

ANNUAL REPORT FY 2021-22



Ministry of IT & Telecom
DIGITAL PAKISTAN



POWERING INNOVATION



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 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

BOARD OF DIRECTORS

as of 30th June, 2022



**Syed Hussnain
Abbas Kazmi**

CEO
National Information
Technology Board



**Ms. Aisha Humera
Chaudhry**

Additional Secretary
Ministry of IT & Telecom

**Maj. Gen. (R)
Amir Azeem Bajwa**

Chairman, PTA



**Mr. Malik
Riaz Ahmed**

Joint Secretary(Exp-IT)
Finance Division



Mr. M. Omar Malik

Member Telecom
Ministry of IT & Telecom



Syed Junaid Imam

Member IT
Ministry of IT & Telecom





**Mr. Aamir
Hafeez Ibrahim**

CEO Jazz



**Mr. Khawaja
Saad Saleem**

Managing Director
Nayatel Pvt. Ltd.

**Mr. Danish
Ali Lakhani**

CEO
Cyber Internet
Services Pvt. Ltd.



**Mr. Zia ul
Mustafa Awan**

CFO & Business
Administrator
Pakistan Expo
Centres Pvt. Ltd.



**Dr. Faisal
Ahmad Khan**

Pro Vice Chancellor
BUIEMS Quetta



Dr. Shahid Qureshi

Program Director
IBA Karachi

**Mr. Asim
Shahryar Husain**

CEO Ignite



CORPORATE GOVERNANCE

During FY 2021-22, the Board included following members:

S NO.	NAMES	CATEGORY	REPRESENTATION
1(a)	Syed Shabahat Ali Shah	Non-Executive	Chairman NITB
1(b)	Syed Hussnain Abbas Kazmi		
2(a)	Mr. Ali Sher Mahsud	Non-Executive	Additional Secretary IT & Telecom, MoITT
2(b)	Ms. Aisha Humera Chaudhry		
3	Maj. Gen (R) Amir Azeem Bajwa	Non-Executive	Chairman PTA
4	Syed Junaid Imam	Non-Executive	Member IT, MoITT
5	Muhammad Omar Malik	Non-Executive	Member Telecom, MoITT
6	Mr. Zia ul Mustafa Awan	Non-Executive	CFO & Business Administrator Pakistan Expo Centres Pvt. Ltd
7(a)	Mr. Rizwan Ahmad Sheikh	Non-Executive	Senior Joint Secretary(Exp-IT) Finance Division
7(b)	Mr. Attaullah Khattak		Joint Secretary(Exp-IT) Finance Division
7(c)	Mr. Malik Riaz Ahmed		Joint Secretary(Exp-IT) Finance Division
8	Mr. Khawaja Saad Saleem	Independent Director	Managing Director, Nayatel Pvt Ltd
9	Dr. Shahid Qureshi	Independent Director	Program Director, Center for Entrepreneurial Development, IBA
10	Dr. Faisal Ahmad Khan	Independent Director	Pro Vice Chancellor Baluchistan University of IT, Engineering and Management Sciences (BUIITEMS)
11	Mr. Aamir Hafeez Ibrahim	Independent Director	CEO Jazz
12	Mr. Danish Ali Lakhani	Independent Director	CEO Cyber Internet Services Pvt. Ltd
13	Mr. Asim Shahryar Husain	Executive Director	CEO Ignite

On 30th June, 2022, Sub Committees of the Board included:

COMMITTEE NAME	CHAIRMAN	MEMBERS
Finance Audit Committee (FAC)	Mr. Zia ul Mustafa Awan	Dr. Shahid Qureshi Mr. Malik Riaz Ahmed Mr. Zia ul Mustafa Awan Dr. Faisal Ahmad Khan
HR Governance Committee (HRGC)	Mr. Khawaja Saad Saleem	Ms. Aisha Humera Chaudhry Mr. Khawaja Saad Saleem Mr. Danish Ali Lakhani Syed Junaid Imam

COMMITTEE NAME	CHAIRMAN	MEMBERS
Project Management and Appraisal Committee (PMAC)	Mr. Khawaja Saad Saleem	Maj. Gen. (R) Amir Azeem Bajwa Syed Junaid Imam Dr. Faisal Ahmad Khan Mr. Kawaja Saad Saleem
Digital Strategy Committee (DSC)		Maj. Gen. (R) Amir Azeem Bajwa Mr. Aamir Hafeez Ibrahim Danish Ali Lakhni Mr. Omar Malik
Finance & Procurement Committee (FPC)	Dr. Shahid Qureshi	Ms. Aisha Humera Chaudhry Mr. Malik Riaz Ahmed Mr. Zia ul Mustafa Awan Dr. Shahid Qureshi



COMPOSITION OF BOARD

Thirteen (13) Directors Including:



Ex-officio bearers
in the Federal Government

05



Chairman of the
Authority (PTA)

01



From amongst the nominations
made by the relevant licenses
(Data Service Provider,
Fixed Line and Cellular)

03



From amongst the
nominations made by the
scientific and academic
community

02



Corporate
Management Executive

01



CEO of the Company

01

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of Ignite feels pleasure to present you the annual audited financial statements for the year ended June 30, 2022 together with the Auditors' Report thereon. The year under review was full of challenges and the Board remained focused for efficiency improvement and capacity building of the Company.

Financial Review

During FY 2021-22, the Company recognized the grant income of Rs.1,159 million compared to Rs. 845 million in corresponding year. Total disbursement in 2021-2022 remained at Rs.1,428 million.

The Company disbursed Rs.990 million in its flagship projects/programs namely National Incubation Centers and DigiSkills.pk. During FY 2021-22, the Board approved establishment of two new NICs in Hyderabad and Faisalabad. The Board also approved DigiSkills.pk 2.0 with target of 1.5 million trainings, along with 'Digital Skills Training and Support Program for Southern Baluchistan.

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 under approval of AGPR.

Financial Performance:

Description	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Projects/programs						
Research & Innovation and NGIRI	120.75	303.39	333.89	226.02	58.51	51.98
National Incubation Centers	105.48	455.56	371.58	418.64	343.91	550.03
DigiSkills.pk	-	78.81	247.12	256.98	171.97	194.63
HRD projects (scholarships, internships)	335.26	336.38	3.03	-	-	-
Operating cost	184.96	223.21	206.57	236.04	249.63	278.39

OPERATIONAL PERFORMANCE

PROJECTS DEPARTMENT

The establishment of National Incubation Centers is a flagship program of Ignite so as to nurture the startups in Pakistan. Since 2016-17, Ignite has established seven (7) National Incubation Centers at Islamabad, Lahore, Quetta, Karachi, Peshawar, Hyderabad & Faisalabad. All of these seven (7) NICs have the capacity to accommodate 220 startups/annum (40 startups each in Lahore, Karachi and Islamabad per/annum and 25 startups each in Peshawar, Quetta, Hyderabad and Faisalabad per annum). Total Project duration for each NIC is five (5) years 3 months inclusive of establishment period. During FY 2021-22, two more National Incubation Centers were established at Hyderabad and Faisalabad. Overall approved budget of NIC at Faisalabad is PKR 499 million and NIC-Hyderabad is PKR 613 million. Both of these NICs have initiated operations.

The Company disbursed PKR 595 million in 2021-2022 to manage the operations of already established National Incubation Centers (NICs) at Islamabad, Lahore, Quetta, Lahore and Peshawar. These five (5) NICs have collectively hosted 187 startups. Whereas, 130 startups inducted in previous years graduated successfully during the year. The RFP of Pakistan's first vertical Incubation Center in Aerospace Technologies was also launched in April 2022. The project "Study for Assessment of Pakistan's Startup & Freelancing Ecosystems" was initiated in February 2022 and first draft report about Pakistan's startup & freelancing ecosystems was submitted in June 2022. The final reports about startup & freelancing ecosystems and policy recommendations is under review. Ignite has now planned to expand its network in more cities.

The National Incubation Center in Aerospace Technologies is being established by end of year 2022. Ignite's Accelerator Program to fulfill the capital needs of early to mid-stage startup is also being launched soon. Besides, Center of Excellence in Gaming & Animation has also been planned. Ignite is also planning to start Pakistan's first Incubator in Healthtech. In order to harmonize its operations, Ignite's Startup Portal will also be launched soon.

MONITORING DEPARTMENT

During FY 2021-22, the Monitoring Department has not only managed overall portfolio of Rs. 1.9 billion comprising HRD and Tech Innovative Projects but has also successfully achieved following Prime Minister's and Ignite's Targets:

- Launched Digiskills.pk 2.0 with 5 new courses and achieved 250,000 Batch-Wise enrollments;
- Launched Digital Skills Training Program in three districts of South Balochistan;
- Rolled out NGIRI 2021-22;
- Developed two (2) RFPs of Center of Excellence in Gaming & Animation
- Conducted survey of 800+ IT companies, academia and freelancers in Pakistan to obtain their feedback on most in demand programming skills;

Monitoring Department ensures that inputs, activities, outputs of all projects are proceeding as planned and high-level contractual compliance is achieved. Moreover, evaluations are also conducted to assess that to what extent the projects have achieved its objectives that were set forth in the contractual documents. By adopting such systemic approach, monitoring department gauges the intended results of project to ensure performance measurements. In addition, an internal Project Management Office (PMO) has been also established at Monitoring department to provide support to project manager (s) for better control and management of project, to manage challenges in multiple diversified projects by applying best global project management practices.

Monitoring Department is conducting monitoring of Digiskills.pk Training Project and National ICT Grassroots Research Initiative (NGIRI) "Digiskills.pk" is highly important initiative of Ignite that has fully leveraged Pakistan ICT infrastructure and has given opportunity to hundreds of thousands of trainees, who can get free of cost, skill-based training, while sitting in the comfort of their homes. Due to its phenomenal success and demand from all major stakeholders of the country, ignite relaunched its second phase "digiskills.pk 2.0" with a further target of 1.5 million trainings. During 2021-22, the project has achieved 124% target. The course completion rate was 31% and 74% of its enrollees were male and 26% were female. In addition to this, the Company is also pursuing Digital Skills Training & Support Program for Southern Baluchistan. The aim of this project is to impart 5,040 free of cost trainings in 3 districts of Southern Baluchistan i.e. Kech, Khuzdar and Gwadar. Moreover, in order to enhance the capacity of three institutes of these districts in ICT, state of the art computer labs are being established. The content of DigiSkills.pk courses is being used to impart trainings. Trainings have commenced from February 2022 and till 30th June 2022 there is a total of 4,108 enrollments in Kech, Khuzdar and Gwadar.

NGIRI focuses on promotion of R&D and Innovation at grassroots level by providing financial support to selected Final Year Projects (FYP) of undergraduate students, enrolled in ICT related disciplines of public & private sector institutions. During FY 2021-22, a total of 4,066 FYPs have been submitted by final year students from which 1,358 FYPs have been shortlisted by subject matter experts in a transparent manner and out of which 1000 FYPs will be funded during this year.

SEED DEPARTMENT OVERVIEW

The SEED - Solicitation, Engagement, and Evaluation Department was established with the goal of supporting breakthrough technologies and game-changing innovations in key enabling technologies with the potential to scale up and become market leaders. The overall objective is to identify, develop and deploy high risk innovations of all kind with a particular focus on breakthrough, market-creating and deep-tech innovations. Ignite has funded technical innovative SEED projects to different segments of the society, including academia, IT industry and Start-ups with commercial orientation, based upon Fourth Industrial Wave technologies – like AI, IoT, Robotics and AR/VR etc. The primary focus of these projects was to encourage and promote ICT related research, development and innovation. During FY 2021-22, these projects have raised investments of Rs. 465 Million and generated revenue of Rs. 120 Million.

Ignite has recently revamped our Research and Innovation Grant Framework in order to make more meaningful impact on the social and economic conditions in the country. It supports all the stages of innovation from R&D on the scientific underpinnings of breakthrough technologies, to concept validation and demonstration of breakthrough technologies and innovations to meet real world needs. The evaluation of proposals is conducted by means of a structure of high-level scientific panels comprising of industry and academic experts.

Challenge-driven Innovation Fund

The Challenge-driven Innovation Fund (CIF) aims to stimulate collaborative interdisciplinary research within the strategic priority areas of relevance to present or future Pakistan-based industry and society. A consortium of (applicants from) universities, industry and/or research organizations will be eligible to submit research proposals. Project participation from industry, public authorities or other relevant organizations will be considered a merit. The CIF program has already been launched in June 2022 and received an overwhelming response (899 applications).

Technology Transition Fund

The said fund is for promising technological R&D, starting with an existing prototype or advanced model and leading to product development/commercialization. Proponents of R&D proposals need to mobilize counterpart resources from a business entity in order to promote academia-industry joint ventures, and development of commercially viable products. This initiative will be launched soon.

Digital Pakistan Cybersecurity Hackathon 2021

Ignite, has launched Pakistan's first nationwide Digital Pakistan Cybersecurity Hackathon 2021 which was aimed in improving cybersecurity readiness, protection, and incident response capabilities of the country by conducting cyber drills at the national level. Participants including university students, freelancers, professionals, and hackers from all over the country competed for qualifier rounds in Karachi, Lahore, and Islamabad followed by the final competition in Islamabad.

A total of 1176 teams registered for the hackathon including university students, freelancers, professionals, and hackers from all over the country out of which 475 teams were shortlisted for qualifier rounds in Karachi, Lahore, and Islamabad followed by the final competition in Islamabad. Cash awards of Rs. 6 million were given to the top 3 teams in 5 categories in a grand finale at Islamabad where the President of Pakistan gave awards to the winners of the hackathon in different categories.

Cleantech Innovation Challenge 2022

In January 2022, Ignite launched Cleantech Innovation Challenge, an AI/Big Data based competition to solicit prototypes/ solutions from the Innovators, Researcher, Startups and others around the country.



The participants were asked to submit their ideas for how they could use AI to help address societal challenges. Cleantech Challenge has proven to be a successful tool to crowdsource and generate innovative solutions to sustainability challenges facing our country.

These events helped in identifying the problem areas as well as experts to develop their skill sets further and solve the problems in relevant areas.

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

The year under review was very hectic for Human Resource Department. The Human Resource Governance Committee has played very active role during this year. During the period, the Company has formulated its HR Manual which was enforced with effect from March 02, 2022. This task was impending since the inception of the Company. After great deal of efforts, a manual has been framed which articulates the organizational HR procedures and practices. HR development has been given a special priority in this manual so that employees skills must match with the requirements of the Company and they must be well equipped to meet the future challenges of the Company. This comprehensive document also consists, the leaves, travel, conflict of interest management, whistle blowing procedures. In short, this HR Manual would pave the path for the Company for successful achievement of its objectives.

The Company has also hired the services of GM Projects, GM SEED, Chief Financial Officer and Company Secretary. In this manner, all executive level positions in the Company stand filled. In addition to that necessary hiring has been made to fill up the vacant positions. The HR Department has also arranged the training of the employees of the Company.

Performance monitoring is a very crucial aspect of the human resource development. It helps evaluation of the performance delivered by the employees viz. a viz. the desired performance required by the Company. The Board of Directors has approved a biannual performance monitoring and appraisal system whereby their performance will be gauged twice a year in January and July each year.

The HR Department is fully poised of the future challenges and it is now very well equipped to meet the same in an effective manner.

BOARD OF DIRECTORS COMPOSITION

Being a public sector Company fully owned by Federal Government, all Directors of the Company are nominated by government. The Board of Directors of the Company as at June 30, 2022 consists of:

TOTAL NUMBER OF DIRECTORS:

(a)	Male	12
(b)	Female	01

COMPOSITION:

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

Term of the Board of Directors

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Ignite is a public sector enterprise which operates under the framework enshrined in the Public Sector Companies (Corporate Governance) Rules 2013 the Rules). As required under the Rules, the Board is pleased to report the following:

- 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;
- 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;
- Proper books of accounts of the company have been maintained;
- 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;
- 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 2021-22;
- 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;
- k) The significant deviations from last years 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 thirteen (13) meeting of the Board of Directors were held. Attendance of these meeting is as follows.

Board of Directors Meeting of Ignite during FY 2021-22

During FY 2021-22, thirteen (13) meetings of the Board of Directors were held. Those Directors, who have not attended the meetings, have applied for leave of absence which was duly granted by the Board. The following is the attendance of the Directors with regards to Board meetings held during FY 2021-22:

S. No	Name of Director	Designation	No. of Meetings Attended
01	Syed Hussnain Abbas Kazmi	Chairman NITB	3/4
02	Mr. Ali Sher Mahsud Ms. Aisha Humera Ch.	Additional Secretary MoITT _____do_____	11/11 2/2
03	Mr. Syed Junaid Imam	Member IT MoITT	12/13
04	Mr. M. Omar Malik	Member Telecom MoITT	13/13
05	Mr. Amir Azeem Bajwa	Chairman PTA	7/13
06	Mr. Rizwan Sheikh Mr. Ata Ullah Khattak Mr. Riaz Ahmed Malik	Sr. Joint Secretary MoF Joint Secretary MoF _____do_____	11/11 1/1 1/1
07	Mr. Khawaja Saad Saleem	Independent Director	12/13

08	Mr. Aamir Ibrahim	Independent Director	6/13
09	Mr. Danish Ali Lakhani	Independent Director	8/13
10	Dr. Faisal Ahmad Khan	Independent Director	13/13
11	Dr. Shahid Qureshi	Independent Director	13/13
12	Mr. Zia ul Mustafa Awan	Corporate Management Executive	13/13
13	Mr. Asim Shahryar Husain	Chief Executive Officer	13/13

DIRECTORS' REMUNERATION

Non-executive Directors 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. Meeting fee was raised from Rs 50,000 to Rs 62,500 from October 11, 2021. Directors are not entitled for any salary, , other benefits and other performance-related elements except for meeting fee and reimbursement of travel and boarding & lodging expenses at actual for attending the Board meetings. CEO Ignite has got the following remuneration during FY 2021-22:

	Rs.'000
Managerial remuneration	12,495
Perquisites	2,246
Contribution to Gratuity Fund	217
Total Emoluments	14,958

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

S. No	Name of Director	BOD and Committee Meeting Fee Rs.	Actual Expenses Incurred Rs.
01	Syed Husnain Abbas Kazmi	187,500	-
02	Mr. Ali Sher Mahsud Ms. Aisha Humera Ch.	1,337,500 250,000	-
03	Syed Junaid Imam	1,587,500	333,861

04	Mr. M. Omar Malik	825,000	-
05	Mr. Amir Azeem Bajwa	650,000	-
06	Mr. Rizwan Sheikh Mr. Atta Ullah Khatak Mr. Riaz Ahmed Malik	987,500 125,000 125,000	-
07	Mr. Khawaja Saad Saleem	1,525,000	-
08	Mr. Aamir Ibrahim	350,000	-
09	Mr. Danish Ali Lakhani	-	-
10	Dr. Faisal Ahmad Khan	1,200,000	358,144
11	Dr. Shahid Qureshi	1,300,000	464,452
12	Mr. Zia ul Mustafa Awan	1,250,000	481,582
13	Mr. Asim Shahryar Husain	-	-

COMMITTEES' MEETINGS

- a) During the year, two (2) meetings of the Finance and Audit Committee were held. Attendance of this meeting is as follows:

NAME OF MEMBERS	NO OF MEETING ATTENDED
Mr. Zia ul Mustafa Awan	2/2
Dr. Shahid Qureshi	2/2
Mr. Rizwan A. Sheikh	2/2

Subsequently this Committee was split into Audit Committee and Finance & Procurement Committees w.e.f October 08, 2021.

- b) During the year three (03) meetings of the Audit Committee were held. Attendance of these meetings is as follows:

NAME OF MEMBERS	NO OF MEETING ATTENDED
Mr. Zia ul Mustafa Awan	3/3
Dr. Shahid Qureshi	3/3
Dr. Faisal Ahmad Khan	3/3
Mr. Rizwan A. Sheikh	2/2
Mr. Atta Ullah Khatak	1/1
Mr. Riaz Ahmed Malik	1/1

- c) During the year three (03) meetings of Finance and Procurement Committee were held. Attendance of these meetings is as follows:

NAME OF MEMBERS	NO OF MEETING ATTENDED
Mr. Ali Sher Mahsud	2/2
Ms. Aisha Humera Ch.	1/1
Dr. Shahid Qureshi	3/3
Mr. Zia ul Mustafa Awan	3/3
Mr. Ataullah Khatak	1/1
Mr. Riaz Ahmed Malik	1/1

- d) During the year Ten(10) meetings of the Human Resource Governance Committee were held, attendance of these meeting is as follows:

NAME OF MEMBERS	NO OF MEETING ATTENDED
Khawaja Saad Saleem	10/10
Mr. Ali Sher Mahsud	9/9
Ms. Aisha Humera Ch.	1/1
Syed Junaid Imam	10/10
Mr. Danish Ali Lakhani	5/10

- e) During the year three (3) meetings of Project Management and Appraisal Committee were held, attendance of these meetings is as follows:

NAME OF MEMBERS	NO OF MEETING ATTENDED
Khawaja Saad Saleem	3/3
Mr. Amir Azeem Bajwa	3/3
Syed Junaid Imam	3/3
Dr. Faisal Ahmad Khan	3/3

- f) During the year one (1) meetings of the Project Management Committee was held, attendance of these meetings is as follows:

NAME OF MEMBERS	NO OF MEETING ATTENDED
Mr. M. Omar Malik	1/1
Rizwan Sheikh	1/1
Dr. Shahid Qureshi	1/1

Subsequently this Committee was reconstituted as Project Management and Appraisal Committee with effect from October 08, 2021.

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

The Company does not have any share capital.

INTERNAL AUDIT REVIEW

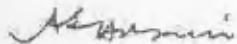
Internal Audit Department is fully functional at Ignite which is headed by a Manager Internal Audit who is a qualified Chartered Accountant with relevant experience. Subsequent to the year end, the title of Manager has been changed as Chief Internal Auditor. The Internal Audit Charter was Approved by Audit Committee in September 2020 and the risk assessments of the Monitoring and Company Secretary Office have been completed.

APPOINTMENT OF AUDITORS

M/s. AF Fergusons & Co., Chartered Accountants were the auditors of the Company for the term 2021-22. Proposals have been invited from the leading audit firms for the audit services for FY 2022-23. The Audit Committee in its 4th meeting held on September 04, 2023 has suggested the appointment of M/s.A F Fergusons, Chartered Accountants to be the external auditors of the Company for FY 2022-23 and their scope of services includes the annual audit services and compliance review of Public Sector Companies (Corporate Governance) Rules 2013 at the gross remuneration of Rs. 1,057,500/- 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.96 held on September 27, 2023.

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



Salaal Hasan
Independent Director

Islamabad, September 27, 2023

27/09/23



A.F. FERGUSON & CO.

REVIEW REPORT TO THE MEMBER

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, 2022.

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.

Following instances of non-compliance with the requirements of the Rules were observed which are not stated in the Statement of Compliance:

- i. The Company did not maintain documentary evidence related to whether appointing authorities have applied the fit and proper criteria given in Annexure to the Rules in making nominations of Board members. (Rule No. 3(7))
- ii. The Board has not approved the profit and loss account for, and balance sheet as at the end of, the first and second quarter of the year within one month of the close of such quarters. (Rule No. 10)
- iii. The Company did not maintain documentary evidence as to whether the directors have disclosed an existing interest in contract or arrangement entered into by or on behalf of the Company, before joining the Board. (Rule No. 18(3))

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■ KARACHI ■ LAHORE ■ ISLAMABAD



A-F-FERGUSON & CO.

Based on our review, except for the above instances of non-compliance, 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, 2022.

A handwritten signature in black ink, appearing to read 'Asim Masood Iqbal', with a long horizontal stroke extending to the right.

Chartered Accountants
Islamabad

Date: September 28, 2023

Engagement Partner: Asim Masood Iqbal

UDIN: CR202210053Jzd5c4P2N

**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, 2022

- 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	Remarks																																
			Tick the relevant box																																		
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																		
2.	<p>The Board has at least one-third of its total members as independent directors.</p> <p>At present (as at 30th June, 2022) the Board includes:</p> <table><tr><th>Category</th><th>Names</th><th>Date of Current Appointment</th></tr><tr><td rowspan="5">Independent Directors</td><td>1. Mr. Khawaja Saad Saleem</td><td>09-07-2019</td></tr><tr><td>2. Mr. Aamir Hafeez Ibrahim</td><td>09-07-2019</td></tr><tr><td>3. Dr. Shahid Qureshi</td><td>09-07-2019</td></tr><tr><td>4. Mr. Danish Ali Lakhani</td><td>09-07-2019</td></tr><tr><td>5. Dr. Faisal Ahmad Khan</td><td>09-07-2019</td></tr><tr><td>Executive Director</td><td>1. Mr. Asim Shahryar Husain</td><td>18-01-2021</td></tr><tr><td rowspan="7">Non-Executive Directors</td><td>1. Syed Hasnain Abbas Kazmi</td><td>10-02-2022</td></tr><tr><td>2. Ms. Aisha Humera Ch.</td><td>23-04-2022</td></tr><tr><td>3. Mr. Amir Azeem Bajwa</td><td>09-07-2019</td></tr><tr><td>4. Malik Riaz Ahmed</td><td>18-05-2022</td></tr><tr><td>5. Mr. Zia ul Mustafa Awan</td><td>09-07-2019</td></tr><tr><td>6. Syed Junaid Imam</td><td>19-07-2019</td></tr><tr><td>7. Mr. Muhammad Omar Malik</td><td>27-08-2020</td></tr></table>	Category	Names	Date of Current Appointment	Independent Directors	1. Mr. Khawaja Saad Saleem	09-07-2019	2. Mr. Aamir Hafeez Ibrahim	09-07-2019	3. Dr. Shahid Qureshi	09-07-2019	4. Mr. Danish Ali Lakhani	09-07-2019	5. Dr. Faisal Ahmad Khan	09-07-2019	Executive Director	1. Mr. Asim Shahryar Husain	18-01-2021	Non-Executive Directors	1. Syed Hasnain Abbas Kazmi	10-02-2022	2. Ms. Aisha Humera Ch.	23-04-2022	3. Mr. Amir Azeem Bajwa	09-07-2019	4. Malik Riaz Ahmed	18-05-2022	5. Mr. Zia ul Mustafa Awan	09-07-2019	6. Syed Junaid Imam	19-07-2019	7. Mr. Muhammad Omar Malik	27-08-2020	3(2)	✓		
Category	Names	Date of Current Appointment																																			
Independent Directors	1. Mr. Khawaja Saad Saleem	09-07-2019																																			
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	7. 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)	✓																																		
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓																																		

AKS

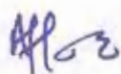
S. No.	Provision of the Rules	Rule No.	Y N		Remarks
			Tick the relevant box		
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	4(4)			Not applicable since chairman of the Board has been appointed by the Federal Government.
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)	✓		

App-2

S. No.	Provision of the Rules	Rule No.	Y N		Remarks
			Tick the relevant box		
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)	✓		
18.	a) The Board has met at least four times during the year.	6(1)	✓		
	b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓		
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓		
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓		
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓		
21.	a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓		b) Not Applicable
	b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.				
	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		✓	The course has been designed and orientation will be given to the Members of the new Board once constituted.
23.	a) The Board has formed the requisite committees, as specified in the Rules.	12	✓		
	b) The committees were provided with written term of reference defining their duties, authority and composition.		✓		
	c) The minutes of the meetings of the committees were circulated to all the Board members.		✓		

11/5/22

S. No.	Provision of the Rules	Rule No.	Y N		Remarks																	
			Tick the relevant box																			
	d) The committees were chaired by the following non-executive directors: <table><tr><th>Committee</th><th>Number of Members</th><th>Name of Chairman</th></tr><tr><td>Audit Committee</td><td>04</td><td>Zia ul Mustafa Awan</td></tr><tr><td>Finance & Procurement Committee</td><td>04</td><td>Dr. Shahid Qureshi</td></tr><tr><td>Human Resource & Governance Committee/Nomination Committee</td><td>04</td><td>Khawaja Saad Saleem</td></tr><tr><td>Project Management & Appraisal Committee</td><td>04</td><td>Khawaja Saad Saleem</td></tr><tr><td>Digital Strategy Committee</td><td>04</td><td>Aamir Hafeez Ibrahim</td></tr></table>	Committee	Number of Members	Name of Chairman	Audit Committee	04	Zia ul Mustafa Awan	Finance & Procurement Committee	04	Dr. Shahid Qureshi	Human Resource & Governance Committee/Nomination Committee	04	Khawaja Saad Saleem	Project Management & Appraisal Committee	04	Khawaja Saad Saleem	Digital Strategy Committee	04	Aamir Hafeez Ibrahim		✓	
Committee	Number of Members	Name of Chairman																				
Audit Committee	04	Zia ul Mustafa Awan																				
Finance & Procurement Committee	04	Dr. Shahid Qureshi																				
Human Resource & Governance Committee/Nomination Committee	04	Khawaja Saad Saleem																				
Project Management & Appraisal Committee	04	Khawaja Saad Saleem																				
Digital Strategy Committee	04	Aamir Hafeez Ibrahim																				
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	✓																			



S. No.	Provision of the Rules	Rule No.	Y N		Remarks															
			Tick the relevant box																	
31.	<p>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</p> <table><tr><th>Name of member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Mr. Zia ul Mustafa Awan</td><td>Non- executive Director</td><td>CFO, Pakistan Expo Centers</td></tr><tr><td>Dr. Shahid Qureshi</td><td>Independent Director</td><td>Program Director, IBA Karachi</td></tr><tr><td>Mr. Malik Riaz Ahmed</td><td>Non- executive Director</td><td>Joint Secretary, Ministry of Finance</td></tr><tr><td>Dr. Faisal Ahmad Khan</td><td>Non- executive Director</td><td>Pro Vice Chancellor BUIEMS</td></tr></table> <p>The chief executive and chairman of the Board are not members of the audit committee.</p>	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	Non- executive Director	Joint Secretary, Ministry of Finance	Dr. Faisal Ahmad Khan	Non- executive Director	Pro Vice Chancellor BUIEMS	21(1) and 21(2)	✓		
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	Non- executive Director	Joint Secretary, Ministry of Finance																		
Dr. Faisal Ahmad Khan	Non- executive Director	Pro Vice Chancellor BUIEMS																		
32.	<p>a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.</p> <p>b) The audit committee met the external auditors, at least once a year, without the presence of chief financial officer, the chief internal auditor and other executives.</p> <p>c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.</p>	21(3)	✓	✓																
33.	<p>a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.</p> <p>b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.</p> <p>c) The internal audit reports has been provided to the external auditors for their review.</p>	22	✓	✓																
34.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23 (4)	✓																	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services	23 (5)	✓		Non audit services not provided by auditors.															

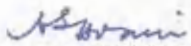

CHIEF EXECUTIVE OFFICER


27/9/23
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
22	11	Orientation course of directors was planned but could not be held during the year.	The Company is planning to arrange the director's orientation course once the new Board is constituted by MoIT.


CHIEF EXECUTIVE OFFICER


27/04/23
INDEPENDENT DIRECTOR

IGNITE IS CREATING A KNOWLEDGE ECONOMY



MANDATE

To create a knowledge economy through R&D in ICT and commercialization of research.

CORPORATE STATUS

A Public Company Limited by Guarantee, incorporated in 2006 by the Federal Government, under Section 42 of Companies Ordinance, 1984.



SOURCE OF FUNDING

0.5% of gross-adjusted revenue of telecom operators.

OUR CORE ACTIVITIES

01

TECH INNOVATION GRANTS:

Solving meaningful problems and availing opportunities using Fourth Industrial Revolution (4IR) Technologies.

02

NIC PROGRAM:

Accelerating entrepreneurial eco-system by nurturing startups and engaging them with investors and corporations.

03

DIGISKILLS.PK:

Building the capacity of freelancers so that they learn and earn from home.

04

National ICT Grassroots Research Initiative (NGIRI)

Igniting university innovation and providing final year students with hands-on skills.

05

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

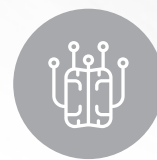
Through Tech Innovation Grants, Ignite funds startups and innovative projects which utilize 4th Industrial Wave Tech to solve local problems and to target opportunities in health, education, agriculture, energy, telecom, finance, security and other verticals.



3D/4D Printing



Augmented/
Virtual Reality



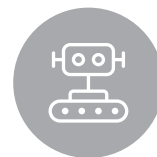
Neurotech



Big Data, Artificial
Intelligence



Blockchain



Robotics



Wearables /
Implantables



Internet
of Things



Cloud



Shared
Economy

SOLICITATION AND FUNDING ACTIVITIES

Technology startups are considered to be the epicenter of innovation and are fueling the growth of economies worldwide by creating new jobs, contributing to the GDP, and raising the standard of living. Some of the success models around the world are South Korea and Singapore etc. The Government of Pakistan has also realized the importance of supporting an innovation and entrepreneurship culture in the country and has taken major strides in the past few years. This includes supporting cutting-edge R&D and product development through supporting startups and joint industry-academia collaborations.

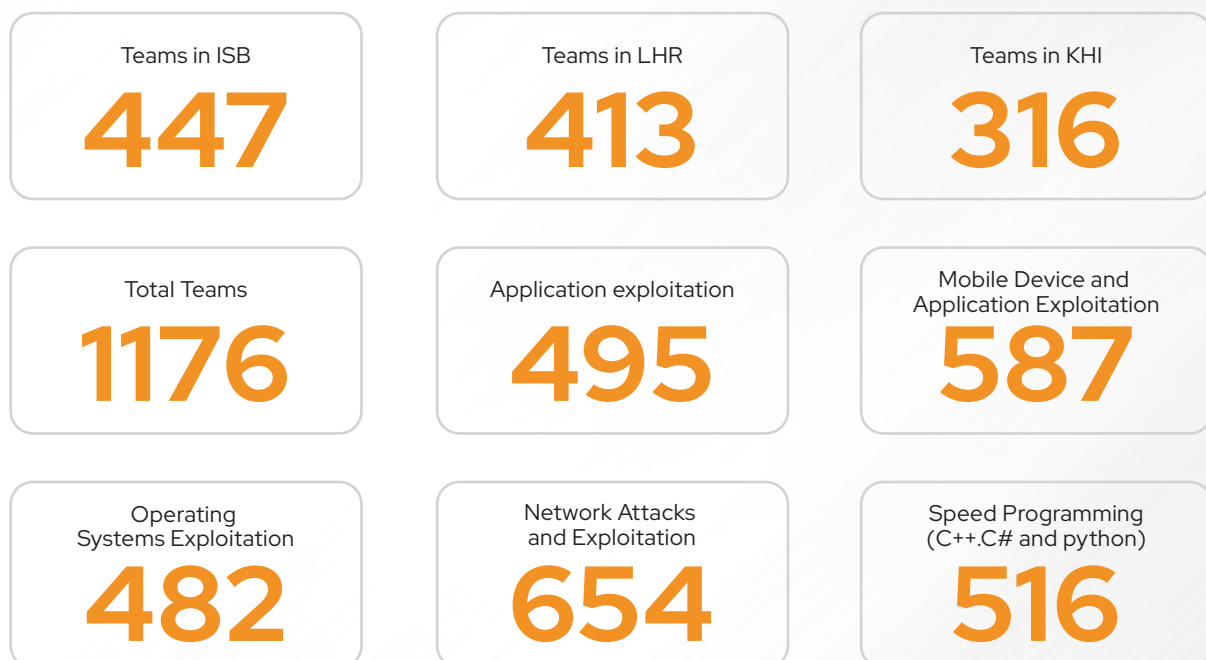
DIGITAL PAKISTAN CYBERSECURITY HACKATHON 2021

Ignite conducted Pakistan's first nationwide Digital Pakistan Cybersecurity Hackathon 2021 which was aimed at improving cybersecurity readiness, protection, and incident response capabilities of the country by conducting cyber drills at the national level.

There were 3 preliminary rounds in Islamabad, Lahore, and Karachi. Teams competed in five categories including application exploitation, mobile device exploitation, network attacks and exploitation, operating systems exploitation, and speed programming.

It was a timed competition in which the fastest responses win the round. Each problem solved earned them points to move closer to winning the round and moving forward toward the grand finale.

The event also comprised of hands-on workshops, talks, panel discussions, a quiz competition, and display of products and services offered by local cybersecurity companies. Talks and presentations were given by prominent experts from industry and academia.



A total of 1176 teams registered for the hackathon including university students, freelancers, professionals, and hackers from all over the country out of which 475 teams were shortlisted for qualifier rounds in Karachi, Lahore, and Islamabad followed by the final competition in Islamabad. Cash awards of Rs. 6 million were given to the top 3 teams in 5 categories at a grand finale event in Islamabad where the President of Pakistan, Dr. Arif Alvi, gave awards to the winners of the hackathon in different categories.



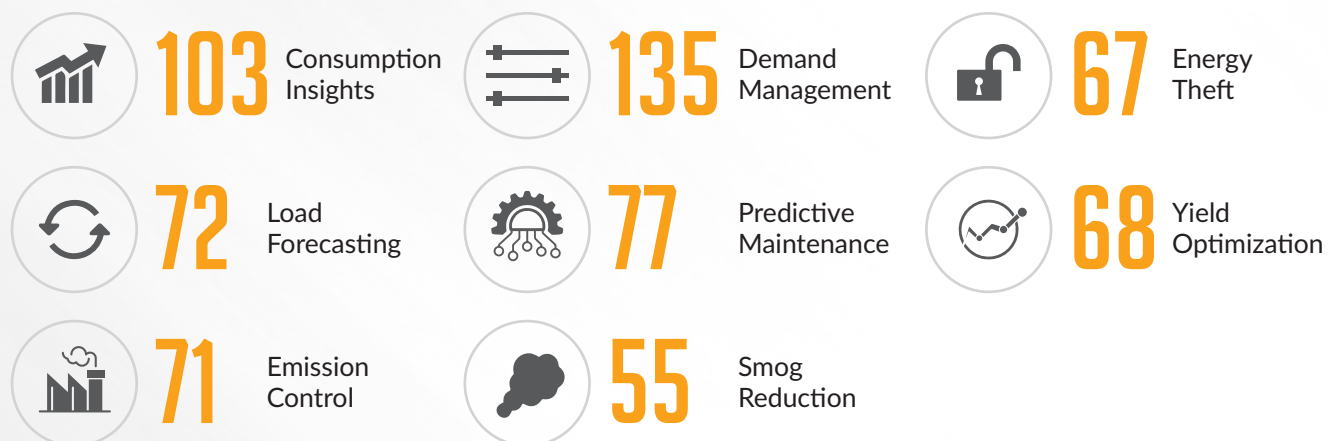
CLEANTECH INNOVATION CHALLENGE 2022

The Cleantech Innovation Challenge was launched by Ignite in January 2022 as a competition for students, researchers, faculty, and professionals with innovative clean technology solutions for sustainable development. Cleantech Challenge has proven to be a successful tool to crowdsource and generate innovative solutions to environmental challenges facing our country.

TEAM PARTICIPATION



TEAM PARTICIPATION



During the 2022 Challenge, we received 322 submissions, out of which 57 qualified for the second round. Amongst them, the top 13 teams presented their ideas and pitches to the jury in the final round held on 2nd June 2022. The teams were evaluated based on a defined criteria, i.e., clarity, innovativeness, feasibility, market potential, team competence, and social acceptability.



The challenge helped us to find out contemporary solutions to problems that will affect our environment and foresee the opportunity to come up with solutions that can be environment friendly.

Winning teams of cleantech innovation challenge were as follows:

1 E-Triangle Inc.
(NUST, Islamabad)
An AI-enabled energy management system for local industry.

2 Greenovation
(Private Limited, Peshawar)
A plastic waste recycling solution to produce energy (LPG).

3 RSA-Team
(ITU, Lahore)
A low-cost solution for air quality monitoring using satellite-based monitoring of NO₂.

The prize distribution ceremony on 23rd June was attended by Federal Secretary, Ministry of IT & Telecom, Mr. Mohsin Mushtaq, officials from the ministry, board members and management of Ignite, startups, and other stakeholders.

TECHNICAL R&D PROJECTS CLOSED DURING THE YEAR

Ignite has funded a diverse range of technical R&D projects within the ICT spectrum since its inception. Under these funded projects, individuals including professional engineers, researchers, software developers, project managers, finance and accounts professionals, undergraduate and graduate students are being trained to perform state-of-the-art R&D activities in their respective fields. The category-wise snapshot of six (06) technical R&D projects that have completed all closure related formalities during FY 2021-22 is given below:

Category	No. of Projects	Approved Budget Rs. in Million
Embedded Systems	1	33.32
Health-Tech	2	60.51
Networks	1	16.32
Telecommunication	1	26.73
Augmented/Virtual Reality	1	21.63
Total	6	158.51

The brief of above-mentioned six (6) closed projects is given below:

Project Name	Vertical	Summary	Approved Budget Rs. in Million
Kidney Dialysis Machine (Pakistan's First Peritoneal Dialysis Machine)	Health-Tech	The project has developed a first of its kind low cost automated peritoneal dialysis machine that performs automated dialysis cycles (for CCPD).	28.7 Mn
5G SDR: A Flexible Solution for Tactical Communications (5G Air-Interface Testbed: Development of Waveform and IP Components)	Telecommunication	The project has implemented cutting-edge 5G communication techniques on a high-end Software Defined Radio (SDR) platform with multi-antenna RF front-ends, with the target of packaging the SDR implementation into a commercially sellable multi-antenna high-bitrate tactical military communication waveform for the national and regional defense forces.	26.7 Mn
Monolithic CMOS Microsystems for Structural, Chemical and Bio Hazard Detection	Embedded Systems	This project focused on structural, chemical and bio-hazard detection and prediction using a smart fusion of micro-sensor systems, monolithically integrated inside a CMOS microchip – suitable as an autonomous sensing-node of a wireless sensor network (WSN). The embedded sensors were used for detection of oil/gas leakages, analyzing vibration signatures of structures such as buildings etc.	33.3 Mn
Portable Optical Sensor for Rapid, Non-Invasive, and On-Site Diagnosis of Tuberculosis (TB)	Health-Tech	In this project, a portable optical sensor was developed to help health care sector for rapid, non-invasive, and on-site diagnosis of Tuberculosis (TB). This portable optical sensor has provided immediate TB diagnosis without the aid of specialized laboratory personnel where hospitals were not available.	31.8 Mn

Project Name	Vertical	Summary	Approved Budget Rs. in Million
NVISIBLE	Networks	This project has developed a network inspection application that provided monitoring, anomaly detection, user profiling and reporting. The recent advancements in machine learning and neural networks have opened up this space for disruptive innovation enabling more intelligent insights with minimal or no human intervention	16.3 Mn
ORBIT	Augmented/ Virtual Reality	Orbit was an augmented reality based educational application that was designed for AR enabled smart phones and it also converted the conventional syllabus taught in schools from 2D to 3D.	21.6 Mn

Launch of Challenge Innovation Fund for Pakistani Innovators & Startups

In its 91st board meeting, the board of Ignite approved the revamped Research and Innovation Framework. The framework supports all of the stages of innovation from R&D on the scientific underpinnings of breakthrough technologies, to concept validation and demonstration of breakthrough technologies and innovations to meet real world needs. The evaluation of proposals will be conducted by means of review panels comprising of industry and academic experts.

Financial support will be provided through three main instruments: the 'Challenge-driven Innovation Fund (CIF)' for solving societal challenges by applying breakthrough technologies, the 'Technology Transition Fund (TTF)' for commercialization of proof of concept/prototypes. Ignite is also planning an acceleration fund for pre-seed funding of early stage startups in future.

Challenge-driven Innovation Fund (CIF)

POWERED BY IGNITE



The CIF 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 objective is to ask the innovators to help solve the problems facing the country. A consortium of (applicants from) universities, industry and/or research organizations will be eligible to submit research proposals. Project participation from industry, public authorities or other relevant organizations will be considered a merit.

Priority Themes

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

Eligibility Criteria

- ▶ The CIF supports collaborative research and innovation from consortia. The proposal must be submitted by the coordinator on behalf of the consortium that includes at least two independent Pakistan-based legal entities (i.e., university/research organization and industry).
- ▶ International collaborations are encouraged when the international partner brings a unique added value to the project team.

Duration

The project duration is 2 – 3 years.

TECHNOLOGY TRANSITION FUND (TTF)

POWERED BY IGNITE



Technology Transition Fund supports innovation activities that go beyond the experimental proof of concept in laboratory. It supports both the maturation and validation of your novel technology in the lab and in relevant application environments (by making use of prototyping, formulation, models, user testing or other validation tests) as well as the development of a business case and business model towards the innovation's future commercialisation.

The proposed activities must include further technology development on the results achieved previously and follow user-centric methodologies to increase chances of the innovation's future success in the market. The Transition projects should address, in a balanced way, both technology and market/business dimensions, possibly including iterative learning processes based on early customer or user feedback.

Priority Themes

- ▶ Automotive & infrastructure
- ▶ Energy harvesting & storage technologies
- ▶ Education technology
- ▶ Information technology & its applications in health, textile, environment, agriculture productivity & agri-business
- ▶ Financial technology

Eligibility Criteria

- ▶ The TTF supports collaborative research and innovation from consortia. The proposal must be submitted by the coordinator on behalf of the consortium that includes at least two independent Pakistan-based legal entities.
- ▶ Universities, research organisations with mandatory participation by industry partners.
- ▶ International collaborations are encouraged when the international partner brings a unique added value to the project team.

Duration

The project duration is 1 – 2 years.

NATIONAL INCUBATION CENTER PROGRAM

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 7 cities of Pakistan now including Islamabad, Lahore, Karachi, Peshawar, Quetta, Hyderabad, and Faisalabad with the eighth incubator being planned in Rawalpindi.

THE IMPACT FY 2021-22

ISLAMABAD

02	2,447	30	20	5,071	2,522.33	957.39	108.707
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

LAHORE

02	215	50	25	98	39.20	91.89	132.863
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

PESHAWAR

02	968	27	10	257	102.64	72.43	93.972
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

KARACHI

02	589	45	52	3275	3,620.89	3,038.55	114.187
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

QUETTA

02	332	35	23	96	13.64	17.94	68.834
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

HYDERABAD

02	470	50	-	669	4.00	121.99	47.006
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

FAISALABAD

02	200	31	-	334	16.10	91.29	30.032
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

IMPACT SINCE INCEPTION

47	20,120	1,046	512	115,668	14,991.36	8,159.58	1815.575
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Jobs Created	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

Till June 2022, 512 startups have graduated from our NICs which have raised Rs. 15 billion in investments and generated Rs. 8.16 billion in revenue against expenses of Rs. **1.72 billion** since 2017. When considering investment raised only, our NICs have generated an ROI of **8.7** times the funds disbursed. Below are the results of our 7 NICs till June 2022.



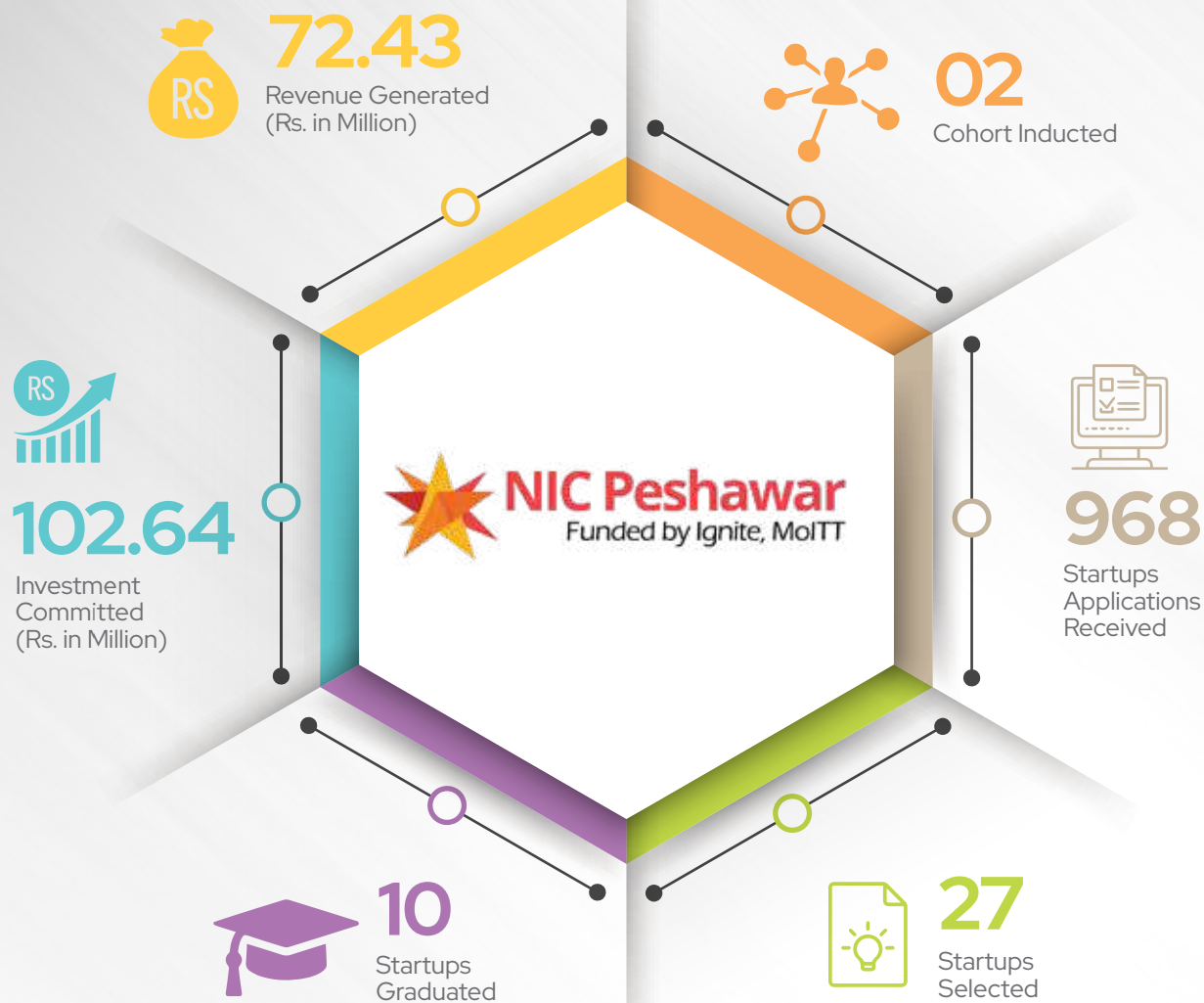
IMPACT SINCE INCEPTION

12	10447	295	216	4321.62	3047.27	421.081
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)



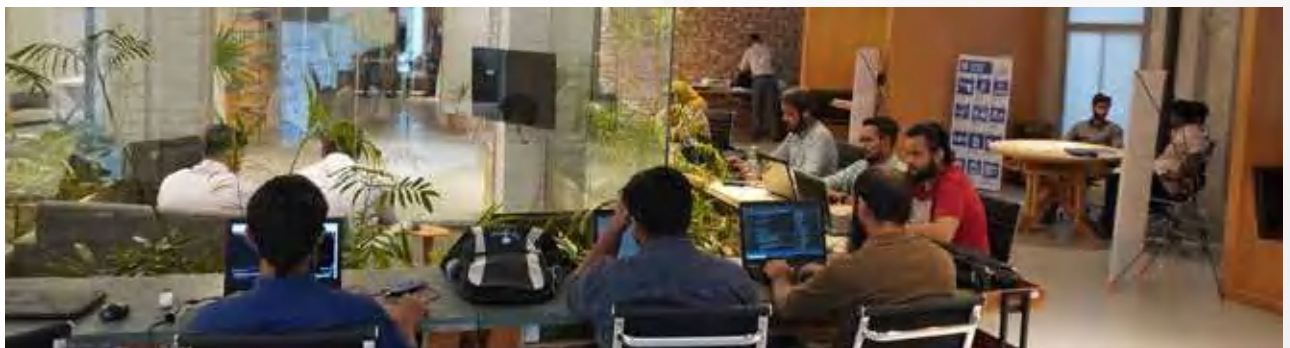
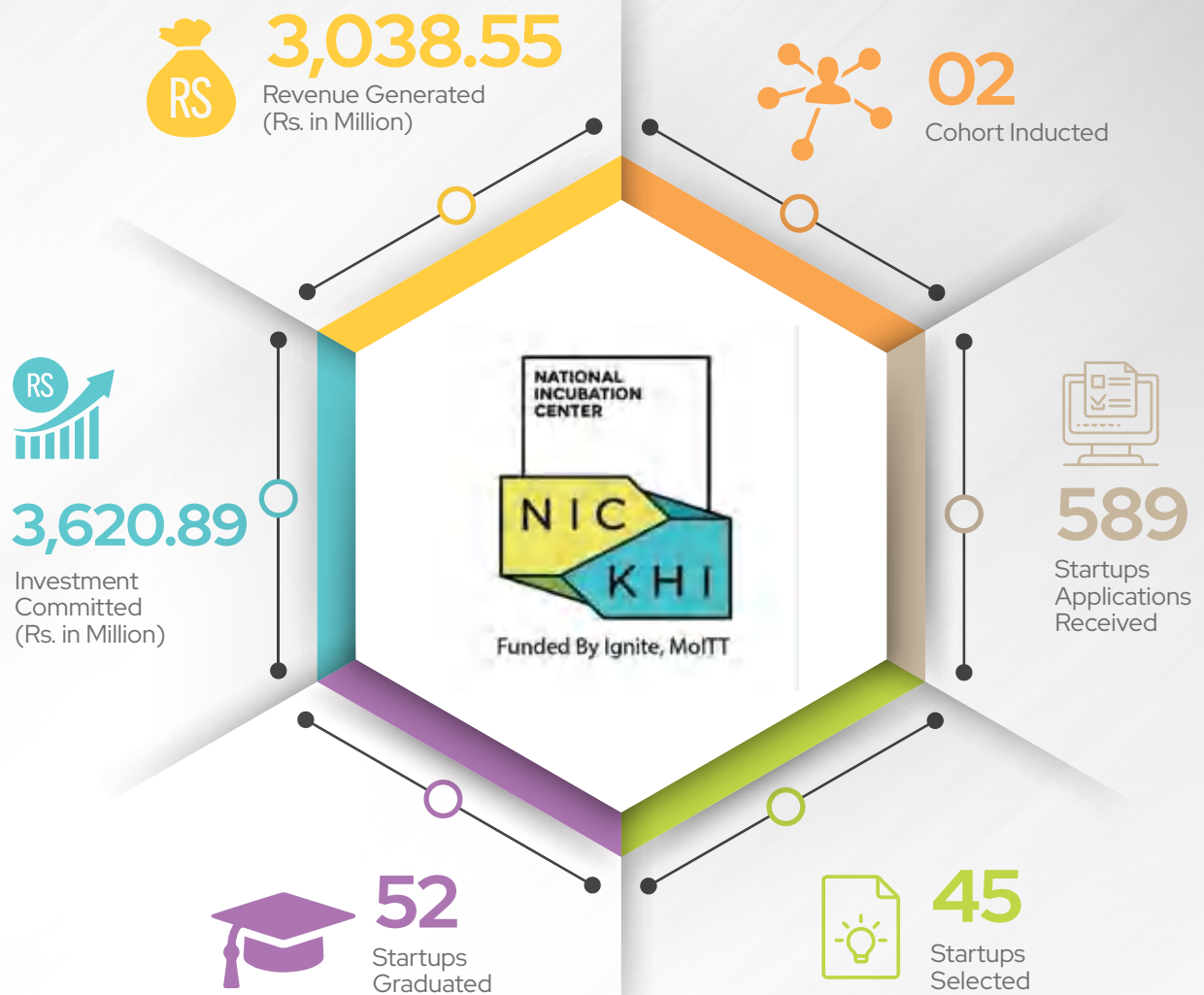
IMPACT SINCE INCEPTION

12	2010	336	186	3,130.38	580.56	403.253
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)



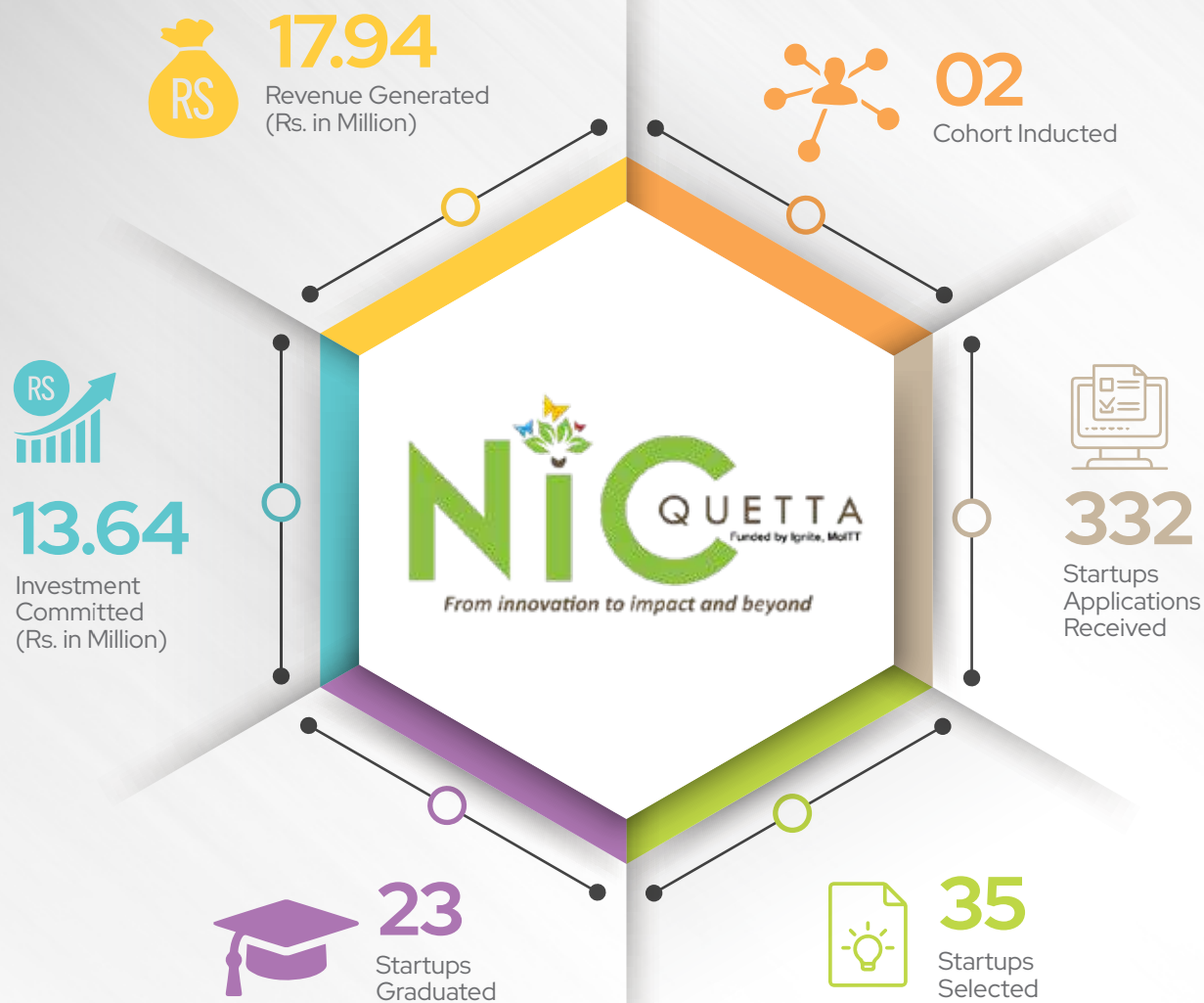
IMPACT SINCE INCEPTION

11	4043	200	72	669.66	446.41	333.202
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)



IMPACT SINCE INCEPTION

11	4108	299	130	6,797.33	3,989.94	360.943
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)



IMPACT SINCE INCEPTION

09	1724	192	108	72.37	95.40	220.058
Cohort Inducted	Startups Applications Received	Startups Selected	Startups Graduated	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)



IMPACT SINCE INCEPTION

02	200	31	16.10	91.29	30.032
Cohort Inducted	Startups Applications Received	Startups Selected	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)



IMPACT SINCE INCEPTION

02	470	50	4.00	121.99	47.006
Cohort Inducted	Startups Applications Received	Startups Selected	Investment Committed (Rs. in Million)	Revenue Generated (Rs. in Million)	Funds Disbursed (Rs. in Million)

FFC AND PTCL WIN BIDS FOR NIC FAISALABAD and NIC HYDERABAD

Islamabad: Ignite signed agreements for launching two new National Incubation Centers (NICs) in Faisalabad and Hyderabad on 25th March, 2022 in addition to its existing network of five NICs. Contract for NIC Faisalabad was signed between CEO Ignite, Asim Shahryar Husain and Brig. Asrat Mahmood (Retd), Company Secretary Fauji Fertilizer Company (FFC).

The contract for NIC Hyderabad was signed between CEO Ignite and Naveed Khalid Butt, Group Chief Regulatory Officer PTCL for NIC Hyderabad.



DIGISKILLS.PK



DigiSkills.pk Sara Jahan Hamara

CAPACITY BUILDING OF FREELANCERS

Overview

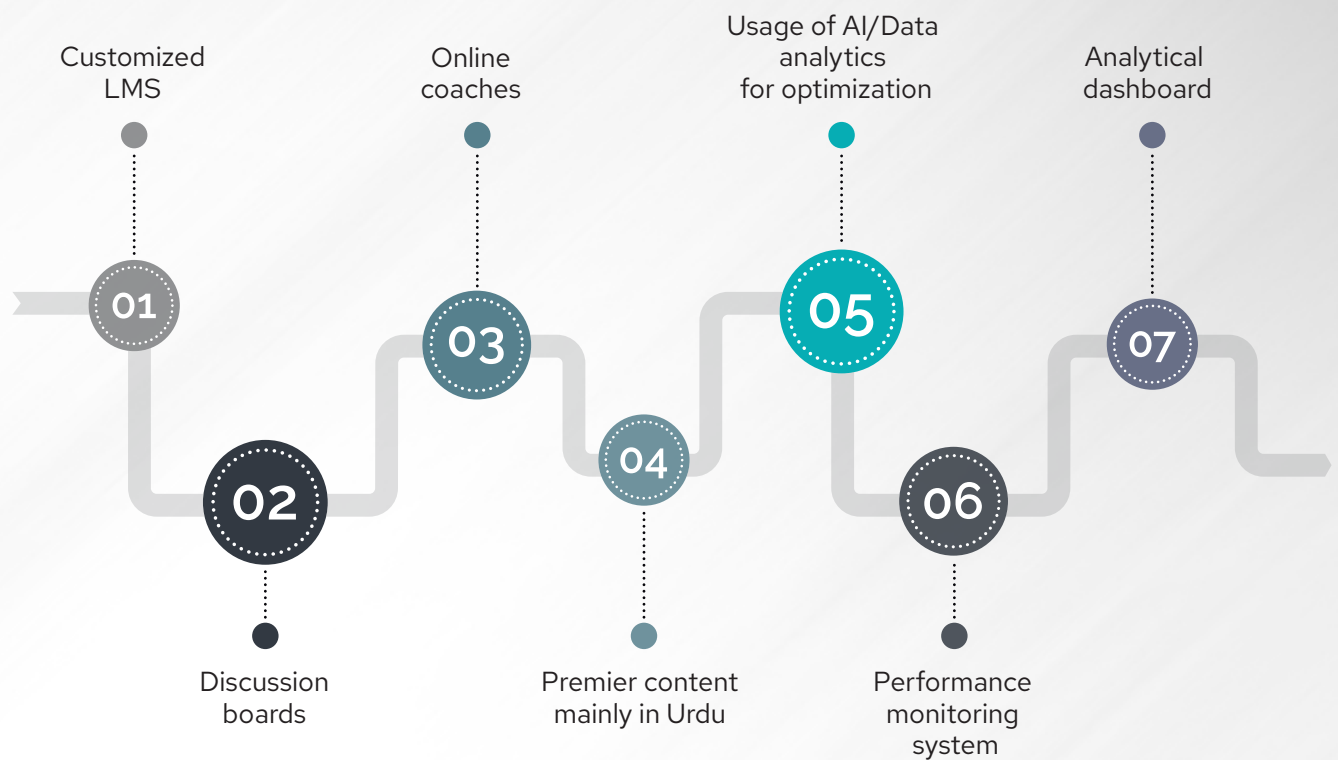
Aiming towards poverty alleviation, financial inclusion, and women empowerment, DigiSkills is an online training platform of Ignite for freelancers which has provided more than 2 million free online trainings including more than 0.9 million trainings during FY 2021-22, to students and professionals inside as well as outside Pakistan. These freelancers have contributed more than \$290 million to IT Exports of Pakistan so far, by providing freelancing services to foreign clients. The impact of DigiSkills.pk is showing below:

Aims and Objectives

The program aims to increase:



Key Features



15 Comprehensive Courses



Annual Impact



\$290M+

annual earnings per survey
(July 2022)



AROUND 1M

Trainees' Enrollments



29%

Female Enrolled



71%

Male Enrolled



124%

Above Target of 0.8M

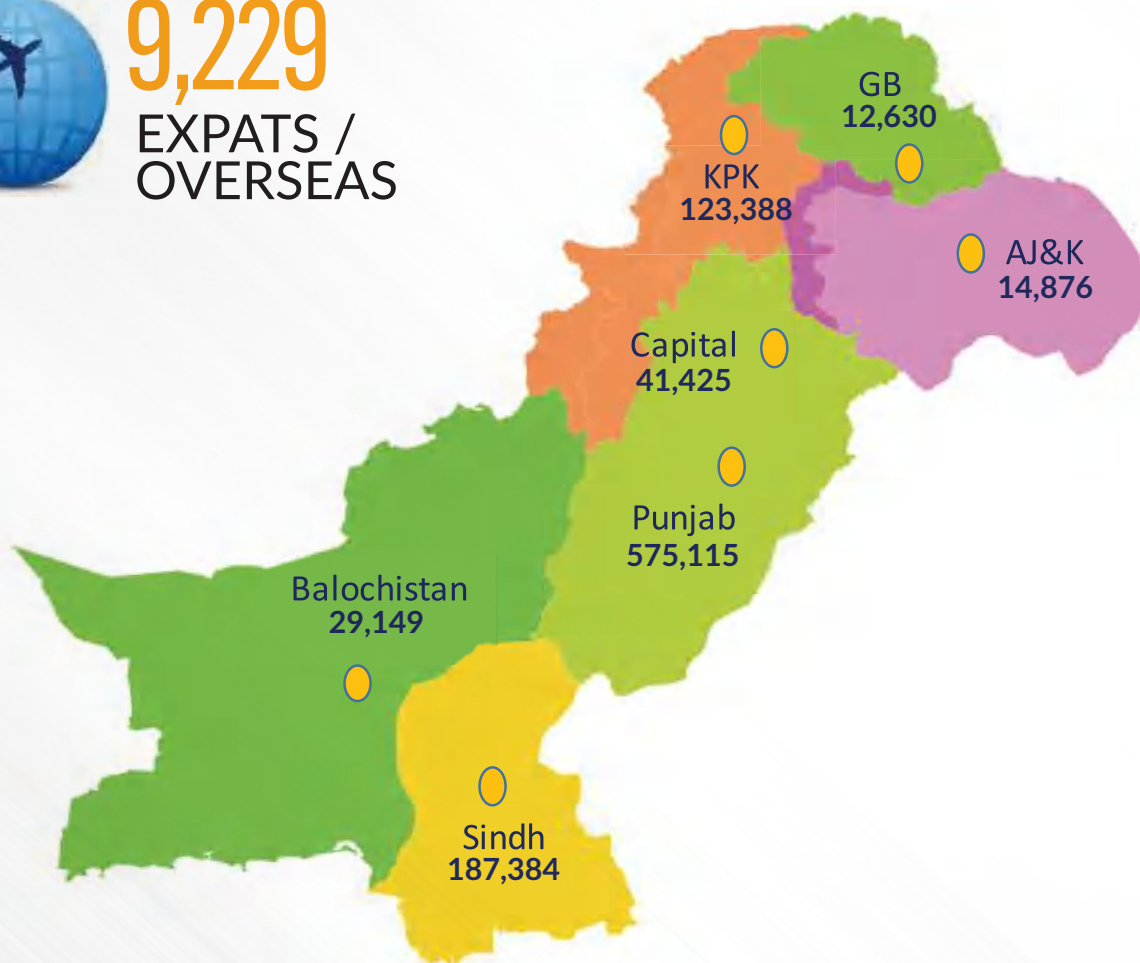


31%

Course Completion Rate



9,229
EXPATS /
OVERSEAS



Cumulative Impact Since Inception (till June 2022)

\$ 290M

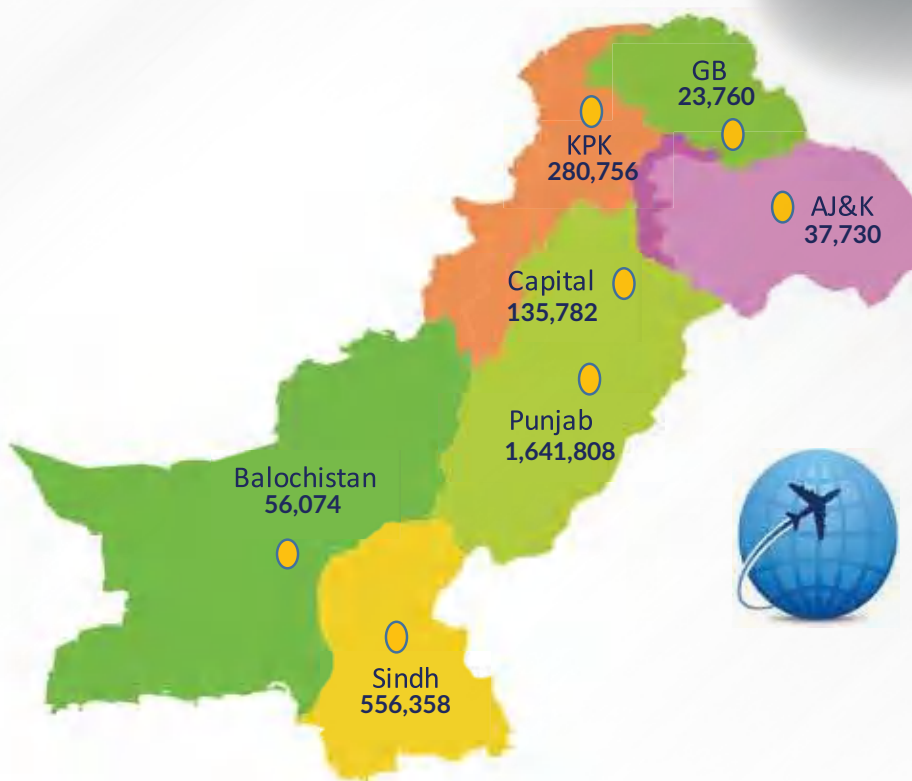
Earnings per survey (2018-2022)

Enrollment Target
1.5 Million

Trainees' Enrollments
2.76 Million

Male
74%

Female
26%



29,840
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:

BATCH-WISE TARGETS VS ENROLLMENT (FY 2021-22)			
DESCRIPTION	TARGET	ACTUAL TARGET ACHIEVED	% OF ACHIEVEMENT
BATCH-10	100,000	232,984	233%
BATCH-11	200,000	231,896	116%
BATCH-12	250,000	251,410	101%
BATCH-13	250,000	276,906	111%
TOTAL	800,000	993,196	124%

TOP DIGISKILLS EARNING FREELANCERS FY 2021-22



M. Ali Hasnain

Karor

Earned: US\$ 189,278

Skillset:

Freelancing, E-Commerce Management, Wordpress



Syed M. Bilal

Karachi

Earned: US\$ 184,702

Skillset:

Freelancing, SEO, E-commerce Management, Wordpress



Hameedullah Khan

Swat

Earned: US\$ 157,842

Skillset:

Freelancing, Digital Marketing



Faisal Masroor

Mirpur Khas

Earned: US\$ 143,710

Skillset:

Freelancing, Creative Writing



Makadas Manzoor

Sialkot

Earned: US\$ 123,891

Skillset:

Digital Marketing

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 have been established. In this program, course content of Ignite's premier freelancing program "Digiskills.pk" is being used to impart these trainings.

STATUS OF ENROLLMENTS FY 2021-22

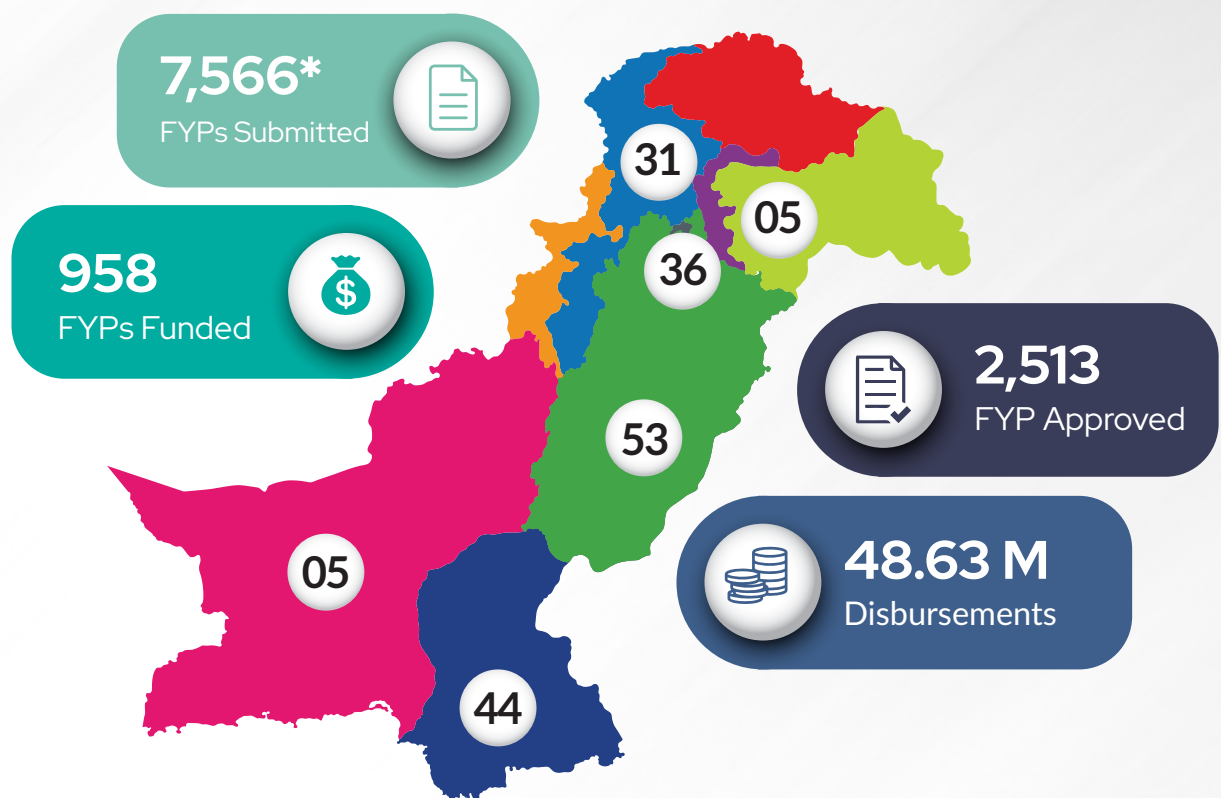
Trainings have commenced from February 2022 and till date there are a total of 4,109 enrollments. These include 74% male and 26% female. District wise breakup of enrollments is as follows:

DISTRICT	ENROLLMENTS
Khuzdar	2,034
Kech	1,201
Gwadar	874
Total	4,109

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.

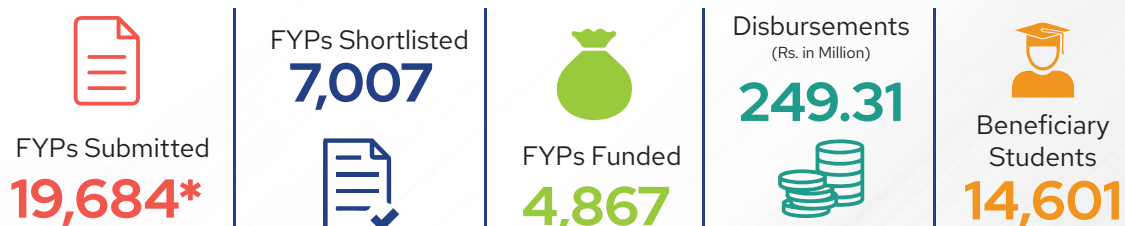
Impact FY 2021-22:



*Note: NGIRI 2021-22:

4149 FYP submissions have been received in May 2022, and reimbursement process of these submitted FYPs will be completed soon.

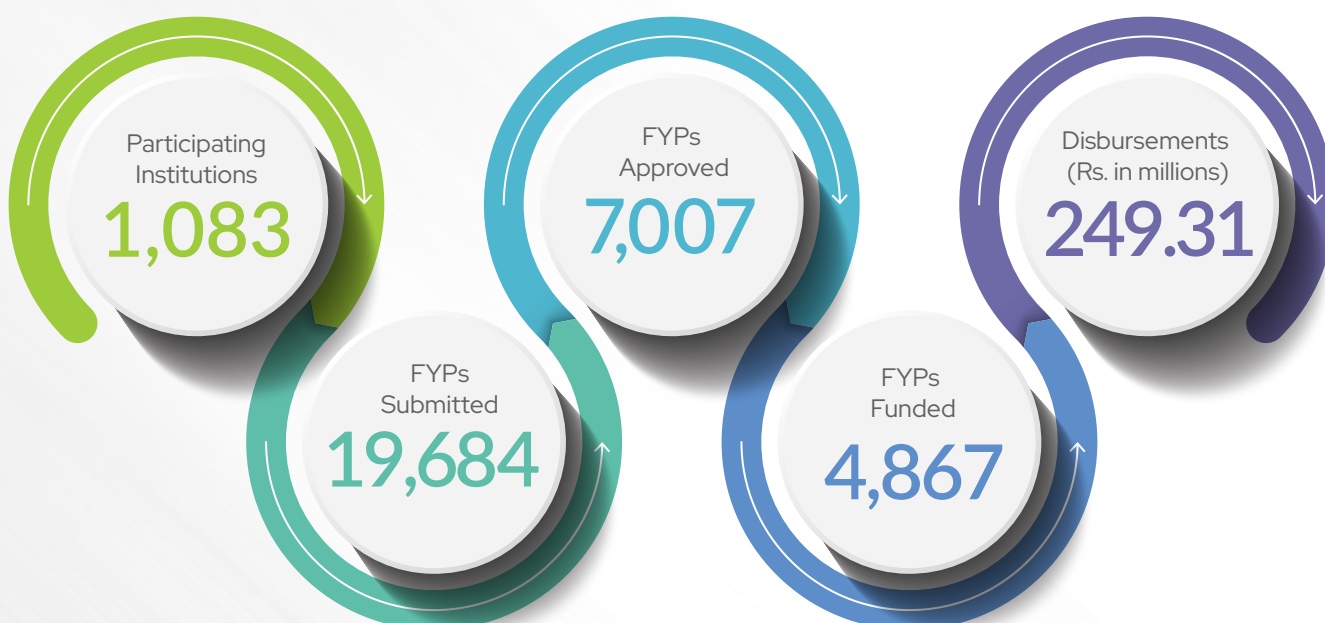
Impact Since Inception



YEARLY FYP BREAKUP

National Grassroots ICT Research Initiative (NGIRI) YEARLY BREAKUP (2011-12 TO 2021-22)

Year	Participating Institutions	FYPs Submitted	FYPs Approved	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	-	-



*Note: NGIRI 2021-22: 4149 FYP submissions have been completed in May 2022, and reimbursement will be initiated

OUTREACH

IT MINISTER CONGRATULATES 15 NEW STARTUPS ON THEIR GRADUATION FROM NIC LAHORE

May 2022: 8th cohort of 15 startups graduated from National Incubation Center Lahore at Lahore University of Management Sciences (LUMS). Federal Minister for IT & Telecom Syed Amin-ul-Haque said that the investments of Pakistani startups grew by almost 5 times over 2020.

Ministry of IT & Telecom through Ignite has been providing both local and international networking platforms to our start-ups to pitch their business ideas and products to potential customers and investors. He was addressing to National Incubation Center Lahore as Chief Guest at Lahore University Management Sciences for the graduation ceremony of its eighth cohort where cash awards were given to the top three graduating start-ups.

Giving his remarks at the graduation ceremony, Federal Minister for IT and Telecom, Syed Amin-ul-Haque advocated for the role of technology in the government's mission to grow the entrepreneurial ecosystem of Pakistan. He said that IT ministry has taken many steps to boost IT exports and investment in Pakistan. IT exports had crossed \$2.1 billion last year and target for this year is \$3 billion.

CEO Ignite, Asim Shahryar Husain, stated that Ignite will launch five more NICs in new cities and new verticals in future. Also, investment in Pakistani startups in 2021 had grown by almost 5 times over 2020 which was remarkable. Executive Director NITB & Chairman Ignite Board Syed Hussnain Abbas Kazmi in his address to the graduating startups encouraged the entrepreneurs to continue on the path of innovation and reaffirmed the support of the government in their endeavors.



39 NEW STARTUPS OF 6TH & 7TH COHORT GRADUATE FROM NATIONAL INCUBATION CENTER KARACHI

June 2022: The National Incubation Center, Karachi hosted its annual graduation ceremony at the NED University. Chief guest of the ceremony, Federal Secretary IT & Telecom, Mr. Mohsin Mushtaq, visited the facility and was given comprehensive presentations by the graduating startups. 39 new startups graduated from NIC Karachi taking the total number of startups graduated from Ignite's NICs to 568 so far.

"Investment in Pakistani startups grew by 5 times to \$373 million last year due to the congenial investment atmosphere provided to young entrepreneurs through our National Incubation Centers Program," said Mr. Mushtaq while talking to the graduating batch. He also encouraged the graduating batch to explore new customers and investors and to contribute to the development of the knowledge economy of the country. The event was attended by CEO Ignite, officials from Ignite and startups from NIC Karachi.



IGNITE LAUNCHES DIGISKILLS 2.0 TRAINING PROGRAM

Ignite and Virtual University of Pakistan has launched DigiSkills.pk 2.0 to provide another 1.5 million online trainings across the country over a period of two years. Under this program, 5 new courses; Video Editing, Animation & Vlogging, Affiliate Marketing, Data Analytics & Business Intelligence, Communication & Soft Skills, and Virtual Assistant have been launched while content of 10 existing courses will be upgraded. The contract was signed on 27th December, 2021 and the first batch of DigiSkills 2.0 was launched on 1st February, 2022.

“DigiSkills has played a commendable role in equipping emerging and existing freelancers with skills necessary to seize the internationally available opportunities in online freelancing market places” said Syed Amin Ul Haque, Federal Minister for IT & Telecom.



IGNITE SIGNS WITH iCONSULT FOR STUDY ON STARTUP AND FREELANCING ECOSYSTEMS OF PAKISTAN

An agreement was signed with International Consulting Associates (Pvt.) Ltd. (iConsult) to perform an in-depth assessment study of Pakistan's startup & freelancing ecosystems on 15th February, 2022. iConsult has completed the study in partnership with Arthur D. Little, one of the leading international strategy consulting firms. The agreement was signed by Ignite's CEO, Mr. Asim Shahryar Husain, and Senior Partner of iConsult, Mr. Shahid Ahmed Khan. The study gathered key data and insights about the startup and freelancing ecosystems of Pakistan with policy recommendations for boosting growth of both ecosystems.



DEEMAH ALYAHYA, SECRETARY GENERAL DIGITAL COOPERATION ORGANIZATION (DCO) VISITS NIC ISLAMABAD

Secretary General of the Digital Cooperation Organization (DCO), Deemah AlYayha, visited National Incubation Center (NIC) Islamabad on 19th November, 2021. Deemah, an expert of digital economy and innovation, was on a three-day visit to Pakistan. She took a keen interest in the startups from NIC Islamabad and appreciated the initiative of Ignite and Ministry of IT and Telecom for establishing a network of government backed incubators across Pakistan. She was impressed with the innovative ideas of the presenting startups. She said that DCO plans on taking selected startups from its different member countries to an international pitching event in Saudi Arabia in February 2022.

"It is heartening to see that Pakistan is enabling policies for the development of Information and Communication Technologies (ICT) in the country" said Deemah AlYayha, Secretary General, Digital Cooperation Organization.



IGNITE PARTICIPATES IN PAKISTAN TECH FEST 2022 WITH NIC STARTUPS



Eleven startups from five National Incubation Centers (NICs) of Ignite were showcased at Pakistan Tech Fest 2022 on 16th -17th March 2022. This 2-day action-packed event with a tagline "Innovate, Digitize & Disrupt" showcased solutions for all verticals of the economy with a focus on networking, knowledge sharing & lead generation. The event also carried out a series of conferences that created a learning environment for the like-minded people to share knowledge & experiences. NIC startups of various verticals attracted the attention of visitors and investors including Heirloom (e-commerce), Ivision (artificial intelligence), KalPay (fintech), QuickEats (IT), Teleport (mobility), Waterness (IoT), Farmdar (Agritech), Digital Tax Services (fintech), Mapalytics (AR/VR), CalCart (IoT), and MYTM (fintech). Officials from Ignite, PSEB, P@SHA, and Ministry of IT & Telecom also participated in the event.

"Ignite has been providing both local and international networking events to our startups to pitch their business ideas and products to potential customers and investors" said Asim Shahryar Husain, CEO Ignite.

12 NIC STARTUPS PARTICIPATE IN LEAP 2022 IN SAUDI ARABIA



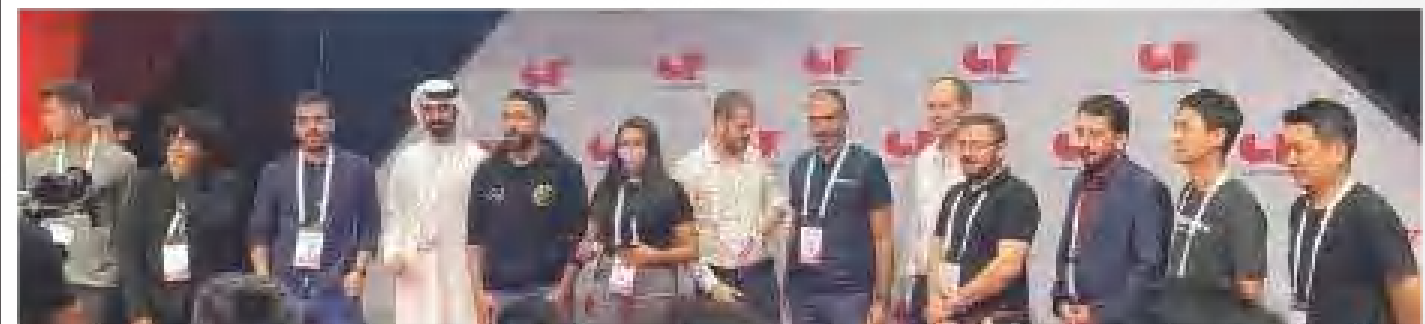
12 NIC startups participated in global technology conference LEAP hosted by Saudi Arabia in Riyadh to address future challenges using technology. These NIC startups included ExpertFlow (Healthtech), Mapalytics (AR/VR), Stech (AI), Exbid (Shared economy), Student1stop (Edtech), TB-AI (Healthtech), BizB (Ecommerce), Smart Helmet (Cleantech), Asani.io (AI/Big data), Hukum Janab (Services), MYTM (Fintech), and Arm Rehab Technologies (Healthtech). The event was valuable for the startups to expand their operations to the MENA region. 3 NIC startups including Stech, Asani.io and MYTM made it to the semifinals of Rocket Fuel Competition of LEAP.

IGNITE PARTICIPATES IN GITEX FUTURE STARS 2021

Ignite participated with five NIC startups at GITEX Future Stars 2021 to showcase the entrepreneurial talent of Pakistan. Ignite provided travel and logistics support to five startups from different NICs including MYTM (Fintech/Finance), Instacare (healthcare), Gul Technology (Automation), Kalpay (Fitech/Finance) and Idraak(Automation). For the first time in the history of GITEX, a Pakistani startup, MyTM, won the Supernova Pitching Competition in the creative economy category. Federal Minister for IT & Telecom, Syed Amin-ul-Haque, while congratulating the winning team said, "All my support is with startups of Pakistan and we are committed to promoting them to the world to brand Pakistan globally."

Asim Shahryar Husain, CEO Ignite, stated that, "2021 has been a remarkable year for Pakistani startups with a growth of more than 5 times in startup investments over last year. More than 20 Pakistani startups participated in Gitex Future Stars 2021 which reflects the entrepreneurial talent of Pakistan. We are proud of MyTM's victory at GITEX's pitching competition."

The efforts of Ignite and NICs were appreciated who have nurtured startups and helped them compete by providing access to mentors and incubation services as well as travel and logistics support for GITEX.



ANNUAL FINANCIAL STATEMENT FY 2021-22



A.F. FERGUSON & CO.

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, 2022, 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, 2022 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 >

*KARACHI *LAHORE *ISLAMABAD



A.F. FERGUSON & CO.

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.

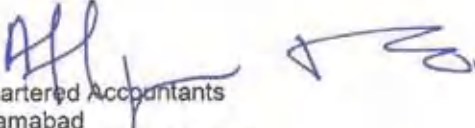
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

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


 Chartered Accountants
 Islamabad
 Date: September 28, 2023
 UDIN: AR202210053T1pbo3asz

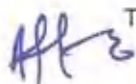
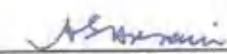
IGNITE

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

STATEMENT OF FINANCIAL POSITION**AS AT JUNE 30, 2022**

	Note	2022 Rs '000	2021 Rs '000
ASSETS			
NON CURRENT ASSETS			
✓ Property and equipment	6	29,232	34,357 ^f
✓ Intangible assets	7	1,686	-
Right of use asset	8	200,588	171,463 ^c
✓ Long term security deposit	9	3,219	-
✓ Long term loans and advances - considered good	10	4,857	1,028 ^f
		239,582	206,848
CURRENT ASSETS			
✓ Loans and advances - considered good	10	118,252	18,946 ^f
✓ Short term prepayments		337	615 ^f
✓ Funds receivable	11	342,353	429,685 ^f
✓ Accrued interest on bank balance		124	4,026 ^f
✓ Bank balances	12	18,989	207,774 ^f
		480,055	661,046
TOTAL ASSETS		719,637	867,894
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds		1,444	6,709
NON CURRENT LIABILITIES			
Lease liabilities	13	178,231	152,022 ^f
Deferred capital grant	14	30,918	34,357 ^f
		209,149	186,379
CURRENT LIABILITIES			
Current portion of lease liabilities	13	47,648	29,415 ^f
Trade and other payables	15	461,396	645,391 ^f
		509,044	674,806
TOTAL FUNDS AND LIABILITIES		719,637	867,894
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 26 form an integral part of these financial statements.

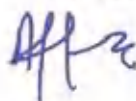


 CHIEF EXECUTIVE
OFFICER

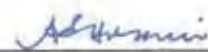

 DIRECTOR

IGNITE**(A Company incorporated under section 42 of the Companies Act, 2017)****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rs '000	2021 Rs '000
INCOME			
Grant income recognized	17	1,159,385	845,125
EXPENDITURE			
Project / program activities	18	846,236	580,003
Operating costs	19	278,394	249,632
Finance costs	20	11,787	9,346
		1,136,417	838,981
SURPLUS FOR THE YEAR		22,968	6,144
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be subsequently reclassified to income and expenditure			
Re-measurement (loss) on staff gratuity	15.3.4	(22,968)	(6,144)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The annexed notes 1 to 26 form an integral part of these financial statements.



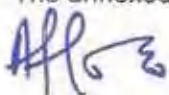

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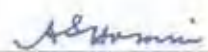

DIRECTOR

IGNITE**(A Company incorporated under section 42 of the Companies Act, 2017)****STATEMENT OF CHANGES IN FUND****FOR THE YEAR ENDED JUNE 30, 2022**

	Unrestricted Funds Rs '000
Balance at July 1, 2020	6,709
Surplus for the year	6,144
Other comprehensive loss for the year	(6,144)
Total comprehensive income for the year	-
Balance at June 30, 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)
	(5,265)
Balance at June 30, 2022	1,444

The annexed notes 1 to 26 form an integral part of these financial statements.



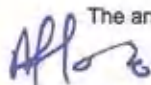

CHIEF EXECUTIVE
OFFICER


DIRECTOR

IGNITE**(A Company Incorporated under section 42 of the Companies Act, 2017)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED JUNE 30, 2022**

	2022 Rs '000	2021 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	22,968	6,144
Adjustments for:		
Depreciation on property and equipment	9,705	5,873
Amortization on intangible assets	647	-
Depreciation on right of use asset	42,700	26,379
Finance costs	13,819	9,346
Loss on disposal of property and equipment	-	84
Amortization of deferred capital grant	(10,352)	(5,873)
Amortization of funds receivable	(1,149,033)	(839,252)
Provision for staff gratuity	12,572	8,729
	(1,056,974)	(788,570)
Changes in:		
Long term loans and advances - considered good	(3,829)	(1,028)
Loans and advances - considered good	(99,306)	2,010
Long term security deposit	(3,219)	-
Short term prepayments	278	(615)
Trade and other payables	(201,507)	3,334
	(307,583)	3,701
Cash (used in) operating activities	(1,364,557)	(784,869)
Contribution made to staff gratuity fund	(18,028)	(12,269)
Funds received during the year	1,240,000	707,298
Interest income received on bank balance	4,111	19,073
Refund of scholarship / unspent funds	2,057	193
Net cash flow (used in) operating activities	(136,417)	(70,574)
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of funds to MoIT	(5,265)	-
Acquisition of property and equipment	(4,704)	(32,499)
Acquisition of intangible assets	(2,333)	-
Proceeds from disposal of property and equipment	1,136	280
Net cash flows (used in) investing activities	(11,166)	(32,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid during the year	(41,202)	(25,751)
Decrease in cash and cash equivalents	(188,785)	(128,544)
Cash and cash equivalents at the beginning of the year	207,774	336,318
Cash and cash equivalents at the end of the year	18,989	207,774

The annexed notes 1 to 26 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, 2022

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.

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
IAS 8	Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 41	Agriculture (Amendments)	January 1, 2022
IFRS 1	First-time adoption of International Financial Reporting Standards (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IFRS 9	Financial Instruments (Amendments)	January 1, 2022
IFRS 16	Leases (Amendments)	January 1, 2022

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 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.

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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;

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- 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.

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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.

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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, 2022 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.

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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, 2020						
Cost	-	6,685	111	3,247	33,397	43,440
Accumulated depreciation	-	(4,082)	(111)	(2,268)	(28,884)	(35,345)
Net book value	-	2,603	-	979	4,513	8,095
Year ended June 30, 2021						
Opening net book value	-	2,603	-	979	4,513	8,095
Additions	24,226	674	-	97	7,502	32,499
Disposals						
Cost	-	1,606	-	-	158	1,764
Accumulated depreciation	-	(1,242)	-	-	(158)	(1,400)
	-	(364)	-	-	-	(364)
Depreciation charge	(2,019)	(416)	-	(178)	(3,260)	(5,873)
Closing net book value	22,207	2,497	-	898	8,755	34,357
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	22,207	2,497	-	898	8,755	34,357
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	17,362	3,554	-	3,163	5,153	29,232
As at June 30, 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	17,362	3,554	-	3,163	5,153	29,232
Annual rate of depreciation (%)	20	10	20	10	33	

7 INTANGIBLE ASSETS - SOFTWARES

	2022 Rs '000	2021 Rs '000
As at July 1,		
Cost	-	-
Accumulated amortisation	-	-
Net book value	-	-
Year ended June 30,		
Opening net book value	-	-
Additions	2,333	-
Amortisation charge	(647)	-
Closing net book value	1,686	-
As at June 30,		
Cost	2,333	-
Accumulated amortisation	(647)	-
Net book value	1,686	-
Annual rate of amortisation (%)	33	

8 RIGHT OF USE ASSET**Cost**

Balance at the beginning of the year	197,842	-
Additions during the year	71,825	197,842
Balance at the end of the year	269,667	197,842

Accumulated depreciation

Balance at the beginning of the year	(26,379)	-
Depreciation charge for the year	(42,700)	(26,379)
Balance at the end of the year	(69,079)	(26,379)

Net book value

	200,588	171,463
--	---------	---------

Annual rate of depreciation (%)

19-20 20

8.1 Depreciation for the year is allocated as follows

Project / program activities	(3,132)	-
Operating costs	(39,568)	(26,379)
	(42,700)	(26,379)

- 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. University of Agriculture Faisalabad and University of Sindh for rental of office premises for National Incubation Centre Faisalabad and National Incubation Centre Hyderabad respectively.

9 LONG TERM SECURITY DEPOSIT

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

10 LOANS AND ADVANCES - CONSIDERED GOOD

	Note	2022 Rs '000	2021 Rs '000
Unsecured - considered good			
Advances to implementing partners	10.1	106,499	6,010
Secured - considered good			
Loans, and advances to employees against:			
Salaries	10.2 & 10.3	16,609	12,956
Expenditure		1	1,008
		16,610	13,964
		123,109	19,974
Less: long term portion of loans and advances shown under non-current assets	10.4	(4,857)	(1,028)
		118,252	18,946

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, with repayment term of nineteen months. Details are as follows:

	2022 Rs '000	2021 Rs '000
Balance at the beginning of the year	-	-
Disbursement during the year	1,000	-
Repayments during the year	(105)	-
Balance at the end of the year	895	-
Less: current portion of loan to director	632	-
	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.

11 FUNDS RECEIVABLE	Note	2022 Rs '000	2021 Rs '000
Funds receivable at the beginning of the year		429,685	275,730
Add:			
Recognized as grant income	17	1,149,033	839,252
Transferred to deferred capital grant	14	6,913	32,135
		1,155,946	871,387
Less:			
Grant received during the year		(1,240,000)	(707,298)
Interest income		(209)	(9,941)
Gain on disposal of property and equipment		(1,012)	-
Refund of scholarship / unspent funds		(2,057)	(193)
		(1,243,278)	(717,432)
Funds receivable at the end of the year	11.1	342,353	429,685

- 11.1 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.

	Note	2022 Rs '000	2021 Rs '000
12 BANK BALANCE			
Cash at bank in:			
Current account	12.1	18,989	207,298
Saving account	12.2	-	476
		<u>18,989</u>	<u>207,774</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 5.75% to 12.25% (2021: 5.5%) per annum.

	Note	2022 Rs '000	2021 Rs '000
13 LEASE LIABILITIES			
Balance at the beginning of the year		181,437	-
Additions during the year		71,825	197,842
Unwinding of interest on lease liabilities	13.2	13,819	9,346
Payments during the year		<u>(41,202)</u>	<u>(25,751)</u>
Balance at the end of the year		225,879	181,437
Less: current portion of lease liabilities shown under current liabilities		<u>(47,648)</u>	<u>(29,415)</u>
		<u>178,231</u>	<u>152,022</u>

- 13.1 The undiscounted maturity analysis of lease liabilities at June 30, 2022 is as follows:

	Up to 1 year	Between 2 to 5 years	Over 5 years	Total
	Rs '000			
Lease payments 2022	<u>64,822</u>	<u>201,544</u>	<u>-</u>	<u>266,366</u>
Lease payments 2021	<u>41,202</u>	<u>168,866</u>	<u>-</u>	<u>210,068</u>

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

	2022 Rs '000	2021 Rs '000
Project / program activities - National Incubation Centres	2,032	-
Finance costs	<u>11,787</u>	<u>9,346</u>
	<u>13,819</u>	<u>9,346</u>

APG

14	DEFERRED CAPITAL GRANT	Note	2022 Rs '000	2021 Rs '000
	Balance at the beginning of the year		34,357	8,095
	Property and equipment			
	Additions during the year	6	4,704	32,499
	Net book value of assets disposed off		(124)	(364)
			4,580	32,135
	Intangible Assets			
	Additions during the year	7	2,333	-
		14.1	6,913	32,135
	Amortization of deferred capital grant			
	Depreciation charge for the year	19	(9,705)	(5,873)
	Amortization charge for the year	19	(647)	-
			(10,352)	(5,873)
	Balance at the end of the year		30,918	34,357

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	2022 Rs '000	2021 Rs '000
	Payable to implementing partners	15.1	363,209	588,460
	Payable to suppliers		8,115	10,579
	Rent payable to National Information Technology Board		17,511	-
	Leave encashment payable	15.2	-	9,640
	Payable to gratuity fund	15.3	50,002	13,465
	Accrued liabilities		22,348	23,247
	Withholding tax payable		211	-
			461,396	645,391

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	2022 Rs '000	2021 Rs '000
	Balance at the beginning of the year		9,640	9,534
	Charge for the year		8,967	10,106
	Benefits paid during the year		(18,607)	(10,000)
	Balance at the end of the year		-	9,640

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	85,116	82,584
Payables		5,303	6,844
Fair value of plan assets	15.3.6	(40,417)	(75,963)
Net liability at end of the year		50,002	13,465

	Note	2022 Rs '000	2021 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		13,465	11,009
Cost for the year recognised in statement of comprehensive income	15.3.3	12,572	8,729
Payments / contributions made during the year		(18,028)	(12,269)
Receivable from the Company		19,025	-
Adjustment against payable		-	(148)
Remeasurement loss recognised in statement of comprehensive income	15.3.4	22,968	6,144
Net liability at the end of the year		<u>50,002</u>	<u>13,465</u>
15.3.3 The amounts recognised in statement of comprehensive income are as follows:			
Current service cost		11,763	8,772
Net interest income		809	(43)
		<u>12,572</u>	<u>8,729</u>
15.3.4 Remeasurements recognised in other comprehensive income are as follows:			
Remeasurement loss on defined benefit obligation		20,811	3,976
Remeasurement loss on plan assets		2,157	2,168
		<u>22,968</u>	<u>6,144</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		82,584	70,910
Current service cost		11,763	8,772
Interest cost		6,588	6,746
Benefits paid		(36,630)	(6,905)
Increase in payables by the fund		-	(915)
Remeasurement loss on defined benefit obligation		20,811	3,976
Present value of defined benefit obligation as at end of the year		<u>85,116</u>	<u>82,584</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		75,963	71,342
Expected return on plan assets		5,779	6,789
Contributions during the year		13,464	6,905
Receivable from the Company		(19,025)	-
Benefits paid		(33,607)	(6,905)
Remeasurement (loss) on plan assets		(2,157)	(2,168)
Fair value of plan assets as at end of the year		<u>40,417</u>	<u>75,963</u>

APP

	2022 Rs '000	2021 Rs '000
15.3.7 Plan assets comprise of		
Bank balance - saving account	27,411	75,964
Advance gratuity payment to employees	13,006	-
	<u>40,417</u>	<u>75,964</u>
15.3.8 Actual return on plan assets	<u>3,623</u>	<u>4,621</u>
15.3.9 Expected contribution for the next year	<u>19,386</u>	<u>10,350</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:

	2022	2021
Withdrawal rate	Moderate	Moderate
Mortality rate	Adjusted SLIC (2001-05)	Adjusted SLIC (2001-05)
Discount rate per annum	13.50%	10.25%
Salary increase rate per annum	12.50%	9.25%
Weighted average duration of the obligation	14 years	13 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%	(9,509)	11,389
Salary increase	1%	11,473	(9,765)

15.3.12 Projected benefit payments from gratuity fund are as follows:

	2022 Rs '000	2021 Rs '000
For the year 2023	2,382	2,347
For the year 2024	2,796	2,375
For the year 2025	3,056	2,346
For the year 2026	3,372	2,484
For the year 2027	24,825	2,658
For the year 2028-32	39,200	43,973

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, 2022 (2021: Rs Nil).

	Note	2022 Rs '000	2021 Rs '000
16.2 Commitments to disburse funds in respect of:			
National incubation centers		<u>1,864,991</u>	<u>1,213,603</u>
Digiskills project		<u>660,173</u>	<u>105,149</u>
Technical research and development projects		<u>-</u>	<u>61,876</u>
16.3 Capital Expenditure Commitments:			
Capital expenditure		<u>4,294</u>	<u>-</u>

17 GRANT INCOME RECOGNIZED

Amortization of deferred capital grant	14	10,352	5,873
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Funds receivable recognized as grant income during the year

Operating costs	19.2	268,042	243,759
Finance costs	20	11,787	9,346
Project / program activities	18	846,236	580,003
Remeasurement loss on defined benefit scheme	15.3.4	22,968	6,144
		<u>1,149,033</u>	<u>839,252</u>
		<u>1,159,385</u>	<u>845,125</u>

18 PROJECT / PROGRAM ACTIVITIES

National incubation centers	550,027	343,906
Digiskills project	194,629	171,972
Technical research and development projects	51,981	58,511
Conferences, seminars and scientific events	49,599	5,614
	<u>846,236</u>	<u>580,003</u>

	Note	2022 Rs '000	2021 Rs '000
19 OPERATING COSTS			
Salaries and benefits	19.1	175,825	164,544
Rent and utilities		1,616	18,331
Travelling expenses		15,268	6,969
Communication charges and IT support		4,268	4,608
Printing and stationery		2,598	1,673
Repairs and maintenance		1,014	1,291
Janitorial services		1,926	2,264
Advertising expenses		7,978	6,366
Auditors' remuneration	19.3	775	660
Legal and professional charges		1,899	777
Depreciation on property and equipment	6	9,705	5,873
Amortization on intangible assets	7	647	-
Depreciation on right of use asset	8	39,568	26,379
External evaluator's fee		-	1,193
Director fees and other expenses		13,362	7,638
Training, workshop and seminars		724	27
Miscellaneous		1,221	1,039
		<u>278,394</u>	<u>249,632</u>

19.1 This includes post retirement staff benefits amounting to Rs 12,572 thousand (2021: Rs 8,729 thousand).

	Note	2022 Rs '000	2021 Rs '000
19.2 Operating cost charged to funds receivable			
Operating cost	19	278,394	249,632
Less:			
Depreciation / amortisation charged to deferred capital grant		<u>(10,352)</u>	<u>(5,873)</u>
		<u>268,042</u>	<u>243,759</u>
19.3 Auditors' remuneration			
Statutory audit fee		600	500
Review fee of statement of compliance		108	100
Out of pocket expenses		<u>67</u>	<u>60</u>
		<u>775</u>	<u>660</u>

20 FINANCE COSTS

This represents unwinding of interest on lease liabilities recognised during the year, as disclosed in note 13.2 to the financial statements.

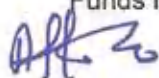
21 FINANCIAL INSTRUMENTS

	2022 Rs '000	2021 Rs '000
21.1 Financial assets and liabilities		
Financial assets at amortised cost		
Maturity up to one year		
Loans and advances - considered good	11,752	11,928
Funds receivable	342,353	429,685
Accrued interest on bank balance	124	4,026
Bank balance	18,989	207,774
	<u>373,218</u>	<u>653,413</u>
Maturity after one year		
Long term loans and advances - considered good	4,857	1,028
	<u>4,857</u>	<u>1,028</u>
Financial liabilities at amortised cost		
Maturity up to one year		
Lease liabilities	47,648	29,415
Trade and other payables	411,183	631,926
	<u>458,831</u>	<u>661,341</u>
Maturity after one year		
Lease liabilities	178,231	152,022
	<u>178,231</u>	<u>152,022</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	2022 Rs '000	2021 Rs '000
Counterparties with external credit rating			
Accrued interest on bank balance	AAA	124	4,026
Bank balance	AAA	18,989	207,774
Counterparties without external credit rating			
Loans and advances - considered good		16,609	12,956
Funds receivable - Government of Pakistan		342,353	429,685



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:

	2022			2021		
	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	411,183	-	411,183	631,926	-	631,926
Lease liabilities	47,648	178,231	225,879	29,415	152,022	181,437

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.

Financial assets of Rs Nil (2021: Rs 476 thousand) and financial liabilities of Rs 225,879 thousand (2021 : Rs 181,473 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

	2022 Rs '000	2021 Rs '000
Chief Executive		
Managerial remuneration	12,495	5,397
Bonus	895	894
Perquisites	2,246	1,100
Company's contribution to gratuity fund	217	41
	<u>15,853</u>	<u>7,432</u>
Number of person(s)*	<u>1</u>	<u>2</u>
Executives		
Managerial remuneration	81,492	78,492
Bonus	7,943	11,509
Perquisites	29,734	33,095
Company's contribution to gratuity fund	11,680	7807
	<u>130,849</u>	<u>130,903</u>
Number of persons	<u>32</u>	<u>29</u>

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

22.2 The aggregate amount charged in the financial statements for the year as fees to Directors is Rs. 11,700 thousand (2021: Rs. 6,820 thousand) for attending Board of Directors meetings and sub-committee meetings. Rs. 62.5 thousand (2021: Rs. 50 thousand) per director per meeting was paid during the year.

** including those who worked part of 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:

	2022 Rs '000	2021 Rs '000
Grant received during the year:		
From MoITT	1,240,000	707,298
Disbursements made to / (refunds) from:		
National Telecommunication Corporation	369	419
Virtual University of Pakistan	338,598	157,612
Universal Service Fund	-	60
Nayatel (Private) Limited	71	3
Pakistan Mobile Communication Limited	124,707	107,723
Employees' Gratuity Fund	13,464	6,905
Pakistan Telecommunication Company Limited	47,006	-
Telecom Foundation	44,421	25,751
Amount (payable) / receivable as at June 30,		
National Telecommunication Corporation	(21)	(22)
Nayatel (Private) Limited	7	-
Universal Service Fund	(84)	-
Virtual University of Pakistan	99,969	(44,249)
Pakistan Mobile Communication Limited	(24,427)	(52,414)
Pakistan Telecommunication Company Limited	(2,219)	-
National Information Technology Board	(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	N/A	N/A
Nayatel (Private) Limited	Directorship	N/A	N/A
Virtual University of Pakistan	Common	N/A	N/A
Mr. Asim Shahryar Husain	Directorship	N/A	N/A
Syed Junaid Imam	Chief Executive and Director	N/A	N/A
	Director	N/A	N/A

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	Basis of Association	Number of shares held in the Company	Aggregate %age of Holding
Syed Hussnain Abbas Kazmi	Director	N/A	N/A
Mr. Zia-ul Mustafa Awan	Director	N/A	N/A
Mr. Rizwan Ahmad Sheikh	Director	N/A	N/A
Mr. Muhammad Omar Malik	Director	N/A	N/A
Mr. Ali Sher Mahsud	Director	N/A	N/A
Mr. Aamir Hafeez Ibrahim	Director	N/A	N/A
Mr. Malik Riaz Ahmed	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
Mr. AttahUllah Khattak	Director	N/A	N/A
Ms. Aisha Humera Ch	Director	N/A	N/A
Employees' Gratuity Fund	Employees' Gratuity Fund	N/A	N/A

24 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

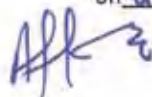
The spread of COVID - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. The Company has taken appropriate measures to keep its personnel and assets safe and secure and is continually monitoring the situation to counter act the changed environment. Based on management's assessment there is no material impact on the carrying values of assets and liabilities as of June 30, 2022 and on its operations for the year then ended. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

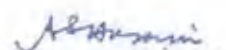
25 NUMBER OF EMPLOYEES

Number of persons employed as on June 30, 2022 are 51 (2021: 43). Average number of employees during the year were 48 (2021: 44).

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 27th September 2023




CHIEF EXECUTIVE
OFFICER


DIRECTOR



Ministry of IT & Telecom
DIGITAL PAKISTAN

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