



Pak Datacom

# Pak Datacom Limited



Half Yearly Report  
July 2015 to December 2015  
(Un-Audited)



## COMPANY PROFILE

### BOARD OF DIRECTORS

- |    |                                   |                 |
|----|-----------------------------------|-----------------|
| 1. | Maj. Gen. (R) Muhammad Khalid Rao | Chairman        |
| 2. | Muhammad Arshad Khan Kayani       | Chief Executive |
| 3. | Amjad Hussain Qureshi             |                 |
| 4. | Jamil Anwar                       |                 |
| 5. | Engr. Shahzad Sami Qureshi        |                 |
| 6. | Raja Waheed Zaman                 |                 |
| 7. | Taimur Faiz Cheema                |                 |

### AUDIT COMMITTEE

- |    |                            |          |
|----|----------------------------|----------|
| 1. | Raja Waheed Zaman          | Chairman |
| 2. | Amjad Hussain Qureshi      |          |
| 3. | Engr. Shahzad Sami Qureshi |          |
| 4. | Jamil Anwar                |          |

### HUMAN RESOURCE & REMUNERATION COMMITTEE

- |    |                             |          |
|----|-----------------------------|----------|
| 1. | Engr. Shahzad Sami Qureshi  | Chairman |
| 2. | Muhammad Arshad Khan Kayani |          |
| 3. | Amjad Hussain Qureshi       |          |

### CHIEF FINANCIAL OFFICER

Zahid Mehmood

### COMPANY SECRETARY

Ali Saleem Rana

### 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

Hassan Farooq Associates (Pvt.) Limited, HF House,  
7/3-G Mushtaq Ahmed Gormani Road, Gulberg-II, Lahore.

Tel: (042) 35761661-2, Fax: (042) 35755215

### AUDITORS

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

### LEGAL ADVISOR

Abbasi Law Chambers, House # 271, Street # 69, G-10/3,  
Islamabad

## **DIRECTORS' REPORT**

The Board of Directors of Pak Datacom Limited (PDL) has the pleasure in presenting to the shareholders operational results for the half year from 1st July 2015 to 31st December 2015.

Despite ongoing stiff competition in the telecom sector, PDL earned total revenue of Rs. 343.164 million during six months of current financial year as compared to Rs. 341.913 million for the same period of last year and it has posted pre-tax profit of Rs. 58.233 million.

Considering the macroeconomic situation prevailing in the country, PDL management has initiated strategic measures to explore aggressively some business avenues within and outside the country. PDL management is working to explore cost effective data communication systems and mobilizing its resources to improve the operational performance and profitability of the Company. Further, PDL is also participating for laying optical fiber in major cities of Pakistan in collaboration with public and private sector. These actions will hopefully bring better results during the succeeding period and the financial targets would be achieved with dedication of all employees.

The management aims to maintain the growth and remains committed to attain high value for its shareholders in future. We sincerely thank our regulators, shareholders and customers for their trust and consistent support. We also hope that employees, our valuable asset, will work hard to achieve business targets set by the management.

**For and on behalf of the Board**

**Islamabad  
February 22, 2016**

**Muhammad Arshad Khan Kayani  
Chief Executive**

# **AUDITORS' REVIEW REPORT TO THE MEMBERS**

## **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Pak Datacom Limited ("the Company") as at December 31, 2015 and the related condensed profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial information consists of making inquiries, 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 review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended December 31, 2015 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

**Gujranwala**  
**February 22, 2016**

**HLB IJAZ TABUSSUM & CO.**  
Chartered Accountants  
Engagement Partner:  
**Waqas Firdous - ACA**

## CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2015

	Note	Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital-100,000,000 ordinary shares (June 2015: 100,000,000) of rupees 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital Reserves	4	98,010,000 727,018,941 825,028,941	98,010,000 717,269,198 815,279,198
<b>NON-CURRENT LIABILITIES</b>			
Employees' retirement and other service benefits- leave encashment		40,809,154	39,330,185
<b>CURRENT LIABILITIES</b>			
Customers' deposits		119,029,477	114,481,932
Trade and other payables		91,611,749	87,219,208
Provision for taxation		21,700,806	49,039,681
		232,342,032	250,740,821
		1,098,180,127	1,105,350,204
<b>CONTINGENCIES AND COMMITMENTS</b>	5		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	239,202,587	248,584,782
Intangible assets	7	6,511,750	6,725,250
		245,714,337	255,310,032
Deferred taxation		6,550,698	4,066,734
<b>CURRENT ASSETS</b>			
Trade debts		129,657,154	99,953,056
Advances		164,544,726	166,695,112
Trade deposits and short term prepayments		111,518,458	80,713,563
Other receivables		5,876,821	11,975,667
Interest accrued		2,670,982	4,161,824
Advance tax		45,965,080	62,169,443
Short term investments		342,292,000	334,844,000
Cash and bank balances		43,389,871	85,460,773
		845,915,092	845,973,438
		1,098,180,127	1,105,350,204

The annexed notes from 1 to 17 form an integral part of these financial statements.

**Amjad Hussain Qureshi**  
Director

**Muhammad Arshad Khan Kayani**  
Chief Executive

**CONDENSED INTERIM PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Note	For the Quarter Ended		For the Half Year Ended	
		December, 31 2015 Rupees	December, 31 2014 Rupees	December 31, 2015 Rupees	December 31, 2014 Rupees
Revenue	8	169,744,327	174,013,728	343,163,832	341,913,157
Cost of services	9	(123,981,093)	(111,414,274)	(240,550,045)	(223,287,977)
Gross profit		45,763,234	62,599,454	102,613,787	118,625,180
Administrative expenses	10	(27,448,567)	(26,281,223)	(50,621,094)	(49,708,957)
Marketing expenses	11	(7,079,250)	(6,656,464)	(12,103,337)	(11,718,833)
		(34,527,817)	(32,937,687)	(62,724,431)	(61,427,790)
Operating profit		11,235,417	29,661,767	39,889,356	57,197,390
Other income/ (loss)		10,658,939	8,123,216	19,031,792	18,872,987
		21,894,356	37,784,983	58,921,148	76,070,377
Finance cost		(191,487)	(740,285)	(688,294)	(895,926)
Profit before taxation		21,702,869	37,044,698	58,232,854	75,174,451
Provision for taxation		(7,025,217)	(12,761,318)	(19,080,111)	(25,725,434)
Profit after taxation		14,677,652	24,283,380	39,152,743	49,449,017
Earning per share	12	1.50	2.48	3.99	5.05

The annexed notes from 1 to 17 form an integral part of these financial statements.

**Amjad Hussain Qureshi**  
Director

**Muhammad Arshad Khan Kayani**  
Chief Executive

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	For the Quarter Ended		For the Half Year Ended	
	December, 31 2015 Rupees	December, 31 2014 Rupees	December 31, 2015 Rupees	December 31, 2014 Rupees
Profit after taxation	14,677,652	24,283,380	39,152,743	49,449,017
Other comprehensive income/ (loss)	-	-	-	-
<b>Total comprehensive income</b>	<b>14,677,652</b>	<b>24,283,380</b>	<b>39,152,743</b>	<b>49,449,017</b>

The annexed notes from 1 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
**Amjad Hussain Qureshi**  
Director

\_\_\_\_\_  
**Muhammad Arshad Khan Kayani**  
Chief Executive



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	58,232,854	75,174,451
Adjustments for non-cash and other items:		
Depreciation	18,704,922	20,668,882
Amortisation-intangible assets	213,500	213,500
Property, plant and equipment- charged off	200,370	-
(Gain) on disposal of property, plant and equipment	(1,061)	(212,081)
Finance cost	688,294	895,926
Exchange gain	(7,457,013)	(2,088,689)
Return on bank deposits/ short term investments	(5,330,886)	(7,305,076)
Provision for gratuity	6,500,000	7,000,000
Provision for earned leave encashment	2,500,000	3,000,000
	16,018,126	22,172,462
Operating profit before working capital changes	74,250,980	97,346,913
<b>Movement in working capital:</b>		
<u>(Increase)/decrease in current assets:</u>		
Trade debts - unsecured	(29,704,098)	(34,119,419)
Advances	2,150,386	76,056,910
Trade deposits and short term prepayments	(30,804,895)	(21,260,115)
Other receivables	6,098,846	54,500
<u>Increase/(decrease) in current liabilities:</u>		
Customers deposits	4,547,545	4,559,357
Trade and other payables	13,615,060	(33,555,235)
	(34,097,156)	(8,264,002)
Cash generated from operations	40,153,824	89,082,911
Taxes paid	(32,698,587)	(34,092,117)
Gratuity paid/adjusted	(16,198,112)	(22,000,000)
Earned leave paid/ adjusted	(1,021,031)	(244,930)
Return on bank deposits/ short term investments	6,821,728	7,343,742
Finance cost	(688,294)	(895,926)
	(43,784,296)	(49,889,231)
Net cash flows from operating activities	(3,630,472)	39,193,680
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(9,585,036)	(7,768,173)
Proceeds on the disposal of property, plant and equipment	63,000	475,000
Net cash flows from investing activities	(9,522,036)	(7,293,173)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(28,927,407)	(38,518,964)
Net (decrease) in cash and cash equivalents	(42,079,915)	(6,618,457)
Cash and cash equivalents at the beginning of the period	420,304,773	362,145,587
Effect of foreign exchange rate change	7,457,013	2,088,689
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>385,681,871</u>	<u>357,615,819</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

Amjad Hussain Qureshi  
Director

Muhammad Arshad Khan Kayani  
Chief Executive

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

## FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Share Capital Issued, subscribed and paid-up Rupees	General Reserves Rupees	Unappropriated profit Rupees	Total Rupees
<b>Balance as at June 30, 2014</b>				
Total comprehensive income for the period	98,010,000	481,500,000	218,776,769	798,286,769
Transfer to general reserve	-	-	49,449,017	49,449,017
<u>Transactions with owners</u>	-	50,000,000	(50,000,000)	-
Final dividend for the year ended June 30, 2014 (Rs. 4.00 per share)	-	-	(39,204,000)	(39,204,000)
<b>Balance as at December 31, 2014</b>	<b>98,010,000</b>	<b>531,500,000</b>	<b>179,021,786</b>	<b>808,531,786</b>
Total comprehensive income for the period	-	-	26,349,412	26,349,412
Interim dividend for the year ended June 30, 2015 (Rs. 2.00 per share)	-	-	(19,602,000)	(19,602,000)
<b>Balance as at June 30, 2015</b>	<b>98,010,000</b>	<b>531,500,000</b>	<b>185,769,198</b>	<b>815,279,198</b>
Total comprehensive income for the period	-	-	39,152,743	39,152,743
Transfer to general reserve	-	50,000,000	(50,000,000)	-
<u>Transactions with owners</u>	-	-	(29,403,000)	(29,403,000)
Final dividend for the year ended June 30, 2015 (Rs. 3.00 per share)	-	-	145,518,941	145,518,941
<b>Balance as at December 31, 2015</b>	<b>98,010,000</b>	<b>581,500,000</b>	<b>145,518,941</b>	<b>825,028,941</b>

The annexed notes from 1 to 17 form an integral part of these financial statements.

**Amjad Hussain Qureshi**  
Director

**Muhammad Arshad Khan Kayani**  
Chief Executive

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

## 1 LEGAL STATUS AND OPERATIONS

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

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

These condensed interim financial statements (unaudited) for the half year ended December 31, 2015 have been prepared in accordance with International Accounting Standard (IAS) -34, 'Interim financial reporting', directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the requirements of Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

### 2.2 Adoption of new and revised standards, interpretations and amendments

"The new standards and amendments to the approved accounting standards and interpretations that are mandatory for the accounting periods beginning on or after July 01, 2015 are either considered not to be relevant or to have any insignificant impact on the company's operations and therefore, are not detailed in these financial statements."

### 2.3 Accounting convention

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of measurements

The accounting policies and methods of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of audited annual financial statements for the year ended June 30, 2015.

### 3.2 Functional and presentation currency

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

### 3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments estimates and assumptions that effect the

application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to useful life of depreciable assets, provisions for doubtful debts and provision for income tax and deferred tax. The determination of provision for employee retirement benefits that are defined benefit plans require actuarial valuation. The Company employs the services of professional actuaries to make such estimates and assumptions using actuarial techniques.

	Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
5,400,000 (June 2015: 5,400,000) ordinary shares of Rs. 10/- each fully paid in cash	54,000,000	54,000,000
4,401,000 (June 2015: 4,401,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares	44,010,000	44,010,000
	<u>98,010,000</u>	<u>98,010,000</u>

Out of total issued share capital, 5,398,353 (June 2015: 5,398,353) ordinary shares are held by Telecom Foundation, Pakistan.

#### 5 CONTINGENCIES AND COMMITMENTS

- 5.1 Guarantees and letter of credits issued by the bank on behalf of the Company amounted to Rs. 255.13 million (June 2015: Rs. 273.92 million).
- 5.2 The Company had entered into an agreement with a reseller of satellite bandwidth in Pakistan for provisioning of satellite segment. Due to certain technical issues, the bandwidth was never operational or utilized. Management after appropriate measures for the recovery of advance payments of US\$ 0.64 million; equivalent to Rs. 66.24 million (June 2015: US\$ 0.64 million; equivalent to Rs. 64.56 million) referred the matter to the arbitration, which in its award given on May 03, 2012 imposed additional payment of US \$ 0.64 million; equivalent to Rs. 66.24 million on the Company. The Company has filed the case in Islamabad High Court against the award, outcome of which is still pending. The Company had made provision against the advance payment of US \$ 0.64 million; equivalent to Rs. 66.24 million during the year ended June 30, 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; equivalent to Rs. 132.49 million (June 2015 : US\$ 1.27 million; equivalent to Rs. 129.12 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.
- 5.3 The Company did not withheld tax on dividend amounting to Rs. 0.90 million (June 2015: Rs. 0.90 million) due to exemption available under clause 47B of the second schedule of Income Tax Ordinance 2001. The CIT (Appeals) in the appeal has withheld the decision of tax levied by the tax authority and appeal is now pending with the Income Tax Appellate Tribunal, Islamabad. The case is expected to be decided in favour of the Company.
- 5.4 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 64.09 million (June 2015: Rs. 58.72 million).

	Note	Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Net book Value- Pakistan	6.1	238,784,863	248,118,690
Net book Value- UAE	6.2	417,724	466,092
		<u>239,202,587</u>	<u>248,584,782</u>
<b>6.1 Property, plant and equipment- Pakistan</b>			
<b>Cost</b>			
Opening balance		859,202,204	850,969,693
Additions during the period		9,585,036	26,320,117
Deletion/disposals during the period		(477,583)	(18,087,606)
Closing balance		868,309,657	859,202,204
<b>Accumulated depreciation</b>			
Opening balance		611,083,514	582,492,311
Additions during the period		18,656,554	42,578,203
Deletion/disposals during the period		(215,274)	(13,987,000)
Closing balance		629,524,794	611,083,514
<b>Net book value</b>		<u>238,784,863</u>	<u>248,118,690</u>
<b>6.2 Property, plant and equipment- UAE</b>			
<b>Cost</b>			
Opening balance		770,181	770,181
Additions during the period		-	-
Deletion/disposals during the period		-	-
Closing balance		770,181	770,181
<b>Accumulated depreciation</b>			
Opening balance		304,089	181,701
Additions during the period		48,368	122,388
Deletion/disposals during the period		-	-
		352,457	304,089
Closing balance		417,724	466,092
<b>Net book value</b>		<u>239,202,587</u>	<u>248,584,782</u>

Ist charge of Rs. 140.00 million (June 2014: Rs. 140.00 million) on fixed assets, present and future current assets of the Company of Rs. 400.00 million (June 2014: Rs. 400.00 million) with lien on import documents and US\$ 1.50 million; equivalent to Rs. 156.59 million (June 2014: US\$ 1.50 million; equivalent to Rs. 150.29 million) in shape of F.C - FDR (proportionately adjustable on receipt of shipping documents under letter of credit) has been created in favour of Soneri Bank Limited for an unfunded facility of Rs. 255.13 million (June 2014: Rs. 273.53 million).

		Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>7 INTANGIBLE ASSETS</b>			
<b>Cost</b>			
Opening balance		11,744,006	11,744,006
Additions during the period		-	-
Deletion/disposals during the period		-	-
Closing balance		11,744,006	11,744,006
<b>Accumulated amortisation</b>			
Opening balance		5,018,756	4,591,756
Additions during the period		213,500	427,000
Deletion/disposals during the period		-	-
Closing balance		5,232,256	5,018,756
<b>Net book value</b>		<u>6,511,750</u>	<u>6,725,250</u>

	Un-audited		Un-audited	
	For the Quarter ended		For the Half Year ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>8 REVENUE</b>				
CVAS Data License	168,745,914	173,773,728	341,385,419	340,953,157
Telecom Infrastructure Provider License	998,413	240,000	1,778,413	960,000
	<u>169,744,327</u>	<u>174,013,728</u>	<u>343,163,832</u>	<u>341,913,157</u>
<b>9 COST OF SERVICES</b>				
Channel and local lead rentals	32,802,477	22,358,211	63,667,923	51,583,152
Space segment rentals	29,279,556	29,228,914	58,815,898	58,160,035
Salaries and other benefits	39,206,761	36,890,340	72,487,778	67,869,894
Repair and maintenance expenses	4,971,873	3,733,748	9,845,774	7,870,550
License fee	868,690	874,870	1,751,390	1,928,768
Depreciation	9,516,501	10,455,499	18,704,922	20,668,882
Amortisation	106,750	106,750	213,500	213,500
Travelling and local conveyance	1,102,930	1,415,917	1,656,811	1,812,352
Telephone expenses	269,137	231,533	734,413	587,087
Vehicle running expenses	2,281,871	3,249,135	5,936,428	6,943,572
Insurance	1,136,995	507,478	1,325,891	634,176
Entertainment	399,783	245,979	635,258	430,435
Rent, rates and taxes	866,815	793,001	1,768,702	1,549,492
Utilities	461,422	795,516	1,563,741	1,985,916
Operating lease rentals	709,532	527,383	1,441,616	1,050,166
	<u>123,981,093</u>	<u>111,414,274</u>	<u>240,550,045</u>	<u>223,287,977</u>
<b>10 ADMINISTRATIVE EXPENSES</b>				
Salaries and other benefits	20,181,666	16,827,109	37,789,940	33,121,769
Travelling and local conveyance	185,258	347,218	334,220	423,190
Telephone expenses	253,238	425,997	464,124	778,770
Vehicle running expenses	1,686,429	1,578,788	2,608,541	3,297,941
Insurance	64,453	60,154	128,984	120,258
Entertainment	272,953	342,072	603,451	725,610
Rent, rates and taxes	1,156,285	1,390,936	1,976,461	2,699,837
Legal and professional charges	1,226,376	1,488,738	2,050,524	2,920,539
Printing and stationery	642,581	612,759	901,210	837,724
Utilities	630,944	308,748	1,736,871	1,082,111
Welfare expenses	15,000	2,000,000	15,000	2,000,000
Auditors' remuneration	305,000	210,000	355,000	325,000
Operating lease rentals	828,384	688,704	1,656,768	1,376,208
	<u>27,448,567</u>	<u>26,281,223</u>	<u>50,621,094</u>	<u>49,708,957</u>
<b>11 MARKETING EXPENSES</b>				
Advertisement and marketing expenses	992,697	2,155,799	1,193,566	2,309,274
Salaries and other benefits	5,411,670	3,941,486	9,696,462	8,124,163
Travelling and local conveyance	93,510	40,790	177,465	139,642
Telephone expenses	36,621	53,281	73,514	141,303
Vehicle running expenses	346,975	270,672	561,774	618,750
Insurance	18,185	10,253	30,700	20,506
Entertainment	-	4,591	10,672	6,011
Operating lease rentals	179,592	179,592	359,184	359,184
	<u>7,079,250</u>	<u>6,656,464</u>	<u>12,103,337</u>	<u>11,718,833</u>
<b>12 EARNING PER SHARE (BASIC AND DILUTED)</b>				
Profit after taxation	<u>14,677,652</u>	<u>24,283,380</u>	<u>39,152,743</u>	<u>49,449,017</u>
Basic and diluted earnings per share (Pak Rs./share)	<u>1.50</u>	<u>2.48</u>	<u>3.99</u>	<u>5.05</u>

Weighted average number of ordinary shares as at December 31, 2015 are 9,801,000 (December 31, 2014: 9,801,000) and there are no dilutive ordinary shares till December 31, 2015 (December 31, 2014: Nil).

**13 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of holding and associated companies, companies with common directorship, directors, key management staff and employees retirement and other service benefits;

- 13.1** There were no transaction with the holding company (Telecom Foundation) during the period other than those disclosed in these financial statements.
- 13.2** The Company has no subsidiary company and there are no transactions with companies with common directorship other than those disclosed in these financial statements.
- 13.3** Salaries and other benefits under note numbers 9, 10, and 11 include remuneration to Directors, Chief Executive and Executives amounting to Rs. 23.79 million (December 2014: Rs. 30.15 million). Advances include advance against salaries to executives amounting to Rs. 0.80 million (June 2014: Rs. 0.30 million). The Chief Executive and Executives of the Company are also provided Company maintained vehicles for official purpose only. There are no transactions with the key management personnel other than those disclosed in these financial statements as per their terms of employment.
- 13.4** Salaries and other benefits under note numbers 9, 10, and 11 include employees retirement benefits of Rs. 9.00 million (December 2014: Rs. 10.00 million)

**14 OPERATING SEGMENTS**

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

Out of total revenue, 99.48 % (December 2014: 99.72 %) is generated from CVAS Data License while 0.52 % (December 2014: Rs. 0.28 %) is generated from Telecom Infrastructure Provider license and other projects.

Revenue from major customers of the Company amounts to Rs. 203.24 million (December 2014: Rs. 203.00 million) representing 59.23 % (December 2014: 59.37 %) of the total revenue.

Out of total non-current assets of the company, 99.83 % (June 2015: 99.78 %) assets are located in Pakistan.

**15 MOVEMENT BETWEEN RESERVES AND PROPOSED DIVIDEND**

The Board of Directors in its meeting held on February 22, 2016 approved interim cash dividend of Rs. 1.25 per share (December 2014: Rs. 2.00 per share) amounting to Rs. 12.25 million (December 2014: Rs. 19.60 million). The financial statements for the half year ended December 31, 2015 do not include the effect of aforementioned movement between reserves and proposed dividend.

**16 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorised for Issue by the Board of Directors of the Company on February 22, 2016.

**17 GENERAL**

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

---

**Amjad Hussain Qureshi**  
Director

---

**Muhammad Arshad Khan Kayani**  
Chief Executive

## DIVIDEND MANDATE FORM

Dear Shareholder,

**Re: Dividend Mandate Form**

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

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

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

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

YES

NO

If yes then please provide the following information:

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

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

\_\_\_\_\_  
**Signature of the Member/Shareholder**

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



**NOTIFICATION FOR THE COPY OF COMPUTERISED NATIONAL  
IDENTITY CARD (CNIC)**

**Dear Shareholder (s)**

**Re: Copy of Computerized National Identity Card [CNIC]**

Dear Shareholder(s),

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

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

**Head of Shares Department**

Hassan Farooq Associates (Private) Limited

Share Registrar: Pak Datacom Limited

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

Lahore, Pakistan.

Ph: 042-35761661-62

Kindly mention your folio number along with name of company, on the copy of CNIC for identification purposes and also mention your contact number.



Pak Datacom

**BOOK POST  
PRINTED MATTER**



*If undelivered, please return to:*

**PAK DATACOM LIMITED**

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

Tel: (051) 2344123 - 2344125, Fax: (051) 2344111

[www.pakdatacom.com.pk](http://www.pakdatacom.com.pk)