



Pak Datacom

3rd Quarter Report
July 2012 to March 2013
(Un-audited)

PAK DATACOM LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS

- | | |
|--------------------------|-----------------|
| 1. Raashid Bashir Mazari | Chairman |
| 2. Muhammad Amir Malik | Chief Executive |
| 3. Iftikhar Ahmed Raja | |
| 4. Muhammad Arif | |
| 5. Amjad Hussain Qureshi | |
| 6. Nessar Ahmed | |
| 7. Muhammad Yaqoob | |

CFO / COMPANY SECRETARY

Syed Sajjad Hasan Jafri

AUDIT COMMITTEE

- | | |
|--------------------------|----------|
| 1. Nessar Ahmed | Chairman |
| 2. Muhammad Arif | |
| 3. Iftikhar Ahmed Raja | |
| 4. Amjad Hussain Qureshi | |

HUMAN RESOURCE AND REMUNERATION COMMITTEE

- | | |
|--------------------------|----------|
| 1. Raashid Bashir Mazari | Chairman |
| 2. Muhammad Amir Malik | |
| 3. Iftikhar Ahmed Raja | |
| 4. Muhammad Yaqoob | |

REGISTERED OFFICE

1st Floor, TF Complex, 7-Mauve Area, G-9/4, Islamabad

HEAD OFFICE

3rd Floor, Umar Plaza, Blue Area, Islamabad
Tel # (051) 2823677, 2872691, Fax # (051) 2823270

SHARES DEPARTMENT

Hassan Farooq Associates (Private) Limited, HF House, 7/3-G, Mushtaq Ahmed Gormani Road, Gulberg II, Lahore
Tel # (042) 35761661-2, Fax # (042) 35755215

AUDITORS

HLB Ijaz Tabussum & Co., Chartered Accountants, 303, Sawan Road, G-10/1, Islamabad

LEGAL ADVISOR

KAZMIZ Associates & Corporate Consultants, House # 14, Street # 48, F-8/4, Islamabad

DIRECTORS' REPORT

The Board of Directors of Pak Datacom Limited (PDL) is pleased to present the financial statements for the third quarter of the financial year from 1st July, 2012 to March 31, 2013.

In the first nine months of the current financial year, PDL earned total revenue of Rs. 581.115 million as compared to Rs. 574.124 million of the corresponding period of last year while it posted pre-tax profit of Rs. 126.516 million as compared to Rs. 107.080 million of the corresponding period.

PDL management is striving to achieve business targets by strategic measures for increasing the operational performance and exploring new ventures. The company operations were also expanded in the overseas market in addition to the remote areas of the country where usually other service providers don't like to work while networks cost was rationalized through effective measures.

PDL is focused to provide efficient, reliable and up to date services to its valued customer, which not only contribute towards their retention but also resulted in getting more business from them. Through strategic plans and policies, the management is striving hard for getting more business to achieve business targets and revenue.

The management aims to maintain the growth and remains committed to attain high value for its shareholders in future. We thank our valued shareholders, regulators and customers for their trust and consistent support for PDL. We also appreciate the employees for their commitment to promote the business of the Company.

For and on behalf of the Board

**Islamabad
April 29, 2013**

**Muhammad Amir Malik
Chief Executive**

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2013

| | Note | Un-audited March 31, 2013 Rupees | Audited June 30, 2012 Rupees |
|--|------|---|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital - 100,000,000 ordinary shares (June 2012: 100,000,000) of Rupees 10 each | | 1,000,000,000 | 1,000,000,000 |
| Issued, subscribed and paid up capital | 4 | 98,010,000 | 98,010,000 |
| Reserves | | 647,476,601 | 624,346,143 |
| | | 745,486,601 | 722,356,143 |
| NON-CURRENT LIABILITIES | | | |
| Deferred taxation | | 17,540,051 | 24,520,359 |
| Leave encashment | | 27,722,837 | 24,075,486 |
| | | 45,262,888 | 48,595,845 |
| CURRENT LIABILITIES | | | |
| Customers' deposits | | 99,198,980 | 94,560,782 |
| Due to associated companies | | 649,620 | 649,620 |
| Trade and other payables | | 254,006,046 | 123,693,798 |
| Provision for taxation | | 54,212,523 | 69,199,942 |
| | | 408,067,169 | 288,104,142 |
| | | 1,198,816,659 | 1,059,056,130 |
| CONTINGENCIES AND COMMITMENTS | 5 | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 324,182,989 | 351,912,386 |
| Intangible assets | 7 | 8,286,647 | 9,407,899 |
| | | 332,469,636 | 361,320,285 |
| CURRENT ASSETS | | | |
| Trade debts | | 164,961,283 | 94,440,454 |
| Advances | | 118,327,569 | 1,671,324 |
| Trade deposits and short term prepayments | | 64,220,586 | 37,144,490 |
| Due from associated companies | | 53,000 | 31,800 |
| Other receivables | | 667,301 | 1,280,701 |
| Interest accrued | | 1,889,321 | 512,485 |
| Advance tax | | 38,739,075 | 79,631,854 |
| Short term investments | 8 | 335,240,000 | 296,368,000 |
| Cash and bank balances | | 142,248,888 | 186,654,737 |
| | | 866,347,023 | 697,735,845 |
| | | 1,198,816,659 | 1,059,056,130 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

IFTIKHAR AHMED RAJA
DIRECTOR

MUHAMMAD AMIR MALIK
CHIEF EXECUTIVE

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

| | Note | For the Quarter Ended | | For the Nine Month Ended | |
|----------------------------|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | March, 31 2013 Rupees | March, 31 2012 Rupees | March, 31 2013 Rupees | March, 31 2012 Rupees |
| Revenue | 9 | 174,894,543 | 194,234,920 | 581,115,086 | 574,123,988 |
| Cost of services | 10 | (112,628,889) | (135,517,491) | (390,366,554) | (405,387,214) |
| Gross profit | | 62,265,654 | 58,717,429 | 190,748,532 | 168,736,774 |
| Administrative expenses | 11 | (28,395,833) | (18,094,342) | (84,043,678) | (70,780,046) |
| Marketing expenses | 12 | (3,642,363) | (3,710,425) | (11,678,343) | (11,988,340) |
| | | (32,038,196) | (21,804,767) | (95,722,021) | (82,768,386) |
| Operating profit | | 30,227,458 | 36,912,662 | 95,026,511 | 85,968,388 |
| Other operating income | | 9,924,721 | 4,601,838 | 32,301,118 | 21,699,180 |
| | | 40,152,179 | 41,514,500 | 127,327,629 | 107,667,568 |
| Finance cost | | 284,851 | (221,821) | (811,693) | (587,277) |
| Profit before taxation | | 40,437,030 | 41,292,679 | 126,515,936 | 107,080,291 |
| Provision for taxation | | (14,152,960) | (14,451,242) | (44,579,478) | (37,899,394) |
| Profit after taxation | | 26,284,070 | 26,841,437 | 81,936,458 | 69,180,897 |
| Other comprehensive income | | - | - | - | - |
| Net profit for the period | | 26,284,070 | 26,841,437 | 81,936,458 | 69,180,897 |
| Earning per share | 13 | 2.68 | 2.74 | 8.36 | 7.06 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

IFTIKHAR AHMED RAJA
DIRECTOR

MUHAMMAD AMIR MALIK
CHIEF EXECUTIVE

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

| | March 31, 2013 Rupees | March 31, 2012 Rupees |
|---|-----------------------------|-----------------------------|
| FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the period before taxation | 126,515,936 | 107,080,291 |
| Adjustments for non-cash and other items: | | |
| Depreciation | 43,423,613 | 46,673,190 |
| Depreciation - joint venture assets | 640,985 | 828,337 |
| (Gain)/ loss on disposal of property, plant and equipment | (40,595) | (277,724) |
| Amortisation-intangible assets | 1,121,252 | 801,000 |
| Finance cost | 811,693 | 587,277 |
| Exchange gain | (18,261,981) | (12,110,110) |
| Return on bank deposits/ short term investments | (10,479,732) | (8,755,032) |
| Provision for gratuity | 10,000,000 | 9,000,000 |
| Provision for earned leave encashment | 6,000,000 | 7,500,000 |
| | <u>33,215,235</u> | <u>44,246,938</u> |
| Operating profit before working capital changes | 159,731,171 | 151,327,229 |
| Movement in working capital | | |
| (Increase)/decrease in current assets | | |
| Trade debts - unsecured | (70,520,829) | (6,664,968) |
| Advances | (116,656,245) | (27,418,304) |
| Trade deposits and short term prepayments | (27,076,096) | 2,115,004 |
| Due from associated companies | (21,200) | - |
| Other receivables | 4,132,210 | 19,976,260 |
| Increase/(decrease) in current liabilities | | |
| Customers' deposits | 4,638,198 | 8,596,931 |
| Due to associated companies | - | (1,200) |
| Trade and other payables | 127,942,430 | 14,866,024 |
| | <u>(77,561,532)</u> | <u>11,469,747</u> |
| Cash generated from operations | 82,169,639 | 162,796,976 |
| Taxes paid | (25,654,425) | (30,252,255) |
| Gratuity paid/adjusted | (8,118,257) | (1,704,028) |
| Earned leave paid/ adjusted | (2,352,649) | (931,400) |
| Return on bank deposits/ short term investments | 5,584,086 | 9,893,710 |
| Finance cost | (811,693) | (587,277) |
| | <u>(31,352,938)</u> | <u>(23,581,250)</u> |
| Net cash flows from operating activities | 50,816,701 | 139,215,726 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (16,412,606) | (46,709,785) |
| Proceeds on the disposal of property, plant and equipment | 118,000 | 596,137 |
| Net cash flows from investing activities | (16,294,606) | (46,113,648) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (58,317,925) | (15,596,967) |
| Net increase/ (decrease) in cash and cash equivalents | (23,795,830) | 77,505,111 |
| Cash and cash equivalents at the beginning of the period | 483,022,737 | 277,947,057 |
| Effect of foreign exchange rate change | 18,261,981 | 12,110,110 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | <u>477,488,888</u> | <u>367,562,278</u> |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

| | Share Capital | | Capital Reserves | | Revenue Reserves | | Total Rupees |
|--|---------------------------------------|----------------------|-------------------------|------------------------------|------------------|--------------------|--------------|
| | Issued, subscribed and paid-up Rupees | Share premium Rupees | General Reserves Rupees | Unappropriated profit Rupees | | | |
| Balance as at June 30, 2011 | 78,408,000 | 12,042,000 | 381,500,000 | 187,678,338 | | 659,628,338 | |
| Transactions with owners | | | | | | | |
| Final dividend for the year ended June 30, 2011 (Rs. 1.00 per share) | - | - | - | (7,840,800) | | (7,840,800) | |
| Interim dividend for the year ended June 30, 2012 (Rs. 1.00 per share) | - | - | - | (7,840,800) | | (7,840,800) | |
| Net profit for the period | - | - | - | 69,180,897 | | 69,180,897 | |
| Balance as at March 31, 2012 | 78,408,000 | 12,042,000 | 381,500,000 | 241,177,635 | | 713,127,635 | |
| Transactions with owners | | | | | | | |
| Issuance of 25% bonus shares | 19,602,000 | (12,042,000) | - | (7,560,000) | | - | |
| Net profit for the period | - | - | - | 9,228,508 | | 9,228,508 | |
| Balance as at June 30, 2012 | 98,010,000 | - | 381,500,000 | 242,846,143 | | 722,356,143 | |
| Transfer to General Reserve | - | - | 50,000,000 | (50,000,000) | | - | |
| Transactions with owners | | | | | | | |
| Final dividend for the year ended June 30, 2012 (Rs. 4.00 per share) | - | - | - | (39,204,000) | | (39,204,000) | |
| Interim dividend for the year ended June 30, 2013 (Rs. 2.00 per share) | - | - | - | (19,602,000) | | (19,602,000) | |
| Net profit for the period | - | - | - | 81,936,459 | | 81,936,459 | |
| Balance as at March 31, 2013 | 98,010,000 | - | 431,500,000 | 215,976,602 | | 745,486,602 | |

IFTIKHAR AHMED RAJA
DIRECTOR

MUHAMMAD AMIR MALIK
CHIEF EXECUTIVE

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2013

1 LEGAL STATUS AND OPERATIONS

Pak Datacom Limited (the Company), a subsidiary of Telecom Foundation, was incorporated in Pakistan on July 13, 1992 as a private limited company under the Companies Ordinance, 1984 and was converted into a public limited company on June 26, 1994. The Company started its commercial activities on July 1, 1994. The Company is listed on all stock exchanges of Pakistan. The registered office of the Company is located at 1st Floor, TF Complex, 7 - Mauve Area, G - 9/4, Islamabad. The objective of the Company is to set up, operate and maintain a network of data communication and to serve the needs of the subscribers against approved tariff charges. The Company is also authorised to carry out any business relating to communication and information technology whether manufacturing or otherwise, that may seem to the Company capable of being conveniently carried on to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improve the profitability of the Company, subject to applicable licenses from Pakistan Telecommunication Authority.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements for the nine months period ended March 31, 2013 have been prepared in accordance with requirements of the IAS 34 -Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Adoption of new and revised standards, interpretations and amendments

The Standards, interpretations and amendments to them effective for the accounting period beginning on or after January 01, 2013 are either not relevant to the company's operations or are not expected to have any significant impact on the Company's financial statements, (if any).

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for recognition of certain employees retirement and other service benefits which are measured at present value.

3.2 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

3.3 Changes in Accounting Policies

The accounting policies and estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of financial statements for the year ended June 30, 2012 except those specifically otherwise disclosed in these financial statements.

| | Un-audited March 31, 2013 Rupees | Audited June 30, 2012 Rupees |
|---|---|---------------------------------------|
| 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 5,400,000 (June 2012: 5,400,000) ordinary shares of Rs. 10/- each fully paid in cash | 54,000,000 | 54,000,000 |
| 4,401,000 (June 2012: 4,401,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares | <u>44,010,000</u> | <u>44,010,000</u> |
| | <u>98,010,000</u> | <u>98,010,000</u> |

Out of total issued share capital, 5,398,354 (June 2012: 5,398,354) ordinary shares are held by Telecom Foundation, Pakistan.

5 CONTINGENCIES AND COMMITMENTS

- 5.1 Guarantees and letter of credits issued by the bank on behalf of the Company amounted to Rs. 256.19 million (June 2012: Rs. 73.89 million).
- 5.2 The Company had entered into an agreement with a reseller of satellite bandwidth in Pakistan for provisioning of satellite segment. Due to certain technical issues, the bandwidth was never operational or utilised. Management after appropriate measures for the recovery of advance payments of US\$ 0.64 million; equivalent Rs. 62.38 million (June 2012: US\$ 0.64 million; equivalent Rs. 59.78 million) referred the matter to the arbitration, which in its award given on May 03, 2012 imposed additional payment of US \$ 0.64 million; equivalent Rs. 62.38 million on the Company. The Company has filed the case in Islamabad High Court against the award, outcome of which is still pending. The Company had made provision against the advance payment of US \$ 0.64 million; equivalent Rs. 62.38 million during the year ended June 30, 2012 as a matter of abandon caution. The Board and the management is of the opinion that the maximum loss even if the case is decided against the Company will not exceed US\$ 1.28 million; equivalent Rs. 125.73 million (June 2012 : US\$ 1.28 million; equivalent Rs. 119.56 million). The reseller had also filed a counter claim in the Civil Court, Islamabad for recovery of the Arbitration Award, which has been adjourned sine-die since the matter is already in the Honourable Islamabad High Court.
- 5.3 Tax appeal for the recovery of Rs. 0.28 million (June 2012: Rs. 0.28 million) is pending with the Income Tax Appellate Tribunal, Islamabad against the imposition of penalty on short advance tax charged by the Collector of Income Tax at the time of import. The case is expected to be decided in favour of the Company.
- 5.4 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 394.04 million (June 2012: Rs 7.32 million).

| | | Un-audited March 31, 2013 Rupees | Audited June 30, 2012 Rupees |
|--|-----|---|---------------------------------------|
| 6 PROPERTY, PLANT AND EQUIPMENT | | | |
| Net book Value-Pakistan | 6.1 | 323,302,005 | 350,390,417 |
| Net book Value-Joint Venture | 6.2 | 880,984 | 1,521,969 |
| | | <u>324,182,989</u> | <u>351,912,386</u> |
| 6.1 Property, Plant and equipment- Pakistan | | | |
| Cost | | | |
| Opening balance | | 835,831,945 | 794,302,450 |
| Additions during the period | | 16,412,606 | 45,187,352 |
| Deletion/disposals during the period | | (111,259) | (3,657,857) |
| Closing balance | | 852,133,292 | 835,831,945 |
| Accumulated depreciation | | | |
| Opening balance | | 485,441,528 | 424,144,480 |
| Additions during the period | | 43,423,613 | 63,818,484 |
| Deletion/disposals during the period | | (33,854) | (2,521,436) |
| Closing balance | | <u>528,831,287</u> | <u>485,441,528</u> |
| Net book value | | <u>323,302,005</u> | <u>350,390,417</u> |

- 6.1.1 2nd charge of Rs. 140.00 million on fixed assets and 1st charge on present and future current assets of the Company of Rs. 400.00 million with lien on import documents of Rs. 185.48 million and US\$ 2.50 million; equivalent Rs. 245.75 million in shape of F.C-FDR (proportionately adjustable on receipt of shipping documents under letter of credit) has been created in favor of Soneri Bank Limited for an unfunded facility of Rs. 846.92 million (June 2012: Rs. Nil).

| | | Un-audited March 31, 2013 Rupees | Audited June 30, 2012 Rupees |
|---|--|---|---------------------------------------|
| 6.2 Property, Plant and equipment- Joint Venture | | | |
| Cost | | | |
| Opening balance | | 2,563,972 | - |
| Additions during the period | | - | 2,563,972 |
| Deletion/disposals during the period | | - | - |
| Closing balance | | 2,563,972 | 2,563,972 |
| Accumulated depreciation | | | |
| Opening balance | | 1,042,003 | - |
| Additions during the period | | 640,985 | 1,042,003 |
| Deletion/disposals during the period | | - | - |
| Closing balance | | <u>1,682,988</u> | <u>1,042,003</u> |
| Net book value | | <u>880,984</u> | <u>1,521,969</u> |

| | Un-audited March 31, 2013 Rupees | Audited June 30, 2012 Rupees |
|--------------------------------------|---|---------------------------------------|
| 7 INTANGIBLE ASSETS | | |
| Cost | | |
| Opening balance | 11,744,006 | 11,744,006 |
| Additions during the period | - | - |
| Deletion/disposals during the period | - | - |
| Closing balance | 11,744,006 | 11,744,006 |
| Accumulated Amortisation | | |
| Opening balance | 2,336,107 | 841,107 |
| Additions during the period | 1,121,252 | 1,495,000 |
| Deletion/disposals during the period | - | - |
| Closing balance | 3,457,359 | 2,336,107 |
| Net book value | <u>8,286,647</u> | <u>9,407,899</u> |

8 SHORT TERM INVESTMENTS

These represent investments in term deposit receipts maturing in the short term and carry interest rate ranging from 0.80% to 11.25% (June 2012: 0.80% to 11.25%) per annum. Included in these investments are foreign currency term deposit receipts amounting to US\$ 2.80 million; equivalent Rs. 275.24 million (June 2012: US\$ 3.04 million; equivalent Rs. 286.37 million). Out of total investments, US\$ 2.30 million; equivalent Rs. 226.09 million (June 2012: US\$ 0.10 million; equivalent Rs. 9.42 million) and Rs. 10.00 million (June 2012: Rs. 10.00 million) are pledged against bank guarantees issued by bank.

| | For the Quarter ended | | For the nine months ended | |
|--|---|---|---|---|
| | Un-audited March 31, 2013 Rupees | Un-audited March 31, 2012 Rupees | Un-audited March 31, 2013 Rupees | Un-audited March 31, 2012 Rupees |
| | Note | | | |
| 9 REVENUE | | | | |
| -from CVAS Data License | 162,753,918 | 184,121,724 | 545,330,440 | 543,882,798 |
| -from Telecom Infrastructure Provider License | 3,360,000 | - | 10,402,812 | - |
| -from Joint venture - PDL share | 8,780,625 | 10,113,196 | 25,381,834 | 30,241,190 |
| | <u>174,894,543</u> | <u>194,234,920</u> | <u>581,115,086</u> | <u>574,123,988</u> |

10 COST OF SERVICES

| | | | | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Channel and local lead rentals | 22,999,187 | 44,507,524 | 119,055,212 | 163,817,713 |
| Space segment rentals | 34,114,795 | 36,694,367 | 99,960,967 | 79,926,644 |
| Equipment maintenance cost | 2,859,990 | 3,448,529 | 8,328,504 | 8,144,085 |
| Repair and maintenance expenses | 2,774,598 | 1,431,251 | 6,256,406 | 4,536,300 |
| License fee | 897,770 | 920,608 | 3,186,723 | 2,719,414 |
| Salaries and other benefits 10.1 | 27,727,099 | 24,916,118 | 87,888,259 | 78,570,413 |
| Depreciation | 14,776,426 | 16,082,735 | 43,423,613 | 46,673,190 |
| Amortisation | 373,753 | 266,998 | 1,121,252 | 801,000 |
| Expenses - joint venture - PDL share | 6,105,271 | 7,249,361 | 21,145,618 | 20,198,455 |
| | <u>112,628,889</u> | <u>135,517,491</u> | <u>390,366,554</u> | <u>405,387,214</u> |

10.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 10.27 million (March 2012: Rs. 10.50 million).

| | Note | For the Quarter ended | | For the nine months ended | |
|--|------|---|---|---|---|
| | | Un-audited March 31, 2013 Rupees | Un-audited March 31, 2012 Rupees | Un-audited March 31, 2013 Rupees | Un-audited March 31, 2012 Rupees |
| | | | | | |
| 11 ADMINISTRATIVE EXPENSES | | | | | |
| Salaries and other benefits | 11.1 | 13,727,837 | 6,873,269 | 39,196,559 | 35,856,937 |
| Travelling and local conveyance | | 3,447,373 | 1,937,540 | 5,913,481 | 3,803,622 |
| Telephone expenses | | 828,472 | 907,509 | 2,220,314 | 2,456,874 |
| Vehicle running expenses | | 4,975,287 | 4,106,397 | 14,197,820 | 11,948,497 |
| Insurance | | 153,535 | 175,230 | 829,830 | 889,053 |
| Entertainment | | 764,272 | 617,595 | 1,737,318 | 1,336,290 |
| Rent, rates and taxes | | 1,787,076 | 1,609,943 | 5,227,905 | 4,792,214 |
| Legal and professional charges | | 538,270 | 727,731 | 3,531,615 | 1,700,269 |
| Printing and stationery | | 437,529 | 405,552 | 1,503,869 | 1,580,682 |
| Utilities | | 1,105,438 | 733,576 | 3,789,537 | 3,310,608 |
| Welfare expenses | | - | - | - | 3,000,000 |
| Auditors remuneration | | 50,000 | - | 305,000 | 105,000 |
| Provision for trade and other payables | | 580,744 | - | 5,590,430 | - |
| | | <u>28,395,833</u> | <u>18,094,342</u> | <u>84,043,678</u> | <u>70,780,046</u> |

11.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 4.58 million (March 2012: Rs. 4.79 million) and Directors' remuneration of Rs. 9.92 million (March 2012: Rs. 3.60 million).

12 MARKETING EXPENSES

| | | | | | |
|------------------------------------|------|------------------|------------------|-------------------|-------------------|
| Salaries and other benefits | 12.1 | 3,185,138 | 2,576,958 | 9,886,058 | 9,043,747 |
| Advertisement & marketing expenses | | 457,225 | 1,133,467 | 1,792,285 | 2,944,593 |
| | | <u>3,642,363</u> | <u>3,710,425</u> | <u>11,678,343</u> | <u>11,988,340</u> |

12.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.15 million (March 2012: Rs. 1.21 million).

13 EARNINGS PER SHARE (BASIC AND DILUTED)

| | | | | | |
|--|--|-------------|-------------|-------------|-------------|
| Profit after taxation | | 26,284,070 | 26,841,437 | 81,936,459 | 69,180,897 |
| Weighted average number of ordinary shares | | 9,801,000 | 9,801,000 | 9,801,000 | 9,801,000 |
| Basic and diluted earnings per share | | <u>2.68</u> | <u>2.74</u> | <u>8.36</u> | <u>7.06</u> |

The Company had issued bonus shares during the previous financial year and its impact is also taken in the previous period which resulted in restatement of earning per share of the previous period as per requirement of IAS 33, in order to reflect the consistency of earning per share.

There are no dilutive ordinary shares as at March 31, 2013 (March 2012: Nil).

14 OPERATING SEGMENTS

These financial statement have been prepared on the basis of a single reportable segment.

Out of total revenue, 93.84 % (March 2012: 94.73 %) is generated from CVAS Data License, 1.79% (March 2012: Nil) from Telecom Infrastructure Provider license and 4.37 % (March 2012: 5.27%) from cable laying and allied services.

Revenue from major customer of the Company amounts to Rs. 345.05 million (March 2012: Rs. 315.39 million) representing 59.38 % (March 2012: 54.93 %) of the total revenue.

Out of total revenue of Rs. 581.12 million (March 2012: Rs. 574.12 million), revenue of Rs. 555.73 million (March 2012: Rs. 543.88 million) is generated from Pakistan and Rs. 25.38 million (March 2012: Rs. 30.24 million) is generated from UAE.

Out of total non-current assets of the company 99.73 % (June 2012: 99.60 %) assets are located in Pakistan.

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on April 29, 2013.

16 MOVEMENT BETWEEN RESERVES AND PROPOSED DIVIDEND

The Board of Directors in its meeting held on April 29, 2013 approved interim cash dividend of Rs. Nil per share (March 2012: Rs. Nil per share) amounting to Rs. Nil million (March 2012: Rs. Nil million) and bonus shares (March 2012: @ 25% i.e. 25 shares for every 100 shares held). The financial statements for the period ended March 31, 2013 do not include the effect of aforementioned movement between reserves and proposed dividend.

17 CORRESPONDING FIGURES

Figures have been re-classified and re-arranged for better presentation, where necessary.

18 GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

IFTIKHAR AHMED RAJA
DIRECTOR

MUHAMMAD AMIR MALIK
CHIEF EXECUTIVE

DIVIDEND MANDATE FORM

Dear Shareholder,

Re: Dividend Mandate Form

With reference to the captioned subject, it is to inform you that under Section 250 of the Companies Ordinance 1984 a shareholder may, if so desire, direct the Company to pay dividend through his/her/its Bank Account.

In pursuance of the directions given by the Securities & Exchange Commission of Pakistan vide Circular Number 19 of 2012 & Reference No. SMD/CJW/Misc/19/2009 date June 05, 2012, I/we _____ request being the registered shareholder of _____ having Folio No. _____ hereby gives the opportunity to authorize the Company to directly credit in your bank account cash dividend, if any, declared by the Company in future.

[PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS].

Do you wish the cash dividend declared by the Company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick " ✓ " any of the following boxes:

YES

NO

If yes then please provide following information:

| Transferee Detail | |
|--|--|
| Title of Bank Account | |
| Bank Account Number | |
| Bank Name | |
| Branch Name And Address | |
| Computerized National Identity Card [CNIC] | |
| Cell Number of Transferee | |
| Landline Number of Transferee, if any | |

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Member/Shareholder

Note: Physical certificate holders are requested to please submit the Dividend Mandate Form duly completed to the Share Registrar. In case of CDC account holder, please submit this Mandate Form to the concerned Participant/Broker.

INTIMATION FOR THE COPY OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC)

Dear Shareholder (s)

Re: Copy of Computerized National Identity Card [CNIC]

As per direction of the Securities & Exchange Commission of Pakistan vide SRO 779(1)/2011 dated August 18, 2011, the dividend warrants to be issued by the companies should bear the CNIC number of the registered member(s) or their authorized representative(s) and dividend warrants cannot be issued without inserting the CNIC number of the member(s) or its authorized representative(s).

You are, therefore, requested to please provide us a copy of your CNIC without any further delay failing which your future dividend warrant(s) will be withheld in compliance of the aforesaid direction of the SECP at our following address:

Head of Shares Department

Hassan Farooq Associates (Private) Limited

Share Registrar: Pak Datacom Limited

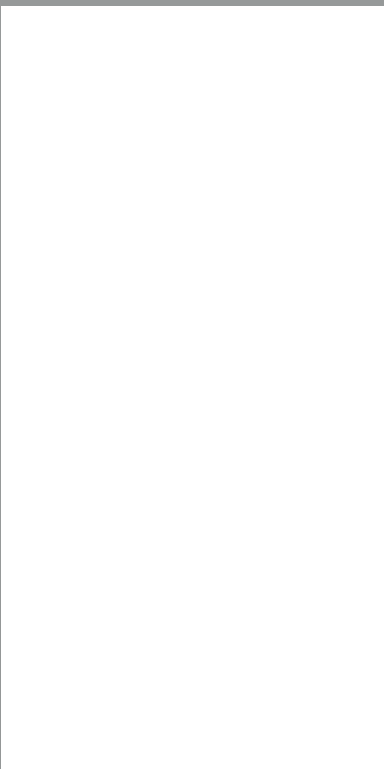
7/3 - G, Mushtaq Ahmed Gormani Road, Gulberg - II

Lahore, Pakistan.

Ph: 042-35761661-62

Kindly mention your folio number alongwith name of Company, on the copy of CNIC for identification purposes and also mention your contact number.

**BOOK POST
PRINTED MATTER**



If undelivered, please return to:

PAK DATACOM LIMITED

3rd Floor, Umar Plaza, Blue Area, Islamabad, Pakistan

Tel: (051) 2872691 - 2823677, Fax: (051) 2823270