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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, 2020, 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, 2020 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.

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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.

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- 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.

A F Ferguson & Co

Chartered Accountants
Islamabad
Date: October 29, 2020

IGNITE
(A Company incorporated under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020	2019
		-----------------Rupees-----------------	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	8,095,543	12,173,012
CURRENT ASSETS			
Advances - considered good	8	20,956,062	60,243,739
Short term prepayment		-	12,003,200
Funds receivable	9	275,730,059	-
Accrued interest on bank balance		13,158,594	11,417,867
Bank balance	10	336,317,619	461,712,768
		646,162,334	545,377,574
TOTAL ASSETS		**654,257,877**	**557,550,586**
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds		6,709,285	6,709,285
NON CURRENT LIABILITIES			
Restricted funds	11	-	882,343
Deferred capital grant	12	8,095,543	12,173,012
		8,095,543	13,055,355
CURRENT LIABILITIES			
Trade and other payables	13	639,453,049	537,785,946
TOTAL FUNDS AND LIABILITIES		**654,257,877**	**557,550,586**
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes 1 to 24 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, 2020

	Note	2020	2019
		---------------- Rupees	---------------
INCOME			
Grant income recognized	15	1,149,334,945	1,166,199,472
EXPENDITURE			
Project/ program activities	16	908,576,974	957,792,383
Operating costs	17	236,037,675	206,571,296
		1,144,614,649	1,164,363,679
SURPLUS FOR THE YEAR		**4,720,296**	**1,835,793**
OTHER COMPREHENSIVE INCOME			
Other comprehensive (loss) not to be reclassified to income and expenditure in subsequent periods:			
Re-measurement (loss) on staff gratuity	13.3.4	(4,720,296)	(1,835,793)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The annexed notes 1 to 24 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, 2020

	Unrestricted Funds --- Rupees ---
Balance at July 01, 2018	6,709,285
Surplus for the year	1,835,793
Other comprehensive loss for the year	(1,835,793)
Total comprehensive income for the year	-
Balance at June 30, 2019	**6,709,285**
Surplus for the year	4,720,296
Other comprehensive loss for the year	(4,720,296)
Total comprehensive income for the year	-
Balance at June 30, 2020	**6,709,285**

The annexed notes 1 to 24 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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	---------------- Rupees	--------------
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	4,720,296	1,835,793
Adjustments for:		
Depreciation	4,812,563	6,159,926
Amortization of intangible assets	-	959,238
Amortization of deferred capital grant	(4,812,563)	(7,119,164)
Amortization of restricted funds	(1,144,522,382)	(1,159,080,307)
Provision for staff gratuity	7,305,333	6,839,248
	(1,132,496,753)	(1,150,405,266)
Changes in:		
Advances - considered good	39,287,677	105,978,905
Short term prepayment	12,003,200	6,069,800
Other receivables	-	3,483,365
Trade and other payables	93,341,780	74,090,227
	144,632,657	189,622,297
Cash used in operating activities	(987,864,096)	(960,782,969)
Contribution made to staff gratuity fund	(3,700,306)	-
Restricted funds received during the year	843,000,000	990,000,000
Interest income received on bank balance	23,904,347	18,833,967
Refund of scholarship	-	8,934,884
Net cash flow (used in) / generated from operating activities	(124,660,055)	56,985,882
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(735,094)	(5,997,097)
Net cash flows used in investing activities	(735,094)	(5,997,097)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
(Decrease) / increase in cash and cash equivalents	(125,395,149)	50,988,785
Cash and cash equivalents at the beginning of the year	461,712,768	410,723,983
Cash and cash equivalents at the end of the year	336,317,619	461,712,768

The annexed notes 1 to 24 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

1. THE COMPANY AND ITS OPERATIONS

"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 6th Floor, HBL Tower, Jinnah Avenue, Blue Area, 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.

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 PKR, 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:

	Notes
- Estimated useful life and residual value of property & equipment	6.1 & 7
- Estimated value of staff retirement benefits obligations	6.6 & 13.3
- Impairment of non-financial and financial assets	6.3 & 6.4
- Expected credit loss allowance	6.4
- Right of use assets and corresponding lease liability	6.11
- Contingencies and Commitments	14

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

4.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year and are relevant

IFRS 16 "Leases" became applicable to the Company from July 1, 2019. For related changes in accounting policies and impact on Company's financial statements refer note 5 to these 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, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 16	Property, plant and equipment (Amendments)	January 1, 2022
IAS 37	Provisions, contingent liabilities, contingent assets (Amendments)	January 1, 2022
IAS 41	Agriculture (Amendments)	January 1, 2020
IFRS 3	Business combinations (Amendments)	January 1, 2020
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IFRS 7	Financial instruments: Disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020
IFRS 16	Leases (Amendments)	June 1, 2020
IASB	Conceptual Framework for Financial Reporting (Revised)	January 1, 2020

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

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 the IASB have been waived of by SECP

5. CHANGES IN ACCOUNTING POLICIES

Consequent to adoption of IFRS 16 "Leases" with effect from July 1, 2019, changes in accounting policies and impact on the Company's financial statements are explained below:

5.1 IFRS 16 "Leases"

IFRS 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

The Company has adopted IFRS 16 from July 1, 2019 using the modified retrospective approach and has assessed that the adoption of IFRS 16 does not have any material financial impact on these financial statements, as the Company has concluded that the lease contracts are short-term in nature and right of use asset is not to be recognised and payments made in respect of these leases are to be expensed in the Statement of Comprehensive Income.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the changes as stated in note 5 to these financial statements:

6.1 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 7 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.

6.2 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.

6.3 Impairment of non-financial assets

The carrying value of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such condition exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of an asset or a Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs of disposal.

6.4 Financial instruments

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

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.

(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.

6.5 Cash and cash equivalents

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

6.6 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, 2020 details of which are given in note 13.3.

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.

6.7 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 recognized in income and expenditure on a systematic basis over the expected useful life of the related asset, upon capitalization.

6.8 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.

6.9 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.

6.10 Provisions

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.

6.11 Leases

Right of use asset

The Company assesses whether a contract 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in profit or loss 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 profit or loss when incurred.

7. PROPERTY AND EQUIPMENT

	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
	----------	----------	Rupees	----------	----------
As at July 1, 2018					
Cost	5,719,224	110,913	2,911,616	27,966,229	36,707,982
Accumulated depreciation	(3,113,495)	(71,467)	(1,855,049)	(19,332,130)	(24,372,141)
Net book value	**2,605,729**	**39,446**	**1,056,567**	**8,634,099**	**12,335,841**
Year ended June 30, 2019					
Opening net book value	2,605,729	39,446	1,056,567	8,634,099	12,335,841
Additions	361,873	-	314,262	5,320,962	5,997,097
Disposals	-	-	-	-	-
Depreciation charge	(525,888)	(20,580)	(187,277)	(5,426,181)	(6,159,926)
Closing net book value	**2,441,714**	**18,866**	**1,183,552**	**8,528,880**	**12,173,012**
As at July 1, 2019					
Cost	6,081,097	110,913	3,225,878	33,287,191	42,705,079
Accumulated depreciation	(3,639,383)	(92,047)	(2,042,326)	(24,758,311)	(30,532,067)
Net book value	**2,441,714**	**18,866**	**1,183,552**	**8,528,880**	**12,173,012**
Year ended June 30, 2020					
Opening net book value	2,441,714	18,866	1,183,552	8,528,880	12,173,012
Additions	603,838	-	21,000	110,256	735,094
Disposals	-	-	-	-	-
Depreciation charge	(442,854)	(18,866)	(224,572)	(4,126,271)	(4,812,563)
Closing net book value	**2,602,698**	**-**	**979,980**	**4,512,865**	**8,095,543**
As at June 30, 2020					
Cost	6,684,935	110,913	3,246,878	33,397,447	43,440,173
Accumulated depreciation	(4,082,237)	(110,913)	(2,266,898)	(28,884,582)	(35,344,630)
Net book value	**2,602,698**	**-**	**979,980**	**4,512,865**	**8,095,543**
Annual rate of depreciation (%)	10	20	10	33	

	Note	2020	2019
		------------- Rupees ------------	
8. ADVANCES - considered good			
Advances to implementing partners			
Unsecured - considered good			
Associated entities	8.1	-	3,206,138
Others		11,096,250	42,342,778
	8.2	11,096,250	45,548,916
Advances to employees against:			
Salaries		9,664,804	14,534,846
Expenditure		195,008	159,977
		9,859,812	14,694,823
		20,956,062	**60,243,739**

8.1 Break up of advances to associated entities is as follows:

	Note	2020	2019
Virtual University of Pakistan		-	2,504,024
Pakistan Software Export Board		-	702,114
	8.1.1	-	**3,206,138**

8.1.1 Maximum aggregate amount outstanding at any time during the year is Rs. 2,504,024 (2019: Rs. 59,710,889) for Virtual University of Pakistan and Rs. 702,114 (2019: Rs. 702,114) for Pakistan Software Export Board.

8.2 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.

9. FUNDS RECEIVABLE

This represents excess of expenditure already incurred by the Company over grant received from MoITT during the year, as disclosed in note 11, receivable from MoITT.

10. BANK BALANCE

This represents bank balance in saving account and carries mark-up ranging from 6.5% to 11.25% (2019: 4.5% to 10.25%) per annum.

	Note	2020	2019
		---------- Rupees ----------	
11. RESTRICTED FUNDS			
Balance at the beginning of the year		882,343	146,643,966
Add:			
Grant received during the year		843,000,000	990,000,000
Interest income		25,645,074	20,380,897
Refund of scholarship	11.1	-	8,934,884
		868,645,074	1,019,315,781
Less:			
Recognized as grant income	15	(1,144,522,382)	(1,159,080,307)
Transferred to deferred capital grant	12	(735,094)	(5,997,097)
		(275,730,059)	**882,343**
Transferred to funds receivable	9	275,730,059	-
Balance at the end of the year		-	**882,343**

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11.1 This represents voluntary refund of scholarship grant received from a candidate against scholarship expense incurred in the year 2007.

12. DEFERRED CAPITAL GRANT	Note	2020	2019
		---------- Rupees ----------	
Balance at the beginning of the year		12,173,012	13,295,079
Additions during the year:			
Property and equipment	7	735,094	5,997,097
	12.1	735,094	5,997,097
Amortization of deferred capital grant	12.2	(4,812,563)	(7,119,164)
Balance at the end of the year		**8,095,543**	**12,173,012**

12.1 This represents property and equipment purchased during the year from the funds received from Ministry of Information Technology and Telecommunication (MOITT) as given in note 11.

12.2 Amortization of deferred capital grant	Note	2020	2019
		---------- Rupees ----------	
Depreciation charge for the year	7	(4,812,563)	(6,159,926)
Amortization charge for the year		-	(959,238)
		(4,812,563)	**(7,119,164)**

13. TRADE AND OTHER PAYABLES

	Note	2020	2019
Payable to implementing partners	13.1	583,999,838	521,174,090
Payable to suppliers		3,832,735	3,138,858
Leave encashment payable	13.2	9,534,329	6,722,097
Payable to gratuity fund	13.3	11,008,839	3,403,516
Accrued liabilities		31,077,308	3,225,022
Withholding tax payable		-	122,363
		639,453,049	**537,785,946**

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

13.2 Leave encashment payable	Note	2020	2019
		---------- Rupees ----------	
Balance at the beginning of the year		6,722,097	8,210,018
Charge for the year		9,651,562	6,722,097
Benefits paid during the year		(6,839,330)	(8,210,018)
Balance at the end of the year		**9,534,329**	**6,722,097**

13.3 Payable to gratuity fund

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

	Note	2020	2019
Present value of defined benefit obligation	13.3.5	70,910,007	64,308,687
Payables		11,441,298	5,205,103
Fair value of plan assets	13.3.6	(71,342,466)	(66,110,274)
Net liability at end of the year		**11,008,839**	**3,403,516**

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	Note	2020	2019
		---------- Rupees ----------	
13.3.2 The movement of amounts recognised in the statement of financial position are as follows:			
Net liability / (asset) at the beginning of the year		3,403,516	(5,250,741)
Cost for the year recognised in statement of comprehensive income	13.3.3	7,305,333	6,839,248
Contributions made during the year		(3,700,306)	-
Adjustment against payable		(720,000)	(20,784)
Remeasurement loss recognised in statement of comprehensive income	13.3.4	4,720,296	1,835,793
Net liability at the end of the year		**11,008,839**	**3,403,516**
13.3.3 The amounts recognised in statement of comprehensive income are as follows:			
Current service cost		7,566,564	7,886,911
Net interest income		(261,231)	(1,047,663)
		7,305,333	**6,839,248**
13.3.4 Remeasurements recognised in other comprehensive income are as follows:			
Remeasurement loss / (gain) on defined benefit obligation		634,770	(2,047,745)
Remeasurement loss on plan assets		4,085,526	3,883,538
		4,720,296	**1,835,793**
13.3.5 Changes in the present value of defined benefit obligation are as follows:			
Present value of defined benefit obligation as at beginning of the year		64,308,687	53,154,110
Current service cost		7,566,564	7,886,911
Interest cost		9,056,487	5,315,411
Benefits paid		(3,700,306)	-
Increase in payables by the fund		(6,956,195)	-
Remeasurement loss / (gain) on defined benefit obligation		634,770	(2,047,745)
Present value of defined benefit obligation as at end of the year		**70,910,007**	**64,308,687**
13.3.6 Changes in fair value of plan assets are as follows:			
Fair value of plan assets as at beginning of the year		66,110,274	63,630,738
Expected return on plan assets		9,317,718	6,363,074
Contributions during the year		3,700,306	-
Benefits paid		(3,700,306)	-
Remeasurement (loss) on plan assets		(4,085,526)	(3,883,538)
Fair value of plan assets as at end of the year		**71,342,466**	**66,110,274**

		2020	2019
		---------- Rupees ----------	
13.3.7	**Plan assets comprise of**		
	Bank balance - saving account	71,342,466	66,110,274
13.3.8	**Actual return on plan assets**	5,232,192	2,479,536
13.3.9	**Expected contribution for the next year**	8,279,974	8,769,283

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.

13.3.10 Significant actuarial assumptions used were as follows:

	2020	2019
Withdrawal rate	Moderate	Moderate
Mortality rate	Adjusted SLIC (2001-05)	Adjusted SLIC (2001-05)
Discount rate per annum	10.00%	14.50%
Salary increase rate per annum	9.00%	13.50%
Weighted average duration of the obligation	14 years	14.82 years

13.3.11 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.

		Impact on defined benefit obligation	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		---------------- Rupees ----------------	
Discount	1%	62,116,921	81,346,407
Salary increase	1%	81,427,960	61,896,393

13.3.12 Projected benefit payments from gratuity fund are as follows:

	2020	2019
	---------- Rupees ----------	
For the year 2021	2,538,149	1,437,383
For the year 2022	2,363,636	1,610,059
For the year 2023	2,349,822	1,674,404
For the year 2024	2,279,412	1,863,679
For the year 2025	2,360,015	2,053,281
For the year 2026-30	31,299,664	92,418,308

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

14. CONTINGENCIES AND COMMITMENTS

	2020	2019
	---------- Rupees ----------	

14.1 Contingencies

There are no material contingencies as at June 30, 2020 (2019: Rs Nil).

14.2 Commitments to disburse funds in respect of:

	2020	2019
National incubation centers	**1,507,835,625**	**1,899,463,465**
Technical research and development projects	**104,221,282**	**438,121,202**
Digiskills project	**276,433,430**	**532,284,113**

15. GRANT INCOME RECOGNIZED

	Note	2020	2019
		--------- Rupees ---------	
Amortization of deferred capital grant	12.2	4,812,563	7,119,164
Restricted funds recognized as grant income during the year			
Operating costs	17.2	231,225,112	199,452,131
Project/ program activities	16	908,576,974	957,792,383
Remeasurement loss on defined benefit scheme	13.3.4	4,720,296	1,835,793
		1,144,522,382	1,159,080,307
		1,149,334,945	**1,166,199,472**

16. PROJECT/ PROGRAM ACTIVITIES

	2020	2019
National incubation centers	418,641,327	371,578,295
Digiskills project	256,976,714	247,120,199
Technical research and development projects	226,021,090	333,888,717
Human resource development projects	-	3,033,335
Conferences, seminars and scientific events	6,937,843	2,171,837
	908,576,974	**957,792,383**

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	Note	2020	2019
		--------- Rupees ---------	
17. OPERATING COSTS			
Salaries and benefits	17.1	160,437,796	134,099,709
Rent and utilities		34,419,947	30,969,474
Travelling expenses		9,866,115	11,910,872
Communication charges and IT support		4,548,540	4,224,442
Printing and stationery		1,471,459	1,528,132
Repairs and maintenance		285,302	2,496,855
Janitorial services		2,269,576	1,783,488
Advertising expenses		4,583,800	3,227,079
Auditors' remuneration	17.3	605,000	605,000
Legal and professional charges		1,448,966	3,403,757
Depreciation and amortization	7	4,812,563	7,119,164
External evaluator's fee		1,816,100	936,500
Director fees and other expenses		3,607,574	575,685
Training, workshop and seminars		5,092,701	2,650,520
Miscellaneous		772,236	1,040,618
		236,037,675	**206,571,296**

17.1 This includes post retirement staff benefits amounting to Rs. 7,305,333 (2019: Rs. 6,839,248).

	Note	2020	2019
		--------- Rupees ---------	
17.2 Operating cost charged to restricted funds			
Operating cost	17	236,037,675	206,571,296
Less:			
Depreciation and amortization charged to deferred capital grant	12.2	(4,812,563)	(7,119,164)
		231,225,112	**199,452,131**

17.3 Auditors' remuneration

	2020	2019
Statutory audit fee	450,000	450,000
Review fee of Statement of Compliance	100,000	100,000
Out of pocket expenses	55,000	55,000
	605,000	**605,000**

18. FINANCIAL INSTRUMENTS

18.1 Financial assets and liabilities

	2020	2019
	--------- Rupees ---------	
Financial assets at amortised cost		
Maturity up to one year		
Accrued interest on bank balance	13,158,594	11,417,867
Bank balance	336,317,619	461,712,768
	349,476,213	**473,130,635**
Financial liabilities at amortised cost		
Maturity up to one year		
Trade and other payables	**628,444,210**	**534,260,067**

18.2 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	2020	2019
		--------- Rupees ---------	
Counterparties with external credit rating			
Bank balance	AAA	336,317,619	461,712,768
Accrued interest on bank balance	AAA	13,158,594	11,417,867

18.3 FINANCIAL RISK MANAGEMENT

18.3.1 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 banks with reasonably high credit ratings.

(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:

	2020			2019		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	------------- Rupees ------------			------------- Rupees ------------		
Trade and other payables	628,444,210	-	**628,444,210**	534,260,067	-	**534,260,067**

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

(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.

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

Financial assets include Rs 336,317,619 (2019: Rs 461,712,768) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

(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.

18.3.2 Capital risk management

The Company is not subject to externally imposed capital requirement.

18.3.3 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

19. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives		Total	
	2020	2019	2020	2019	2020	2019
	Rupees					
Managerial remuneration	5,333,226	11,395,161	64,931,431	62,239,004	70,264,657	73,634,165
Transport monetization	516,676	1,150,920	13,848,817	14,511,120	14,365,493	15,662,040
Medical allowance	31,423	69,996	1,482,899	1,533,328	1,514,322	1,603,324
Communication reimbursement	48,484	108,000	1,731,484	1,792,000	1,779,968	1,900,000
Performance bonus	-	-	19,136,340	-	19,136,340	-
Leave encashment	61,631	500,872	7,955,206	5,013,631	8,016,837	5,514,503
Honorarium	-	-	5,052,002	3,941,953	5,052,002	3,941,953
Conveyance allowance	-	-	936,000	936,000	936,000	936,000
	5,991,440	**13,224,949**	**115,074,179**	**89,967,036**	**121,065,619**	**103,191,985**
Number of person(s)*	2	1	25	26	27	27

** including those who worked part of the year*

19.1 The aggregate amount charged in the financial statements for the year as fees to Directors is Rs. 2,470,000 (2019: Rs. 160,000) for attending Board of Directors meetings and sub-committee meetings. Rs.10,000 per director per meeting was paid till August, 2019 and thereafter an amount of Rs. 50,000 was paid per meeting per director.

20. RELATED PARTY TRANSACTIONS

20.1 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, 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 19, were as follows:

	2020	2019
	Rupees	
Grant received during the year:		
From MoITT	843,000,000	990,000,000
Disbursements made to / (refunds) from:		
National Telecommunication Corporation	475,359	471,607
Pakistan Software Export Board	(702,114)	68,977,144
Virtual University of Pakistan	151,057,894	110,251,209
Universal Service Fund	-	(3,483,365)
Nayatel (Private) Limited	5,448	-
Pakistan Mobile Communication Limited	105,658,554	29,516,770
Employees' Gratuity Fund	3,700,306	-
Amount (payable) / receivable as at June 30,		
National Telecommunication Corporation	(96,163)	(58,089)
Pakistan Software Export Board	-	702,114
Universal Service Fund	(163,453)	-
Virtual University of Pakistan	(39,712,448)	2,504,024
Pakistan Mobile Communication Limited	(77,800,560)	(107,053,763)

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20.2 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
Pakistan Software Export Board	Common Control	N/A	N/A
Universal Service Fund	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. Yusuf Hussain	Ex- Chief Executive	N/A	N/A
Syed Junaid Imam	Chief Executive and Director	N/A	N/A
Syed Shabahat Ali Shah	Director	N/A	N/A
Mr. Sher Afgan Khan	Director	N/A	N/A
Mr. Amir Azeem Bajwa	Director	N/A	N/A
Mr. Rizwan Ahmad Sheikh	Director	N/A	N/A
Dr. Shahid Qureshi	Director	N/A	N/A
Mr. Khawaja Saad Saleem	Director	N/A	N/A
Mr. Zia ul Mustafa Awan	Director	N/A	N/A
Dr. Faisal Ahmad Khan	Director	N/A	N/A
Mr. Aamir Hafeez Ibrahim	Director	N/A	N/A
Mr. Danish Ali Lakhani	Director	N/A	N/A
Employees' Gratuity Fund	Employees' Gratuity Fund	N/A	N/A

21. IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

The spread of COVID - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. The Company has taken appropriate measures to keep its personnel and assets safe and secure and is continually monitoring the situation to counter act the changed environment. Based on management's assessment there is no material adverse impact on the carrying values of assets and liabilities as of June 30, 2020 and financial performance of the Company for the year then ended. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

22. CORRESPONDING FIGURES

To conform to the current year presentation, following reclassification have been made to corresponding figures in these financial statements:

Operating costs

Reclassified from	Rupees	Reclassified to	Rupees
Utilities	1,268,374	Rent and utilities	1,268,374
Repairs and maintenance	4,035,956	Communication charges and IT support	2,252,468
		Janitorial services	1,783,488
			4,035,956
Entertainment	572,610	Miscellaneous	572,610

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23. NUMBER OF EMPLOYEES

Number of persons employed as on June 30, 2020 are 45 (2019: 43). Average number of employees during the year were 46 (2019: 43).

24. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 2 9 OCT 2020

CHIEF EXECUTIVE OFFICER	**DIRECTOR**