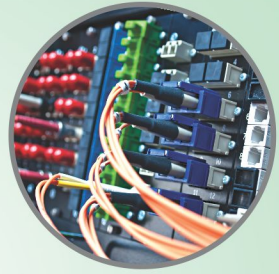




Pak Datacom



PAK DATACOM LIMITED

Condensed Interim Financial Statements

For the three months period ended
September 30, 2019

COMPANY PROFILE

BOARD OF DIRECTORS

- | | |
|---------------------------------|-----------------|
| 1. Mr. Zomma Mohiuddin | Chairman |
| 2. Syed Jamal Nasir | Chief Executive |
| 3. Mr. Farrukh Ahmad Hamidi | |
| 4. Engr. Perwaiz Khan | |
| 5. Ms. Rubina Safir | |
| 6. Syed Junaid Imam | |
| 7. Mr. Muhammad Waheed | |
| 8. Mr. Arshad Rasheed Chaudhary | |

AUDIT COMMITTEE

- | | |
|---------------------------------|-------------|
| 1. Ms. Rubina Safir | Chairperson |
| 2. Mr. Farrukh Ahmad Hamidi | |
| 3. Mr. Muhammad Waheed | |
| 4. Mr. Arshad Rasheed Chaudhary | |

HR & REMUNERATION COMMITTEE

- | | |
|---------------------------------|----------|
| 1. Mr. Arshad Rasheed Chaudhary | Chairman |
| 2. Mr. Farrukh Ahmad Hamidi | |
| 3. Syed Junaid Imam | |
| 4. Mr. Muhammad Waheed | |

PROCUREMENT COMMITTEE

- | | |
|---------------------------------|----------|
| 1. Mr. Zomma Mohaiuddin | Chairman |
| 2. Syed Junaid Imam | |
| 3. Mr. Muhammad Waheed | |
| 4. Mr. Arshad Rasheed Chaudhary | |

NOMINATION COMMITTEE

- | | |
|-------------------------|----------|
| 1. Mr. Zomma Mohaiuddin | Chairman |
| 2. Syed Junaid Imam | |
| 3. Mr. Muhammad Waheed | |

CHIEF FINANCIAL OFFICER

Syed Muhammad Asif Makhdoomi

COMPANY SECRETARY

Mr. Muhammad Naeem Rao

REGISTERED OFFICE

1st Floor, TF Complex, 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 Shahra-e-Faisal, Karachi - 74400. Tel: (92-21) 111-111-500

AUDITORS

A.F. Ferguson & Co. (PwC) Chartered Accountants, 3rd Floor, PIA Building, Fazl-e-Haq
Road, Block E, G-6/2, Blue Area, Islamabad - 44000.

LEGAL ADVISOR

Kundi & Kundi, Advocates & Legal Consultants, 29, Street # 63, Sector F - 10 / 3,
Islamabad.

DIRECTORS' INTERIM REVIEW

The Board of Directors of Pak Datacom Limited (PDL) is pleased to present to the shareholders, the un-audited condensed interim financial information for the quarter ended September 30, 2019.

During the period under review, PDL's revenue was Rs. 207.651 million as compared to Rs. 218.040 million and gross profit of Rs. 53.679 million as compared to Rs. 54.650 million of the corresponding period of last year. Your Company's net profit for the quarter is Rs. 9.669 million.

In order to meet current marketing challenges in IT & Telecom business, the Company is always striving hard to enhance its capacity and introduce latest technologies which are not only price competitive but that also meet the existing marketing requirement. Without increasing the product verticals, it is very difficult to generate significant revenue from the existing saturated market segment.

In this way PDL will not only position its resources for different projects but will also open doors for new revenue streams. The most important task for the Company is to further increase the customers satisfaction through its excellent support structure coupled with state of the art technologies and competitive tariffs.

The Directors of your Company would like to show their appreciation to the shareholders, customers, regulators, and Pakistan Stock Exchange for their continued confidence, trust, and committed support for the progress and prosperity of the Company. The Directors of your Company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company, and hope that they will continue to do so in the future.

For and on Behalf of the Board

Islamabad
November 26, 2019

Rubina Safir
Director

Syed Jamal Nasir
Chief Executive

ڈائریکٹرز کا عبوری جائزہ

پاک ڈیٹا کام لمیٹڈ (PDL) کے بورڈ آف ڈائریکٹرز کو 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لیے غیر آڈٹ شدہ عبوری مالی معلومات اپنے حصہ داران کو پیش کرنے پر انتہائی خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران PDL کی آمدنی 218.040 ملین روپے کے مقابلے میں 207.651 ملین روپے تھی جبکہ گزشتہ سال اسی مدت کے دوران ہونے والے مجموعی منافع 54.650 ملین روپے کے مقابلے میں 53.679 ملین روپے رہا ہے۔ آپ کی کمپنی کا اس سہ ماہی کے لیے خالص منافع 9.669 ملین ہے۔

کمپنی آئی ٹی اور ٹیلی کام کے کاروبار کے موجودہ مارکیٹنگ چیلنجوں سے نمٹنے کے لیے اپنی استعداد کار کو بڑھانے اور جدید ترین ٹیکنالوجیز کو متعارف کرانے کے لیے ہمیشہ کوشش کرتی رہی ہے جو نہ صرف مسابقتی قیمت پر مشتمل ہیں بلکہ یہ موجودہ مارکیٹنگ کے تقاضوں کو بھی پورا کرتی ہیں۔ مصنوعات کی عمودی سطح میں اضافہ کیے بغیر موجودہ مارکیٹ کے حصے سے اہم آمدنی حاصل کرنا بہت مشکل ہے۔

اس طرح PDL نہ صرف مختلف پراجیکٹس کے لیے اپنے وسائل کو برقرار رکھے گی بلکہ آمدنی کے نئے ذرائع کے لیے بھی دروازے کھولے گی۔ کمپنی کے لیے سب سے اہم کام یہ ہے کہ وہ اپنے بہترین معاون ڈھانچے کے ذریعے صارفین کی اطمینان میں اضافہ کرے اور اس کے ساتھ ساتھ جدید ترین ٹیکنالوجیز اور مسابقتی محصولات کو بھی مد نظر رکھے۔

آپ کی کمپنی کے ڈائریکٹرز اپنے شیئر ہولڈرز، صارفین، ریگولیٹرز اور پاکستان اسٹاک ایکسچینج کے مشکور ہیں کہ انہوں نے کمپنی کی ترقی اور خوشحالی کے لیے اپنے مسلسل اعتماد اور معاونت سے نوازا۔ آپ کی کمپنی کے ڈائریکٹرز کمپنی کے ملازمین کی طرف سے فراہم کی جانے والی خدمات، ان کی وفاداری اور کوششوں کا بھی اعتراف کرتے ہیں اور امید کرتے ہیں کہ وہ مستقبل میں بھی اس گن کے ساتھ کام کرنا جاری رکھیں گے۔

منجانب بورڈ

اسلام آباد

26 نومبر، 2019ء

چیف ایگزیکٹو

سید جمال ناصر

ڈائریکٹر

رویٹو سنیئر

Condensed Interim Statement of Financial Position (unaudited)

As at September 30, 2019

		September 30, 2019 Un-audited	June 30, 2019 Audited
	Note	Rupees	
SHARE CAPITAL AND RESERVES			
Share capital		98,010,000	98,010,000
Revenue reserves	4	716,746,824	707,077,733
Total share capital and reserves		814,756,824	805,087,733
NON - CURRENT LIABILITIES			
Deferred employees' benefits		39,955,429	46,051,088
Liability against assets subject to finance lease		5,515,491	6,977,448
		45,470,920	53,028,536
CURRENT LIABILITIES			
Customers' deposits		189,369,270	197,668,959
Contract liability		7,320,000	7,320,000
Trade and other payables	5	193,083,226	195,261,255
Provision for taxation		-	428,586
Current portion of liability against assets subject to finance lease		5,013,717	4,819,063
Unclaimed dividend		9,223,271	9,227,967
		404,009,484	414,725,830
Total Liabilities		449,480,404	467,754,366
Total Equity and Liabilities		1,264,237,228	1,272,842,099
CONTINGENCIES AND COMMITMENTS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	192,254,364	197,975,402
Intangible assets	8	4,910,500	5,017,250
Deferred taxation		61,935,473	63,698,700
		259,100,337	266,691,352
CURRENT ASSETS			
Trade debts	9	535,174,437	343,316,340
Contract assets	10	119,345,339	297,080,864
Advances		13,644,054	17,247,010
Trade deposits and short term prepayments		14,775,690	24,200,280
Other receivables		960,268	1,308,939
Interest accrued		2,462,164	5,060,357
Advance tax		3,160,934	-
Short term investments		99,000,000	112,000,000
Cash and bank balances	17	216,614,005	205,936,957
		1,005,136,891	1,006,150,747
Total Assets		1,264,237,228	1,272,842,099

The annexed notes from 1 to 23 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Rubina Safir
Director

Condensed Interim Statement of Profit or Loss Account (unaudited)
For the first quarter ended September 30, 2019

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
Revenue	11	207,651,374	218,040,385
Cost of services	12	(153,972,375)	(163,390,460)
Gross profit		53,678,999	54,649,925
Administrative expenses	13	(24,280,889)	(21,478,948)
Marketing expenses	14	(5,167,378)	(5,046,638)
Impairment loss		(114,844)	-
Finance cost		(595,622)	(432,515)
		23,520,266	27,691,824
Other income	15	(6,750,626)	5,846,692
Profit before taxation		16,769,640	33,538,516
Taxation		(7,100,549)	(10,073,625)
Profit for the quarter		9,669,091	23,464,891
Earning per share - basic and diluted (Rupee)	16	1.00	2.39

The annexed notes from 1 to 23 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Rubina Safir
Director

Condensed Interim Statement of Comprehensive Income (unaudited)

For the first quarter ended September 30, 2019

	Quarter ended 30 September	
	2019	2018
	Rupees	
Profit for the quarter	9,669,091	23,464,891
Other comprehensive income/(loss) for the period	-	-
Total comprehensive income for the quarter	<u>9,669,091</u>	<u>23,464,891</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Asif Makhdoomi
 Chief Financial Officer

Syed Jamal Nasir
 Chief Executive

Rubina Safir
 Director

Condensed Interim Statement of Changes in Equity (unaudited)

For the first quarter ended September 30, 2019

	Share Capital Issued, subscribed and paid-up	Revenue Reserves		Total
		General Reserve	Unappropriated profit	
Rupees				
Balance as at 01 July 2018	98,010,000	591,500,000	91,139,902	780,649,902
Adjustment on initial application of IFRS 9	-	-	(43,542,179)	(43,542,179)
Adjusted balance as at 01 July 2018	98,010,000	591,500,000	47,597,723	737,107,723
Total comprehensive income or the quarter				
Profit for the quarter	-	-	23,464,891	23,464,891
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income for the quarter	98,010,000	591,500,000	71,062,614	760,572,614
Balance as at September 30, 2018	<u>98,010,000</u>	<u>591,500,000</u>	<u>118,660,337</u>	<u>760,572,614</u>
Balance as at 01 July 2019	98,010,000	591,500,000	115,577,733	805,087,733
Total comprehensive income for the quarter				
Profit for the quarter	-	-	9,669,091	9,669,091
Other comprehensive income	-	-	-	-
Total comprehensive income for the quarter	-	-	9,669,091	9,669,091
Balance as at 30 September 2019	<u>98,010,000</u>	<u>591,500,000</u>	<u>125,246,824</u>	<u>814,756,824</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Rubina Safir
Director

Condensed Interim Statement of Cash Flows (unaudited)

For the first quarter ended September 30, 2019

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
Cash flows from operating activities			
Profit before taxation		16,769,640	33,538,516
Adjustments for:			
Depreciation	7	7,131,712	8,587,902
Amortization	8	106,750	106,750
Property, plant and equipment - write off		-	12,188
Finance cost		595,622	432,515
Interest income		(5,301,769)	(3,648,035)
Provision for gratuity		3,228,000	3,726,000
Provision for earned leave encashment		879,000	1,658,000
		23,408,955	44,413,836
Changes in:			
Trade debts		(191,858,097)	(103,194,330)
Contract assets		177,735,525	84,800,103
Advances		374,956	(287,449)
Trade deposits and short term prepayments		9,424,590	(9,616,034)
Other receivables		348,671	-
Customers' deposits		(8,299,689)	2,662,024
Trade and other payables		(2,178,029)	37,708,315
Cash generated from operations		8,956,882	56,486,465
Taxes paid		(8,926,842)	(4,048,304)
Gratuity paid		-	(2,000,000)
Leave encashment paid		(6,974,659)	(462,327)
Interest received		7,899,962	9,226,512
Finance cost paid		(595,622)	(432,515)
		(8,597,161)	2,283,366
Net cash (used in) / generated from operating activities		359,721	58,769,831
Cash flows from investing activities			
Capital expenditure	7	(1,410,674)	(1,374,533)
Encashment / (purchase) of investments		13,000,000	76,000,000
Net cash generated from / (used in) investing activities		11,589,326	74,625,467
Cash flows from financing activities			
Dividend paid		(4,696)	(716,875)
Payment of finance lease obligation		(1,267,303)	(1,289,914)
Net cash used in financing activities		(1,271,999)	(2,006,789)
Net increase / (decrease) in cash and cash equivalents		10,677,048	131,388,509
Cash and cash equivalents at the beginning of the year		205,936,957	83,931,020
Cash and cash equivalents at end of the quarter		216,614,005	215,319,529

The annexed notes from 1 to 23 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Rubina Safir
Director

Notes to and forming part of the Condensed Interim Financial Statements (unaudited)

For the first quarter ended September 30, 2019

1 LEGAL STATUS AND OPERATIONS

Pak Datacom Limited (the Company), a subsidiary of Telecom Foundation, Pakistan (TF), was incorporated in Pakistan on July 13, 1992 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act 2017) 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 Pakistan Stock Exchange Limited (formerly Karachi, Lahore and Islamabad Stock Exchanges). 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 authorized 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 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- 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.

The disclosures in these condensed interim financial statements do not include those reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2019. Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2019, where as comparative statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim financial statements for the quarter ended 30 September 2018.

These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of Companies Act 2017, and Rule Book of Pakistan Stock Exchange Limited.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these interim financial statements and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2019.

The Application of IFRS-16 for the quarter ended 30 September 2019, as the Company is in the process of analyzing the potential impact of its arrangements that may in recognition of right to use assets and liabilities as per IFRS-16. Thus, the impact of IFRS-16 has not been accounted for in these condensed interim financial statements for the quarter ended 30 September 2019.

4	REVENUE RESERVES	Note	September 30, 2019	June 30, 2019
			Un-audited	Audited
			Rupees	
	General reserve	4.1	591,500,000	591,500,000
	Unappropriated profit		125,246,824	91,139,902
			<u>716,746,824</u>	<u>682,639,902</u>

4.1 The general reserve is set aside by the Company from distributable profits.

5	TRADE AND OTHER PAYABLES	September 30, 2019	June 30, 2019
		Un-audited	Audited
		Rupees	
	Advances from customers	14,836,891	13,425,841
	Advances from employees	2,928,977	2,672,708
	Trade creditors	153,651,844	157,510,084
	License fee payable	4,234,097	3,379,178
	Accrued liabilities	12,105,096	16,513,589
	Taxes payable	5,326,321	1,759,855
		<u>193,083,226</u>	<u>195,261,255</u>

6 CONTINGENCIES AND COMMITMENTS

- 6.1 Guarantees issued by the bank on behalf of the Company amounted to Rs. 174 million (June 2019: Rs. 186.82 million).
- 6.2 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 utilized. Management after appropriate measures for the recovery of advance payments of US\$ 0.64 million referred the matter to the arbitration, which in its award given on 3 May 2012 imposed additional payment of US \$ 0.64 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 during the year ended 30 June 2012 as a matter of abandon caution. However 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\$ 1.27 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 Honorable Islamabad High Court. During the year ended 30 June 2017, the case has been transferred from the Honorable Islamabad High Court to Civil Court Islamabad due to pecuniary jurisdiction.
- 6.3 The Company entered into an agreement with a customer for up-linking facility in Pakistan on 1 January 2007. The Company satisfactorily provided services up to 31 January 2012. The services were disconnected on 31 January 2012 based on the customer's request. The Company filed a suit in the Honorable Islamabad Civil Court for recovery of trade debts and the Company has made provision against trade debts amounting to Rs. 6.75 million during the year ended 30 June 2012. Consequent upon decree by the Honorable Civil Court, the Company filed an appeal in the Honorable Islamabad High Court on 17 February 2017. The appeal is in the initial stages and management believes that the expected outcome will be in favour of the Company.
- 6.4 The Company has filed appeal before Commissioner Inland Revenue Appeals (CIRA) on 12 November 2018 against order dated 27 June 2018 from Deputy Commissioner Inland Revenue, creating demand of Rs. 38.96 million. While the Company's appeal were pending adjudication,

the Company apprehending the recovery proceedings, has obtained a restraining order from Islamabad High Court through a writ petition dated 15 November 2018 till the disposal of appeal before CIRA. The matter is still pending before CIRA.

- 6.5 The Company has filed appeal before Appellate Tribunal Inland Revenue on 22 August 2016 against the appellate order of Commissioner Inland Revenue Appeals (CIRA) creating a demand of Rs. 38.196 million on account of disallowance of certain expenses which were claimed by the Company in the tax return of Tax year 2010. The case is expected to be decided in favour of the Company.
- 6.6 The Company has filed appeal before Appellate Tribunal Inland Revenue on 22 August 2016 against the appellate order of Commissioner Inland Revenue Appeals (CIRA) creating a demand of Rs. 32.813 million on account of disallowance of certain expenses which were claimed by the Company in the tax return of Tax year 2013. The case is expected to be decided in favour of the Company.
- 6.7 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 7.46 million (June 2019: Rs. 7.152 million).
- 6.8 Letters of credit issued by the Bank on behalf of the Company in ordinary course of the business, outstanding at quarter end amounted to Rs. 5.94 million (June 2019: Rs. 40.60 million).

	September 30, 2019 Un-audited	June 30, 2019 Audited
Note	Rupees	
7 PROPERTY, PLANT AND EQUIPMENT		
Carrying amount at beginning of the quarter/year	197,975,402	225,838,098
Additions/adjustments during the quarter/year	1,410,674	7,782,967
Book value of disposals	-	(997,972)
Depreciation charge for the quarter/year	(7,131,712)	(34,647,691)
Carrying amount at end of the quarter/year	<u>192,254,364</u>	<u>197,975,402</u>
8 INTANGIBLE ASSETS		
Carrying amount at beginning of the quarter/year	5,017,250	5,444,250
Additions/adjustments during the quarter/year	-	-
Book value of disposals	-	-
Amortization charge for the quarter/year	(106,750)	(427,000)
Carrying amount at end of the quarter/year	<u>4,910,500</u>	<u>5,017,250</u>
9 TRADE DEBTS		
Trade debts	643,488,889	439,651,978
Less: impairment loss	(108,314,452)	(96,335,638)
	<u>535,174,437</u>	<u>343,316,340</u>
10 CONTRACT ASSETS		
Unbilled revenue	82,383,620	266,371,068
Prepayments related to contract with customers	36,961,719	30,709,796
	<u>119,345,339</u>	<u>297,080,864</u>
10.1 Unbilled revenue	102,249,797	297,813,487
Less: impairment loss	(19,866,177)	(31,442,419)
	<u>82,383,620</u>	<u>266,371,068</u>

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
11 REVENUE			
CVAS data communication services		169,173,480	140,036,993
Telecom infrastructure services		353,240	618,137
Other projects revenue		38,124,654	77,385,255
		<u>207,651,374</u>	<u>218,040,385</u>

11.1 Revenue is exclusive of sales tax of Rs. 30.76 million (September 2018: Rs. 26.24 million).

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
12 COST OF SERVICES			
Channel and local lead rentals		41,509,417	29,473,691
Space segment rentals		28,092,892	25,306,108
Salaries and other benefits	12.1	36,999,262	32,326,937
Repair and maintenance expenses		805,408	1,668,379
License fee		854,919	715,638
Depreciation		6,497,465	7,677,302
Amortization		106,750	106,750
Travelling and local conveyance		647,987	304,723
Telephone expenses		178,699	196,604
Vehicle running expenses		3,941,597	4,139,963
Insurance		431,042	441,515
Entertainment		288,107	220,200
Rent, rates and taxes		1,473,279	1,227,791
Utilities		1,705,426	1,439,700
Other projects cost		30,440,125	58,145,159
		<u>153,972,375</u>	<u>163,390,460</u>

12.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 2.67 million (September 2018: Rs. 3.5 million).

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
13 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	13.1	14,980,346	15,574,965
Travelling and local conveyance		721,488	92,772
Telephone expenses		372,182	173,098
Vehicle running expenses		1,496,339	1,464,004
Insurance		65,754	71,698
Depreciation		506,047	743,600
Entertainment		392,276	225,724
Rent, rates and taxes		1,467,724	972,918
Legal and professional charges		2,979,298	1,202,043
Printing and stationery		280,102	159,585
Utilities		719,333	528,440
Auditors' remuneration		300,000	200,000
Operating lease rentals		-	70,101
		<u>24,280,889</u>	<u>21,478,948</u>

13.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.11 million (September 2018: Rs. 1.45 million).

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
14 MARKETING EXPENSES			
Advertisement and marketing expenses		28,316	84,656
Salaries and other benefits	14.1	3,953,870	4,195,529
Travelling and local conveyance		606,863	41,012
Telephone expenses		26,076	42,244
Vehicle running expenses		373,474	431,704
Insurance		12,648	14,053
Depreciation		128,200	167,000
Entertainment		37,931	-
Operating lease rentals		-	70,440
		<u>5,167,378</u>	<u>5,046,638</u>

14.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 0.33 million (September 2018: Rs. 0.43 million).

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
15 OTHER INCOME			
Income from financial assets			
Return on short term investments		2,633,204	3,130,557
Return on bank deposits		2,530,472	449,453
Return on bank deposits with Islamic Banks		138,093	68,025
Exchange gain/ (loss)		(15,188,087)	2,198,657
Others		3,135,692	-
		<u>(6,750,626)</u>	<u>5,846,692</u>
16 EARNING PER SHARE (BASIC AND DILUTED)			
Profit after taxation		9,669,091	23,464,891
Basic and diluted earnings per share (Rupees)		<u>1.00</u>	<u>2.39</u>

Weighted average number of ordinary shares as at 30 September 2019 are 9,801,000 (30 September 2018: 9,801,000) and there are no dilutive ordinary shares till 30 September 2019.

	Note	Quarter ended 30 September	
		2019	2018
		Rupees	
17 CASH AND EQUIVALENTS			
Cash and bank balance		216,614,005	215,319,529
Short term investment		99,000,000	180,000,000
		<u>315,614,005</u>	<u>395,319,529</u>

18 TRANSACTIONS WITH RELATED PARTIES

Telecom Foundation owns 55.08 % (September 2018: 55.08 %) shares of the Company. The related parties comprise of holding and associated companies, companies with common directorship, directors, key management staff and employees retirement and other service benefits;

	Quarter ended 30 September	
	2019	2018
	Rupees	
TF Logistics - Subsidiary of Holding Company		
Payment against warehouse rent during the quarter	-	30,000
Other related parties		
Advance against gratuity fund	6,265,155	-
Contribution to gratuity fund	-	2,000,000
Remuneration of key management	5,330,609	5,327,336
19 NUMBER OF EMPLOYEES		
Total number of employees	223	216
Average number of employees	220	212

20 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2019

21 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors did not recommend any cash dividend for the first quarter ended 30 September 2019, in its meeting held on November 26, 2019.

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on November 26, 2019.

23 GENERAL

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

Asif Makhdoomi
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

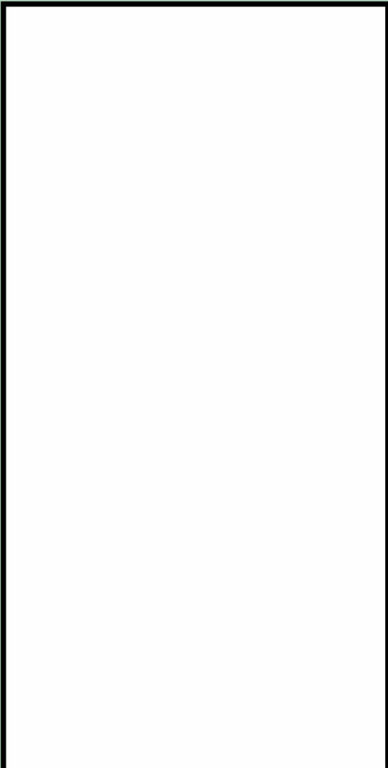
Rubina Safir
Director

Notes



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