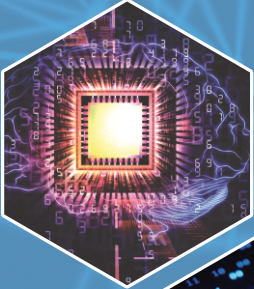




Pak Datacom



# Condensed Interim Financial Statements

For the three months ended  
September 30, 2022

## 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. Muhammad Izqar Khan    | <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. Muhammad Izqar Khan  | <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. Muhammad Izqar Khan | <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

Mr. Ahmed Rafiq (A)

### COMPANY SECRETARY

Mr. Ali Saleem Rana (A)

### 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 in presenting to the shareholders un-audited condensed interim financial statements together with their report of the Company for the three month's period starting from July 01, 2022 to September 30, 2022.

In the 2022-23 financial year the Company continued to operate in very challenging conditions. High inflation, depreciation of the Pakistani rupee against the US dollar, and tightening of monetary policy and fiscal policy, were the hallmarks of the financial year. Notwithstanding, the Company recorded an increase of 51 percent to its revenue in comparison with the same period last year. Revenue of the Company as on September 30, 2022 was recorded at Rs. 442.474 million, compared to Rs. 293.438 million on September 30, 2021. Gross profit of the Company is Rs. 65.392 million as compared to Rs. 43.794 million for the corresponding period of last year i.e. an increase of 49 percent.

Accordingly, net profit of the Company for the three month's period ended September 30, 2022, was Rs. 64.959 million, resulting in earnings per share ('EPS') of Rs. 5.48, as compared to a profit of Rs. 44.925 million and EPS of Rs. 3.79 for the same period last year.

Your Company is focusing on providing high-speed internet, including high-speed internet over satellite to remote and under connected areas of Pakistan. In addition to this, it is also focusing on business transformation and continuity, and quality care and service assurance. In respect of quality care and service assurance, PDL has already deployed a series of initiatives to improve its quality of service by providing battery backup enhancements and induction of portable DGs etc to handle prolonged power break downs and other weather related calamities so that its clients may enjoy undisturbed round the clock services. The Company's performance, its position in the ICT sector, and any future developments will heavily be impacted in the short and medium term by fears of a possible COVID-19 resurgence, high inflation, depreciation of the of the Pakistani rupee against the US dollar, and comparatively stringent fiscal and monetary policy, i.e. higher taxes and higher interest rates.

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**  
October 26, 2022

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

**Rubina Safir**  
Director

اس کی حیثیت اور مستقبل کی ترقی مختصر اور درمیانی مدت میں متعدد عوامل سے متاثر ہو سکتی ہے، جن میں کووڈ-19 کی لہر دوبارہ اٹھنے کا خطرہ، بلند افراط زر، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، اور نسبتاً سخت مانیٹری اور مالی پالیسیاں یعنی ٹیکسوں اور سود کی بلند شرحیں شامل ہیں۔

بورڈ اس موقع پر کمپنی کے حصص داروں، قابل قدر صارفین، سرکاری اداروں، مالیاتی اداروں، ملازمین اور کمپنی کے دیگر سٹیک ہولڈرز کا شکر گزار ہے کیونکہ ان کے مسلسل تعاون کے بغیر اس طرح کے بہترین نتائج حاصل کرنا ممکن نہیں تھا۔

منجانب بورڈ

روبینہ سفیر  
ڈائریکٹر

بریگیڈیئر (ر) سید ذوالفقار علی  
چیف ایگزیکٹو

اسلام آباد  
بتاریخ: 26 اکتوبر 2022ء

## ڈائریکٹرز رپورٹ

پاک ڈیٹاکام کے حصص داروں کے لیے ڈائریکٹرز کی طرف سے یکم جولائی 2022ء سے 30 ستمبر 2022ء تک کی سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ رپورٹ پیش خدمت ہے۔

مالی سال 2022-23 کے دوران کمپنی نے مشکل حالات کے باوجود کام جاری رکھا۔ اس سال افراط زر کی شرح بلند، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں گراوٹ اور مانیٹری و مالی پالیسیوں میں سختی دیکھی گئی۔ اس سب کے باوجود، زیر جائزہ مدت کے دوران پچھلے سال کی اسی مدت کے مقابلے میں 51 فیصد زائد آمدن ہوئی۔ 30 ستمبر 2022ء تک کمپنی کا ریونیو 442.474 ملین روپے تھا جبکہ پچھلے سال اسی مدت کے دوران ریونیو 293.438 ملین روپے تھا۔ اسی طرح اس مدت کے دوران کمپنی کا مجموعی منافع 65.392 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران منافع 43.794 ملین روپے تھا، اسی طرح مجموعی منافع میں 49 فیصد اضافہ ہوا۔

اس طرح 30 ستمبر 2022ء کو ختم ہونے والی سہ ماہی کے دوران خالص منافع 64.959 ملین روپے رہا جس کے نتیجے میں فی حصص آمدن 5.48 روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران خالص منافع 44.925 ملین روپے جبکہ فی حصص آمدن 3.79 روپے تھی۔

آپ کی کمپنی ہائی سپیڈ کے حامل انٹرنیٹ کی فراہمی پر توجہ مرکوز کیے ہوئے ہے، جس میں پاکستان کے دور دراز اور محدود رابطے کے حامل علاقوں میں سیٹلائٹ کے ذریعے ہائی سپیڈ انٹرنیٹ کی فراہمی بھی شامل ہے۔ اس کے ساتھ ساتھ کمپنی کاروبار میں تنوع اور تسلسل، معیار اور سروس کی بہترین فراہمی پر بھی توجہ دے رہی ہے۔ معیار اور سروس کی بہترین فراہمی کو یقینی بنانے کے لیے پاک ڈیٹاکام لمیٹڈ کئی اقدامات کر رہی ہے جن میں بیٹری بیک اپ اور فوری طور منتقلی کے حامل DGs کی سہولت کو بڑھایا جا رہا ہے تاکہ بجلی کی طویل بندش یا موسمی حالات کے باعث بجلی کی فراہمی بند ہونے پر انٹرنیٹ کی بلا تعطل فراہمی جاری رہے۔ کمپنی کی کارکردگی، انفارمیشن اینڈ کمیونٹی کیشن ٹیکنالوجیز کے شعبے میں

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2022**

		September 30, 2022 Un-audited	June 30, 2022 Audited
	Note	Rupees	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	213,464,547	217,602,225
Intangible assets	5	4,272,505	4,164,146
Deferred taxation		71,343,321	77,054,753
		289,080,373	298,821,124
<b>CURRENT ASSETS</b>			
Trade debts	6	658,215,899	814,428,992
Contract assets	7	360,936,742	204,729,211
Contract work in progress		155,646,720	43,627,099
Advances		17,043,703	12,092,144
Trade deposits and short term prepayments		25,158,809	112,235,518
Other receivables		11,385,489	13,857,614
Interest accrued		5,239,147	1,734,317
Tax refunds due from the Government		-	-
Short term investments		154,881,138	143,077,328
Cash and bank balances	8	460,183,907	251,098,371
		1,848,691,555	1,596,880,594
		2,137,771,928	1,895,701,718
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	9	118,592,100	118,592,100
Reserves			
General reserve		591,500,000	591,500,000
Unappropriated profits		356,585,452	362,781,809
		1,066,677,552	1,072,873,909
<b>NON-CURRENT LIABILITIES</b>			
Deferred employees' benefits		45,261,051	47,097,074
Lease liabilities		75,695,216	80,416,300
		120,956,267	127,513,374
<b>CURRENT LIABILITIES</b>			
Customers' deposits		121,694,853	113,895,030
Contract liability		5,368,375	7,213,042
Trade and other payables	10	713,522,102	547,641,515
Tax Payable		15,262,519	4,408,540
Current portion of lease liabilities		12,280,261	11,301,568
Unclaimed dividend		10,854,740	10,591,642
Unpaid dividend		71,155,260	263,098
		950,138,109	695,314,435
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	2,137,771,928	1,895,701,718

The annexed notes 1 - 21 form an integral part of these financial statements.

**Ahmed Rafiq**  
Chief Financial Officer (A)

**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, 2022**

	Note	Three months period ended	
		September 30, 2022	September 30, 2021
		Rupees	
Revenue - net	12	442,474,115	293,437,989
Cost of services	13	(377,082,312)	(249,644,223)
<b>Gross profit</b>		65,391,803	43,793,766
Administrative expenses	14	(45,271,753)	(34,440,233)
Marketing expenses	15	(11,756,085)	(7,940,951)
Impairment (Loss)/reversal on financial assets		(7,871,359)	4,513,669
Finance income / (cost)	16	74,787,247	29,195,336
		75,279,853	35,121,587
Other income	17	13,365,038	3,491,264
<b>Profit / (Loss) before taxation</b>		88,644,890	38,612,851
Taxation		(23,685,987)	6,312,191
<b>Profit / (Loss) for the period</b>		64,958,903	44,925,042
			<b>Restated</b>
Earnings per share - basic and diluted		5.48	3.79

The annexed notes 1 - 21 form an integral part of these financial statements.

**Ahmed Rafiq**  
Chief Financial Officer (A)

**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, 2022**

	Note	Three months period ended	
		September 30, 2022	September 30, 2021
		Rupees	
<b>Profit / (Loss) for the period</b>		64,958,903	44,925,042
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain on defined benefit plan		-	-
<b>Total comprehensive income / (loss) for the period</b>		<u>64,958,903</u>	<u>44,925,042</u>

The annexed notes 1 - 21 form an integral part of these financial statements.

\_\_\_\_\_  
**Ahmed Rafiq**  
Chief Financial Officer (A)

\_\_\_\_\_  
**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, 2022**

	Share Capital Issued, subscribed and paid-up	Reserves		Total
		General Reserve	Unappropriated profit	
Rupees				
Balance as at July 01, 2021	107,811,000	591,500,000	138,000,644	837,311,644
<b>Total comprehensive income or (loss)</b>				
Profit for the period	-	-	44,925,042	44,925,042
Other comprehensive income	-	-	-	-
	-	-	44,925,042	44,925,042
Balance as at September 30, 2021	<u>107,811,000</u>	<u>591,500,000</u>	<u>182,925,686</u>	<u>882,236,686</u>
Balance as at June 30, 2022 (audited)	118,592,100	591,500,000	362,781,809	1,072,873,909
<b>Balance as at July 1, 2022</b>	118,592,100	591,500,000	362,781,809	1,072,873,909
<b>Total comprehensive income or (loss)</b>				
Profit for the period	-	-	64,958,903	64,958,903
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	64,958,903	64,958,903
<b>Transactions with owners of the company</b>				
Final dividend for the year ended June 30, 2022: Rs. 6 per share	-	-	(71,155,260)	(71,155,260)
<b>Balance as at September 30, 2022</b>	<u>118,592,100</u>	<u>591,500,000</u>	<u>356,585,452</u>	<u>1,066,677,552</u>

The annexed notes 1 - 21 form an integral part of these financial statements.

**Ahmed Rafiq**  
Chief Financial Officer (A)

**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, 2022**

	Note	Three months period ended	
		September 30, 2022	September 30, 2021
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) for the period - before taxation		88,644,890	38,612,851
Adjustments for non-cash items:			
Depreciation		6,902,514	6,661,354
Amortization		116,735	106,750
Property and equipment - write off		338,178	103,531
Loss / (gain) on disposal of property, plant and equipment		(313,000)	-
Impairment reversal on financial assets		7,871,359	(4,513,669)
Finance cost		4,113,040	3,192,683
Unrealized exchange (gain) / loss		(78,900,286)	(32,388,020)
Interest income		(9,886,407)	(2,455,939)
Provision for gratuity		4,941,634	5,037,000
Provision for earned leave encashment		1,800,000	3,000,000
Provision for provident fund		1,415,746	3,280,942
		27,044,404	20,637,483
<b>Changes in working capital</b>			
Decrease / (increase) in trade debts		154,852,287	207,132,374
Decrease / (increase) in contract assets		(162,702,079)	(129,667,887)
Decrease / (increase) in contract work in progress		(112,019,621)	(14,278,465)
Decrease / (increase) in advances		(4,951,559)	(1,682,278)
Decrease / (increase) in trade deposits and short term prepayments		71,805,997	353,387
Decrease / (increase) in other receivables		2,472,125	757,229
Increase / (decrease) in customers' deposits		7,799,823	15,603,426
Increase / (decrease) in contract liability		(1,844,667)	187,499
Increase / (decrease) in trade and other payables		159,523,207	120,258,317
		114,935,513	198,663,602
		141,979,917	219,301,085
Taxes paid		(7,120,579)	(6,518,926)
Leave encashment paid		(3,636,023)	-
<b>Net cash generated from / (used in) operating activities</b>		131,223,315	212,782,159
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(3,566,146)	(1,078,410)
Proceeds from sale of property and equipment		776,132	-
(Purchase) / sale of short term investments		(11,803,810)	(108,000,000)
Purchase of intangibles		(225,094)	-
Interest and profit received		6,381,576	6,060,358
<b>Net cash used in investing activities</b>		(8,437,341)	(103,018,052)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of finance lease obligation		(7,416,099)	(6,130,392)
Finance cost paid		(1,677,087)	(3,192,683)
<b>Net cash used in financing activities</b>		(9,093,186)	(9,323,075)
<b>Net increase / (decrease) in cash and cash equivalents</b>		113,692,787	100,441,032
Cash and cash equivalents at the beginning of the year		251,196,514	114,848,213
Effect of movements in exchange rates on cash and cash equivalents		95,408,754	32,388,020
<b>Cash and cash equivalents at the end of the period</b>	8	460,298,055	247,677,265

The annexed notes 1 - 21 form an integral part of these financial statements.

**Ahmed Rafiq**  
Chief Financial Officer (A)

**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, 2022**

## **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, 2022.

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, 2022.

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, 2022.

	Note	September 30, 2022 Un-audited	June 30, 2022 Audited
		Rupees	
<b>4</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	4.1	128,836,422
	Right of use assets	4.2	84,628,125
			213,464,547
<b>4.1</b>	<b>Operating fixed assets</b>		
	Opening net book value		129,866,904
	Additions		3,566,146
	Disposal:		
	Cost	(7,295,385)	(12,896,372)
	Accumulated depreciation	6,832,253	9,145,824
			(463,132)
	Write off:		
	Cost	(3,398,190)	(118,625,967)
	Accumulated depreciation	3,060,012	109,589,238
			(338,178)
	Transfer from leased to owned:		
	Cost	-	16,632,000
	Accumulated depreciation	-	(11,352,072)
			5,279,928
	Depreciation charge	(3,795,318)	(19,076,527)
	Closing net book value	128,836,422	129,866,904
<b>4.2</b>	<b>Right of use (ROU) assets</b>		
	Opening net book value	87,735,321	39,646,106
	Additions	-	62,748,359
	Transfer from leased to owned:		
	Cost	-	(16,632,000)
	Accumulated depreciation	-	11,352,072
			(5,279,928)
	Write off:		
	Cost	-	-
	Accumulated depreciation	-	-
			-
	Depreciation charge	(3,107,196)	(9,379,216)
	Closing net book value	84,628,125	87,735,321
<b>5</b>	<b>INTANGIBLE ASSETS</b>		
	Software and infrastructure license		
	Opening net book value	4,164,146	4,163,250
	Additions	225,094	431,786
	Amortization charge	(116,735)	(430,890)
	Closing net book value	4,272,505	4,164,146
<b>6</b>	<b>TRADE DEBTS</b>		
	Trade debts	735,440,934	890,293,221
	Less: Impairment loss allowance	(77,225,035)	(75,864,229)
		658,215,899	814,428,992

	September 30, 2022 Un-audited	June 30, 2022 Audited
	Rupees	
<b>7 CONTRACT ASSETS</b>		
Unbilled revenue	389,434,810	226,732,731
Less: Impairment loss allowance	(28,498,068)	(22,003,520)
	<u>360,936,742</u>	<u>204,729,211</u>
<b>8. CASH AND BANK BALANCES</b>		
Cash in hand	1,136,946	54,614
Cash at bank:		
Current accounts	208,330,217	76,008,705
Deposit accounts	231,153,899	110,372,281
Deposit accounts with Islamic Banks under Shariah arrangements	7,191,993	52,275,935
Current accounts-dividend	12,485,000	12,484,980
	<u>460,298,055</u>	<u>251,196,514</u>
Less: Impairment loss allowance	(114,148)	(98,142)
	<u>460,183,907</u>	<u>251,098,371</u>
<b>9 SHARE CAPITAL</b>		
<b>9.1 Authorised Share Capital</b>		
100,000,000 ordinary shares of Rs 10 each (June 30, 2022: 100,000,000 ordinary shares of Rs 10 each)	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<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, 2022: 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, 2022: 6,459,210 ordinary shares of Rs 10 each)	64,592,100	64,592,100
11,859,210 ordinary shares of Rs 10 each (June 30, 2022: 11,859,210 ordinary shares of Rs 10 each)	<u>118,592,100</u>	<u>118,592,100</u>
<b>10 TRADE AND OTHER PAYABLES</b>		
Trade creditors	590,884,328	461,232,941
Advances from employees for vehicle lease	1,530,917	1,504,292
License fee payable	4,532,530	3,451,116
Accrued liabilities	17,754,454	14,773,694
Sales tax payable	7,889,123	8,392,080
Withholding tax payable	4,869,300	5,291,744
Payable to employees	50,434,710	23,726,289
Employees' retirement and other service benefits :		
Gratuity fund	9,035,886	4,094,252
Provident fund	26,590,853	25,175,107
	<u>713,522,102</u>	<u>547,641,515</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 24 to the audited financial statements of the Company for the year ended June 30, 2022.
- 11.1.2 The Company has letter of guarantee facilities aggregating Rs. 200 million (June 30, 2022: Rs. 200 million) available from Soneri Bank. The amount availed on these facilities as at September 30, 2022 is Rs. 117.44 million (June 30, 2022: 117.44 million).

	September 30, 2022 Un-audited	June 30, 2022 Audited
	Rupees	
<b>11.2 Commitments</b>		
The Company has following commitments in respect of:		
Capital expenditure commitments	54,262,635	242,420,050
Outstanding letter of credits	23,396,263	205,242,545
	<b>Three months period ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	Rupees	

## 12 REVENUE

	September 30, 2022	September 30, 2021
	Rupees	
Class Value Added Services (CVAS) / data communication services	261,592,006	196,956,012
Telecom infrastructure services	412,263	344,991
Specialised projects	233,150,390	128,931,371
Gross revenue	495,154,659	326,232,374
Less:		
Sales tax / Federal Excise Duty	(44,677,981)	(29,664,031)
Advance tax	(8,002,563)	(3,130,354)
	<b>442,474,115</b>	<b>293,437,989</b>

## 13 COST OF SERVICES

	September 30, 2022	September 30, 2021
	Rupees	
Channel and local lead rentals	61,400,384	54,538,229
Space segment rentals	20,326,020	18,401,058
Salaries and other benefits	72,171,223	51,257,503
Repair and maintenance expenses	2,371,058	870,652
License fee	1,081,414	830,045
Depreciation - operating fixed assets	3,407,128	3,972,472
Depreciation - right of use assets	247,026	460,368
Amortization	116,735	106,750
Travelling and local conveyance	189,993	232,742
Communication expenses	431,453	427,406
Vehicle running expenses	5,800,327	3,861,602
Insurance	126,367	271,297
Entertainment	296,064	226,842
Rent, rates and taxes	1,627,994	1,925,566
Utilities	1,814,731	1,561,513
Other projects costs	205,674,395	110,700,178
	<b>377,082,312</b>	<b>249,644,223</b>

- 13.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 5.55 Million (September 30, 2021: Rs. 6.37 million).

	Note	Three months period ended	
		September 30, 2022	September 30, 2021
		Rupees	
<b>14 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	14.1	32,720,052	25,650,673
Travelling and local conveyance		123,510	500
Communication expenses		388,089	343,202
Vehicle running expenses		2,325,647	1,414,389
Repair and maintenance expenses		811,184	540,669
Insurance		142,130	84,938
Depreciation - operating fixed assets		320,295	564,877
Depreciation - right of use assets		2,860,170	1,466,904
Entertainment		428,244	368,107
Legal and professional charges		2,137,407	1,844,650
Printing and stationery		256,660	222,755
Utilities		808,365	788,569
Donation		1,700,000	1,000,000
Auditors' remuneration		250,000	150,000
		<u>45,271,753</u>	<u>34,440,233</u>

14.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 2.32 million (September 30, 2021: Rs. 2.71 million).

	Note	Three months period ended	
		September 30, 2022	September 30, 2021
		Rupees	
<b>15 MARKETING EXPENSES</b>			
Advertisement and marketing		684,771	10,000
Salaries and other benefits	15.1	10,348,986	7,014,201
Travelling and local conveyance		16,650	-
Communication expenses		34,489	43,211
Vehicle running expenses		517,668	515,304
Insurance		15,186	21,040
Depreciation - operating fixed assets		67,895	85,079
Depreciation - right of use assets		-	111,654
Repair and maintenance expenses		70,440	140,462
		<u>11,756,085</u>	<u>7,940,951</u>

15.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 0.62 million (September 30, 2021: Rs.0.78 million).

	Three months period ended	
	September 30, 2022	September 30, 2021
	Rupees	
<b>16 FINANCE INCOME / (COST)</b>		
Exchange gain / (loss) - net	78,900,286	32,388,020
Finance lease charges	(2,435,953)	(806,512)
Bank charges	(1,677,087)	(2,386,171)
	<u>74,787,247</u>	<u>29,195,336</u>
<b>17 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on short term investments	4,437,030	1,806,051
Return on bank deposits	5,150,000	550,000
Return on bank deposits with Islamic Banks	299,377	99,888
<b>Income from non-financial assets</b>		
Gain / (Loss) on property & equipment	25,178	(103,531)
Others	3,453,453	1,138,856
	<u>13,365,038</u>	<u>3,491,264</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, 2022	September 30, 2021
		Rupees	
<b>Telecom Foundation - Holding Company</b>	<b>55.08%</b>		
Donations payable		1,700,000	1,000,000
<b>TF Technologies - Associated Company</b>	<b>Nil</b>		
Receivable against consultancy charges		118,525	118,525
<b>Key management personal</b>			
Directors			
Directorship fee		1,062,500	1,437,500
Others		168,242	2,557,041
Remuneration of other key management personnel		8,421,744	8,331,939
<b>Other related parties</b>			
Staff retirement benefit plan - Gratuity fund			
Payable to Gratuity fund		9,035,886	15,476,558
Staff retirement contribution plan - Provident fund			
Payable to Provident fund		26,590,853	15,651,176



**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, 2022. 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, 2022.

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 26, 2022.

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**Ahmed Rafiq**  
Chief Financial Officer (A)

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

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**Rubina Safir**  
Director

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