



Pak Datacom



**PAK DATACOM LIMITED**  
**FIRST QUARTER REPORT**  
**FOR THE PERIOD ENDED SEPTEMBER 30**  
**2021**

## CORPORATE PROFILE

### BOARD OF DIRECTORS

- |                               |   |
|-------------------------------|---|
| 1. Syed Zomma Mohiuddin       | <i>Chairman / Non-Executive Director</i>      |
| 2. Brig Syed Zulfiqar Ali (R) | <i>Chief Executive</i>                        |
| 3. Ms. Rubina Safir           | <i>Independent Director / Female Director</i> |
| 4. Mr. Shamim Ahmed Sherazi   | <i>Independent Director</i>                   |
| 5. Engr. Perwaiz Khan         | <i>Non-Executive Director</i>                 |
| 6. Syed Junaid Imam           | <i>Non-Executive Director</i>                 |
| 7. Mr. Shoaib Javed Hussain   | <i>Non-Executive Director</i>                 |
| 8. Mr. Muhammad Waheed        | <i>Non-Executive Director</i>                 |

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

- |                             |                 |
|-----------------------------|-----------------|
| 1. Mr. Shamim Ahmed Sherazi | <i>Chairman</i> |
| 2. Mr. Shoaib Javed Hussain | <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. Mr. Shoaib Javed Hussain | <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

Mr. Jibran Shazib Abbas

### 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 Board of Directors ('the Board') of the Company is pleased to present its report along with the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2021.

### Financial and Operational Performance:

During the quarter ended September 30, 2021, the Company recorded an increase of 81.99 per cent to its revenue in comparison with the same period last year. Revenue of the Company as on September 30, 2021 therefore stood at Rs. 293 million, compared to Rs. 161 million on September 30, 2020.

The increase in revenue or the top line of the Company resulted in a gross profit to the Company of approximately Rs. 44 million for the quarter ended September 30, 2021, compared to Rs. 31 million for the corresponding period last year, i.e. an increase of 41.94 per cent in the gross profit of the Company to that on September 30, 2020.

Accordingly, net profit or the bottom line of the Company for the quarter ended September 30, 2021, inclusive of exchange gain of Rs. 32 million, was approximately Rs. 45 million, resulting in earnings per share ('EPS') of Rs. 4.17, compared to a loss of Rs. 5 million or EPS of Rs. -0.46 (restated) for the same period last year.

### Economic Overview and Future Outlook:

The Company has delivered outstanding financial results for the quarter ended September 30, 2021 primarily due to the following:

- a) implementation of the 5 Year Strategic Master Plan that has been geared at improving both the top line and the bottom line of the Company from the ground up;
- b) realization of exchange gain as a result of the appreciation of the US Dollar ('USD') against the Pakistani Rupee ('PKR'); and
- c) various initiatives taken by the Government of Pakistan to promote the Information and Communications Technology ('ICT') sector as a whole, which have been described more in detail later on in this report.

Going forward, it seems likely that exchange gain will have less influence on the overall profitability of the Company, as the injection of USD 1 billion by the International Monetary Fund under the Extended Fund Facility and foreign investment by frontier market funds in Pakistan will all help to stabilize the PKR and prevent its devaluation which in turn will also curtail any profits by way of exchange gain.

Nevertheless, with that said, due to the implementation of the Company's 5 Year Strategic Plan aimed at improving the top line and the bottom line of the Company, pragmatic reorganization taking place within the Company, and the various initiatives of the Government of Pakistan to promote the ICT sector as a whole,

such as the reduction of minimum tax from 8 per cent to 3 per cent, the classification of telecommunication companies as industrial undertakings so that they are able to reclaim advance tax on the import of capital equipment and plant machinery, and the reduction of federal excise duty from 17 per cent to 16 per cent, the Company's outlook for the future remains positive and stable with increasing shareholder value in the times to come.

**Acknowledgement:**

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 not be possible to achieve such outstanding results.

**For and on Behalf of the Board**

**Islamabad**  
October 22, 2021

**Brig Syed Zulfiqar Ali (R)**  
Chief Executive

**Rubina Safir**  
Director

ساتھ ساتھ پاکستان میں فرنٹیر مارکیٹ فنڈز کی طرف سے بھی غیر ملکی سرمایہ کاری میں اضافہ ہو رہا ہے جس کے نتیجے میں نہ صرف پاکستانی روپیہ مستحکم ہو گا بلکہ کمپنی کو روپے کی قدر میں کمی کی وجہ سے ہونے والا منافع کا بہاؤ بھی رک جائے گا۔

اس کے باوجود، کمپنی کے 5 سالہ سٹریٹجک پلان کے نفاذ کی وجہ سے کمپنی کی ٹاپ لائن اور چلی لائن میں بہتری، کمپنی کے اندر ہونے والی عملی تنظیم نو اور مجموعی طور پر آئی سی ٹی سیکٹر کی ترویج کے لئے حکومت پاکستان کے مختلف اقدامات کی بدولت کمپنی کا مستقبل کے لیے نقطہ نظر مثبت اور مستحکم ہے۔ حکومتی اقدامات میں کم از کم ٹیکس کو 8 فیصد سے کم کر کے 3 فیصد کرنا، ٹیلی کمیونیکیشن کمپنیوں کو صنعتی اداروں کے طور پر تسلیم کرنا تاکہ وہ آلات اور پلانٹ مشینری کی درآمد پر ایڈوانس ٹیکس کی باز ادائیگی کے اہل ہو سکیں اور فیڈرل ایکسائز ڈیوٹی کو 17 فیصد سے کم کر کے 16 فیصد کرنا، جیسے اقدامات شامل ہیں۔

### اظہار تشکر:

بورڈ اس موقع پر کمپنی کے شیئر 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، اس تعاون کے بغیر اس طرح کے شاندار نتائج حاصل کرنا ممکن نہیں ہو سکتا۔

بورڈ کے لئے اور اس کی طرف سے

روبینہ سفیر  
ڈائریکٹر

بریگیڈیئر سید ذوالفقار علی (ر)  
چیف ایگزیکٹو

اسلام آباد  
22 اکتوبر، 2021

## ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز ('بورڈ') کی طرف سے 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کے ساتھ رپورٹ پیش خدمت ہے۔

### مالیاتی اور آپریشنل کارکردگی:

30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے دوران کمپنی کی آمدن میں گزشتہ سال کی اسی مدت کے مقابلے میں 81.99 فیصد اضافہ ہوا۔ اس طرح 30 ستمبر 2021ء تک کمپنی کی آمدنی 293 ملین روپے رہی جبکہ 30 ستمبر 2020ء کو یہ 161 ملین روپے تھی۔

آمدنی میں اضافے کے نتیجے میں 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے دوران کمپنی کو 44 ملین روپے کا منافع ہوا جبکہ گزشتہ سال کی اسی مدت کے دوران یہ منافع 31 ملین روپے تھا یعنی کمپنی کے مجموعی منافع میں 30 ستمبر 2020 کے مقابلے میں 44.94 فیصد اضافہ ہوا۔

30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے دوران کمپنی کا خالص منافع 45 ملین روپے رہا جس میں 32 ملین روپے کی زرمبادلہ آمدن بھی شامل ہے۔ اس کے نتیجے میں فی حصص آمدنی (ای پی ایس) 4.17 روپے رہی، گزشتہ سال کی مماثل مدت کے مقابلے میں 0.46 روپے فی حصص کا نقصان ہوا جو مجموعی طور پر 5 ملین روپے بنتا ہے۔

### معاشی جائزہ اور مستقبل کا نقطہ نظر:

کمپنی نے 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے دوران شاندار مالی کارکردگی کا مظاہرہ کیا ہے جس کی بنیادی وجوہات مندرجہ ذیل ہیں:

- 5 سالہ سٹریٹجک ماسٹر پلان کا نفاذ جو کمپنی کی اوپری لائن اور نچلی لائن دونوں کو از سر نو منظم کرنے کے لئے تیار کیا گیا ہے؛
- پاکستانی روپے کے مقابلے میں امریکی ڈالر کی قدر میں اضافے کے نتیجے میں بہتر زرمبادلہ کا حصول اور
- حکومت پاکستان کی جانب سے مجموعی طور پر انفارمیشن اینڈ کمیونیکیشن ٹیکنالوجی (آئی سی ٹی) کے شعبے کو فروغ دینے کے لئے کئے گئے مختلف اقدامات جن کو بعد ازاں اس رپورٹ میں مزید تفصیل سے بیان کیا گیا ہے۔

امکان ہے کہ امریکی ڈالر کی قدر میں اضافے کی وجہ سے کمپنی کے مجموعی منافع پر کم اثر پڑے گا کیونکہ انٹرنیشنل مانیٹری فنڈ کی طرف سے پاکستان کو اضافی فنڈز کی سہولت کے تحت ایک ارب ڈالر فراہم کر دیے گئے ہیں اس کے

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2021**

		September 30, 2021 Un-audited	June 30, 2021 Audited
	Note	Rupees	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	183,787,785	189,474,260
Intangible assets	5	4,056,500	4,163,250
Deferred taxation		58,892,629	45,709,756
		246,736,914	239,347,266
<b>CURRENT ASSETS</b>			
Trade debts	6	581,882,817	782,358,217
Contract assets	7	156,557,187	28,711,284
Contract work in progress		16,226,089	1,947,624
Advances		9,479,212	7,796,934
Trade deposits and short term prepayments		17,617,947	18,277,681
Other receivables		8,395,791	9,153,020
Interest accrued		569,256	822,202
Tax refunds due from the Government		25,089,245	25,441,001
Short term investments		217,625,059	112,976,532
Cash and bank balances	8	247,605,245	114,791,166
		1,281,047,848	1,102,275,661
		1,527,784,762	1,341,622,927
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	9	107,811,000	107,811,000
Reserves			
General reserve		591,500,000	591,500,000
Unappropriated profits		182,925,687	138,000,644
		882,236,687	837,311,644
<b>NON-CURRENT LIABILITIES</b>			
Deferred employees' benefits		51,700,240	48,700,240
Lease liabilities		22,700,308	28,514,186
		74,400,548	77,214,426
<b>CURRENT LIABILITIES</b>			
Customers' deposits		213,342,638	197,739,212
Contract liability		5,219,926	5,032,427
Trade and other payables	10	332,816,982	204,240,723
Current portion of lease liabilities		9,174,456	9,490,970
Unclaimed dividend		10,593,525	9,859,875
Unpaid dividend		-	733,650
		571,147,527	427,096,857
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	1,527,784,762	1,341,622,927

The annexed notes 1 - 21 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		Rupees	
Revenue - net	12	293,437,989	161,043,992
Cost of services	13	(249,644,223)	(130,017,444)
<b>Gross profit</b>		<b>43,793,766</b>	<b>31,026,548</b>
Administrative expenses	14	(34,440,233)	(29,032,837)
Marketing expenses	15	(7,940,951)	(6,480,999)
Impairment reversal on financial assets		4,513,669	975,921
Finance income / (cost)	16	29,195,337	(3,563,512)
		35,121,588	(7,074,879)
Other income	17	3,491,264	6,093,093
Profit / (Loss) before taxation		38,612,852	(981,786)
Taxation		6,312,191	(3,962,928)
Profit / (Loss) for the period		44,925,043	(4,944,714)
			<b>Restated</b>
Earnings per share - basic and diluted		4.17	(0.46)

The annexed notes 1 - 21 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		Rupees	
Profit / (Loss) for the period		44,925,043	(4,944,714)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain on defined benefit plan		-	-
Total comprehensive income / (loss) for the period		44,925,043	(4,944,714)

The annexed notes 1 - 21 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Share Capital Issued, subscribed and paid-up	Reserves		Total
		General Reserve	Unappropriated profit	
Rupees				
Balance as at July 01, 2020	98,010,000	591,500,000	153,359,597	842,869,597
<b>Total comprehensive income or (loss)</b>				
Loss for the period	-	-	(4,944,714)	(4,944,714)
Other comprehensive income	-	-	-	-
	-	-	(4,944,714)	(4,944,714)
Balance as at September 30, 2020	<u>98,010,000</u>	<u>591,500,000</u>	<u>148,414,883</u>	<u>837,924,883</u>
Balance as at June 30, 2021 (audited)	107,811,000	591,500,000	138,000,644	837,311,644
<b>Balance as at July 1, 2021</b>	<u>107,811,000</u>	<u>591,500,000</u>	<u>138,000,644</u>	<u>837,311,644</u>
<b>Total comprehensive income or (loss)</b>				
Profit for the period	-	-	44,925,043	44,925,043
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	44,925,043	44,925,043
<b>Balance as at September 30, 2021</b>	<u>107,811,000</u>	<u>591,500,000</u>	<u>182,925,687</u>	<u>882,236,687</u>

The annexed notes 1 - 21 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) for the period - before taxation		38,612,852	(981,786)
Adjustments for non-cash items:			
Depreciation		6,661,354	6,800,874
Amortization		106,750	106,750
Property and equipment - write off		103,531	-
Impairment reversal on financial assets		(4,513,669)	(975,921)
Finance cost		3,192,683	1,867,684
Unrealized exchange (gain)/loss		(32,388,020)	1,695,828
Interest income		(2,455,939)	(2,637,205)
Provision for gratuity		5,037,000	3,788,000
Provision for earned leave encashment		3,000,000	3,824,000
Provision for provident fund		3,280,942	1,447,022
		20,637,484	14,935,246
<b>Changes in working capital</b>			
Decrease / (increase) in trade debts		207,132,374	43,201,963
Decrease / (increase) in contract assets		(129,667,887)	797,746
Decrease / (increase) in contract work in progress		(14,278,465)	(28,822,791)
Decrease / (increase) in advances		(1,682,278)	(890,428)
Decrease / (increase) in trade deposits and short term prepayments		353,387	12,802,120
Decrease / (increase) in other receivables		757,229	161,675
Increase / (decrease) in customers' deposits		15,603,426	(2,606,723)
Increase / (decrease) in contract liability		187,499	895,977
Increase / (decrease) in trade and other payables		120,258,317	(31,617,119)
		198,663,602	(6,077,579)
		219,301,086	8,857,667
Taxes paid		(6,518,926)	(8,612,879)
Leave encashment paid		-	(4,151,902)
<b>Net cash generated from / (used in) operating activities</b>		212,782,160	(3,907,113)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(1,078,410)	(1,709,977)
Purchase of short term investments		(108,000,000)	(50,000,000)
Interest and profit received		6,060,358	11,951,385
<b>Net cash used in investing activities</b>		(103,018,052)	(39,758,592)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of finance lease obligation		(6,130,392)	(3,557,053)
Finance cost paid		(3,192,683)	(4,035,655)
<b>Net cash used in financing activities</b>		(9,323,075)	(7,592,709)
<b>Net increase / (decrease) in cash and cash equivalents</b>		100,441,033	(51,258,414)
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		32,388,020	-
<b>Cash and cash equivalents at the end of the period</b>	8	247,677,266	217,542,227

The annexed notes 1 - 21 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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; and
- 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.

		September 30, 2021 Un-audited	June 30, 2021 Audited
		Rupees	
<b>4</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	146,180,605	149,828,154
	Right of use assets	37,607,180	39,646,106
		183,787,785	189,474,260
<b>4.1</b>	<b>Operating fixed assets</b>		
	Opening net book value	149,828,154	162,415,626
	Additions	1,078,410	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	-	2,198,000
	Accumulated depreciation	-	(1,482,810)
		-	715,190
	Depreciation charge	(4,622,428)	(21,733,613)
	Closing net book value	146,180,605	149,828,154
<b>4.2</b>	<b>Right of use (ROU) assets</b>		
	Opening net book value	39,646,106	39,358,064
	Additions	-	8,868,000
	Transfer from leased to owned:		
	Cost	-	(2,198,000)
	Accumulated depreciation	-	1,482,810
		-	(715,190)
	Write off:		
	Cost	-	(1,889,000)
	Accumulated depreciation	-	1,035,312
		-	(853,688)
	Depreciation charge	(2,038,926)	(7,011,080)
	Closing net book value	37,607,180	39,646,106
<b>5</b>	<b>INTANGIBLE ASSETS</b>		
	Software and infrastructure license		
	Opening net book value	4,163,250	4,590,250
	Amortization charge	(106,750)	(427,000)
	Closing net book value	4,056,500	4,163,250
<b>6</b>	<b>TRADE DEBTS</b>		
	Trade debts	672,938,545	880,070,919
	Less: Impairment loss allowance	(91,055,728)	(97,712,702)
		581,882,817	782,358,217

	September 30, 2021 Un-audited	June 30, 2021 Audited
	Rupees	
<b>7 CONTRACT ASSETS</b>		
Unbilled revenue	175,000,822	45,332,935
Less: Impairment loss allowance	(18,443,635)	(16,621,651)
	<u>156,557,187</u>	<u>28,711,284</u>
<b>8 CASH AND BANK BALANCES</b>		
Cash in hand	697,752	163,694
Cash at bank:		
Current accounts	134,778,033	8,089,318
Deposit accounts	96,372,158	70,665,850
Deposit accounts with Islamic Banks under Shariah arrangements	3,816,474	23,916,397
Current accounts-dividend	12,012,849	12,012,954
	<u>247,677,266</u>	<u>114,848,213</u>
Less: Impairment loss allowance	(72,021)	(57,047)
	<u>247,605,245</u>	<u>114,791,166</u>
<b>9 SHARE CAPITAL</b>		
<b>9.1 Authorised Share Capital</b>		
100,000,000 ordinary shares of Rs 10 each (June 30, 2021: 100,000,000 ordinary shares of Rs 10 each)	1,000,000,000	1,000,000,000
<b>9.2 Issued, subscribed and paid up capital:</b>		
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:		
5,381,100 ordinary shares of Rs 10 each (June 30, 2021: 5,381,100 ordinary shares of Rs 10 each)	53,811,000	53,811,000
10,781,100 ordinary shares of Rs 10 each (June 30, 2021: 10,781,100 ordinary shares of Rs 10 each)	<u>107,811,000</u>	<u>107,811,000</u>
<b>10 TRADE AND OTHER PAYABLES</b>		
Trade creditors	256,392,977	157,922,892
Advances from employees for vehicle lease	3,862,186	3,839,328
License fee payable	4,032,805	3,202,760
Accrued liabilities	14,628,774	7,549,375
Sales tax payable	253,086	764,917
Withholding tax payable	2,480,123	3,528,960
Payable to employees	8,039,297	4,622,699
Bonus payable	12,000,000	-
Employees' retirement and other service benefits :		
Gratuity fund	15,476,558	10,439,558
Provident fund	15,651,176	12,370,234
	<u>332,816,982</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.
- 11.1.2 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 September 30, 2021 is Rs. 107.81 million (June 30, 2021: 147.71 million).

**11.2 Commitments**

The Company has following commitments in respect of:

	September 30, 2021 Un-audited	June 30, 2021 Audited
Capital expenditure commitments	95,905,336	167,061,773
Outstanding letter of credits	58,100,000	24,972,142

**Three months period ended**  
**September 30, 2021**      **September 30, 2020**

**12 REVENUE**

	September 30, 2021	September 30, 2020
Communication Value Added Services (CVAS) / data communication services	196,956,012	191,483,966
Telecom infrastructure services	344,991	412,264
Specialised projects	128,931,371	-
Gross revenue	326,232,374	191,896,230
Less:		
Sales tax / Federal Excise Duty	(29,664,031)	(29,066,066)
Advance tax	(3,130,354)	(1,786,172)
	<u>293,437,989</u>	<u>161,043,992</u>

**13 COST OF SERVICES**

	September 30, 2021	September 30, 2020
Channel and local lead rentals	54,538,229	49,624,195
Space segment rentals	18,401,058	21,450,382
Salaries and other benefits	51,257,503	41,579,741
Repair and maintenance expenses	870,652	2,763,072
License fee	830,045	812,341
Depreciation - operating fixed assets	3,972,472	5,157,434
Depreciation - right of use assets	460,368	262,227
Amortization	106,750	106,750
Travelling and local conveyance	232,742	330,195
Communication expenses	427,406	274,331
Vehicle running expenses	3,861,602	3,487,700
Insurance	271,297	408,852
Entertainment	226,842	268,608
Rent, rates and taxes	1,925,566	2,067,584
Utilities	1,561,513	1,424,032
Other projects costs	110,700,178	-
	<u>249,644,223</u>	<u>130,017,444</u>

- 13.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 6.37 million (September 30, 2020: Rs. 5.85 million).

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		Rupees	
<b>14 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	14.1	25,650,673	21,653,451
Travelling and local conveyance		500	65,507
Communication expenses		343,202	266,519
Vehicle running expenses		1,414,389	1,223,367
Repair and maintenance expenses		540,669	650,013
Insurance		84,938	45,412
Depreciation - operating fixed assets		564,877	399,175
Depreciation - right of use assets		1,466,904	820,884
Entertainment		368,107	346,472
Rent, rates and taxes		-	36,843
Legal and professional charges		1,844,650	1,272,169
Printing and stationery		222,755	269,081
Utilities		788,569	833,944
Donation		1,000,000	1,000,000
Auditors' remuneration		150,000	150,000
		<u>34,440,233</u>	<u>29,032,837</u>

14.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 2.71 million (September 30, 2020: Rs. 2.49 million).

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		Rupees	
<b>15 MARKETING EXPENSES</b>			
Advertisement and marketing		10,000	196,680
Salaries and other benefits	15.1	7,014,201	5,595,500
Travelling and local conveyance		-	7,000
Communication expenses		43,211	45,042
Vehicle running expenses		515,304	446,108
Insurance		21,040	12,515
Depreciation - operating fixed assets		85,079	104,148
Depreciation - right of use assets		111,654	57,006
Repair and maintenance expenses		140,462	17,000
		<u>7,940,951</u>	<u>6,480,999</u>

15.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 0.78 million (September 30, 2020: Rs.0.72 million).



	Three months period ended	
	September 30, 2021	September 30, 2020
	Rupees	
<b>16 FINANCE INCOME / (COST)</b>		
Exchange gain / (loss) - net	32,388,020	(1,695,828)
Finance lease charges	(806,512)	(167,508)
Bank charges	(2,386,171)	(1,700,175)
	<u>29,195,337</u>	<u>(3,563,512)</u>
<b>17 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on short term investments	1,806,051	2,530,138
Return on bank deposits	550,000	9,118
Return on bank deposits with Islamic Banks	99,888	97,949
<b>Income from non-financial assets</b>		
Loss on property & equipment	(103,531)	-
Others	1,138,856	3,455,888
	<u>3,491,264</u>	<u>6,093,093</u>

#### 18 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 % of shareholding	Three months period ended	
		September 30, 2021	September 30, 2020
		Rupees	
<b>Telecom Foundation - Holding Company</b>	<b>55.08%</b>		
Donations payable		1,000,000	1,000,000
<b>TF Technologies - Associated Company</b>	<b>Nil</b>		
Receivable against consultancy charges		118,525	217,689
<b>Key management personal</b>			
Directors			
Directorship fee		1,437,500	2,850,000
Others		2,557,041	2,563,678
Remuneration of other key management personnel		8,331,939	7,227,728
<b>Other related parties</b>			
Staff retirement benefit plan - Gratuity fund			
Advance / Receivable from Gratuity fund		-	6,348,691
Payable to Gratuity fund		15,476,558	-
Staff retirement contribution plan - Provident fund			
Payable to Provident fund		15,651,176	1,447,022

**19 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.

**20 GENERAL**

Figures have been rounded off to the nearest rupee.

**21 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue by the Board of Directors of the Company on October 22, 2021.

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**Asif Makhdoomi**  
Chief Financial Officer

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**Brig Syed Zulfiqar Ali (R)**  
Chief Executive

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**Rubina Safir**  
Director



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