



Pak Datacom



PAK DATACOM LIMITED

Condensed Interim Financial Statements

Six Months Period Ended December 31, 2021

COMPANY INFORMATION

BOARD OF DIRECTORS

- | | |
|---|---|
| 1. Syed Zomma Mohiuddin | <i>Chairman / Non-Executive Director</i> |
| 2. Brig Syed Zulfiqar Ali, PoP, SI (M), (R) | <i>Chief Executive / Executive Director</i> |
| 3. Ms. Rubina Safir | <i>Independent Director / Female Director</i> |
| 4. Engr. Perwaiz Khan | <i>Non-Executive Director</i> |
| 5. Syed Junaid Imam | <i>Non-Executive Director</i> |
| 6. Dr. Faiz Illahi Memon | <i>Non-Executive Director</i> |
| 7. Mr. Shahmim Sherazi | <i>Independent Director</i> |
| 8. Mr. Muhammad Waheed | <i>Non-Executive Director</i> |

AUDIT COMMITTEE

- | | |
|------------------------|--------------------|
| 1. Ms. Rubina Safir | <i>Chairperson</i> |
| 2. Mr. Shahmim Sherazi | <i>Member</i> |
| 3. Mr. Muhammad Waheed | <i>Member</i> |

HUMAN RESOURCE & REMUNERATION COMMITTEE

- | | |
|--------------------------|-----------------|
| 1. Mr. Shahmim Sherazi | <i>Chairman</i> |
| 2. Dr. Faiz Illahi Memon | <i>Member</i> |
| 3. Ms. Rubina Safir | <i>Member</i> |
| 4. Syed Junaid Imam | <i>Member</i> |

PROCUREMENT COMMITTEE

- | | |
|--------------------------|-----------------|
| 1. Syed Zomma Mohiuddin | <i>Chairman</i> |
| 2. Dr. Faiz Illahi Memon | <i>Member</i> |
| 3. Engr. Perwaiz Khan | <i>Member</i> |
| 4. Mr. Muhammad Waheed | <i>Member</i> |

NOMINATION COMMITTEE

- | | |
|-------------------------|-----------------|
| 1. Syed Zomma Mohiuddin | <i>Chairman</i> |
| 2. Syed Junaid Imam | <i>Member</i> |
| 3. Engr. Perwaiz Khan | <i>Member</i> |

STRATEGY & PROJECT APPRAISAL COMMITTEE

- | | |
|-------------------------|-----------------|
| 1. Syed Zomma Mohiuddin | <i>Chairman</i> |
| 2. Syed Junaid Imam | <i>Member</i> |
| 3. Engr. Perwaiz Khan | <i>Member</i> |

CHIEF FINANCIAL OFFICER

Syed Muhammad Asif Makhdoomi *FCMA, FPFA & FCIS*

COMPANY SECRETARY

Ali Saleem Rana (Acting Charge)

REGISTERED OFFICE

1st Floor, Telecom Foundation, TF Complex, TF Headquarters, 7-Mauve Area, G-9/4, Islamabad.

HEAD OFFICE

3rd Floor, Umar Plaza, Blue Area, Islamabad. Tel: (051) 2344123, 2344125, Fax: (051) 2344111.

SHARES DEPARTMENT

CDC Shares Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi - 74400. Tel: (92-21) 111-111-500.

AUDITORS

BDO Ebrahim & Co. Chartered Accountants, 3rd Floor, Saeed Plaza, 22-East Blue Area, Jinnah Avenue, Islamabad. Tel: (92-51) 2604461-4.

LEGAL ADVISOR

Ahmed Bashir & Associates, Advocates and Solicitors, 210-A, Sughra Tower, Street # 73, Sector F11/1, Islamabad.

DIRECTORS' REPORT

The Directors of Pak Datacom Limited are pleased to present their report together with the un-audited financial statements of the Company, for the half year ended December 31, 2021.

During the period under review, the Company recorded an increase of 31 percent to its revenue in comparison with the same period last year. Revenue of the Company as on December 31, 2021 was recorded Rs. 503 million, compared to Rs. 384 million on December 31, 2020. Gross profit of the Company is Rs. 86 million as compared to Rs.63 million for the corresponding period last year i.e. an increase of 35 percent.

Accordingly, net profit of the Company for the six months period ended December 31, 2021, was approximately Rs. 69.6 million, resulting in earnings per share ('EPS') of Rs.5.87, compared to a loss of Rs. 2 million or EPS of Rs. -0.19 for the same period last year.

Pak Datacom Limited has always strived to perform par excellence in the field of Satellite Communication and Digital Connectivity. Selection of Pak Datacom Limited as its main and trusted supplier by Pak Defence Services is testimony of this fact. However, we are constantly evaluating new avenues in our business area. In this regard we are focusing on the need of digital connectivity nationwide and are therefore poised to reach remote areas of Pakistan, encompassing our strength in VSAT Network and Terrestrial Digital Connectivity. PDL has always taken pride in providing great customer care and state of the art technologies to its clients. Following this policy, the Company will continue to strive to explore new revenue streams.

The Board takes this opportunity to thank the Company's shareholders, valued customers, government agencies, financial institutions, employees and all other stakeholders of the Company for their continued cooperation and support without which it would have not been possible to achieve such outstanding results.

For and on behalf of the Board

Islamabad
February 25, 2022

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

ڈائریکٹرز رپورٹ

پاک ڈیٹاکام لمیٹڈ کے ڈائریکٹرز کو 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

زیر جائزہ مدت کے دوران کمپنی کی آمدن میں گزشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد اضافہ ریکارڈ کیا گیا۔ 31 دسمبر 2021ء تک کمپنی کی آمدنی 503 ملین روپے ریکارڈ کی گئی جبکہ 31 دسمبر 2020ء کو یہ 384 ملین روپے تھی۔ کمپنی کا مجموعی منافع 86 ملین روپے ہے جبکہ گزشتہ سال اسی مدت کے دوران یہ 63 ملین روپے تھا یعنی منافع میں 35 فیصد اضافہ ہوا۔

اس طرح سے 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے دوران کمپنی کا خالص منافع تقریباً 6 کروڑ 96 لاکھ روپے رہا جس کے نتیجے میں فی حصص ('ای پی ایس') 5.87 روپے کی آمدنی ہوئی جبکہ گزشتہ سال اسی مدت کے دوران کمپنی کو مجموعی طور پر 20 لاکھ روپے یا فی حصص 0.19 روپے کا نقصان ہوا تھا۔

پاک ڈیٹاکام لمیٹڈ نے ہمیشہ سیٹلائٹ کمیونیکیشن اور ڈیجیٹل کنکٹیوٹی کے شعبے میں بہترین کارکردگی کا مظاہرہ کرنے کی کوشش کی ہے۔ پاک ڈیٹیس سروسز کی جانب سے پاک ڈیٹاکام لمیٹڈ کو اپنا ہم اور معتبر سپلائر منتخب کرنا اس حقیقت کی گواہی ہے۔ تاہم ہم اپنے کاروباری شعبے میں مسلسل نئی راہیں تلاش کر رہے ہیں۔ اس سلسلے میں ہم ملک بھر میں ڈیجیٹل کنکٹیوٹی کی ضرورت پر توجہ مرکوز کر رہے ہیں اور ہم VSAT نیٹ ورک اور ٹیرسٹرل ڈیجیٹل کنکٹیوٹی کے شعبوں میں اپنی صلاحیت میں اضافہ کرتے ہوئے پاکستان کے دور دراز علاقوں تک پہنچنے کے لئے تیار ہیں۔ PDL کو اس بات پر فخر ہے کہ اس نے ہمیشہ اپنے گاہکوں کو اچھی دیکھ بھال اور جدید ترین ٹیکنالوجی فراہم کی ہے۔ اس پالیسی پر عمل کرتے ہوئے کمپنی ریونیو کے نئے راستے تلاش کرنے کے لیے سرگرداں ہے۔

بورڈ اس موقع پر کمپنی کے شیئرز ہولڈرز، قابل قدر صارفین، سرکاری اداروں، مالیاتی اداروں، ملازمین اور کمپنی کے دیگر تمام سٹیک ہولڈرز کا ان کے مسلسل تعاون اور معاونت پر شکریہ ادا کرتا ہے جس کے بغیر اس طرح کے شاندار نتائج حاصل کرنا ممکن نہیں تھا۔

بورڈ کے لئے اور اس کی طرف سے

روبینہ سفیر
ڈائریکٹر

بریگیڈیئر سید ذوالفقار علی (ر)
چیف ایگزیکٹو

اسلام آباد
بتاریخ: 25 فروری 2022

INDEPENDENT AUDITORS' REVIEW REPORT
To the Members of Pak Datacom Limited
Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pak Datacom Limited ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed financial statements for the six month period then ended (here in after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of condensed Interim Financial Information performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and financial reporting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion, as we are required to review only the cumulative figures for the six month period ended December 31, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Abdul Qadeer.

Islamabad**Date: February 25, 2021****BDO EBRAHIM & CO.****Chartered Accountants**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2021

		December 31, 2021 Un-audited	June 30, 2021 Audited
	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Property and equipment	4	178,136,135	189,474,260
Intangible assets	5	3,949,750	4,163,250
Deferred taxation		65,445,810	45,709,756
		247,531,695	239,347,266
CURRENT ASSETS			
Trade debts	6	556,651,132	782,358,217
Contract assets	7	193,947,766	28,711,284
Contract work in progress		42,994,119	1,947,624
Advances		7,244,612	7,796,934
Trade deposits and short term prepayments		15,146,711	18,277,681
Other receivables		8,073,983	9,153,020
Interest accrued		1,972,461	822,202
Tax refunds due from the Government		36,680,131	25,441,001
Short term investments		241,666,745	112,976,532
Cash and bank balances	8	172,757,256	114,791,166
		1,277,134,916	1,102,275,661
		1,524,666,611	1,341,622,927
SHARE CAPITAL AND RESERVES			
Authorised share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	9	118,592,100	107,811,000
General reserve		591,500,000	591,500,000
Unappropriated profits		180,691,455	138,000,644
		890,783,555	837,311,644
NON-CURRENT LIABILITIES			
Deferred employees' benefits		50,527,927	48,700,240
Lease liabilities		22,897,813	28,514,186
		73,425,740	77,214,426
CURRENT LIABILITIES			
Customers' deposits		221,980,909	197,739,212
Contract liability		4,512,213	5,032,427
Trade and other payables	10	314,518,859	204,240,723
Current portion of lease liabilities		8,589,553	9,490,970
Unclaimed dividend		10,592,563	9,859,875
Unpaid dividend		263,219	733,650
		560,457,316	427,096,857
		1,524,666,611	1,341,622,927
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes 1 to 22 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Note	Three months period ended		Six months period ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees	Rupees	Rupees	Rupees
Revenue - net	12	209,490,932	223,034,848	502,928,921	384,078,840
Cost of services	13	(167,403,256)	(190,671,180)	(417,047,479)	(320,688,624)
Gross profit		42,087,676	32,363,668	85,881,442	63,390,216
Administrative expenses	14	(63,709,477)	(31,879,249)	(98,149,710)	(60,912,086)
Marketing expenses	15	(7,377,809)	(7,660,535)	(15,318,761)	(14,141,534)
Impairment reversal / (loss) on financial assets		2,004,318	(2,495,724)	6,517,987	(1,519,803)
Finance income / (cost)	16	9,879,637	(5,629,799)	39,074,974	(9,193,311)
		(17,115,655)	(15,301,639)	18,005,932	(22,376,518)
Other income	17	28,422,509	20,981,908	31,913,773	27,075,001
Profit before taxation		11,306,854	5,680,269	49,919,705	4,698,483
Taxation		13,411,665	(2,826,282)	19,723,856	(6,789,210)
Profit / (loss) for the period		24,718,519	2,853,987	69,643,561	(2,090,727)
Earnings / (loss) per share					
- basic and diluted		2.08	0.26	5.87	(0.19)

The annexed notes 1 to 22 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Three months period ended		Six months period ended	
	December 31, 2021 Rupees	December 31, 2020 Rupees	December 31, 2021 Rupees	December 31, 2020 Rupees
Profit / (loss) for the period	24,718,519	2,853,987	69,643,561	(2,090,727)
Other comprehensive income	-	-	-	-
Total comprehensive income/ (loss) for the period	<u>24,718,519</u>	<u>2,853,987</u>	<u>69,643,561</u>	<u>(2,090,727)</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Issued, subscribed and paid-up	Revenue reserves		Total
		General reserve	Unappropriated profits	
Rupees				
Balance as at July 01, 2020 (audited)	98,010,000	591,500,000	153,359,597	842,869,597
Total comprehensive income or (loss)				
Loss for the period	-	-	(2,090,727)	(2,090,727)
Other comprehensive income	-	-	-	-
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2020: Rs. 1.00 per share	-	-	(9,801,000)	(9,801,000)
Bonus Shares for the year ended June 30, 2020: 1 share for every 10 shares	9,801,000	-	(9,801,000)	-
Balance as at December 31, 2020	<u>107,811,000</u>	<u>591,500,000</u>	<u>131,666,870</u>	<u>830,977,870</u>
Balance as at July 01, 2021 (audited)	107,811,000	591,500,000	138,000,644	837,311,644
Total comprehensive income or (loss)				
Profit for the period	-	-	69,643,561	69,643,561
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	69,643,561	69,643,561
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2021: Rs. 1.50 per share	-	-	(16,171,650)	(16,171,650)
Bonus Shares for the year ended June 30, 2021: 1 share for every 10 shares	10,781,100	-	(10,781,100)	-
Balance as at December 31, 2021	<u>118,592,100</u>	<u>591,500,000</u>	<u>180,691,455</u>	<u>890,783,555</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Note	Six months period ended	
		December 31, 2021 Rupees	December 31, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period - before taxation		49,919,705	4,698,483
Adjustments for non-cash items:			
Depreciation		13,343,692	13,811,922
Amortization		213,500	213,500
Loss on disposal of property and equipment		-	23,114
Property and equipment - write off		103,531	23,555
Impairment (reversal) / loss on financial assets		(6,517,987)	1,519,803
Finance cost		4,150,642	2,092,099
Unrealized exchange (gain) / loss		(43,225,616)	7,101,212
Interest income		(8,569,859)	(10,968,148)
Provision for gratuity		10,074,000	7,576,000
Provision for earned leave encashment		1,827,687	-
Provision for provident fund		8,822,621	2,899,833
Gratuity fund payable written back		-	(10,964,936)
		30,141,916	18,026,438
Changes in working capital			
Decrease / (increase) in trade debts		234,945,667	(17,705,676)
Decrease / (increase) in contract assets		(167,182,999)	7,255,008
Decrease / (increase) in contract work in progress		(41,046,495)	3,103,525
Decrease / (increase) in advances		552,322	(356,640)
Decrease / (increase) in trade deposits and short term prepayments		2,414,279	4,311,638
Decrease / (increase) in other receivables		1,079,037	(3,048,888)
Increase / (decrease) in customers' deposits		24,241,697	(5,975,061)
Increase / (decrease) in contract liability		(520,214)	2,084,903
Increase / (decrease) in trade and other payables		91,445,867	(62,569,295)
		145,929,161	(72,900,486)
		176,071,077	(54,874,048)
Taxes paid		(11,251,328)	(13,491,613)
Provident fund paid		(64,352)	-
Leave encashment paid		-	(431,023)
Net cash generated from / (used in) operating activities		164,755,397	(68,796,684)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(2,109,098)	(5,031,097)
Purchase of short term investments		(129,010,319)	(100,000,000)
Interest and profit received		7,739,706	14,078,435
Net cash used in investing activities		(123,379,711)	(90,952,662)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(15,909,393)	-
Payment of finance lease obligation		(6,517,790)	(4,964,350)
Finance cost paid		(4,150,642)	(365,265)
Net cash used in financing activities		(26,577,825)	(5,329,615)
Net increase / (decrease) in cash and cash equivalents		14,797,861	(165,078,961)
Cash and cash equivalents at the beginning of the year		114,848,213	268,800,641
Effect of movements in exchange rates on cash and cash equivalents		43,225,616	-
Cash and cash equivalents at the end of the period	18	172,871,690	103,721,680

The annexed notes 1 to 22 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

1 LEGAL STATUS AND ITS OPERATIONS

Pak Datacom Limited (the Company) was incorporated in Pakistan on July 13, 1992 as a private limited company under the Companies Ordinance, 1984 (which is repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and was converted into a public limited company on June 26, 1994. The Company has its shares quoted on the Pakistan Stock Exchange Limited.

The Company commenced its commercial activities from July 1, 1994 and is principally engaged in setting up, operating and maintaining a network of data communication and serving the needs of the customers.

The Company is a subsidiary of Telecom Foundation, Pakistan. The registered office of the Company is situated at 1st Floor, TF Complex, 7 - Mauve Area, G - 9/4, Islamabad.

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting standards (IFAC) issued by Institute of Chartered Accountants of Pakistan as are 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.

2.2 These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2021.

2.3 These condensed interim financial statements are un-audited and being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3 ACCOUNTING POLICIES

3.1 The accounting policies adopted and methods of computation followed in the preparation of these interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2021.

3.2 The preparation of these interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.

	Note	December 31, 2021 Un-audited Rupees	June 30, 2021 Audited Rupees
4 PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	147,715,011	149,828,154
Right of use assets	4.2	30,421,124	39,646,106
		<u>178,136,135</u>	<u>189,474,260</u>
4.1 Operating fixed assets			
Opening net book value		149,828,154	162,415,626
Additions		2,109,098	8,756,186
Disposal:			
Cost		-	(4,231,133)
Accumulated depreciation		-	4,022,001
		-	(209,132)
Write off:			
Cost		(290,416)	(652,679)
Accumulated depreciation		186,885	536,576
		(103,531)	(116,103)
Transfer from leased to owned:			
Cost		16,632,000	2,198,000
Accumulated depreciation		(11,362,322)	(1,482,810)
		5,269,678	715,190
Depreciation charge		(9,388,388)	(21,733,613)
Closing net book value		<u>147,715,011</u>	<u>149,828,154</u>
4.2 Right of use (ROU) assets			
Opening net book value		39,646,106	39,358,064
Additions		-	8,868,000
Transfer from leased to owned:			
Cost		(16,632,000)	(2,198,000)
Accumulated depreciation		11,362,322	1,482,810
		(5,269,678)	(715,190)
Write off:			
Cost		-	(1,889,000)
Accumulated depreciation		-	1,035,312
		-	(853,688)
Depreciation charge		(3,955,304)	(7,011,080)
Closing net book value		<u>30,421,124</u>	<u>39,646,106</u>

	December 31, 2021 Un-audited Rupees	June 30, 2021 Audited Rupees
5 INTANGIBLE ASSETS		
Software and infrastructure license		
Opening net book value	4,163,250	4,590,250
Amortization charge	(213,500)	(427,000)
Closing net book value	<u>3,949,750</u>	<u>4,163,250</u>
6 TRADE DEBTS		
Trade debts	645,125,252	880,070,919
Less: Impairment loss allowance	(88,474,120)	(97,712,702)
	<u>556,651,132</u>	<u>782,358,217</u>
7 CONTRACT ASSETS		
Unbilled revenue	214,304,374	45,332,935
Less: Impairment loss allowance	(20,356,608)	(16,621,651)
	<u>193,947,766</u>	<u>28,711,284</u>
8 CASH AND BANK BALANCES		
Cash in hand	254,991	163,694
Cash at bank:		
Current accounts	11,930,339	8,089,318
Deposit accounts	136,249,029	70,665,850
Deposit accounts with Islamic Banks under Shariah arrangements	12,079,494	23,916,397
Current accounts-dividend	12,357,837	12,012,954
	<u>172,871,690</u>	<u>114,848,213</u>
Less: Impairment loss allowance	(114,434)	(57,047)
	<u>172,757,256</u>	<u>114,791,166</u>
9 SHARE CAPITAL		
9.1 Authorised Share Capital		
100,000,000 ordinary shares of Rs 10 each (June 30, 2021: 100,000,000 ordinary shares of Rs 10/- each)	<u>1,000,000,000</u>	<u>1,000,000,000</u>
9.2 Issued, subscribed and paid up capital:		
Shares issued for cash		
5,400,000 ordinary shares of Rs 10 each (June 30, 2021: 5,400,000 ordinary shares of Rs 10/- each)	54,000,000	54,000,000
Shares issued as fully paid bonus shares:		
6,459,210 ordinary shares of Rs 10 each (June 30, 2021: 5,381,100 ordinary shares of Rs 10/- each)	64,592,100	53,811,000
11,859,210 ordinary shares of Rs 10 each (June 30, 2021: 10,781,100 ordinary shares of Rs 10/- each)	<u>118,592,100</u>	<u>107,811,000</u>

December 31, 2021 Un-audited Rupees	June 30, 2021 Audited Rupees
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10 TRADE AND OTHER PAYABLES

Trade creditors	243,984,178	157,922,892
Advances from employees for vehicle lease	3,876,238	3,839,328
License fee payable	1,699,361	3,202,760
Accrued liabilities	13,954,412	7,549,375
Sales tax payable	-	764,917
Withholding tax payable	3,353,677	3,528,960
Payable to employees	5,798,551	4,622,699
Bonus payable	210,381	-
Employees' retirement and other service benefits :		
Gratuity fund	20,513,558	10,439,558
Provident fund	21,128,503	12,370,234
	<u>314,518,859</u>	<u>204,240,723</u>

11 CONTINGENCIES AND COMMITMENTS**11.1 Contingencies**

- 11.1.1** There has been no significant change in the the status of contingencies as disclosed in Note 23 to the audited financial statements of the Company for the year ended June 30, 2021 except for the following:
- 11.1.2** The Deputy Commissioner Inland Revenue vide order dated December 30, 2021 raised demand of Rs. 20.13 million under section 161 of Income Tax Ordinance, 2001 for tax year 2017. An appeal is being filed against the order of DC IRR to Commissioner Appeal (Inland Revenue) Islamabad.
- 11.1.3** The Company has letter of guarantee facilities aggregating Rs. 200 million (June 30, 2021: Rs. 200 million) available from Soneri Bank. The amount availed on these facilities as at December 31, 2021 is Rs. 95.56 million (June 30, 2021: 147.71 million).

December 31, 2021 Un-audited Rupees	June 30, 2021 Audited Rupees
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11.2 Commitments

The Company has following commitments in respect of:

Capital expenditure commitments	86,934,748	167,061,773
Outstanding letter of credits	60,071,083	24,972,142

12 REVENUE	Note	Three months period ended		Six months period ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees	Rupees	Rupees	Rupees
Communication Value Added Services (CVAS)		206,489,668	187,587,929	403,445,680	379,071,895
Telecom infrastructure services		344,991	412,267	689,982	824,531
Specialised projects		36,885,393	65,910,262	165,816,764	65,910,262
Gross revenue		243,720,052	253,910,458	569,952,426	445,806,688
Less:					
Sales tax / Federal Excise Duty		(30,865,430)	(29,158,259)	(60,529,461)	(58,224,325)
Advance tax		(3,363,690)	(1,717,351)	(6,494,044)	(3,503,523)
		<u>209,490,932</u>	<u>223,034,848</u>	<u>502,928,921</u>	<u>384,078,840</u>

13 COST OF SERVICES

Channel and local lead rentals		54,544,670	47,984,648	109,082,899	97,608,843
Space segment rentals		17,416,242	20,193,264	35,817,300	41,643,646
Salaries and other benefits	13.1	48,747,528	47,973,424	100,005,031	89,553,165
Repair and maintenance expenses		2,143,722	1,260,250	3,014,374	4,023,322
License fee		869,094	818,838	1,699,139	1,631,179
Depreciation - operating fixed assets		2,036,096	5,622,716	6,008,568	10,780,150
Depreciation - right of use assets		432,698	191,414	893,066	453,641
Amortization		106,750	106,750	213,500	213,500
Travelling and local conveyance		723,832	104,001	956,574	434,196
Communication expenses		446,648	436,304	874,054	708,135
Vehicle running expenses		4,414,342	3,446,812	8,275,944	6,934,512
Insurance		235,942	189,637	507,239	598,489
Entertainment		222,093	282,965	448,935	551,573
Rent, rates and taxes		2,297,654	1,903,647	4,223,220	3,971,231
Utilities		1,139,689	1,272,043	2,701,202	2,696,075
Other projects costs		31,626,256	58,886,967	142,326,434	58,886,967
		<u>167,403,256</u>	<u>190,671,180</u>	<u>417,047,479</u>	<u>320,688,624</u>

13.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 12.9 million (December 31, 2020: Rs. 6.81 million).

14 ADMINISTRATIVE EXPENSES	Three months period ended		Six months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees	Rupees	Rupees	Rupees
Salaries and other benefits	24,175,779	24,321,827	49,826,452	45,975,278
Travelling and local conveyance	503,998	75,168	504,498	140,675
Communication expenses	479,098	463,243	822,300	729,762
Vehicle running expenses	1,429,756	1,306,382	2,844,145	2,529,749
Repair and maintenance expenses	832,350	428,897	1,373,019	1,078,910
Insurance	68,048	150,802	152,986	196,214
Depreciation - operating fixed assets	2,063,872	441,235	2,628,749	840,410
Depreciation - right of use assets	1,378,737	599,209	2,845,641	1,420,093
Entertainment	293,223	249,931	661,330	596,403
Rent, rates and taxes	3,465	-	3,465	36,843
Legal and professional charges	2,542,834	1,991,466	4,387,484	3,263,635
Printing and stationery	921,011	235,663	1,143,766	504,744
Utilities	541,101	451,301	1,329,670	1,285,245
Donation	1,000,000	1,000,000	2,000,000	2,000,000
Loss from project	27,326,205	-	27,326,205	-
Auditors' remuneration	150,000	164,125	300,000	314,125
	<u>63,709,477</u>	<u>31,879,249</u>	<u>98,149,710</u>	<u>60,912,086</u>

14.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 5.6 million (December 31, 2020: Rs. 2.84 million).

Note	Three months period ended		Six months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees	Rupees	Rupees	Rupees
15 MARKETING EXPENSES				
	436,337	1,528,798	446,337	1,725,478
15.1	5,372,908	5,480,794	12,387,109	11,076,294
	223,571	-	223,571	7,000
	49,772	41,936	92,983	89,478
	501,688	428,393	1,016,992	874,499
	19,298	12,515	40,339	25,030
	665,992	114,863	751,071	219,011
	104,943	41,612	216,597	98,618
	3,300	9,126	143,762	26,126
	<u>7,377,809</u>	<u>7,660,535</u>	<u>15,318,761</u>	<u>14,141,534</u>

15.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.6 million (December 31, 2020: Rs.0.82 million).

Note	Three months period ended		Six months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees	Rupees	Rupees	Rupees
16 FINANCE INCOME/ (COST)				
	10,837,596	(5,405,384)	43,225,616	(7,101,212)
	(773,441)	(108,183)	(1,579,953)	(1,726,834)
	(184,518)	(116,233)	(2,570,689)	(365,265)
	<u>9,879,637</u>	<u>(5,629,799)</u>	<u>39,074,974</u>	<u>(9,193,311)</u>
17 OTHER INCOME				
Income from financial assets				
	3,742,950	3,796,097	5,549,001	6,326,235
	2,287,645	4,427,574	2,837,645	4,436,692
	83,325	107,272	183,213	205,221
Income from non-financial assets				
	-	10,964,936	-	10,964,936
	-	(23,114)	(103,531)	(23,114)
	22,308,589	1,709,143	23,447,445	5,165,031
	<u>28,422,509</u>	<u>20,981,908</u>	<u>31,913,773</u>	<u>27,075,001</u>

Six months period ended December 31,	
2021	2020
Rupees	

18 CASH AND CASH EQUIVALENTS

Note	2021	2020
	Rupees	
	172,757,256	103,721,680
	114,434	60,761
	<u>172,871,690</u>	<u>103,782,441</u>

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties include holding company, associated company, directors, key management personal, employee benefit trust and post employment benefit / contribution plans. The Company in the normal course of business carries out transactions with various related parties. The details of transactions are as follows;

	Aggregate % age of shareholding	Three months period ended December 31,		Six months period ended December 31,	
		2021	2020	2021	2020
		Rupees		Rupees	
Telecom Foundation - Holding Company	55.08%				
Dividend payable/paid		8,907,282	5,398,353	8,907,282	5,398,353
Bonus Shares		5,938,188	5,398,353	5,938,188	5,398,353
Donations payable		1,000,000	1,000,000	2,000,000	2,000,000
Associates					
TF Technologies	Nil				
Receivable against consultancy charges		118,525	217,689	118,525	217,689
Directors					
Dividend paid		2,325	1,000	2,325	1,000
Bonus shares issued		1,550	1,000	1,550	1,000
Directorship fee		2,000,000	4,437,500	3,437,500	7,287,500
Others		2,581,696	2,574,148	2,638,737	2,632,254
Remuneration of other key management personnel		10,819,295	2,899,833	19,151,234	16,157,784
Other related parties					
Staff retirement benefit plan - Gratuity fund:					
Payable to Gratuity fund		5,037,000	10,136,691	20,513,558	10,964,936
Staff retirement contribution plan - Provident fund:					
Payable to Provident fund		5,477,327	-	21,128,503	-

20 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2021. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the company for the year ended June 30, 2021.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

21 GENERAL

Figures have been rounded off to the nearest rupee.

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on February 25, 2022.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

Complete >
Network >
Solutions >



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