

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2024

	Note	Un-Audited December 31st, 2024 (Rupees)	Audited June 30th, 2024 (Rupees)
<u>FUND AND LIABILITIES</u>			
General fund		577,375,797	503,559,978
NON-CURRENT LIABILITIES			
Staff benefits	4	99,773,923	112,659,200
Deferred grants related to projects	5	1,028,608,881	1,030,859,263
Deferred grants	6	554,671,027	574,223,022
		1,683,053,831	1,717,741,485
CURRENT LIABILITIES			
Trade and other payables	7	112,606,973	116,811,762
Liabilities relating to PSDP and other projects - restricted funds		15,000	-
Provision for taxation	8	7,206,823	19,623,222
		119,828,796	136,434,984
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		2,380,258,424	2,357,736,447
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property and equipment	10	612,941,477	621,857,990
Assets relating to PSDP and other projects - restricted funds	11	420,876,519	423,126,901
Long term security deposits		1,062,176	1,062,176
Long term advances	12	75,063,666	52,525,212
Deferred taxation	13	1,645,297	1,645,297
		1,111,589,135	1,100,217,576
CURRENT ASSETS			
Trade debts - considered good	14	11,482,784	9,943,351
Advances and prepayments	15	65,690,455	94,861,792
Other receivables	16	35,878,763	20,971,219
Assets relating to PSDP and other projects - restricted funds	17	607,747,363	607,732,363
Short term investment	18	300,000,000	200,000,000
Cash and bank balances	19	247,869,924	324,010,146
		1,268,669,289	1,257,518,871
		2,380,258,424	2,357,736,447

AUDITORS' REPORT ANNEXED

Annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED

STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD ENDED 31ST DECEMBER 2024

	Note	Three months ended		Six months ended		AUDITED
		December 31, 2024 (Rupees)	December 31, 2023 (Rupees)	December 31, 2024 (Rupees)	December 31, 2023 (Rupees)	June 30, 2024 (Rupees)
INCOME						
Amortization of deferred grants	5	45,076,526	67,957,198	50,646,679	90,470,532	358,426,508
Federal Government Recurring Budget	6	112,500,000	131,358,366	270,886,543	181,651,052	789,714,479
Federal Government grant (Subsidy for IT&ITeS Exporters)		-	-	-	-	825,000,000
Amortization of deferred grant - in kind	6	8,075,507	7,773,374	16,151,014	15,546,749	31,093,497
Revenue from bandwidth and related services	20	27,755,337	27,022,505	59,053,000	59,793,657	109,338,384
Registration and renewal fee	21	32,199,684	29,639,851	64,399,368	61,279,701	118,559,402
Other income	22	34,844,413	88,316,030	56,370,725	105,805,855	185,677,262
		260,451,467	352,067,324	517,507,329	514,547,546	2,417,809,532
EXPENDITURE						
Project cost - deferred grants related to projects	5	45,076,526	67,957,198	50,646,679	90,470,532	358,426,508
Subsidy for IT&ITeS Exporters		-	-	-	-	825,000,000
Salaries, allowances and benefits	23	57,925,106	49,605,900	105,955,898	93,817,859	207,276,785
Data node bandwidth and related charges	24	15,148,436	12,540,196	28,208,282	25,080,391	50,160,783
Travelling and conveyance		1,452,658	3,221,955	1,903,284	3,971,594	6,462,872
Advertisement and publicity		601,972	1,455,478	1,517,820	1,484,211	4,376,503
Communication charges	25	2,915,305	2,292,852	4,780,641	4,207,146	8,871,298
Utilities		5,156,880	4,727,578	8,074,094	7,677,663	15,566,020
Rent, rates and taxes		16,721,820	16,777,411	33,443,640	32,353,824	69,653,531
Vehicle running expenses		943,773	886,881	1,436,319	1,496,687	3,108,691
Fee and subscription	26	610,294	587,654	1,245,147	1,088,794	1,669,162
Printing and stationery		336,977	682,480	457,017	877,020	1,398,312
Newspaper and periodicals		8,380	5,730	10,510	9,400	27,267
Exhibitions and seminars		55,482,534	132,228,561	156,449,296	138,810,895	397,441,230
Repair and maintenance		2,622,862	1,428,728	4,965,544	2,424,258	6,667,664
Industry Skills and Development Programs		-	8,000,000	-	8,000,000	136,987,406
Trainings		-	60,700	1,015,000	96,690	183,690
Funding for Establishment of E-Rozgar		-	-	-	-	31,338,155
Auditor's remuneration	27	168,750	104,660	337,500	209,319	418,638
Legal and professional charges		668,500	292,000	1,170,500	292,000	2,582,000
Depreciation		5,542,340	4,092,160	10,324,242	8,184,320	16,368,640
Depreciation of assets related to deferred grant - in kind		8,075,507	7,773,374	16,151,014	15,546,749	31,093,497
Entertainment		106,579	56,060	365,093	256,354	821,245
Bank charges		6,551	15,704	18,373	50,838	93,839
		219,571,750	314,793,260	428,475,893	436,406,544	2,175,993,736
(DEFICIT)/ SURPLUS BEFORE TAXATION		40,879,717	37,274,064	89,031,436	78,141,002	241,815,796
Taxation	28	(6,949,552)	(6,336,591)	(15,215,617)	(13,283,970)	(43,665,070)
(DEFICIT)/ SURPLUS FOR THE PERIOD		33,930,165	30,937,473	73,815,819	64,857,032	198,150,726

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

CHIEF EXECUTIVE

DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2024

	Dec 2024 (Rupees)	June 2024 (Rupees)
(DEFICIT)/SURPLUS FOR THE YEAR	73,815,819	198,150,726
Other comprehensive income		
<i>Items that will not be reclassified to statement of income and expenditure</i>		
Remeasurement of defined benefit plan - net	-	1,379,606
Related deferred tax - net		(68,436)
	-	1,311,170
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>73,815,819</u>	<u>199,461,896</u>

CHIEF EXECUTIVE

DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE PERIOD ENDED 31ST DECEMBER 2024

	Rupees
Balance as at 01 July 2022	401,075,903
Deficit for the year	(88,637,771)
Other comprehensive loss for the year	(8,340,050)
Total comprehensive loss for the year	(96,977,821)
Balance as at 30 June 2023	304,098,082
Surplus for the year	198,150,726
Other comprehensive income for the year	1,311,170
Total comprehensive income for the year	199,461,896
Balance as at 30 June 2024	503,559,978
Surplus for the year	73,815,819
Other comprehensive income for the year	-
Total comprehensive income for the year	73,815,819
Balance as at 31st December 2024	577,375,797
 CHIEF EXECUTIVE	 DIRECTOR

PAKISTAN SOFTWARE EXPORT BOARD (GUARANTEE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2024

1 THE COMPANY AND ITS OPERATIONS

1.1 Pakistan Software Export Board (Guarantee) Limited ("the Company") was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on 13 June 1998 as Company limited by guarantee not having share capital to carry on business activities previously performed by the Pakistan Software Export Board more independently, effectively and dynamically. The registered office of the Company is situated at 2nd Floor, Evacuee Trust Complex, Sector F-5/1, Islamabad. The Company is fully owned and controlled by the Federal Government through Ministry of Information Technology.

The principal objective of the Company is to make Pakistan a preferred destination for the business process outsourcing, placing Pakistan as a key player in the global information technology market, creating an environment that is conducive for IT (Information Technology) business in the country and develop and strengthen domestic IT industry through various support programs and projects to deliver higher value added services and enhance IT and IT enabled services (ITeS) export from Pakistan.

1.2 Geographical location and address of Company is as follows:

S.No	Address
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1 Head Office Plot No 61, 06th Floor, New State Life Tower, Blue area Islamabad

2 Other Offices

a Islamabad: 2nd Floor Evacuee Trust Complex Agha Khan Road F 5/1 Islamabad

b Karachi: NICL Building 10th Floor, right wing Abbasi Shaheed Road Karachi

c Lahore: Office No 5/6, 5th Floor Shaheen complex Edgerton Road, Lahore

d Quetta: PSEB office No 1, Ultrasoft Building, Near Quetta International Airport, Quetta Balochistan

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, unless otherwise specifically stated.

2.3 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. These financial statements are presented in Pak Rupees, which is the Company's functional currency.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

2.4.1 Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment with a corresponding effect on the depreciation charge and impairment.

2.4.2 Defined benefit plan

The cost of the defined benefit plan i.e. gratuity and employees' earned leaves is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The medical facility as per service rules also requires management's judgement and estimation.

2.4.3 Allowance for expected credit losses

Company reviews the recoverability of its receivables to assess the amount required for expected credit losses.

2.4.4 Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.5 Provisions

The Company reviews its receivable and advances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

3.1 Employee benefits

Medical facility

Employees are entitled to medical facility allowance as determined in accordance with service regulations of the Company. During the year employees can get their actual medical expenses reimbursed and remaining balance of unused entitlement, if any, is forwarded to succeeding years which employees can get reimbursed in succeeding years or can encash on termination / resignation from the service.

Gratuity scheme

The Company operates an unfunded and unapproved gratuity scheme for its employees. Provision for gratuity is made annually to cover obligation under the scheme on the basis of forty five days basic pay for each respective completed year of service. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method. Actuarial gain or loss (remeasurements) are immediately recognised in 'Other comprehensive income/(loss)' as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligations. Current service costs and any past service costs together with net interest cost are charged to the statement of income and expenditure.

Employees' earned leaves

The Company provides the facility to its regular employees for accumulating their annual earned leaves. Under the unfunded scheme, employees are entitled to 48 days for each completed year of service subject to maximum accumulation of 96 days. Earned leaves accruing beyond the period of 96 days shall stand lapsed. The accumulated earned leaves balance shall be encashed at the time of severance of employment of the employee or earlier subject to the approval of the competent authority. The encashment of the leaves shall be made on the last basic salary drawn by the employee plus maximum entitlement of house rent. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method. Actuarial gain or loss (remeasurements) are immediately recognised in 'Other comprehensive income/(loss)' as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligations. Current service costs and any past service costs together with net interest cost are charged to the statement of income or expenditure.

3.2 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income and expenditure statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3 Provisions

Provisions are recognised when the Company has a 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 obligations and a reliable estimate of the amount can be made.

3.4 Property and equipment

Owned

Property and equipment except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection/construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Capital work-in-progress is stated at cost less any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure statement during the period in which they are incurred.

Depreciation

Depreciation on property and equipment is charged to income and expenditure statement applying the reducing balance method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 10 except for leasehold land which is depreciated on straight line basis over the lease term. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure statement in the year the asset is derecognised.

3.5 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, less any allowance for expected credited losses. Trade receivables generally do not include amount overdue by 365 days.

The company has applied the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

3.6 Trade and other payables

Liabilities for trade and other amounts payable are recognized at fair value, which is normally the transaction cost.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

3.8 Revenue recognition

Revenue is recognized when or as performance obligation is satisfied by rendering of services to a customer over time or at point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. Interest income is recognized as it accrues in profit or loss, using effective interest method

3.9 Government grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

Grants related to income

Grants related to income including PSDP and other projects' restricted grants are recognized on a systematic basis as income over the periods necessary to match them with related expenses incurred in accordance with terms of the respective grant agreements.

Grants related to assets

Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by setting up the grant as "Capital Grant". An amount equivalent to the depreciation for each year on such assets is credited to income and expenditure statement in the same year in which the depreciation is charged.

3.10 Financial instruments

Financial Assets

Classification and measurement

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of income and expenditure.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of income and expenditure and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

i. Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

ii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iii. De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a

Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.11 Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the income and expenditure statement.

	Note	Un-Audited December 2024 (Rupees)	Audited 2024 (Rupees)
4 STAFF BENEFITS			
Medical facility	4.1	8,921,528	10,075,697
Gratuity	4.2	73,254,650	83,467,758
Employees' earned leaves	4.2	17,597,745	19,115,745
		<u>99,773,923</u>	<u>112,659,200</u>
4.1 Medical facility			
Balance as on 01 July		10,075,697	8,187,216
Charge for the year	23	3,690,393	8,775,531
Benefits paid during the year		<u>(4,844,562)</u>	<u>(6,887,050)</u>
Net liability as on 31st December		<u>8,921,528</u>	<u>10,075,697</u>

The latest actuarial valuation for gratuity and earned leaves was carried out at 30 June 2024, using projected unit credit method. The amount recognised are determined as follows:

4.2 Financial position obligation			
Gratuity		73,254,650	83,467,758
Employees' earned leaves		17,597,745	19,115,745
		<u>90,852,395</u>	<u>102,583,503</u>

4.2.1 Movement in liability recognised in the statement of financial position

	Gratuity		Employees' earned leaves	
	Dec-24	2024	Dec-24	2024
At the beginning of the year	-	69,990,425	-	14,638,650
Current service cost	-	8,434,742	-	1,627,239
Interest cost for the year	-	11,023,492	-	2,009,420
Charge to other comprehensive income	-	(5,980,901)	-	4,601,296
Benefit paid during the year	-	-	-	(3,760,860.00)
At the end of the year	-	<u>83,467,758</u>	-	<u>19,115,745</u>

4.2.2 Amounts recognised in the statement of income and expenditure

	Gratuity		Employees' earned leaves	
	Dec-24	2024	Dec-24	2024
Current service cost	-	8,434,742	-	1,627,239
Interest cost for the year	-	11,023,492	-	2,009,420
	-	<u>19,458,234</u>	-	<u>3,636,659</u>

4.2.3 Amounts recognised in the statement of comprehensive income

	Gratuity		Employees' earned leaves	
	Dec-24	2024	Dec-24	2024
Actuarial gain due to experience adjustments	-	(5,980,901)	-	4,601,296

4.2.4 Principal actuarial assumptions used

	Gratuity		Employees' earned leaves	
	Dec-24	2024	Dec-24	2024
Discount rate		14.00%	14.00%	14.00%
Expected rate of increase in salary		13.00%	13.00%	13.00%
Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)

4.2.5 Allocation of charge for the year

	Gratuity		Employees' earned leaves	
	Dec-24	2024	Dec-24	2024
Salaries, allowances and benefits	-	19,458,234	-	4,601,296

4.2.6 Sensitivity analysis

	Gratuity		Employees' earned leaves	
	Dec-24	2024	Dec-24	2024
Discount Rate + 1 %	-	75,240,189	-	15,616,980
Discount Rate - 1 %	-	90,922,682	-	19,924,021
Salary growth rate + 1 %	-	90,982,246	-	19,912,252
Salary growth rate - 1 %	-	75,042,744	-	15,594,558

4.2.7 Risks associated with defined gratuity and employees' earned leaves benefit plans

Through its defined gratuity benefit plan and employees' earned leaves, the PSEB is exposed to a number of risks, the most significant of which are detailed below:

- Discount rate risk

The risk of changes in Discount rate will have an impact on the Actuarial Liability. Any increase in discount rate will reduce the Liability and vice versa.

- Salary increase / inflation risk

The increase in salary in the future years being higher than assumed will increase the Liability.

- Mortality risk

Any reduction in the mortality rates being assumed will increase the Liability.

- Withdrawal risk

Any differences in the assumed withdrawal rates will have a corresponding impact on the Liability depending on the Benefits payable on withdrawal.

5 DEFERRED GRANTS RELATED TO PROJECTS

Account Heads	Dec-24											TOTAL
	Certification of IT Professionals (Note 5.1)	Enhancing of IT Exports Through Industry Support Program (Note 5.2)	Standardization of IT Industry (Note 5.3)	Technology Marketing Export Program (Note 5.4)	General Data Protection Regulations (GDPR) (Note 5.5)	Raising Smart Capital Through Pvt Trading Market at PSX (Note 5.6)	ICT Internship Program (Note 5.7)	Component 2 of PM Initiatives (Note 5.8)	Component 3 of PM Initiatives (Note 5.9)	Establishment of IT Park, Karachi (Note 5.10)	Establishment of 25 STPs (Note 5.11)	
Balance as on 01 July	108,186,894	4,855,077	4,637,206	10,875,000	11,863,105	1,049,083	3,192,863	4,755,522	1,345,590	847,058,860	33,040,063	1,030,859,263
Add:												
Received during the year from:												
Government of Pakistan (Note 5.9)	7,101,684	-	-	-	-	-	-	14,076,172	4,668,078	4,468,750	18,081,613	48,396,297
Other Companies	-	-	-	-	-	-	-	-	-	-	-	-
Receivable from AGPR	-	-	-	-	-	-	-	-	-	-	-	-
	7,101,684	-	-	-	-	-	-	14,076,172	4,668,078	4,468,750	18,081,613	48,396,297
Less:												
Expenditures (Note 5.10)												
Consultancy/Appraisals - Capability Maturity Model Integration (CMMI) - ISO 27701/27001/20000	-	-	-	-	-	-	-	-	-	-	-	-
Trainings - CMMI - ISO 27001/20000/18295 & Certifications	-	-	-	-	-	-	-	-	-	-	-	-
Trainings/Certifications/Observations	(451,170)	-	-	-	-	-	-	-	-	-	-	(451,170)
Internship cost	-	-	-	-	-	-	-	-	-	-	-	-
Conference/Seminars/Workshop	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy & Contractual Work/Services	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and benefits	(6,635,444)	-	-	-	-	-	-	(12,950,564)	(4,662,886)	(4,453,750)	(11,454,456)	(40,157,100)
Travelling	-	-	-	-	-	-	-	(218,596)	-	-	-	(218,596)
Advertisement	(15,000)	-	-	-	-	-	-	-	(15,000)	-	-	(30,000)
Utilities	-	-	-	-	-	-	-	(440,088)	-	-	-	(440,088)
Rent for other buildings	-	-	-	-	-	-	-	-	-	-	(6,627,157)	(6,627,157)
Cabling & Fibers	-	-	-	-	-	-	-	-	-	-	-	-
Research Studies	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation (Note 11.1)	-	-	-	-	-	-	-	-	-	-	-	(2,250,382)
Others	(70)	-	-	-	-	-	-	(466,924)	(5,192)	-	-	(472,186)
	(7,101,684)	-	-	-	-	-	-	(14,076,172)	(4,668,078)	(4,468,750)	(18,081,613)	(50,646,679)
PSDP funds surrendered / lapsed	-	-	-	-	-	-	-	-	-	-	-	-
Funds Transfer to Government treasury / others	-	-	-	-	-	-	-	-	-	-	-	-
Others/Guarantee Return/Bids/EOI/Misc	-	-	-	-	-	-	-	-	-	-	-	-
Assets reclassified to PSEB owned assets	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st Dec	108,186,894	4,855,077	4,637,206	10,875,000	11,863,105	1,049,083	3,192,863	4,755,522	1,345,590	847,058,860	33,040,063	1,028,608,881

- 5.1 Through this project, PSEB plans to create a highly skilled resource pool within Pakistan IT industry and training of 10,000 participants including IT industry professionals to match advanced specialized international technological requirements.
- 5.2 Through this project, PSEB plans to support IT Industry by assisting companies in acquiring CMMI certifications and ISO 27001 & 20000. Resultantly, increasing IT Exports as per the vision 2025 set by the Government of Pakistan.
- 5.3 Through this project, PSEB plans to support IT Industry by assisting companies in acquiring ISO 18295 certifications and procurement of 2 research studies for branding and promotion of IT Industry within and outside Pakistan.
- 5.4 The aim of this project to increase the capacity of IT/ITeS companies for elaborative International PR and Marketing campaign.
- 5.5 The project aims to certify 50 IT/ITES companies on ISO27001 and ISO27701 standards in next three years for the purpose of General Data Protection Regulation compliance.
- 5.6 The aim of this project is to facilitate 40 potential Small Medium Size IT Enterprises looking to raise smart capital for business growth to qualify for listing and trade on PSX GEM (Growth Enterprise Market) .
- 5.7 The project aims to provide opportunity to 3000 graduates and their contributing members of the ICT industry by gaining processional experience through a 6 months internship in the ICT companies and IT departments of public and private sector organizations where ICT work is being performed.
- 5.8 Pakistan e-Rozgaar Establishment of more than 250 Co-working Spaces across Pakistan Pakistan Software Export Board
- 5.9 Capacity Building of IT Industry in Specialized Technologies & Platforms. Train 20,000 university students in specialized technologies and place 19,000 final-semester students in industry for practical experience.
- 5.10 The project aim is to establish Information Technology Parks (ITPs) to play an instrumental role to encourage collaboration, digitization and innovation in both traditional socio-economic sectors and new emerging technologies.
- 5.11 The project aims to establish 25 STPs (Software Technology Parks) in Karachi, Lahore, Islamabad, secondary and tertiary cities and towns of Pakistan.
- 5.12 The Company as a part of its activities, initiates, executes and implements project(s) funded through Public Sector Development Programmes (PSDP) of the Government of Pakistan to achieve specific objectives laid down in the Planning Commission Document -I (PC-1) of each project.
- 5.13 This represents the expenditure of eleven (11) (2024: 11) projects executed and operated by Pakistan Software Export Board (Guarantee) Limited during the year.

6 DEFERRED GRANTS

	Dec-24			2024		
	Purpose / utilization of grants			Grants received in kind	Total	Total
	Capital (Note 6.1)	Revenue (Note 6.2)	Total			
-----Rupees-----						
Balance as on 01 July	27,134,520	-	27,134,520	547,088,502	574,223,022	594,729,826
Grants received during the year	-	267,485,561	267,485,561	-	267,485,561	800,301,172
Grants amortized during the year						
- Depreciation	(3,400,982)	-	(3,400,982)	(16,151,014)	(19,551,996)	(38,147,433)
- Salaries and benefits	-	(84,908,723)	(84,908,723)	-	(84,908,723)	(150,130,543)
- Other operating expenses	-	(182,576,838)	(182,576,838)	-	(182,576,838)	(632,530,000)
	<u>(3,400,982)</u>	<u>(267,485,561)</u>	<u>(270,886,543)</u>	<u>(16,151,014)</u>	<u>(287,037,557)</u>	<u>(820,807,976)</u>
Balance	<u>23,733,539</u>	<u>(267,485,561)</u>	<u>(243,752,023)</u>	<u>530,937,488</u>	<u>554,671,027</u>	<u>574,223,022</u>

6.1 This represents grant received from Ministry of Information Technology for purchase of equipments and other capital items.

6.2 This represents grant received from Ministry of Information Technology for salaries, benefits of employees and other operating expenses.

	Note	Un-Audited December 2024 (Rupees)	Audited 2024 (Rupees)
7 TRADE AND OTHER PAYABLES			
Creditors	7.1	-	3,611,116
Accrued liabilities		8,203,635	4,427,810
Withholding income tax on services		8,846,736	8,606,872
Unrealized receipts	7.2	59,126,694	62,051,273
Advances from customers		-	-
Security deposits	7.3	11,865,657	11,349,681
Other payables		24,564,251	26,765,010
		<u>112,606,973</u>	<u>116,811,762</u>
7.1 These include amounts due to following related parties:			
National Telecommunication Corporation (NTC)		179,856	78,669
Pakistan Telecommunication Authority (PTA)		156,903	318,697
Pakistan Telecommunication Company Limited (PTCL)		-	2,630,122
		<u>336,759</u>	<u>3,027,488</u>
7.2 Movement of unrealized receipts - Relating to bandwidth receipts and Companies/call center receipts			
Opening balance as at 01 July		47,122,078	30,993,651
Additions during the year		59,126,694	47,122,078
Realized during the year		<u>(47,122,078)</u>	<u>(30,993,651)</u>
Closing balance		<u>59,126,694</u>	<u>47,122,078</u>
7.3 These security deposits relate to deposits from bandwidth customers kept in separate bank account as per requirements of Section 217(2) of the Companies Act, 2017. These deposits are not utilized for the purpose of business.			
8 PROVISION FOR TAXATION			
Opening balance		19,623,222	
Add: Provision for the year	28	7,206,823	41,454,848
Less: Prior year tax adjustment		-	-
Less: Tax paid / deducted at source		<u>(19,623,222)</u>	<u>(21,831,626)</u>
Closing balance		<u>7,206,823</u>	<u>19,623,222</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingency

9.2 Commitment

The company has no commitments as at 31st Dec, 2024.

	Note	Un-Audited December 2024 (Rupees)	Audited 2024 (Rupees)
10 PROPERTY AND EQUIPMENT			
See attached schedule		612,941,477	621,857,990
11 ASSETS RELATING TO PSDP AND OTHER PROJECTS - RESTRICTED FUNDS			
See attached schedule			
Operating fixed assets		42,757,253	45,007,635
Capital work-in-progress - civil works		378,119,266	378,119,266
		<u>420,876,519</u>	<u>423,126,901</u>
	Note	Un-Audited December 2024 (Rupees)	Audited 2024 (Rupees)
12 LONG TERM ADVANCES			
Considered good:			
Advances to employees against salaries and benefits		78,430,452	61,600,047
Less: Current portion shown under current assets		(3,366,786)	(9,074,835)
		<u>75,063,666</u>	<u>52,525,212</u>
13 DEFERRED TAXATION			
This comprises of following:			
Taxable temporary differences			
Accelerated tax depreciation		-	(3,943,224)
Deductible temporary differences			
Provision for gratuity		-	4,140,464
Provision for medical facility		-	499,810
Provision for earned leaves		-	948,247
		<u>-</u>	<u>5,588,521</u>
		<u>-</u>	<u>1,645,297</u>
13.1 Movement in deferred tax balances is as follows:			
At beginning of the year		1,645,297	3,923,955
Recognized in income and expenditure statement:			
Accelerated tax depreciation		-	(3,245,578)
Provision for gratuity		-	952,117
Provision for medical facility		-	92,144
Provision for earned leave		-	(8,905)
		<u>-</u>	<u>(2,210,222)</u>
Recognized in statement of comprehensive income:			
Remeasurement of defined benefit plan		-	(68,436)
		<u>1,645,297</u>	<u>1,645,297</u>
14 TRADE DEBTS - CONSIDERED GOOD			
As on 31st Dec 2024, trade debts were neither past due nor impaired. The aging analysis of these trade debts is as follows:			
Up to 2 months		11,482,784	9,943,351
More than 2 months		-	-
		<u>11,482,784</u>	<u>9,943,351</u>

	Note	Un-Audited December 2024 (Rupees)	Audited 2024 (Rupees)
15 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances to employees against expenses		432,645	99,501
Current portion of long term advances		3,366,786	9,074,835
Advances to Suppliers		27,840,333	27,840,333
Security deposit		18,553,360	18,553,360
Short term prepayments		15,497,331	39,293,763
Advance tax		-	21,831,626
		<u>65,690,455</u>	<u>116,693,418</u>
16 OTHER RECEIVABLES			
Profit receivable from deposits in saving accounts		-	8,878,481
Profit receivable on TDR		34,964,107	11,178,082
Others		914,656	914,656
		<u>35,878,763</u>	<u>20,971,219</u>
17 ASSETS RELATING TO PSDP AND OTHER PROJECTS - RESTRICTED FUNDS			
Advances to vendors	17.1	575,752,238	575,752,238
Other Advances		30,000	-
Internal Receivables		22,164,850	22,164,850
Cash with banks in current accounts		9,800,275	9,815,275
		<u>607,747,363</u>	<u>607,732,363</u>
17.1	The advance is given to the vendors for the purpose of IT Trainings which comprises Rs. Nil (2024: Rs. Nil) under project titled "Enhancing of IT Exports through Industry Program", Rs. 102,612,644/- (2024: Rs. 102,612,644/-) under project titled "Certification of IT Professionals" Rs. 4,200,000 (2024: Rs. 4,200,000) under project titled "General Data Protection Regulation" and Rs. 468,939,594 (2024: Rs. 468,939,594) under project titled "Establishment of IT Park Karachi"		
18 SHORT TERM INVESTMENT			
This represents investment of Rs 200,000,000 and Rs 100,000,000 each in a Term Deposit Receipts (TDRs) placed with National Bank of Pakistan for a period of 1 year carry markup of 20.00% and 16.24% respectively (2023: One TDR Rs 200,000,000 20.10%) per annum.			
19 CASH AND BANK BALANCES			
Cash in hand		182,774	110,235
Cash at banks:			
- Current accounts- Local Currency		-	957
- Saving accounts- Local Currency	19.1	247,687,150	323,898,954
		<u>247,687,150</u>	<u>323,899,911</u>
		<u>247,869,924</u>	<u>324,010,146</u>
19.1	These include funds of Rupees 22,943,085/- (2024: Rupees 22,434,550/-) in Bank Alfalah Limited and Rupees 76,885,525/- (2024: Rupees 92,714,446/-) in Habib Bank Limited, earmarked for Data Node Securities and employee benefits respectively.		
19.2	The balances in saving accounts carry interest of 2024: 12.00% to 14.000% (2024: 18.00% to 17%).		
20 REVENUE FROM BANDWIDTH AND RELATED SERVICES			
This represents revenue against provision of bandwidth and related services to various parties with bandwidth slabs having different ranges (as per client requirement)			
21 REGISTRATION AND RENEWAL FEE			
This represents registration and renewal fee from various I.T companies and call centers against regulatory and corporate facilitations.			

	Note	Un-Audited December 2024 (Rupees)	Audited 2024 (Rupees)
22 OTHER INCOME			
Income from financial assets			
Profit on bank deposits		18,401,400	54,085,699
Profit on Term Deposits Receipt		23,786,027	40,144,109
		<u>42,187,427</u>	<u>94,229,808</u>
Income from non-financial assets			
Exhibition participation fee		12,865,927	91,024,463
Miscellaneous		1,317,371	422,991
		<u>14,183,298</u>	<u>91,447,454</u>
		<u>56,370,725</u>	<u>185,677,262</u>
23 SALARIES, ALLOWANCES AND BENEFITS			
Salaries		59,516,964	100,212,030
Allowances and other benefits		38,835,423	75,194,331
Medical facility	4.1	3,690,393	8,775,531
Gratuity	4.2.5	1,103,298	19,458,234
Employees' earned leaves	4.2.5	214,002	3,636,659
		<u>103,360,080</u>	<u>207,276,785</u>
24 DATA NODE BANDWIDTH AND RELATED CHARGES			
Interoperator charges (Bandwidth,LMM)		27,672,547	48,058,236
IP address charges			963,021
Service charges		535,735	1,139,526
		<u>28,208,282</u>	<u>50,160,783</u>
25 COMMUNICATION CHARGES			
This includes services received from Associated Companies "Pakistan Telecommunication Company Limited" Rupees 63,300/- (2024: Rupees 280,619/-) and "National Telecommunication Company" Rupees 437,548/- (2023: Rupees 958,678/-) during the year.			
26 FEE AND SUBSCRIPTION			
This includes license fee payable to Pakistan Telecommunication Authority for the year amounting to Rupees 156,903/- (2024: Rupees 318,697/-).			
27 AUDITOR'S REMUNERATION			
Audit fee		287,500	348,638
Taxation services		50,000	70,000
		<u>337,500</u>	<u>418,638</u>
28 TAXATION			
Current taxation			
- for the period		15,215,617	41,454,848
-prior year		-	-
Deferred taxation	13.1		2,210,222
	28.1	<u>15,215,617</u>	<u>43,665,070</u>
		Un-Audited	Audited
	Note	December 2024	2024
		(Rupees)	(Rupees)
28.1 Reconciliation of tax charge for the year			
Profit before tax		89,031,436	241,815,796
Tax on profit		15,135,344	70,126,581
Tax effect on exempt income			(29,737,904)
Tax effect on income under minimum tax			1,066,171
Tax impact of temporary differences			-
Deferred tax			2,210,222
Prior year tax			-
		<u>15,135,344</u>	<u>43,665,070</u>

29 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Balance as on 01 July 2023		207,676,750
Restricted grants received		1,320,688,339
Receivable from Auditor General Pakistan Revenues		-
Expenditures incurred		(358,426,508)
Restricted grants lapsed		(96,907,798)
Funds transferred to Federal Government Treasury/others-Lapsed		(10,335,000)
Assets transferred to PSEB		(17,640,628)
Balance as on 30 June 2024	<u>-</u>	<u>1,045,055,155</u>

30 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of remuneration and other benefits to the Chief Executive Officer and Executives of the company are:

	Chief Executive Officer		Executives	
	Dec 2024	2024	Dec-24	2024
Managerial remuneration	4,003,226	-	21,433,118	42,296,105
Allowances	-	-		
House rent allowance	-	-	9,644,910	19,024,886
Conveyance	-	-	4,875,509	10,313,177
Medical facility	-	-	744,429	2,125,330
Earned leaves	-	-	214,002	4,439,852
Gratuity	-	-	1,103,298	7,269,003
Others		81,935	873,426	2,831,504
	<u>4,003,226</u>	<u>81,935</u>	<u>38,888,692</u>	<u>-</u>
				<u>88,299,857</u>

31 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Associated companies and key management personnel. Detail of transactions with related parties have been specifically disclosed in relevant notes to these financial statements.

Following are the related parties with whom the Company had entered into transactions or had agreements and/or arrangements in place during the year:

Name of related party	Relationship	Basis of relationship
Pakistan Telecommunication Authority	Associated company	Common director
Pakistan Telecommunication Company Limited	Associated company	Common director
National Telecommunication Corporation	Associated company	Common director
Abu Bakar	Key management personnel	
Sajid Mahmood Warraich	Key management personnel	
Amir Anzur	Key management personnel	
Sajid Mahmood Warraich	Key management personnel	
Muhammad Sulman Hassan	Key management personnel	
Syed Asim Hamza Gillani	Key management personnel	
Shaukat Ali	Key management personnel	
Shahbaz Hameed	Key management personnel	
Amir Ahmad	Key management personnel	

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as it has no receivables and payables denominated in foreign currency.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

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

The Company has no significant long-term interest-bearing liabilities. The Company's interest rate risk arises from bank balances in saving accounts and short term investment. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the financial position date the interest rate profile of the Company's interest bearing financial instruments was:

	Un-Audited	Audited
	December 2024	2024
	(Rupees)	(Rupees)
Fixed rate instruments		
Financial asset		
Short term investment	300,000,000	200,000,000
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	247,687,150	323,898,954
Fair value sensitivity analysis for fixed rate instruments		

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect the statement of income and expenditure of the Company.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Un-Audited	Audited
	December 2024	2024
	(Rupees)	(Rupees)
Long term advances	75,063,666	52,525,212
Long term security deposits	1,062,176	1,062,176
Trade debts - considered good	11,482,784	9,943,351
Other receivables	35,878,763	20,971,219
Assets relating to PSDP and other projects - restricted funds	9,830,275	9,815,275
Short term investment	300,000,000	200,000,000
Bank balances	247,687,150	323,899,911
	<u>681,004,814</u>	<u>618,217,144</u>

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Outstanding receivable are regularly monitored.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	December 2024 (Rupees)	2024 (Rupees)
33.1 Financial instruments by categories		
Financial assets - amortized cost		
Long term advances	75,063,666	52,525,212
Long term security deposits	1,062,176	1,062,176
Trade debts - considered good	11,482,784	9,943,351
Other receivables	35,878,763	20,971,219
Assets relating to PSDP and other projects - restricted funds	9,830,275	9,815,275
Short term investment	300,000,000	200,000,000
Bank balances	247,687,150	323,899,911
	<u>681,004,814</u>	<u>618,217,144</u>
Financial liabilities - amortized cost		
Staff benefits	99,773,923	112,659,200
Trade and other payables	53,480,279	54,760,489
	<u>153,254,202</u>	<u>167,419,689</u>

33.2 FUND MANAGEMENT

The Management's objective when managing fund is to safeguard the Company's ability to continue as a going concern so that it can achieve its primary objective, provide benefits for other stakeholders and to maintain a strong fund base to support the sustained development.

33 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

34 NUMBER OF EMPLOYEES	December 2024	2024
Number of employees as on 31st December 2024	141	129
Average number of employees during the year	140	132

35 DISCLOSURES REQUIRED BY PTA

35.1 Number of subscribers at the end of each month

Broadband subscribers of the Company at the end of each month ranges from 90 to 98 (2024: 88 to 97).

35.2 Intercity leased bandwidth with identification of terminal points

	----- Mbps -----	----- Mbps -----
Lahore	609	609
Islamabad	1442	1442
Karachi	351	351
Swat	22	22
Faisalabad	45	45
Quetta	5	5
Gilgit	-	-
Jamshoro	10	10

35.3 Quality of service reports

Quarterly quality of service reports have been submitted to PTA in the format prescribed in the license.

35.4 Presentation of gross profit and operating profit

Gross profit and operating profit has not been presented in the income and expenditure account keeping in view receipts of grants and not-for-profit activities of the company.

36 GENERAL

Figures have been rounded to the nearest Rupee.

37 DATE OF AUTHORIZATION

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

CHIEF EXECUTIVE

DIRECTOR

11. ASSETS RELATING TO PSDP AND OTHER PROJECTS - RESTRICTED FUNDS

Description	Dec 31 2024	June 30 2024
Operating fixed assets	42,757,253	45,007,635
Capital work-in-progress - civil works	378,119,266	378,119,266
Total	420,876,519	423,126,901

Particulars	Cost			Rate %	Accumulated Depreciation			Written Down Value as at 31st December 2024
	As at 01 July 2024	Additions	As at 31st December 2024		As at 01 July 2024	Depriciation for the year	As at 31st December 2024	
	-----Rupees-----				-----Rupees-----			
Furniture and fittings	1,729,324		1,729,324	10	344,679	69,232	413,911	1,315,413
Office and Electrical equipment	13,894,751		13,894,751	10	2,688,225	560,326	3,248,551	10,646,200
Computer equipment	25,165,256		25,165,256	25	9,020,063	807,260	9,827,323	15,337,933
Data node equipments and installations	18,352,324		18,352,324	20	2,081,053	813,564	2,894,617	15,457,707
Land /Leased Hold Improvements	-		-	-	-	-	-	-
	59,141,655	-	59,141,655		14,134,020	2,250,382	16,384,402	42,757,253