



Pak Datacom

Pak Datacom Limited

**3rd Quarter Report
July 2014 to March 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

HUMAN RESOURCE & REMUNERATION COMMITTEE

1. Engr. Shahzad Sami Qureshi Chairman
2. Mohammad Arshad Khan Kayani
3. Amjad Hussain Qureshi

CFO/ COMPANY SECRETARY

Syed Sajjad Hasan Jafri

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

KAZMIZ Associate & Corporate Consultants, House # 12, Street # 48, F-8/4, Islamabad

DIRECTORS' REPORT

The Board of Directors of Pak Datacom Limited (PDL) has the pleasure in presenting to the shareholders operational results of nine months for the financial year 2014-2015 i.e., from 1st July 2014 to 31st March 2015.

Despite ongoing recessionary trend and current telecom market trend, PDL earned revenue of Rs. 516.613 million during first nine months of current financial year while it has posted pre-tax profit of Rs. 105.108 million.

The decline in revenue is due to network disconnections and discounts offered to some major clients. Considering the overall economic scenario, our customers, as part of their cost cutting, are either temporarily going for disconnections or demanding discounts. PDL has already taken necessary steps to counter this revenue fall by exploring aggressively new business avenues within and outside Pakistan. The Company expects to counter this revenue shortfall in near future as some projects are in pipeline. Further we are also participating in joint ventures for laying optical fiber in major cities of Pakistan in collaboration with public and private sectors.

The management has a strong conviction that all these actions along with dedication and hard work of PDL employees, our most valuable asset, will bring positive results during the succeeding period .

We thank our valued shareholders, regulators, stock exchanges and customers for their trust and committed support for the progress and prosperity of the Company.

For and on behalf of the Board

**Islamabad
April 27, 2015**

**Muhammad Arshad Khan Kayani
Chief Executive**

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Note	Un-audited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital-100,000,000 ordinary shares (June 2014: 100,000,000) of rupees 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital Reserves	4	98,010,000 710,732,056 808,742,056	98,010,000 700,276,769 798,286,769
NON-CURRENT LIABILITIES			
Deferred taxation		-	2,291,509
Employees' retirement and other service benefits- leave encashment		36,167,735 36,167,735	32,220,966 34,512,475
CURRENT LIABILITIES			
Customers' deposits		113,927,238	103,622,326
Trade and other payables		94,950,221	125,812,835
Provision for taxation		40,369,248	57,638,970
		249,246,707	287,074,131
		<u>1,094,156,498</u>	<u>1,119,873,375</u>
CONTINGENCIES AND COMMITMENTS	5		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	256,518,525	269,065,862
Intangible assets	7	6,832,000	7,152,250
		263,350,525	276,218,112
Deferred taxation		3,145,036	-
CURRENT ASSETS			
Trade debts		112,391,991	94,165,212
Advances		173,961,264	246,776,927
Trade deposits and short term prepayments		90,616,722	65,586,683
Other receivables		6,237,321	6,491,821
Interest accrued		2,778,379	4,176,985
Advance tax		48,086,595	64,312,048
Short term investments		293,096,000	295,875,000
Cash and bank balances		100,492,665	66,270,587
		827,660,937	843,655,263
		<u>1,094,156,498</u>	<u>1,119,873,375</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 PROFIT AND LOSS
ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Note	For the quarter ended		For the nine months ended	
		March, 31 2015 Rupees	March, 31 2014 Rupees	March 31, 2015 Rupees	March 31, 2014 Rupees
Revenue	8	174,699,561	184,592,928	516,612,718	550,958,918
Cost of services	9	(120,873,958)	(128,082,190)	(344,161,935)	(412,370,846)
Gross profit		53,825,603	56,510,738	172,450,783	138,588,072
Administrative expenses	10	(26,906,216)	(22,256,661)	(76,615,173)	(61,725,209)
Marketing expenses	11	(4,942,451)	(4,596,299)	(16,661,284)	(12,456,701)
		(31,848,667)	(26,852,960)	(93,276,457)	(74,181,910)
Operating profit		21,976,936	29,657,778	79,174,326	64,406,162
Other operating income		8,101,717	8,025,037	26,974,704	52,907,913
		30,078,653	37,682,815	106,149,030	117,314,075
Finance cost		(301,009)	(302,703)	(1,041,294)	(1,655,852)
Profit before taxation		29,777,644	37,380,112	105,107,736	115,658,223
Provision for taxation		(10,121,015)	(12,709,239)	(35,846,449)	(38,867,474)
Profit after taxation		19,656,629	24,670,873	69,261,287	76,790,749
Earning per share	12	2.02	2.52	7.07	7.84

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 NINE MONTHS ENDED MARCH 31, 2015**

	For the quarter ended		For the nine months ended	
	March, 31 2015 Rupees	March, 31 2014 Rupees	March 31, 2015 Rupees	March 31, 2014 Rupees
Profit after taxation	19,656,629	24,670,873	69,261,287	76,790,749
Other comprehensive income/ (loss)				
Re-measurement of staff gratuity fund	-	-	-	-
Total comprehensive income	19,656,629	24,670,873	69,261,287	76,790,749

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 NINE MONTHS ENDED MARCH 31, 2015

	March 31, 2015 Rupees	March 31, 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	105,107,736	115,658,223
<u>Adjustments for non-cash and other items:</u>		
Depreciation	32,419,059	37,258,176
Amortisation-intangible assets	320,250	653,899
Property, plant and equipment- charged off	165,596	-
(Gain)/ loss on disposal of property, plant and equipment	(1,981,184)	(3,584,713)
Finance cost	1,041,294	1,655,852
Exchange gain	(4,688,346)	(15,319,177)
Return on bank deposits/ short term investments	(10,911,854)	(9,424,533)
Provision for gratuity	10,520,000	9,000,000
Provision for earned leave encashment	4,500,000	3,500,000
	31,384,815	23,739,504
Operating profit before working capital changes	136,492,551	139,397,727
Movement in working capital:		
<u>(Increase)/decrease in current assets:</u>		
Trade debts - unsecured	(18,226,779)	(15,615,766)
Advances	72,815,663	(216,944,970)
Trade deposits and short term prepayments	(25,030,039)	(1,505,574)
Other receivables	254,500	(20,785,239)
<u>Increase/(decrease) in current liabilities:</u>		
Customers deposits	10,304,912	2,040,664
Trade and other payables	(16,031,832)	53,813,808
	24,086,425	(198,997,077)
Cash generated from operations	160,578,976	(59,599,350)
Taxes paid	(42,327,263)	(70,749,599)
Gratuity paid/adjusted	(25,879,122)	(8,329,657)
Earned leave paid/ adjusted	(553,231)	(17,460)
Return on bank deposits/ short term investments	12,310,460	10,430,929
Finance cost	(1,041,294)	(1,655,852)
	(57,490,450)	(70,321,639)
Net cash flows from operating activities	103,088,526	(129,920,989)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(22,912,684)	(9,908,689)
Proceeds on the disposal of property, plant and equipment	4,856,550	6,276,190
Net cash flows from investing activities	(18,056,134)	(3,632,499)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(58,277,660)	(48,620,588)
Net increase/ (decrease) in cash and cash equivalents	26,754,732	(182,174,076)
Cash and cash equivalents at the beginning of the period	362,145,587	495,163,665
Effect of foreign exchange rate change	4,688,346	15,319,177
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	393,588,665	328,308,766

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 NINE MONTHS ENDED MARCH 31, 2015

	Revenue reserves			Total Rupees
	Share Capital Issued, subscribed and paid-up Rupees	General Reserves Rupees	Unappropriated profit Rupees	
Balance as at June 30, 2013	98,010,000	431,500,000	221,534,484	751,044,484
Total comprehensive income for the period	-	-	76,790,749	76,790,749
Transfer to general reserve	-	50,000,000	(50,000,000)	-
Transactions with owners				
Final dividend for the year ended June 30, 2013 (Rs. 3.00 per share)	-	-	(29,403,000)	(29,403,000)
Balance as at March 31, 2014	98,010,000	481,500,000	218,922,233	798,432,233
Total comprehensive income for the period	-	-	19,456,536	19,456,536
Transactions with owners				
Interim dividend for the year ended June 30, 2014 (Rs. 2.00 per share)	-	-	(19,602,000)	(19,602,000)
Balance as at June 30, 2014	98,010,000	481,500,000	218,776,769	798,286,769
Total comprehensive income for the period	-	-	69,261,287	69,261,287
Transfer to general reserve	-	50,000,000	(50,000,000)	-
Transactions with owners				
Final dividend for the year ended June 30, 2014 (Rs. 4.00 per share)	-	-	(39,204,000)	(39,204,000)
Interim dividend for the year ended June 30, 2015 (Rs. 2.00 per share)	-	-	(19,602,000)	(19,602,000)
Balance as at March 31, 2015	98,010,000	531,500,000	179,232,056	808,742,056

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 NINE MONTHS ENDED MARCH 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 (un-audited) for the nine months ended March 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, 2014 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 condensed interim 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 condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements for the year ended June 30, 2014.

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 recognised 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 March 31, 2015 Rupees	Audited June 30, 2014 Rupees
4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
5,400,000 (June 2014: 5,400,000) ordinary shares of Rs. 10/- each fully paid in cash	54,000,000	54,000,000
4,401,000 (June 2014: 4,401,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares	<u>44,010,000</u>	<u>44,010,000</u>
	<u>98,010,000</u>	<u>98,010,000</u>

Out of total issued share capital, 5,398,353 (June 2014: 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. 263.01 million (June 2014: Rs. 274.33 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 utilised. Management after appropriate measures for the recovery of advance payments of US\$ 0.64 million; equivalent to Rs. 64.28 million (June 2014: US\$ 0.64 million; equivalent to Rs. 62.41 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. 64.28 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. 64.28 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. 128.56 million (June 2014 : US\$ 1.27 million; equivalent to Rs. 124.83 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 Honourable Islamabad High Court.
- 5.3 Tax appeal for the recovery of Rs. 0.28 million (June 2014: Rs. 0.28 million) is pending with the Income Tax Appellate Tribunal, Islamabad against the imposition of penalty on short advance tax charged by the Collector of Customs at the time of import. In another case, the company has not withheld tax on dividend amounting to Rs. 0.90 million (June 2014: 0.90 mRs. illion) 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 cases are expected to be decided in favour of the Company.
- 5.4 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 69.46 million (June 2014: Rs. 48.28 million).

	Note	Un-audited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
6 PROPERTY, PLANT AND EQUIPMENT			
Net book Value- Pakistan	6.1	256,021,836	268,477,382
Net book Value- UAE	6.2	496,689	588,480
		<u>256,518,525</u>	<u>269,065,862</u>
6.1 Property, plant and equipment- Pakistan			
Cost			
Opening balance		850,969,693	850,110,130
Additions during the period		22,912,684	11,008,960
Deletion/disposals during the period		(13,561,548)	(10,149,397)
Closing balance		860,320,829	850,969,693
Accumulated depreciation			
Opening balance		582,492,311	540,297,401
Additions during the period		32,327,268	49,652,830
Deletion/disposals during the period		(10,520,586)	(7,457,920)
Closing balance		604,298,993	582,492,311
Net book value		<u>256,021,836</u>	<u>268,477,382</u>
6.2 Property, plant and equipment- UAE			
Cost			
Opening balance		770,181	770,181
Additions during the period		-	-
Deletion/disposals during the period		-	-
Closing balance		770,181	770,181
Accumulated depreciation			
Opening balance		181,701	26,761
Additions during the period		91,791	154,940
Deletion/disposals during the period		-	-
Closing balance		273,492	181,701
Net book value		<u>496,689</u>	<u>588,480</u>
		<u>256,518,525</u>	<u>269,065,862</u>

Ist charge of Rs. 140.00 million (June 2014: Rs. 140.00 million) on fixed assets, present and future current assets of Rs. 400.00 million (June 2014: Rs. 400.00 million) and US\$ 1.50 million; equivalent to Pak Rs. 150.29 million (June 2014: US\$ 1.50 million; equivalent to Pak Rs. 147.53 million) in shape of foreign currency deposit receipt has been created in favour of Soneri Bank Limited for an unfunded facility of Rs. 249.80 million (June 2014: Rs. 281.05 million).

	Un-audited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
7 INTANGIBLE ASSETS		
Cost		
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
Accumulated amortisation		
Opening balance	4,591,756	3,831,107
Additions during the period	320,250	760,649
Deletion/disposals during the period	-	-
Closing balance	4,912,006	4,591,756
Net book value	<u>6,832,000</u>	<u>7,152,250</u>

	Un-audited		Un-audited	
	For the quarter ended		For the nine months ended	
	March 31, 2015 Rupees	March 31, 2014 Rupees	March 31, 2015 Rupees	March 31, 2014 Rupees
8 REVENUE				
CVAS Data License	174,699,561	183,913,728	515,652,718	547,727,318
Telecom Infrastructure Provider License	-	679,200	960,000	3,231,600
	<u>174,699,561</u>	<u>184,592,928</u>	<u>516,612,718</u>	<u>550,958,918</u>
9 COST OF SERVICES				
Channel and local lead rentals	32,516,856	44,068,571	84,100,008	143,398,925
Space segment rentals	29,083,391	30,327,518	87,243,426	106,700,989
Salaries and other benefits	36,132,314	28,171,682	104,002,208	88,586,084
Repair and maintenance expenses	4,484,772	4,511,851	12,355,322	10,841,459
License fee	873,498	936,549	2,802,266	2,819,427
Depreciation	11,750,177	12,521,688	32,419,059	37,258,176
Amortisation	106,750	123,413	320,250	653,899
Travelling and local conveyance	515,483	979,722	2,327,835	2,560,390
Telephone expenses	342,448	510,367	929,535	1,021,948
Vehicle running expenses	2,889,226	3,377,246	9,832,798	10,791,225
Insurance	160,925	166,651	795,101	862,772
Entertainment	243,744	307,012	674,179	872,290
Rent, rates and taxes	869,233	782,093	2,418,725	2,153,362
Utilities	510,219	639,733	2,496,135	2,327,868
Operating lease rentals	394,922	658,095	1,445,088	1,522,033
	<u>120,873,958</u>	<u>128,082,190</u>	<u>344,161,935</u>	<u>412,370,846</u>
10 ADMINISTRATIVE EXPENSES				
Salaries and other benefits	20,048,804	15,134,650	53,170,573	38,844,406
Travelling and local conveyance	286,716	308,669	709,906	727,410
Telephone expenses	199,772	397,217	978,542	1,075,827
Vehicle running expenses	1,650,338	1,909,233	4,948,279	5,430,600
Insurance	62,103	65,878	182,361	197,882
Entertainment	349,989	438,164	1,075,599	1,391,045
Rent, rates and taxes	1,400,921	1,261,556	4,100,758	3,650,856
Legal and professional charges	776,435	301,787	3,696,974	3,037,528
Printing and stationery	309,698	691,641	1,147,422	1,353,275
Utilities	376,331	440,274	1,458,442	1,360,127
Welfare expenses	500,000	750,000	2,500,000	2,250,000
Auditors' remuneration	-	5,400	325,000	365,900
Operating lease rentals	945,109	552,192	2,321,317	2,040,353
	<u>26,906,216</u>	<u>22,256,661</u>	<u>76,615,173</u>	<u>61,725,209</u>
11 MARKETING EXPENSES				
Advertisement and marketing expenses	123,306	198,470	2,432,580	734,558
Salaries and other benefits	4,271,202	3,729,577	12,395,365	9,720,330
Travelling and local conveyance	83,940	55,600	223,582	215,734
Telephone expenses	40,093	76,300	181,396	199,430
Vehicle running expenses	265,807	310,108	884,557	970,777
Insurance	15,361	16,410	35,867	38,919
Entertainment	23,014	30,242	29,025	38,177
Operating lease rentals	119,728	179,592	478,912	538,776
	<u>4,942,451</u>	<u>4,596,299</u>	<u>16,661,284</u>	<u>12,456,701</u>
12 EARNING PER SHARE (BASIC AND DILUTED)				
Profit after taxation	19,656,629	24,670,873	69,261,287	76,790,749
Basic and diluted earnings per share (Pak Rs./share)	<u>2.02</u>	<u>2.52</u>	<u>7.07</u>	<u>7.84</u>

Weighted average number of ordinary shares as at March 31, 2015 are 9,801,000 (March 31, 2014: 9,801,000) and there are no dilutive ordinary shares till March 31, 2015 (March 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. 30.15 million (March 2014: Rs. 29.98 million). Advances include advance against salaries to executives amounting to Rs. 0.12 million (June 2014: Rs. 0.39 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. 15.02 million (March 2014: Rs. 12.50 million)

14 OPERATING SEGMENTS

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

Out of total revenue, 99.81 % (March 2014: 99.41 %) is generated from CVAS Data License and 0.19 % (March 2014: Rs. 0.59 %) from Telecom Infrastructure Provider license.

Revenue from major customers of the Company amounts to Rs.310.24 million (March 2014: Rs. 445.87 million) representing 60.05% (March 2014: 80.92 %) of the total revenue.

Out of total non-current assets of the company, 99.81 % (June 2014: 99.78 %) assets are located in Pakistan.

15 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for better presentation and disclosure as detailed below;

<u>Reclassification From</u>	<u>Reclassification To Rupees</u>	<u>Un-audited March 31, 2014 Rupees</u>
Cost of services-Equipment maintenance cost	Cost of services-Repair and maintenance expenses	5,860,907
Administrative expenses- Telephone expenses	Cost of services- Telephone expenses	1,021,948
Administrative expenses- Telephone expenses	Marketing expenses- Telephone expenses	199,430
Administrative expenses- Vehicle running expenses	Cost of services- Vehicle running expenses	10,791,225
Administrative expenses- Insurance	Cost of services- Insurance	862,772
Administrative expenses- Insurance	Marketing expenses- Insurance	38,919
Administrative expenses- Entertainment	Cost of services- Entertainment	872,290
Administrative expenses- Entertainment	Marketing expenses- Entertainment	38,177
Administrative expenses- Rent, rates and taxes	Cost of services- Rent, rates and taxes	2,153,362
Administrative expenses- Utilities	Cost of services- Utilities	2,327,868

16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on April 27, 2015.

17 GENERAL

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

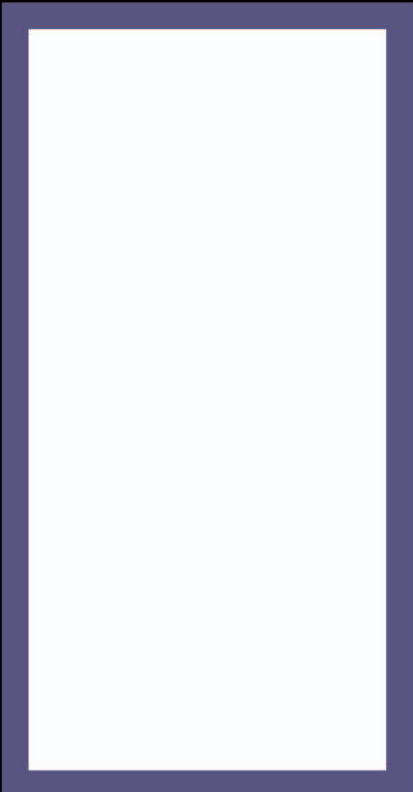
Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive



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