	22,968
Other comprehensive loss for the year	(22,968)
Return of funds to Ministry of Information Technology and Telecommunication	(5,265)
Total comprehensive income for the year	(5,265)
Balance at June 30, 2022	1,444
Surplus for the year	5,590
Other comprehensive loss for the year	(5,590)
Return of funds to Ministry of Information Technology and Telecommunication	(1,444)
	(1,444)
Balance at June 30, 2023	-

The annexed notes 1 to 25 form an integral part of these financial statements.

Affloz

Affloz

**CHIEF EXECUTIVE
OFFICER**

[Signature]

DIRECTOR



IGNITE

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rs '000	2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	5,590	22,968
Adjustments for:		
Depreciation on property and equipment	9,380	9,705
Amortization on intangible assets	782	647
Depreciation on right of use asset	57,260	42,700
Finance costs	21,129	13,819
Amortization of deferred capital grant	(10,162)	(10,352)
Amortization of funds receivable	(1,720,587)	(1,149,033)
Provision for staff gratuity	19,207	12,572
	<u>(1,617,401)</u>	<u>(1,056,974)</u>
Changes in:		
Long term loans and advances - considered good	3,578	(3,829)
Loans and advances - considered good	83,086	(99,306)
Long term security deposit	-	(3,219)
Short term prepayments	(150)	278
Trade and other payables	230,424	(201,507)
	<u>316,938</u>	<u>(307,583)</u>
Cash (used in) operating activities	<u>(1,300,463)</u>	<u>(1,364,557)</u>
Contribution made to staff gratuity fund	(15,116)	(18,028)
Funds received during the year	1,483,000	1,240,000
Funds returned during the year	(30,821)	-
Interest income received on bank balance	179	4,111
Refund of scholarship / unspent funds from students / implementing partners	31,445	2,057
Net cash flows generated from / (used in) operating activities	<u>168,224</u>	<u>(136,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of funds to MoIT	(1,444)	(5,265)
Acquisition of property and equipment	(9,703)	(4,704)
Acquisition of intangible assets	(13,355)	(2,333)
Proceeds from disposal of property and equipment	-	1,136
Net cash flows (used in) investing activities	<u>(24,502)</u>	<u>(11,166)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid during the year	(62,947)	(41,202)
Increase / (decrease) in cash and cash equivalents	<u>80,775</u>	<u>(188,785)</u>
Cash and cash equivalents at the beginning of the year	<u>18,989</u>	<u>207,774</u>
Cash and cash equivalents at the end of the year	<u>99,764</u>	<u>18,989</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE
OFFICER

DIRECTOR

IGNITE**(A Company incorporated under section 42 of the Companies Act, 2017)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2023****1 THE COMPANY AND ITS OPERATIONS****1.1 Status and nature of activities**

"Ignite" (the "Company") was incorporated in Pakistan on November 20, 2006, as a Not for Profit Company limited by guarantee and not having a share capital under section 42 of then applicable Companies Ordinance, 1984 (Repealed by the Companies Act, 2017). The Company was formed under Section 33(D) of Pakistan Telecommunication (Reorganization) Act, 1996. The registered office of the Company is situated at 3rd Floor, Telecom Foundation Complex, 7-Mauve Area, G-9/4, Islamabad.

Pursuant to Section 3 of the Research and Development Fund Rules 2006, operations of the Company are funded by the Ministry of Information Technology and Telecommunication (MoITT), Government of Pakistan through a Research and Development Fund (the "Fund"), [a separate entity established under section 33(C) of Telecommunication Re-organization (Amendment) Ordinance, 2005]. The Fund is under the control of Federal Government, which administers the Fund through a Policy Committee.

The primary objective of the Company is to promote research and development activities in the field of Information Communication Technologies (ICT) through disbursement of grants to implementing partners, received from the Government of Pakistan and other national and international funding agencies.

The Company's license issued by the Securities and Exchange Commission of Pakistan (SECP) under section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017) expired on July 13, 2020. In accordance with the SECP's SRO 1574(I) / 2021 dated November 29, 2021, the requirement of renewal of license by the Company under section 42 of the Companies Act, 2017 has now been omitted from Associations with Charitable and Not for Profit Objects Regulations, 2018. Accordingly, renewal of license is not required to be obtained and the existing license issued by SECP dated July 14, 2015 remains valid.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The 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; and
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the institute of the Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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



3 BASIS OF PREPARATION AND MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under 'historical cost convention' except as otherwise disclosed in respective accounting policy notes.

3.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees (PKR), which is the Company's functional currency. All financial information presented in PKR has been rounded off to the nearest of thousand, unless otherwise stated.

3.3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which, form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- i) Estimated useful life and residual value of property and equipment - note 5.1 and note 6
- ii) Estimated value of staff retirement benefits obligations - note 5.6 and note 15.3
- iii) Impairment of non-financial and financial assets - note 5.3 and note 5.4
- iv) Expected credit loss allowance - note 5.4
- v) Right of use assets and corresponding lease liabilities - note 5.11, note 8 and note 13
- vi) Contingencies and commitments - note 16

4 NEW AND REVISED STANDARDS AND INTERPRETATIONS

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective but have no material impact

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2021 are considered not to have any significant effect on the Company's financial statements.

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

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023 & January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IFRS 4 Insurance Contracts (Amendments)	January 1, 2023
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 16 Leases (Amendments)	January 1, 2024

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service Concession Arrangements issued by IASB has been waived off by SECP

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged using the straight-line method so as to write off the depreciable amount of property and equipment over their estimated useful lives. The rates used are stated in note 6 to the financial statements. Depreciation is charged on additions from the month the assets become available for intended use up to the month in which these are derecognized. The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

Maintenance and normal repairs are charged to Statement of Comprehensive Income as and when incurred. Major extensions, renewals and improvements are capitalized.



5.2 Intangibles assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to such asset will flow to the Company and the cost of the asset can also be measured reliably. These are stated at cost less accumulated amortization and identified impairment loss, if any. Amortization is charged on a straight line basis so as to write off the amortizable amount of the intangible assets over their estimated useful life. Amortization is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized.

5.3 Impairment of non-financial assets

Assets that are subject to depreciation / amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of comprehensive income.

5.4 Financial Instrumenta

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"),
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised 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.



Financial assets that meet the following conditions are subsequently measured at FVTOCI:

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

By default, all other financial assets are subsequently measured at FVTPL.

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Investments elected to be as equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortized cost and FVTOCI. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;



- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

The key judgments and assumptions adopted by the Company in addressing the requirements of the IFRS 9 are outlined below:

Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative or qualitative criteria have been met including past due history, aging, probability of default etc.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired"), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime (Lifetime EAD). The expected amount to be drawn up is computed after adjustment of the appropriate credit factor.



Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of financial instrument, counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Company has identified the key economic variables impacting credit risk and expected credit losses for each portfolio / party.

Derecognition of financial assets and liabilities

(i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in statement of comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement of comprehensive income. 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 statement of comprehensive income, but it is transferred to statement of changes in equity.

(ii) Financial Liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

5.5 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents include cash in hand and bank balances.

5.6 Staff retirement benefits

Accumulated compensated absences

The Company accounts for accumulated compensated absences in the period in which these absences are earned. An accrual is made for employees compensated absences on the basis of accumulated leaves at the last drawn pay.



Gratuity scheme

The Company operates a funded gratuity scheme for its employees who have completed the qualifying period as defined under the respective scheme. Liabilities for the scheme are recognized on the basis of an actuarial valuation using the Projected Unit Credit Method. The latest actuarial valuation was performed on June 30, 2023 details of which are given in note 15.3.

Remeasurement gains and losses for the gratuity are recognized in full in the periods in which they occur in other comprehensive income and are not reclassified to income and expenditure account in subsequent periods. The past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or terminations.

5.7 Restricted Funds and Grant Income

Grants are recognized as deferred income, when there is a reasonable assurance that the grant will be received and the Company will comply with the conditions associated with the grant. Amounts received from the Ministry of Information Technology are included in the balance of the restricted funds. Any income earned on these funds is also included in the fund. Any excess of expenditure incurred by the Company over the grant received is recognised as funds receivable in the statement of financial position, when the amount to be received can be reasonably estimated; and ultimate collection is reasonably assured.

Grants that compensate the Company for expenses incurred are recognized in income and expenditure in the same period in which the expenses are recognized. Grants that compensate the Company for cost of an asset are transferred to deferred capital grant and recognized in income and expenditure on a systematic basis over the expected useful life of the related asset, upon capitalization.

5.8 Expenditure on projects / programs activities

Grants received from Ministry of information Technology, Government of Pakistan, are allocated to the projects / programs based on an evaluation of the envisaged projects' budget. Company recognises expenditure on projects / programs activities on accrual basis of accounting i.e. when expense is incurred by the implementing partner organization in accordance with the relevant agreements.

5.9 Taxation

The grant income of the Company is exempted under clause 102 (A) of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been made in these financial statements.

5.10 Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by one or more uncertain future events not wholly within the control of the Company; or the Company has a 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, or the amount of the obligation cannot be measured with sufficient reliability.



5.11 Leases

Right of use asset

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- i) fixed payments including in-substance fixed payments;
- ii) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii) amounts expected to be payable by the lessee under residual value guarantees; and
- iv) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in the statement of comprehensive income in the period in which the condition that triggers those payments occurs.

The Company has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in the statement of comprehensive income when incurred.



6 PROPERTY AND EQUIPMENT

	Leasehold improvements	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
	Rs '000					
As at July 1, 2021						
Cost	24,226	5,753	111	3,344	40,741	74,175
Accumulated depreciation	(2,019)	(3,256)	(111)	(2,446)	(31,986)	(39,818)
Net book value	<u>22,207</u>	<u>2,497</u>	<u>-</u>	<u>898</u>	<u>8,755</u>	<u>34,357</u>
Year ended June 30, 2022						
Opening net book value	22,207	2,497	-	898	8,755	34,357
Additions	-	1,589	-	2,631	484	4,704
Disposals						
Cost	-	987	8	1,298	9,079	11,372
Accumulated depreciation	-	(892)	(8)	(1,269)	(9,079)	(11,248)
	-	(95)	-	(29)	-	(124)
Depreciation charge	4,845	437	-	337	4,086	9,705
Closing net book value	<u>17,362</u>	<u>3,554</u>	<u>-</u>	<u>3,163</u>	<u>5,153</u>	<u>29,232</u>
As at July 1, 2022						
Cost	24,226	6,355	103	4,677	32,146	67,507
Accumulated depreciation	(6,864)	(2,801)	(103)	(1,514)	(26,993)	(38,275)
Net book value	<u>17,362</u>	<u>3,554</u>	<u>-</u>	<u>3,163</u>	<u>5,153</u>	<u>29,232</u>
Year ended June 30, 2023						
Opening net book value	17,362	3,554	-	3,163	5,153	29,232
Additions	-	712	-	336	8,655	9,703
Disposals	-	-	-	-	-	-
Depreciation charge	4,845	520	-	422	3,593	9,380
Closing net book value	<u>12,517</u>	<u>3,746</u>	<u>-</u>	<u>3,077</u>	<u>10,215</u>	<u>29,555</u>
As at June 30, 2023						
Cost	24,226	7,067	103	5,013	40,801	77,210
Accumulated depreciation	(11,709)	(3,321)	(103)	(1,936)	(30,586)	(47,655)
Net book value	<u>12,517</u>	<u>3,746</u>	<u>-</u>	<u>3,077</u>	<u>10,215</u>	<u>29,555</u>
Annual rate of depreciation (%)	20	10	20	10	33	

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7 INTANGIBLE ASSETS	Note	2023 Rs '000	2022 Rs '000
Softwares	7.1	1,327	1,686
Capital work in progress (CWIP) - Softwares	7.2	12,932	-
		<u>14,259</u>	<u>1,686</u>
7.1 Softwares			Rs '000
Cost			
Opening balance as at July 01, 2021			-
Additions			<u>2,333</u>
Closing balance as at June 30, 2022			<u>2,333</u>
Accumulated amortisation			
Opening balance as at July 01, 2021			-
Amortisation charge			<u>647</u>
Closing balance as at June 30, 2022			<u>647</u>
Net book value as at June 30, 2022			<u>1,686</u>
Cost			
Opening balance as at July 01, 2022			2,333
Additions			<u>423</u>
Closing balance as at June 30, 2023			<u>2,756</u>
Accumulated amortization			
Opening balance as at July 01, 2022			647
Amortization charge			<u>782</u>
Closing balance as at June 30, 2023			<u>1,429</u>
Net book value as at June 30, 2023			<u>1,327</u>
Annual rate of amortization (%)			33

7.2 Additions in CWIP-Softwares during the year amounts to Rs 7,460 thousand (2022: Rs Nil) for procurement of Grant Management System and Rs 5,472 thousand (2022: Nil) for Ignite Startup Portal. These softwares are currently in their development phase.

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8 RIGHT OF USE ASSET

	2023 Rs '000	2022 Rs '000
Cost		
Balance at the beginning of the year	269,667	197,842
Additions during the year	46,118	71,825
Balance at the end of the year	<u>315,785</u>	<u>269,667</u>
Accumulated depreciation		
Balance at the beginning of the year	(69,079)	(26,379)
Depreciation charge for the year	(57,260)	(42,700)
Balance at the end of the year	<u>(126,339)</u>	<u>(69,079)</u>
Net book value	<u>189,446</u>	<u>200,588</u>
Annual rate of depreciation (%)	10-33	19-20

8.1 Depreciation for the year is allocated as follows

Project / program activities - National Incubation Centres	(15,670)	(3,132)
Operating costs	(41,590)	(39,568)
	<u>(57,260)</u>	<u>(42,700)</u>

8.2 Right of use asset represents office premises, obtained on rent, by the Company. During the year, the Company had entered into agreements with its related parties i.e. National Insurance Company Limited and Pakistan Telecommunication Company Limited for rental of office premises for Karachi Office and National Incubation Centre Peshawar respectively.

9 LONG TERM SECURITY DEPOSIT

This represents payment made to Telecom Foundation, related party as security deposit equivalent to one month rent for office premises against lease term of five years.

10 LOANS AND ADVANCES - CONSIDERED GOOD

	Note	2023 Rs '000	2022 Rs '000
Unsecured - considered good			
Advances to implementing partners	10.1	24,204	106,499
Advances to employees against expenditure		211	1
		<u>24,415</u>	<u>106,500</u>
Secured - considered good			
Loans against salaries	10.2 & 10.3	12,030	16,609
		<u>36,445</u>	<u>123,109</u>
Less: long term portion of loans and advances shown under non-current assets	10.4	(1,279)	(4,857)
		<u>35,166</u>	<u>118,252</u>

APES

10.1 This represents advances for implementation of different projects which will be adjusted against actual expenditure as per the provisions of the relevant project implementation agreements.

10.2 Salaries loan includes interest free loan given to Chief Executive Officer / director in accordance with the Company's policy. Details are as follows:

	2023 Rs '000	2022 Rs '000
Balance at the beginning of the year	895	-
Disbursement during the year	-	1,000
Repayments during the year	(632)	(105)
Balance at the end of the year	263	895
Less: current portion of loan to director	263	632
Non-current portion of loan to director	-	263

10.3 This represents loans and advances given to employees against their salaries in accordance with the Company's policy with repayment terms of maximum twenty four (24) months and carry no markup.

10.4 Management considers that the impact of recognizing long term loans and advances at present value of future cash flows would be immaterial, in context of overall financial statements.

	Note	2023 Rs '000	2022 Rs '000
11 FUNDS RECEIVABLE			
Funds receivable at the beginning of the year		342,353	429,685
Add:			
Recognized as grant income	17	1,720,587	1,149,033
Transferred to deferred capital grant	14	23,058	6,913
		1,743,645	1,155,946
Less:			
Grant received during the year	11.1	(1,483,000)	(1,240,000)
Funds returned during the year		30,821	-
Interest Income		(164)	(209)
Gain on disposal of property and equipment		-	(1,012)
Refund of scholarship / unspent funds from students / Implementing partners		(31,445)	(2,057)
		(1,483,788)	(1,243,278)
Funds receivable at the end of the year	11.2	602,210	342,353

11.1 The amount represents total grant received during the year amounting to Rs 1,483,000 thousand (2022: Rs 1,240,000 thousand) netted of by an amount of Rs 30,821 thousand (2022: Rs Nil) returned during the year.

11.2 Operations of the Company are funded by Ministry of Information and Technology and Telecommunication (MoITT). This represents excess of expenditure already incurred by the Company over the grant received from MoITT. The Company is confident that the amount will be received in the ensuing period.

APK

	Note	2023 Rs '000	2022 Rs '000
12 BANK-BALANCE			
Cash at bank in:			
Current account	12.1	99,764	18,989
Saving account	12.2	-	-
		<u>99,764</u>	<u>18,989</u>

12.1 This represents balance held in non-lapsable assignment account maintained with National Bank of Pakistan in compliance with Cash Management and Treasury Single Account Rules 2020 issued by Ministry of Finance, Government of Pakistan.

12.2 This represents bank balance in saving account and carries mark-up of 12.25% to 19.50% (2022: 5.75% to 12.25%) per annum.

	2023 Rs '000	2022 Rs '000
13 LEASE LIABILITIES		
Balance at the beginning of the year	225,879	181,437
Additions during the year	46,118	71,825
Unwinding of interest on lease liabilities	21,129	13,819
Payments during the year	<u>(62,947)</u>	<u>(41,202)</u>
Balance at the end of the year	230,179	225,879
Less: current portion of lease liabilities shown under current liabilities	<u>(65,633)</u>	<u>(47,648)</u>
	<u>164,546</u>	<u>178,231</u>

13.1 The undiscounted maturity analysis of lease liabilities at June 30, 2023 is as follows:

	Up to 1 year	Between 2 to 5 years	Over 5 years	Total
	-----Rs '000-----			
Lease payments - 2023	<u>85,099</u>	<u>165,346</u>	<u>51,424</u>	<u>301,869</u>
Lease payments - 2022	<u>64,822</u>	<u>201,544</u>	<u>-</u>	<u>266,366</u>

13.2 The unwinding of interest on lease liabilities is allocated as follows:

	2023 Rs '000	2022 Rs '000
Project / program activities - National Incubation Centres	11,329	2,032
Finance costs	9,800	11,787
	<u>21,129</u>	<u>13,819</u>

APB

14	DEFERRED CAPITAL GRANT	Note	2023 Rs '000	2022 Rs '000
	Balance at the beginning of the year		30,918	34,357
	Property and equipment			
	Additions during the year	6	9,703	4,704
	Net book value of assets disposed off		-	(124)
			9,703	4,580
	Intangible Assets			
	Additions during the year	7	13,355	2,333
		14.1	23,058	6,913
	Amortization of deferred capital grant			
	Depreciation charge for the year	19	(9,380)	(9,705)
	Amortization charge for the year	19	(782)	(647)
			(10,162)	(10,352)
	Balance at the end of the year		43,814	30,918

14.1 This represents property and equipment and intangible assets purchased and disposed off during the year from the funds received from MoITT as disclosed in note 11.

15	TRADE AND OTHER PAYABLES	Note	2023 Rs '000	2022 Rs '000
	Payable to implementing partners	15.1	562,851✓	363,209
	Payable to suppliers		4,875	8,115
	Rent payable to National Information Technology Board		34,551-	17,511
	Leave encashment payable	15.2	34✓	-
	Payable to gratuity fund	15.3	72,151	50,002
	Accrued liabilities		27,039	22,348
	Withholding tax payable		-	211
			701,501	461,396

15.1 This represents payable to different parties for expenses incurred on implementation of different projects as per the provisions of the relevant project implementation agreements.

15.2	Leave encashment payable	Note	2023 Rs '000	2022 Rs '000
	Balance at the beginning of the year		-	9,640
	Charge for the year		7,347	8,967
	Benefits paid during the year		(7,313)	(18,607)
	Balance at the end of the year		34	-

15.3 Payable to gratuity fund

15.3.1 The amount recognized in the statement of financial position is as follows:

Present value of defined benefit obligation	15.3.5	98,828	85,116
Payables		5,303	5,303
Fair value of plan assets	15.3.6	(31,980)	(40,417)
Net liability at end of the year		72,151	50,002



	Note	2023 Rs '000	2022 Rs '000
15.3.2 The movement of amounts recognised in the statement of financial position is as follows:			
Net liability at the beginning of the year		50,002	13,465
Cost for the year recognised in statement of comprehensive income	15.3.3	19,207	12,572
Payments / contributions made during the year		(15,116)	(18,028)
Receivable from the Company		12,468	19,025
Remeasurement loss recognised in statement of comprehensive income	15.3.4	5,590	22,968
Net liability at the end of the year		<u>72,151</u>	<u>50,002</u>
15.3.3 The amounts recognised in statement of comprehensive income are as follows:			
Current service cost		13,351	11,763
Net interest (income) / expense		5,856	809
		<u>19,207</u>	<u>12,572</u>
15.3.4 Remeasurements recognised in other comprehensive income are as follows:			
Remeasurement loss on defined benefit obligation		3,024	20,811
Remeasurement loss on plan assets		2,566	2,157
		<u>5,590</u>	<u>22,968</u>
15.3.5 Changes in the present value of defined benefit obligation are as follows:			
Present value of defined benefit obligation as at beginning of the year		85,116	82,584
Current service cost		13,351	11,763
Interest cost		10,596	6,588
Benefits paid		(13,259)	(36,630)
Remeasurement loss on defined benefit obligation		3,024	20,811
Present value of defined benefit obligation as at end of the year		<u>98,828</u>	<u>85,116</u>
15.3.6 Changes in fair value of plan assets are as follows:			
Fair value of plan assets as at beginning of the year		40,417	75,963
Expected return on plan assets		4,740	5,779
Contributions during the year		15,000	13,464
Receivable from the Company		(12,468)	(19,025)
Benefits paid		(13,143)	(33,607)
Remeasurement (loss) on plan assets		(2,566)	(2,157)
Fair value of plan assets as at end of the year		<u>31,980</u>	<u>40,417</u>

APL

	2023 Rs '000	2022 Rs '000
15.3.7 Plan assets comprise of		
Bank balance - saving account	7,200	27,411
Advance gratuity payment to employees	24,780	13,006
	<u>31,980</u>	<u>40,417</u>
15.3.8 Actual return on plan assets	<u>2,961</u>	<u>3,623</u>
15.3.9 Expected contribution for the next year	<u>72,151</u>	<u>19,386</u>

The Company contributes to the gratuity fund on the advice of the fund's actuary. The contributions are equal to the current service cost with the adjustment for any deficit.

15.3.10 Significant actuarial assumptions used were as follows:

	2023	2022
Withdrawal rate	Moderate	Moderate
Mortality rate	Adjusted SLIC (2001-05)	Adjusted SLIC (2001-05)
Discount rate per annum	15.75%	13.50%
Salary increase rate per annum	14.75%	12.50%
Weighted average duration of the obligation	11 years	14 years

15.3.11 Sensitivity analysis

- The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions.

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption Rs '000	Decrease in assumption Rs '000
Discount	1%	(10,036)	11,633
Salary increase	1%	11,720	(10,276)

15.3.12 Projected benefit payments from gratuity fund are as follows:

	2023 Rs '000	2022 Rs '000
For the year 2024	2,657	2,382
For the year 2025	3,129	2,798
For the year 2026	3,563	3,056
For the year 2027	27,143	3,372
For the year 2028	16,033	24,825
For the year 2029-32	73,995	39,200

The impact of changes in assumptions has been determined by revaluation of the obligation on different rates.



16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no known material contingencies at June 30, 2023 (2022: Rs Nil).

	Note	2023 Rs '000	2022 Rs '000
16.2 Commitments to disburse funds in respect of:			
National incubation centers		<u>2,040,494</u>	<u>1,864,991</u>
Digiskills project		<u>420,233</u>	<u>660,173</u>
16.3 Capital expenditure commitments:			
Capital expenditure		<u>35,034</u>	<u>4,294</u>
17 GRANT INCOME RECOGNIZED			
Amortization of deferred capital grant	14	10,162	10,352
Funds receivable recognized as grant income during the year			
Operating costs	19.2	320,517	268,042
Finance costs	20	9,800	11,787
Project / program activities	18	1,384,680	846,236
Remeasurement loss on defined benefit scheme	15.3.4	5,590	22,968
		<u>1,720,587</u>	<u>1,149,033</u>
		<u>1,730,749</u>	<u>1,159,385</u>
18 PROJECT / PROGRAM ACTIVITIES			
National incubation centers		864,198	550,027
Digiskills project		330,788	194,629
Technical research and development projects		86,600	51,981
Conferences, seminars and scientific events		103,094	49,599
		<u>1,384,680</u>	<u>846,236</u>

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	Note	2023 Rs '000	2022 Rs '000
19 OPERATING COSTS			
Salaries and benefits	19.1	225,905	175,825
Utilities		2,709	1,616
Travelling expenses		18,671	15,268
Communication charges and IT support		5,046	4,268
Printing and stationery		2,815	2,598
Repairs and maintenance		2,185	1,014
Janitorial services		3,220	1,926
Advertising expenses		7,133	7,978
Auditors' remuneration	19.3	1,058	775
Legal and professional charges		4,127	1,899
Depreciation on property and equipment	6	9,380	9,705
Amortization on intangible assets	7	782	647
Depreciation on right of use asset	8	41,590	39,568
Director fees and other expenses		2,414	13,362
Training, workshop and seminars		2,733	724
Miscellaneous		911	1,221
		<u>330,679</u>	<u>278,394</u>

19.1 This includes post retirement staff benefits amounting to Rs 19,207 thousand (2022: Rs 12,572 thousand).

	Note	2023 Rs '000	2022 Rs '000
19.2 Operating cost charged to funds receivable			
Operating cost	19	330,679	278,394
Less:			
Depreciation / amortisation charged to deferred capital grant		(10,162)	(10,352)
		<u>320,517</u>	<u>268,042</u>

19.3 Auditors' remuneration

Statutory audit fee	750	600
Review fee of statement of compliance	100	108
Out of pocket expenses and applicable taxes	208	67
	<u>1,058</u>	<u>775</u>

20 FINANCE COSTS

This represents unwinding of interest on lease liabilities recognised during the year, as disclosed in note 13 to the financial statements.



21 FINANCIAL INSTRUMENTS

21.1 Financial assets and liabilities

	2023 Rs '000	2022 Rs '000
Financial assets at amortised cost		
Maturity up to one year		
Long term security deposit	3,219	3,219
Loans and advances - considered good	10,751	11,752
Funds receivable	602,210	342,353
Accrued interest on bank balance	109	124
Bank balance	99,764	18,989
	<u>716,053</u>	<u>376,437</u>
Maturity after one year		
Long term loans and advances - considered good	1,279	4,857
	<u>1,279</u>	<u>4,857</u>
Financial liabilities at amortised cost		
Maturity up to one year		
Lease liabilities	65,633	47,648
Trade and other payables	701,501	461,396
	<u>767,134</u>	<u>509,044</u>
Maturity after one year		
Lease liabilities	164,546	178,231
	<u>164,546</u>	<u>178,231</u>

21.2 Credit quality of financial assets

The credit quality of Company's financial assets has been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on historical information for any defaults in meeting obligations.

	Long term Rating	2023 Rs '000	2022 Rs '000
Counterparties with external credit rating			
Accrued interest on bank balance	AAA	109	124
Bank balance	AAA	99,764	18,989
Counterparties without external credit rating			
Long term security deposit		3,219	3,219
Loans and advances - considered good		12,030	16,609
Funds receivable - Government of Pakistan		602,210	342,353

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21.3 FINANCIAL RISK MANAGEMENT

21.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring Company's risk management policies.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company's credit risk is primarily attributable to balances at bank. The management believes that the Company is not exposed to major concentration of credit risk as the exposure is limited and the major exposure is with a bank with reasonably high credit rating.

b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company applies prudent risk management policies by maintaining sufficient cash and bank balances. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amount disclosed in the table below are undiscounted cash flows:

	2023			2022		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	-----Rs '000-----			-----Rs '000-----		
Trade and other payables	701,501	-	701,501	461,396	-	461,396
Lease liabilities	65,633	164,546	230,179	47,648	178,231	225,879

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

APP-3

c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. The Company is not exposed to currency risk as there are no foreign currency assets and liabilities.

ii) Interest rate risk

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

Financial assets of Rs Nil (2022: Rs Nil) and financial liabilities of Rs 230,179 thousand (2022: Rs 225,879 thousand) are subject to interest rate risk.

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of the financial instruments 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 cash flows will fluctuate because of changes in market prices.

21.3.2 Capital risk management

The Company is not subject to externally imposed capital requirement.

21.3.3 Fair value of financial assets and liabilities

All financial assets and financial liabilities are initially recognised at fair value of consideration paid or received, net of transaction costs, as appropriate. The carrying values of financial assets and financial liabilities not carried at fair value is a reasonable approximation of their fair values.



22 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023 Rs '000	2022 Rs '000
Chief Executive		
Managerial remuneration	13,323	12,495
Bonus - Note 22.1	-	895
Perquisites	2,088	2,246
Company's contribution to gratuity fund	517	217
	<u>15,928</u>	<u>15,853</u>
Number of person	<u>1</u>	<u>1</u>
Executives		
Managerial remuneration	117,712	81,492
Bonus	12,763	7,943
Perquisites	30,675	29,734
Company's contribution to gratuity fund	17,804	11,680
	<u>178,954</u>	<u>130,849</u>
Number of persons	<u>35</u>	<u>32</u>

22.1 Performance bonus of Chief Executive accrued in prior years was not paid and has been adjusted in the current year.

22.2 In addition to the above, the employees are provided with medical and life insurance benefits, as per Company's Policy.

22.3 The aggregate amount charged in the financial statements for the year as fees to Directors is Rs. 2,125 thousand (2022: Rs. 11,700 thousand) for attending Board of Directors meetings and sub-committee meetings. Rs. 62.5 thousand (2022: Rs. 62.5 thousand) per director per meeting was paid during the year.

23 RELATED PARTY TRANSACTIONS

23.1 The Company is wholly owned and sponsored by Ministry of Information Technology and Telecommunication (MoITT), Government of Pakistan. Its related parties comprise of those companies which are owned and operated by Ministry of Information Technology and Telecommunication, Government of Pakistan, and have a relationship with the Company by virtue of common directorship.

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note 22, were as follows:

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	2023 Rs '000	2022 Rs '000
Grant received during the year:		
From MoITT - Net	1,452,179	1,240,000
Disbursements made to / (refunds) from:		
National Telecommunication Corporation	457	369
Virtual University of Pakistan	208,844	338,598
Universal Service Fund	84	-
Nayatel (Private) Limited	14	71
Pakistan Mobile Communication Limited	93,261	124,707
Employees' Gratuity Fund	12,500	13,464
Pakistan Telecommunication Company Limited	93,322	47,006
Telecom Foundation	45,322	44,421
University of Sindh	5,625	-
University of Agriculture Faisalabad	12,000	-
Amount (payable) / receivable as at June 30,		
National Telecommunication Corporation	(17)	(21)
Virtual University of Pakistan	(12,961)	99,969
Universal Service Fund	-	(84)
Nayatel (Private) Limited	7	7
Pakistan Mobile Communication Limited	(25,314)	(24,427)
Pakistan Telecommunication Company Limited	(36,101)	(2,219)
National Information Technology Board	(34,551)	(17,511)

23.2 Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

	Basis of Association	Number of shares held in the Company	Aggregate %age of Holding
National Telecommunication Corporation	Common Control	N/A	N/A
National Information Technology Board	Common Control	N/A	N/A
Universal Service Fund	Common Control	N/A	N/A
Pakistan Telecommunication Company Limited	Common Control	N/A	N/A
University of Sindh	Common Control	N/A	N/A
University of Agriculture Faisalabad	Common Control	N/A	N/A
Pakistan Mobile Communication Limited	Common Directorship	N/A	N/A
Nayatel (Private) Limited	Common Directorship	N/A	N/A
Virtual University of Pakistan	Common Control	N/A	N/A
Mr. Asim Shahryar Husain	Chief Executive and Director	N/A	N/A
Syed Junaid imam	Director	N/A	N/A

	Basis of Association	Number of shares held in the Company	Aggregate %age of Holding
Mr. Zia-ul Mustafa Awan	Director	N/A	N/A
Mr. Muhammad Omar Malik	Director	N/A	N/A
Mr. Amir Azeem Bajwa	Director	N/A	N/A
Mr. Khawaja Saad Saleem	Director	N/A	N/A
Dr. Shahid Qureshi	Director	N/A	N/A
Dr. Faisal Ahmed Khan	Director	N/A	N/A
Ms. Aisha Humera Ch	Director	N/A	N/A
Mr. Saad Fazil Abbassi	Director	N/A	N/A
Mr. Muhammad Naveed	Director	N/A	N/A
Mr. Baber Majid Bhatti	Director	N/A	N/A
Mr. Hafeez ur Rehman	Director	N/A	N/A
Employees' Gratuity Fund	Employees' Gratuity Fund	N/A	N/A

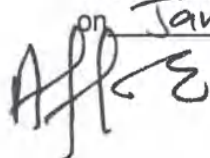
24 NUMBER OF EMPLOYEES

Number of persons employed as on June 30, 2023 are 50 (2022: 51). Average number of employees during the year were 48 (2022: 48).

25 DATE OF AUTHORIZATION FOR ISSUE

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

on January 12, 2024




 CHIEF EXECUTIVE
 OFFICER


 DIRECTOR



Ignite - National Technology Fund

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