



PAK DATACOM LIMITED

INTERIM FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED
DECEMBER 31, 2022**

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS REVIEW REPORT TO THE MEMBERS OF PAK DATACOM LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pak Datacom Limited ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed financial statements for the six month period then ended (here in after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, *"Review of condensed Interim Financial Information performed by the Independent Auditor of the Entity."* A review of condensed interim financial statements consists of making enquiries, 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 our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and financial reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion, as we are required to review only the cumulative figures for the six month period December 31, 2022.



The engagement partner on the review resulting in this independent auditors report is Atif Riaz.

ISLAMABAD

DATED: 24 FEB 2023

UDIN: RR2022100602by8p7aPC

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS



DIRECTORS' REPORT

The Directors of Pak Datacom Limited (PDL) are pleased in presenting to the shareholders their report along with un-audited financial statements of the Company for the half year period from July 01, 2022 to December 31, 2022.

Pakistan's economy remained under stress during the first half of the financial year from internal and external shocks as a result of political and economic instability both domestically and internationally. From an industry point of view, particularly that of the Information and Communications Technology ('ICT') sector, and probably that of other sectors as well, the high inflation coupled with the depreciation of the Pakistani Rupee against the US Dollar and the monetary and fiscal response, i.e. the increase in policy rate and the imposition and increase in taxes to raise revenues, have altogether increased costs for businesses whether in relation to their existing business operations or in terms of making new investments.

Notwithstanding the above, the Company recorded an increase of 71 percent to its revenue in comparison with the same period last year. Revenue of the Company as on December 31, 2022 was recorded at Rs. 861.140 million, compared to Rs. 502.929 million on December 31, 2021. Gross profit of the Company is Rs. 219.366 million as compared to Rs. 85.881 million for the corresponding period of last year i.e. an increase of 155 percent.

Accordingly, net profit of the Company for the half year ended December 31, 2022, was Rs. 127.475 million, resulting in earnings per share ('EPS') of Rs. 10.75, as compared to a profit of Rs. 69.644 million and EPS of Rs. 5.87 for the same period last year.

Pak Datacom is focusing on providing high-speed data nationwide in Pakistan. In addition to this, the company 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.

The Company's performance, its position in the ICT sector, and any future developments may be impacted in the short and medium term due to lack of foreign exchange leading to imports stoppage and fears of stag inflation, depreciation of the Pakistani Rupee against the US dollar. In case, if current state of affairs persists, business activity will definitely be hampered leading to restricted opportunities.

However, keeping past precedence intact, your Company is all set to pave its way forward and diversify itself in order to stay afloat in the rigid times ahead. In this regard necessary measures have already been taken and PDL will perform to the utmost satisfaction of its shareholders.

Lahore

Office No. 23, 3rd Floor, Leeds Centre, 11-E-2

Main Boulevard, Gulburg III, Lahore.

T: +92-42-35783648, 35783646, F: +92-42-35783647

Karachi

PDL House, 225/C, Block 2, PECHS, Karachi

T: +92-21-34559527, 34382909 F: +92-21-34527388



Pak Datacom

Pak Datacom Ltd.

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

T: +92 51 2344123 F: +92 51 2344111

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

Dated: February 24, 2023

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

Lahore

Office No. 23, 3rd Floor, Leeds Centre, 11-E-2
Main Boulevard, Gulburg III, Lahore.

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PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022

		December 31, 2022 Un-Audited Rupees	June 30, 2022 Audited Rupees
	Note		
NON-CURRENT ASSETS			
Property and equipment	4	208,326,188	217,602,225
Intangible assets	5	4,137,012	4,164,146
Deferred taxation		69,188,270	77,054,753
		281,651,470	298,821,124
CURRENT ASSETS			
Trade debts	6	463,840,881	814,428,992
Contract assets	7	533,179,936	204,729,211
Contract work in progress		165,154,941	43,627,099
Advances		11,796,251	12,092,144
Trade deposits and short term prepayments		32,538,447	112,235,518
Other receivables		9,436,960	13,857,614
Interest accrued		9,774,299	1,734,317
Short term investments	8	158,676,997	143,077,328
Cash and bank balances	9	422,765,747	251,098,371
		1,807,164,460	1,596,880,594
TOTAL ASSETS		2,088,815,930	1,895,701,718
SHARE CAPITAL AND RESERVES			
Authorised share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	10	118,592,100	118,592,100
General reserve		650,500,000	591,500,000
Unappropriated profits		360,101,814	362,781,809
		1,129,193,914	1,072,873,909
NON-CURRENT LIABILITIES			
Deferred employees' benefits		37,066,573	47,097,074
Lease liabilities		75,098,648	80,416,300
		112,165,221	127,513,374
CURRENT LIABILITIES			
Customers' deposits		97,564,826	113,895,030
Contract liability		1,174,371	7,213,042
Trade and other payables	11	631,285,714	547,641,515
Taxation - net		90,892,285	4,408,540
Current portion of lease liabilities		14,626,763	11,301,568
Unclaimed dividend		10,829,488	10,591,642
Unpaid dividend		1,083,349	263,098
		847,456,795	695,314,435
TOTAL EQUITY AND LIABILITIES		2,088,815,930	1,895,701,718
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 23 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

Note	Six months period ended December 31,		Three months period ended December 31,		
	2022	2021	2022	2021	
	-----Rupees-----		-----Rupees-----		
Revenue - net	13	861,140,045	502,928,921	418,665,930	209,490,932
Cost of services	14	(641,774,241)	(417,047,479)	(264,691,930)	(167,403,256)
Gross profit		219,365,804	85,881,442	153,974,000	42,087,676
Administrative expenses	15	(88,553,111)	(98,149,710)	(43,281,357)	(63,709,477)
Marketing expenses	16	(19,601,898)	(15,318,761)	(7,845,813)	(7,377,809)
Impairment (loss) / reversal on financial assets		(11,433,012)	6,517,987	(3,561,653)	2,004,318
Finance income / (cost)	17	54,913,892	39,074,974	(19,873,355)	9,879,637
		154,691,675	18,005,932	79,411,822	(17,115,655)
Other income	18	81,763,783	31,913,773	68,398,746	28,422,509
Profit before taxation		236,455,458	49,919,705	147,810,568	11,306,854
Taxation		(108,980,194)	19,723,856	(85,294,207)	13,411,665
Profit for the period		127,475,265	69,643,561	62,516,361	24,718,519
Earnings per share - basic and diluted		10.75	5.87	5.27	2.08

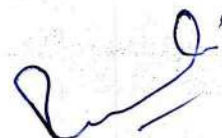
The annexed notes 1 to 23 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

PAK DATACOM LIMITED
CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Six months period ended December 31,		Three months period ended December 31,	
	2022	2021	2022	2021
	-----Rupees-----		-----Rupees-----	
Profit for the period	127,475,265	69,643,561	62,516,361	24,718,519
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>127,475,265</u>	<u>69,643,561</u>	<u>62,516,361</u>	<u>24,718,519</u>

The annexed notes 1 to 23 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Issued, subscribed and paid-up	Revenue reserve		Total
		General reserve	Unappropriated profit	
	-----Rupees-----			
Balance as at July 01, 2021 (audited)	107,811,000	591,500,000	138,000,644	837,311,644
Total comprehensive income or (loss)				
Profit for the period	-	-	69,643,561	69,643,561
Other comprehensive income	-	-	-	-
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2021: Rs. 1.50 per share	-	-	(16,171,650)	(16,171,650)
Bonus shares for the year ended June 30, 2021: 1 share for every 10 shares	10,781,100	-	(10,781,100)	-
Balance as at December 31, 2021	118,592,100	591,500,000	180,691,455	890,783,555
Balance as at July 01, 2022 (audited)	118,592,100	591,500,000	362,781,809	1,072,873,909
Total comprehensive income or (loss)				
Profit for the period	-	-	127,475,265	127,475,265
Other comprehensive income	-	-	-	-
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2022: Rs. 6.00 per share	-	-	(71,155,260)	(71,155,260)
Other Transactions				
Transfer to general reserve	-	59,000,000	(59,000,000)	-
Balance as at December 31, 2022	118,592,100	650,500,000	360,101,814	1,129,193,914

The annexed notes 1 to 23 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

Note	Six months period ended	
	December 31,	
	2022	2021
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	236,455,458	49,919,705
Adjustments for non-cash items:		
Depreciation	13,893,737	13,343,692
Amortisation	252,228	213,500
Gain on disposal of property and equipment	(1,475,825)	-
Property and equipment - write off	748,577	103,531
Impairment (reversal) / loss on financial assets	11,433,012	(6,517,987)
Finance cost	6,913,634	4,150,642
Unrealised exchange gain	(61,827,526)	(43,225,616)
Interest income	(19,915,947)	(8,569,859)
Provision for gratuity	7,095,923	10,074,000
Provision for earned leave encashment	3,994,688	1,827,687
Provision for provident fund	7,221,058	8,822,621
	<u>204,789,018</u>	<u>30,141,916</u>
Changes in working capital		
Decrease / (increase) in trade debts	349,089,590	234,945,667
Decrease / (increase) in contract assets	(340,494,361)	(167,182,999)
Decrease / (increase) in contract work in progress	(121,527,843)	(41,046,495)
Decrease / (increase) in advances	295,893	552,322
Decrease / (increase) in trade deposits and short term prepayments	66,414,498	2,414,279
Decrease / (increase) in other receivables	4,420,654	1,079,037
Increase / (decrease) in customers' deposits	(16,330,204)	24,241,697
Increase / (decrease) in contract liability	(6,038,671)	(520,214)
Increase / (decrease) in trade and other payables	84,227,515	91,445,867
	<u>20,057,071</u>	<u>145,929,161</u>
	<u>224,846,088</u>	<u>176,071,077</u>
Taxes paid	(14,629,966)	(11,251,328)
Gratuity paid	(9,672,843)	-
Provident fund paid	(5,227,453)	(64,352)
Leave encashment paid	(14,025,189)	-
Net cash generated from operating activities	<u>181,290,637</u>	<u>164,755,397</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(7,159,740)	(2,109,098)
Proceeds from sale of property and equipment	3,269,288	-
Purchase of intangibles	(225,094)	-
Purchase of short term investments	(14,044,428)	(129,010,319)
Interest and profit received	10,320,723	7,739,706
Net cash used in investing activities	<u>(7,839,250)</u>	<u>(123,379,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(70,097,163)	(15,909,393)
Payment of finance lease obligation	(8,002,320)	(6,517,790)
Finance cost paid	(1,984,820)	(4,150,642)
Net cash used in financing activities	<u>(80,084,303)</u>	<u>(26,577,825)</u>
Net increase in cash and cash equivalents	<u>93,367,083</u>	<u>14,797,861</u>
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	78,287,213	43,225,616
Cash and cash equivalents at the end of the period	<u>422,850,810</u>	<u>172,871,690</u>

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The annexed notes 1 to 23 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
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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 repealed Companies Ordinance, 1984 (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 which holds 55.08% share holding in the Company. The registered office of the Company is situated at 1st Floor, TF Complex, 7 - Mauve Area, G - 9/4, Islamabad.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated 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 Accounting Standard (IAS) 34: 'Interim Financial Reporting' 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 the 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 unconsolidated financial statements are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulations of Pakistan Stock Exchange. These condensed interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2022. Comparative condensed interim statement of financial position is extracted from annual financial statements as of June 30, 2022, whereas

comparative condensed interim statement of profit or loss, condensed interim comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial statements for the half year ended December 31, 2021. Also figures of quarters ended September 30, 2022 and December 31, 2022 are not subject to reviews rather cumulative figures are reviewed.

2.3 Functional and presentation currency

These condensed interim unconsolidated financial statements has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

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.

		December 31, 2022 Un-Audited Rupees	June 30, 2022 Audited Rupees
4	PROPERTY AND EQUIPMENT	Note	
	Operating fixed assets	4.1	126,805,259
	Right of use assets	4.2	81,520,929
			<u>208,326,188</u>
4.1	Operating fixed assets		
	Opening net book value		129,866,904
	Additions		7,159,740
	Disposal:		
	Cost		(14,204,436)
	Accumulated depreciation		12,410,973
			(1,793,463)
	Write off:		
	Cost		(13,127,983)
	Accumulated depreciation		12,379,406
			(748,577)
	Transfer from leased to owned:		
	Cost		-
	Accumulated depreciation		-
			-
	Depreciation charge		(7,679,345)
	Closing net book value		<u>126,805,259</u>
4.2	Right of use (ROU) assets		
	Opening net book value		87,735,321
	Additions		-
	Transfer from leased to owned:		
	Cost		-
	Accumulated depreciation		-
			-
	Write off:		
	Cost		-
	Accumulated depreciation		-
			-
	Depreciation charge		(6,214,392)
	Closing net book value		<u>81,520,929</u>
5	INTANGIBLE ASSETS		
	Software and infrastructure license		
	Opening net book value		4,164,146
	Additions		225,094
	Amortisation charge		(252,228)
	Closing net book value		<u>4,137,012</u>

		December 31, 2022 Un-Audited Rupees	June 30, 2022 Audited Rupees
6	TRADE DEBTS		
	Trade debts	541,203,631	890,293,221
	Less: Impairment loss allowance	(77,362,750)	(75,864,229)
		<u>463,840,881</u>	<u>814,428,992</u>
7	CONTRACT ASSETS		
	Unbilled revenue	567,227,092	226,732,731
	Less: Impairment loss allowance	(34,047,156)	(22,003,520)
		<u>533,179,936</u>	<u>204,729,211</u>
8	SHORT TERM INVESTMENTS		
	Term deposit receipts (TDRs)	149,000,000	136,000,000
	Mutual fund	1,044,428	-
		<u>150,044,428</u>	<u>136,000,000</u>
	Interest accrued	8,632,569	7,077,328
		<u>158,676,997</u>	<u>143,077,328</u>
9	CASH AND BANK BALANCES		
	Cash in hand	362,351	54,614
	Cash at bank:		
	Current accounts	237,144,983	76,008,705
	Deposit accounts	151,850,415	110,372,281
	Deposit accounts with Islamic Banks under Shariah arrangements	19,945,772	52,275,935
	Current accounts-dividend	13,547,289	12,484,980
		<u>422,850,810</u>	<u>251,196,514</u>
	Less: Impairment loss allowance	(85,063)	(98,142)
		<u>422,765,747</u>	<u>251,098,371</u>
9.1	This carry effective mark-up of 12.75% per annum (2021: 5.50% per annum)		
10	SHARE CAPITAL		
10.1	Authorised share capital		
	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>
10.2	Issued, subscribed and paid up capital:		
	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

	December 31, 2022 Un-Audited Rupees	June 30, 2022 Audited Rupees
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>

11 TRADE AND OTHER PAYABLES

Trade creditors	548,395,528	461,232,941
Sales tax payable	15,531,530	8,392,080
Bonus/honorarium payable	15,330,884	-
Accrued liabilities	10,282,954	14,773,694
Withholding tax payable	10,154,604	5,291,744
Payable to employees	1,974,929	23,726,289
License fee payable	740,118	3,451,116
Advances from employees for vehicle lease	189,124	1,504,292
Employees' retirement and other service benefits :		
Provident fund	27,168,711	25,175,107
Gratuity fund	1,517,332	4,094,252
	<u>631,285,714</u>	<u>547,641,515</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- 12.1.1 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 except for the following:
- 12.1.2 The Deputy Commissioner Inland Revenue issued a show cause notice on February 28, 2022, raised multiple clauses and demanded an explanation on sale tax amount of Rs. 142.284 million and penalties of Rs. 7.131 million. The case is before Appellate tribunal inland revenue and the hearing is fixed on 8th February 2023.
- 12.1.3 The deputy commisioner inland revenue issued a notice under rule 44(4) of income tax rules 2002 for the tax year 2018 on September 16, 2022. Due response was submitted on October 18, 2022 which is under review by the deputy commissioner inland revenue.
- 12.1.4 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 December 31, 2022 is Rs. 90.39 million (June 30, 2022: 117.44 million).

12.2 Commitments

The Company has following commitments in respect of:

	December 31, 2022 Un-Audited Rupees	June 30, 2022 Audited Rupees
Capital expenditure commitments	253,822,612	242,420,050
Outstanding letter of credits	270,494,751	205,242,545

13 REVENUE

	Six months period ended December 31, 2022 2021 -----Rupees-----		Three months period ended December 31, 2022 2021 -----Rupees-----	
Class Value Added Services (CVAS)	534,163,652	403,445,680	272,571,647	206,489,668
Specialised projects	431,974,272	165,816,764	204,403,010	36,885,393
Telecom infrastructure services	824,526	689,982	412,263	344,991
Gross revenue	966,962,451	569,952,426	477,386,920	243,720,052
Less:				
Sales tax / Federal Excise Duty	(86,066,411)	(60,529,461)	(46,967,559)	(30,865,430)
Advance tax	(19,755,994)	(6,494,044)	(11,753,431)	(3,363,690)
Net Revenue	861,140,045	502,928,921	418,665,930	209,490,932

14 COST OF SERVICES

Other projects costs	325,607,924	142,326,434	119,933,529	31,626,256
Salaries and other benefits	127,856,433	100,005,031	55,685,211	48,747,528
Channel and local lead rentals	119,449,053	109,082,899	58,048,669	54,544,670
Space segment rentals	34,160,660	35,817,300	13,834,640	17,416,242
Vehicle running expenses	10,803,085	8,275,944	5,002,758	4,414,342
Depreciation - operating fixed assets	6,987,371	6,008,568	3,580,243	2,036,096
Repair and maintenance expenses	6,152,861	3,014,374	3,781,803	2,143,722
Utilities	3,376,879	2,701,202	1,562,148	1,139,689
Rent, rates and taxes	2,043,340	4,223,220	415,346	2,297,654
License fee	1,594,358	1,699,139	512,944	869,094
Travelling and local conveyance	1,311,086	956,574	1,121,093	723,832
Communication expenses	899,897	874,054	468,444	446,648
Entertainment	602,686	448,935	306,622	222,093
Depreciation - right of use assets	494,052	893,066	247,026	432,698
Amortisation	252,228	213,500	135,493	106,750
Insurance	182,328	507,239	55,961	235,942
	641,774,241	417,047,479	264,691,930	167,403,256

14.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 68.4 million (December 31, 2021: Rs. 12.9 million).

15 ADMINISTRATIVE EXPENSES

		Six months period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
		-----Rupees-----		-----Rupees-----	
Salaries and other benefits	15.1	61,166,454	49,826,452	28,446,401	24,175,779
Vehicle running expenses		4,782,895	2,844,145	2,457,248	1,429,756
Donation		4,000,513	2,000,000	2,300,513	1,000,000
Legal and professional charges		3,932,231	4,387,484	1,794,824	2,542,834
Repair and maintenance expenses		1,910,112	1,373,019	1,098,928	832,350
Printing and stationery		1,669,309	1,143,766	1,412,649	921,011
Utilities		1,436,546	1,329,670	628,181	541,101
Entertainment		1,233,442	661,330	805,198	293,223
Communication expenses		864,132	822,300	476,043	479,098
Travelling and local conveyance		330,739	504,498	207,229	503,998
Insurance		264,268	152,986	122,138	68,048
Depreciation - operating fixed assets		581,998	2,628,749	261,703	2,063,872
Depreciation - right of use assets		5,720,340	2,845,641	2,860,170	1,378,737
Auditors' remuneration		500,000	300,000	250,000	150,000
Rent, rates and taxes		160,132	3,465	160,132	3,465
Loss from project		-	27,326,205	-	27,326,205
		<u>88,553,111</u>	<u>98,149,710</u>	<u>43,281,357</u>	<u>63,709,477</u>

15.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 23.9 million (December 31, 2021: Rs. 5.6 million).

16 MARKETING EXPENSES

		Six months period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
		-----Rupees-----		-----Rupees-----	
Salaries and other benefits	16.1	16,514,060	12,387,109	6,165,074	5,372,908
Advertisement and marketing		1,361,503	446,337	676,732	436,337
Vehicle running expenses		1,006,753	1,016,992	489,085	501,688
Travelling and local conveyance		387,717	223,571	371,067	223,571
Repair and maintenance expenses		130,466	143,762	60,026	3,300
Communication expenses		75,925	92,983	41,436	49,772
Insurance		15,498	40,339	312	19,298
Depreciation - operating fixed assets		109,976	751,071	42,081	665,992
Depreciation - right of use assets		-	216,597	-	104,943
		<u>19,601,898</u>	<u>15,318,761</u>	<u>7,845,813</u>	<u>7,377,809</u>

16.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 8.1 million (December 31, 2021: Rs.1.6 million).

17 FINANCE INCOME/ (COST)

		Six months period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
		-----Rupees-----		-----Rupees-----	
Exchange gain / (loss) - net		61,827,526	43,225,616	(17,072,761)	10,837,596
Bank charges		(1,984,820)	(2,570,689)	(307,733)	(184,518)
Finance lease charges		(4,928,814)	(1,579,953)	(2,492,861)	(773,441)
		<u>54,913,892</u>	<u>39,074,974</u>	<u>(19,873,355)</u>	<u>9,879,637</u>

Six months period ended December 31,		Three months period ended December 31,	
2022	2021	2022	2021
-----Rupees-----		-----Rupees-----	

18 OTHER INCOME

Income from financial assets

Return on short term investments	9,624,809	5,549,001	5,187,779	3,742,950
Return on bank deposits	9,560,037	2,837,645	4,410,037	2,287,645
Return on bank deposits with Islamic Banks	731,102	183,213	431,725	83,325

Income from non-financial assets

Gain / (loss) on disposal of property & equipment	841,742	(103,531)	816,564	-
Others	61,006,094	23,447,445	57,552,641	22,308,589
	<u>81,763,783</u>	<u>31,913,773</u>	<u>68,398,746</u>	<u>28,422,509</u>

Six months period ended December 31,	
2022	2021
-----Rupees-----	

Note

19 CASH AND CASH EQUIVALENTS

Cash and bank balances	9	422,765,747	172,757,256
Allowance for impairment		85,063	114,434
		<u>422,850,810</u>	<u>172,871,690</u>

2022

19 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 bussiness carries out transactions with various related parties. The details of transactions are as follows;

	Aggregate % of shareholding	Six months period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
		-----Rupees-----		-----Rupees-----	
Telecom Foundation - Holding Company	55.08%				
Dividend paid		39,192,036	-	39,192,036	-
Donations expense		3,000,000	2,000,000	1,500,000	1,000,000
Donations payable		3,000,000	2,000,000	1,500,000	1,000,000
Associates					
TF Logistics	Nil				
TF Technologies					
Receivable against consultancy charges		118,525	118,525	118,525	118,525
Directors					
Dividend paid		10,230	2,325	10,230	2,325
Bonus shares issued		-	1,550	-	1,550
Directorship fee paid		3,817,500	3,437,500	2,755,000	2,000,000
Others paid		537,439	2,638,737	369,197	2,581,696
Remuneration of other key management personnel paid		32,270,220	19,151,234	23,848,476	10,819,295
Other related parties					
Staff retirement benefit plan - Gratuity fund:		-	-	-	-
Advance / Receivable from Gratuity fund		-	-	-	-
Gratuity expense for the year		7,095,923	10,074,000	5,037,642	4,941,634
Payable to Gratuity fund		1,517,332	20,513,558	9,035,886	5,037,000
Staff retirement contribution plan - Provident fund:		-	-	-	-
Provident fund provision for the year		7,221,058	8,822,621	2,692,976	3,280,942
Payable to Provident fund		27,168,711	21,128,503	26,590,853	5,477,327

21 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.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on Feb 24, 2023.

23 GENERAL

Figures have been rounded off to the nearest rupee. 128025



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR