



Pak Datacom

Pak Datacom Ltd.

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DIRECTORS' REPORT

On behalf of the Board of Directors of Pak Datacom Limited (PDL), we are pleased to present to the shareholders, un-audited condensed interim financial results and operations of the Company for Nine months period ended on March 31, 2021.

During the period under review (1st Jul 2020 - 31st Mar 2021), PDL's revenue was Rs. 566 million (as compared to Rs. 567 million during the corresponding period 1st July 2019-31st March 2020), cost of service was Rs. 475 million as compared to Rs. 468 million (of the corresponding period of last year) and gross profit was Rs. 90 million as compared to Rs. 99 million (of the corresponding period of last year). In addition, other income was Rs. 31 million as compared to Rs. 41 million (of the corresponding period of last year) and net loss was Rs. 29 million as compared to Rs. 2 million (of the corresponding period of last year).

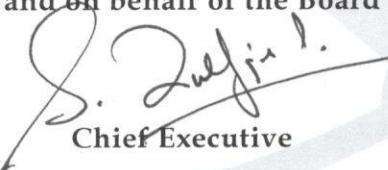
The COVID-19 pandemic badly affected the entire corporate sector. During these challenging times, PDL however managed to maintain business continuity successfully and prepared plans to cope with and mitigate the adverse effects of this crisis. The Company, in line with its mission, did not retrench any of its employee nor it reduced the perks and benefits during the pandemic and also ensured that Environment, Health and Safety standards are maintained at best. Despite the difficult business environment, the management maintained an upward trend in its operational efficiency, but loss in exchange rate became the unavoidable cause of affecting the overall above given financials.

A three pronged strategy has already been enforced with a view to enhance profitability and cash flow of the Company by minimizing the expenditure, making recoveries of receivables and ensuring the completion of projects already in pipeline as well as acquisition of new projects. Such measures are likely to yield beneficial results by the close of financial year 2020-21.

Pak Datacom Limited has always strived to perform par excellence in the field of Digital Connectivity. Selection of Pak Datacom Limited as its main and trusted supplier by Defence Services of Pakistan is testimony of this fact. In addition to this, we are constantly evaluating new avenues in our business area. New projects related to Defence, National Bank of Pakistan Project of providing connectivity to its 460 sites, bidding for Wapda Project for linking its headquarters with its 4 new dam sites via PDL VSAT network and preparation of proposals for Data Centers in Baluchistan are all concerted efforts in the same direction.

The Board takes this opportunity to thank the Company's valued customers, bankers and other stakeholders for their continuous support. The Board also recognizes the contribution made by a very dedicated team who served the Company with enthusiasm, and hopes that the same zeal and spirit of devotion shall remain intact in the future as well.

For and on behalf of the Board


Chief Executive

Director

Dated: April 23, 2021

Lahore

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PAK DATACOM LIMITED

FINANCIAL STATEMENTS

FOR THE

NINE MONTHS PERIOD
ENDED

MARCH 31, 2021

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2021

		March 31, 2021 Un-Audited	June 30, 2020 Audited
	Note	-----Rupees-----	
NON-CURRENT ASSETS			
Property and equipment	4	197,067,464	201,773,690
Intangible assets	5	4,270,000	4,590,250
Deferred taxation		55,640,262	63,306,328
		256,977,726	269,670,268
CURRENT ASSETS			
Trade debts	6	610,112,613	566,728,551
Contract assets	7	51,228,583	59,379,710
Contract work in progress		64,169,056	24,160,152
Advances		16,285,210	20,630,251
Trade deposits and short term prepayments		15,796,452	27,717,822
Other receivables		7,090,094	6,673,652
Interest accrued		4,068,885	11,357,226
Tax refunds due from the Government		46,209,650	32,273,378
Short term investments		108,000,000	108,000,000
Cash and bank balances	8	93,598,894	268,684,342
		1,016,559,437	1,125,605,084
		1,273,537,163	1,395,275,352
SHARE CAPITAL AND RESERVES			
Authorised share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	9	107,811,000	98,010,000
Reserves			
General reserve		591,500,000	591,500,000
Unappropriated profits		104,769,563	153,359,597
		804,080,563	842,869,597
NON-CURRENT LIABILITIES			
Deferred employees' benefits		44,062,356	45,657,011
Lease liabilities		29,451,147	29,445,075
		73,513,503	75,102,086
CURRENT LIABILITIES			
Customers' deposits		193,409,048	206,495,867
Contract liability		4,139,907	5,346,287
Trade and other payables	10	177,721,003	245,118,741
Current portion of lease liabilities		9,922,406	10,482,899
Unclaimed dividend		10,750,734	9,859,875
		395,943,097	477,303,669
CONTINGENCIES AND COMMITMENTS			
	11	1,273,537,163	1,395,275,352

The annexed notes 1 - 22 form an integral part of these financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Three months period ended		Nine months period ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
		-----Rupees-----		-----Rupees-----	
Revenue - net	12	181,538,925	178,528,731	565,617,765	567,005,836
Cost of services	13	(154,552,625)	(158,871,132)	(475,241,249)	(468,480,555)
Gross profit		<u>26,986,300</u>	<u>19,657,599</u>	<u>90,376,516</u>	<u>98,525,281</u>
Administrative expenses	14	(33,638,998)	(30,277,447)	(94,551,084)	(94,346,179)
Marketing expenses	15	(7,259,175)	(6,630,878)	(21,400,709)	(18,941,193)
Impairment reversal / (loss) on financial assets		1,570,680	(18,267,122)	50,877	(18,005,902)
Finance (cost) / income	16	(12,192,890)	36,097,689	(21,386,201)	19,188,289
		<u>(24,534,083)</u>	<u>579,841</u>	<u>(46,910,601)</u>	<u>(13,579,704)</u>
Other income	17	4,186,334	6,688,881	31,261,335	20,796,505
(Loss) / Profit before taxation		<u>(20,347,749)</u>	<u>7,268,722</u>	<u>(15,649,266)</u>	<u>7,216,801</u>
Taxation		(6,549,558)	(1,893,494)	(13,338,768)	(9,213,683)
(Loss) / Profit for the period		<u>(26,897,307)</u>	<u>5,375,228</u>	<u>(28,988,034)</u>	<u>(1,996,882)</u>
Earnings per share - basic and diluted		<u>(2.49)</u>	<u>0.55</u>	<u>(2.69)</u>	<u>(0.20)</u>

The annexed notes 1 - 22 form an integral part of these financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

Note	Three months period ended		Nine months period ended	
	March 31,	March 31,	March 31,	March 31,
	2021	2020	2021	2020
	-----Rupees-----		-----Rupees-----	
(Loss) / Profit for the period	(26,897,307)	5,375,228	(28,988,034)	(1,996,882)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(26,897,307)</u>	<u>5,375,228</u>	<u>(28,988,034)</u>	<u>(1,996,882)</u>

The annexed notes 1 - 22 form an integral part of these financial statements


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE


 DIRECTOR

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Share capital	Revenue reserves		
	Issued, subscribed and paid-up	General reserve	Unappropriated profits	Total
	-----Rupees -----			
Balance as at July 01, 2019	98,010,000	591,500,000	169,736,403	859,246,403
Total comprehensive income or (loss)				
Loss for the period	-	-	(1,996,882)	(1,996,882)
Other comprehensive income or loss for the period	-	-	-	-
	-	-	(1,996,882)	(1,996,882)
Transaction with owners				
Final dividend for the year ended June 30, 2019: Rs. 4.00 per share	-	-	(39,204,000)	(39,204,000)
Balance as at March 31, 2020	<u>98,010,000</u>	<u>591,500,000</u>	<u>128,535,521</u>	<u>818,045,521</u>
Balance as at June 30, 2020	98,010,000	591,500,000	153,359,597	842,869,597
Balance as at July 1, 2020	98,010,000	591,500,000	153,359,597	842,869,597
Total comprehensive income or (loss)				
Loss for the period	-	-	(28,988,034)	(28,988,034)
Other comprehensive income	-	-	-	-
Total comprehensive income or (loss) for the period	-	-	124,371,563	813,881,563
Transation with owners of the Company				
Final dividend for the year ended June 30, 2020: Rs. 1.00 per share	-	-	(9,801,000)	(9,801,000)
Bonus Shares for the year ended June 30, 2020: Rs. 1.00 per share	9,801,000	-	(9,801,000)	-
Balance as at March 31, 2021	<u>107,811,000</u>	<u>591,500,000</u>	<u>104,769,563</u>	<u>804,080,563</u>

The annexed notes 1 - 22 form an integral part of these financial statements


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

OR THE RINE MONTHS PERIOD ENDED

	Nine months period ended	
	March 31, 2021	March 31, 2020
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit for the year - before taxation	(15,649,266)	7,216,801
Adjustments for non-cash items:		
Depreciation	21,072,131	21,502,423
Amortization	320,250	320,250
Loss on disposal of property and equipment	23,114	-
Property and equipment - write off	853,688	-
Impairment (reversal) / loss on financial assets	(50,877)	18,005,902
Finance cost	3,182,775	1,763,479
Unrealized exchange (gain)/loss	18,203,426	-
Interest income	(13,539,944)	(17,510,813)
Provision for gratuity	11,364,000	9,684,000
Provision for earned leave encashment	-	2,637,000
Provision for provident fund	4,348,372	-
	30,127,669	43,619,042
Changes in working capital		
Decrease / (increase) in trade debts	(46,158,811)	(243,690,361)
Decrease / (increase) in contract assets	9,699,166	217,953,692
Decrease / (increase) in contract work in progress	(40,008,904)	(10,375,868)
Decrease / (increase) in advances	(740,494)	(6,232,292)
Decrease / (increase) in trade deposits and short term prepayments	13,138,747	12,734,475
Decrease / (increase) in other receivables	(416,442)	(662,124)
Increase / (decrease) in customers' deposits	(13,086,819)	4,789,676
Increase / (decrease) in contract liability	(1,206,380)	(5,518,737)
Increase / (decrease) in trade and other payables	(72,973,421)	64,975,692
	(151,753,358)	33,974,153
	(121,625,690)	77,593,195
Taxes paid	(19,608,974)	(26,575,630)
Gratuity paid	(5,051,156)	(828,245)
Leave encashment paid	(1,594,655)	(14,077,171)
Net cash used / generated from operating activities	(147,880,475)	36,112,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(17,413,212)	(4,285,408)
Proceeds from sale of property and equipment	170,507	-
(Purchase) / sale of short term investments	-	4,000,000
Interest and profit received	20,828,285	12,075,133
Net cash used / generated from investing activities	3,585,580	11,789,725
CASH FLOWS FROM FINANCING ACTIVITIES		
Unclaimed dividend	(8,910,141)	(38,572,092)
Payment of finance lease obligation	(3,129,487)	(3,639,106)
Finance cost paid	(607,710)	(1,763,479)
Net cash used in financing activities	(12,647,337)	(43,974,677)
Net increase / (decrease) in cash and cash equivalents	(156,942,232)	3,927,197
Cash and cash equivalents at the beginning of the year	268,800,641	206,579,390
Effect of movements in exchange rates on cash and cash equivalent	(18,203,426)	-
Cash and cash equivalents at end of the period	93,654,983	210,506,587

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The annexed notes 1 - 22 form an integral part of these financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

PAK DATACOM LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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, 2020.
- 2.3 These condensed interim financial statements are un-audited and are 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, 2020.
- 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, 2020.

			March 31, 2021 Un-Audited	June 30, 2020 Audited
			-----Rupees-----	
4	PROPERTY AND EQUIPMENT	Note		
	Operating fixed assets	4.1	155,421,532	162,415,626
	Right of use assets	4.2	41,645,932	39,358,064
			<u>197,067,464</u>	<u>201,773,690</u>
4.1	Operating fixed assets			
	Opening net book value		162,415,626	197,975,402
	Impact of adoption of IFRS -16			
	Cost		-	(25,513,000)
	Accumulated depreciation		-	10,494,175
			-	(15,018,825)
	Additions		8,545,212	4,285,408
	Disposal:			
	Cost		(459,993)	(1,094,000)
	Accumulated depreciation		379,565	543,207
			(80,428)	(550,793)
	Transfer from leased to owned:			
	Cost		2,198,000	2,645,000
	Accumulated depreciation		(1,482,810)	(1,846,869)
			715,190	798,131
	Depreciation charge		(16,174,068)	(25,073,697)
	Closing net book value		<u>155,421,532</u>	<u>162,415,626</u>
4.2	Right of use (ROU) assets			
	Opening net book value		39,358,064	-
	Impact of adoption of IFRS -16			
	- Cost		-	59,899,120
	- Accumulated depreciation		-	(10,494,175)
	- Net book value		-	49,404,945
	Additions		8,868,000	-
	Transfer from leased to owned			
	- Cost		(2,198,000)	(2,645,000)
	- Accumulated depreciation		1,482,810	1,846,869
	- Net book value		(715,190)	(798,131)
	Write off			
	- Cost		(1,889,000)	(2,149,000)
	- Accumulated depreciation		1,035,312	1,022,982
	- Net book value		(853,688)	(1,126,018)
	Depreciation charge		(5,011,254)	(8,122,732)
	Closing net book value		<u>41,645,932</u>	<u>39,358,064</u>
5	INTANGIBLE ASSETS			
	Software and infrastructure license			
	Opening net book value		4,590,250	5,017,250
	Amortization charge		(320,250)	(427,000)
	Closing net book value		<u>4,270,000</u>	<u>4,590,250</u>
6	TRADE DEBTS			
	Trade debts		708,632,153	662,473,342
	Less: Impairment loss allowance		(98,519,540)	(95,744,791)
			<u>610,112,613</u>	<u>566,728,551</u>
7	CONTRACT ASSETS			
	Unbilled revenue		68,420,192	79,607,269
	Less: Impairment loss allowance		(17,191,608)	(20,227,559)
			<u>51,228,583</u>	<u>59,379,710</u>
8	CASH AND BANK BALANCES			
	Cash at bank:			
	Current accounts		7,781,760	15,636,215
	Deposit accounts		70,437,474	235,247,324
	Deposit accounts with Islamic Banks:			
	Under Shariah arrangements		3,395,010	6,652,525
	Current accounts-dividend		12,040,739	11,264,577
			93,654,983	268,800,641
	Less: Impairment loss allowance		(56,089)	(116,299)
			<u>93,598,894</u>	<u>268,684,342</u>

9

SHARE CAPITAL

Note

9.1

Authorised Share Capital

100,000,000 ordinary shares of Rs 10 each
(June 30, 2020: 100,000,000 ordinary shares of Rs 10 each)

1,000,000,000

1,000,000,000

9.2

Issued, subscribed and paid up capital:

Shares issued for cash
5,400,000 ordinary shares of Rs 10 each
(June 30, 2020: 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, 2020: 4,401,000 ordinary shares of Rs 10 each)

53,811,000

44,010,000

10,782,000 ordinary shares of Rs 10 each
(June 30, 2020: 9,801,000 ordinary shares of Rs 10 each)

107,811,000

98,010,000

10

TRADE AND OTHER PAYABLES

Trade creditors

142,620,701

213,515,437

Advances from employees for vehicle lease

3,756,103

3,106,756

License fee payable

2,361,735

3,538,589

Accrued liabilities

15,466,753

12,761,230

Sales tax payable

-

1,548,624

Withholding tax payable

2,162,083

7,459,903

Provident fund payable

4,348,372

-

Gratuity payable

1,227,309

-

Payable to employees

5,777,947

3,188,202

177,721,003

245,118,741

11

CONTINGENCIES AND COMMITMENTS

11.1

Contingencies

11.1.1

There has been no significant change in the the status of contingencies as disclosed on Note 24 to the audited financial statements of the Company for the year ended June 30, 2020 except the following:

11.1.2

The income tax return filed by the Company for the tax year 2016 was selected for audit under section 214C of the Income Tax Ordinance, 2001. After examining the relevant record, the assessing officer found discrepancies and raised a tax demand of Rs 31.56 million. The taxpayer filed appeal before Commissioner Inland Revenue Appeals against the order. The case has been decided by the learned CIR-Appeals vide order dated February 2, 2019 whereby remanding it back to the assessing officer. A decision was received in December 2020 from the Deputy Commissioner Inland Revenue, in which tax demand of Rs. 31.56 million has been abolished, whereas refund was reduced by Rs. 18 million. An appeal is being filed before the Commissioner Inland Revenue Appeals (CIR-Appeals).

11.1.3

The Deputy Commissioner Inland Revenue vide order dated June 27, 2018 raised a demand of Rs 38.96 million for short assessment of taxable income under section 122(1) of the Income Tax Ordinance (ITO), 2001 for tax year 2012. The Company filed an appeal to the Commissioner Inland Revenue Appeals (CIR-Appeals).The Company has also obtained stay order from honorable Islamabad High Court dated November 15, 2018 restraining Inland Revenue Department from adopting coercive measures for recovery of disputed tax liability. A hearing was made with Deputy Commissioner Inland Revenue in December 2020, against the order of the Commissioner Inland Revenue Appeals (CIR-Appeals). The Deputy Commissioner again issued an order dated December 30, 2020 without any change in previous order. An appeal is being filed before the Commissioner Inland Revenue Appeals (CIR-Appeals).

11.2

Commitments

Note

March 31,
2021

June 30,
2020

Un-Audited

Audited

-----Rupees-----

The Company has following commitments in respect of:

Capital expenditure commitments

30,563,770

99,745,353

Outstanding letter of credits

15,334,640

6,345,023

12

REVENUE

Note

Three months period ended

Nine months period ended

March 31,
2021

March 31,
2020

March 31,
2021

March 31,
2020

-----Rupees-----

-----Rupees-----

Communication Value Added Services (CVAS) / data communication services

178,346,634

206,268,767

557,418,529

619,226,749

Telecom infrastructure services

412,264

457,657

1,236,795

1,296,428

Specialised projects

32,117,760

4,369,318

98,028,022

42,925,469

Gross revenue

210,876,659

211,095,742

656,683,347

663,448,646

Less:

Sales tax / Federal Excise Duty

(27,106,744)

(31,139,095)

(85,331,069)

(92,967,581)

Advance tax

(2,230,989)

(1,427,916)

(5,734,512)

(3,475,229)

181,538,925

178,528,731

565,617,765

567,005,836

13	COST OF SERVICES	Note	Three months period ended		Nine months period ended	
			March 31,	March 31,	March 31,	March 31,
			2021	2020	2021	2020
			-----Rupees-----		-----Rupees-----	
			44,245,822	58,145,435	141,854,665	149,085,877
			19,289,088	34,071,295	60,932,734	90,534,945
		13.1	46,845,405	49,163,791	136,398,570	144,045,032
			1,577,929	2,156,233	5,601,251	7,200,087
			754,006	881,122	2,385,185	2,645,503
			3,666,359	6,588,076	14,446,509	19,676,563
			698,947	-	1,152,588	-
			106,750	106,750	320,250	320,250
			171,249	772,394	605,445	2,336,858
			477,353	318,073	1,185,488	618,259
			3,766,290	3,770,372	10,700,802	11,616,956
			172,014	375,142	770,503	1,001,129
			272,050	327,262	823,623	864,157
			1,623,843	1,203,134	5,595,074	4,626,347
			1,039,947	968,671	3,736,022	3,740,780
			29,845,573	23,383	88,732,540	30,167,813
			154,552,625	158,871,132	475,241,249	468,480,555

13.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 9.24 million (March 2020: Rs. 8.01 million).

14	ADMINISTRATIVE EXPENSES	Note	Three months period ended		Nine months period ended	
			March 31,	March 31,	March 31,	March 31,
			2021	2020	2021	2020
			-----Rupees-----		-----Rupees-----	
		14.1	22,425,898	19,561,188	68,401,176	58,269,871
			244,335	1,228,230	385,010	3,221,355
			340,165	1,719,535	1,069,927	2,658,479
			1,380,119	1,384,314	3,909,868	4,125,841
			674,611	515,062	1,753,521	1,176,782
			57,616	36,718	253,830	262,581
			357,459	455,579	1,197,869	1,339,200
			2,188,010	-	3,608,103	-
			231,067	318,659	827,470	1,087,635
			58,869	1,177,236	95,712	3,715,174
			1,931,785	2,363,375	5,195,420	6,246,957
			941,605	298,380	1,446,349	1,284,233
			807,459	675,171	2,092,704	1,914,071
			2,000,000	-	4,000,000	8,000,000
			-	544,000	314,125	1,044,000
			33,638,998	30,277,447	94,551,084	94,346,179

14.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 3.9 million (March 2020: Rs. 3.3 million).

15	MARKETING EXPENSES	Note	Three months period ended		Nine months period ended	
			March 31,	March 31,	March 31,	March 31,
			2021	2020	2021	2020
			-----Rupees-----		-----Rupees-----	
			783,171	279,511	2,508,649	604,237
		15.1	5,323,904	5,452,221	16,400,198	15,640,905
			6,800	217,255	13,800	743,487
			51,784	31,560	141,262	99,194
			467,482	479,608	1,341,981	1,301,765
			245,641	8,505	270,671	22,334
			197,488	162,218	416,499	486,660
			151,945	-	250,563	-
			18,960	-	45,086	-
			-	-	-	42,611
			12,000	-	12,000	-
			7,259,175	6,630,878	21,400,709	18,941,193

15.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.12 million (March 2020: Rs. 0.98 million).

16	FINANCE COST	Note	Three months period ended		Nine months period ended	
			March 31,	March 31,	March 31,	March 31,
			2021	2020	2021	2020
			-----Rupees-----		-----Rupees-----	
	Exchange loss / (gain) - net		11,102,214	(36,570,570)	18,203,426	(20,951,768)
	Finance lease charges		848,231	328,568	2,575,065	1,093,870
	Bank charges		242,445	144,313	607,710	669,609
			12,192,890	(36,097,689)	21,386,201	(19,188,289)
17	OTHER INCOME					
	Income from financial assets					
	Return on short term investments		2,469,878	3,560,622	8,796,113	9,207,497
	Return on bank deposits		-	2,804,245	4,436,692	7,783,969
	Return on bank deposits with Islamic Banks		101,918	174,014	307,139	519,347
	Income from non-financial assets					
	Gratuity fund payable written back		-	-	10,964,936	-
	Loss on disposal of property & equipment		-	-	(23,114)	-
	Others		1,614,538	150,000	6,779,569	3,285,692
			4,186,334	6,688,881	31,261,335	20,796,505

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationship with its holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the year were as follows:

	Aggregate	Three months period ended		Nine months period ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
		-----Rupees-----		-----Rupees-----	
Telecom Foundation - Holding Company	55.08%				
Dividend paid		-	-	5,398,353	21,593,563
Bonus Shares		-	-	5,398,353	-
Donations paid		2,000,000	-	4,000,000	8,000,000
Directors					
Dividend payable/paid		-	-	1,000	4,000
Bonus Shares		-	-	1,000	-
TF Technologies - Associated Company	Nil	-	-	-	-
Receivable against consultancy charges		-	-	217,689	114,500
Other related parties	Nil				
Advance/Receivable from Gratuity Funds		2,490,465	637,400	5,879,401	637,400
Payable to Gratuity Fund		3,788,000	3,228,000	11,364,000	9,684,000
Contribution to Gratuity fund		5,879,401	800,000	5,879,401	828,245
Payable to Provident Fund		1,448,539	-	4,348,372	-
Remuneration of key management personnel		8,227,148	6,934,620	24,384,932	18,459,627

19 IMPACT OF COVID - 19

The spread of COVID - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. It resulted in decrease of other projects revenue due to delayed implementation. However, as at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

20 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, 2020. 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, 2020

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values

21 GENERAL

Figures have been rounded off to the nearest rupee.

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on April 23, 2021.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR