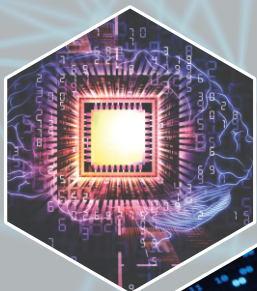




Pak Datacom



# Condensed Interim Financial Statements

For the nine months ended  
March 31, 2023

## COMPANY INFORMATION

### BOARD OF DIRECTORS

- |                               |   |
|-------------------------------|---|
| 1. Syed Zomma Mohiuddin       | <i>Chairman / Non-Executive Director</i>      |
| 2. Brig Syed Zulfiqar Ali (R) | <i>Chief Executive</i>                        |
| 3. Ms. Rubina Safir           | <i>Independent Director / Female Director</i> |
| 4. Mr. Shamim Ahmed Sherazi   | <i>Independent Director</i>                   |
| 5. Engr. Perwaiz Khan         | <i>Non-Executive Director</i>                 |
| 6. Syed Junaid Imam           | <i>Non-Executive Director</i>                 |
| 7. Mr. Muhammad Izqar Khan    | <i>Non-Executive Director</i>                 |
| 8. Mr. Muhammad Waheed        | <i>Non-Executive Director</i>                 |

### AUDIT COMMITTEE

- |                             |                    |
|-----------------------------|--------------------|
| 1. Ms. Rubina Safir         | <i>Chairperson</i> |
| 2. Mr. Shamim Ahmed Sherazi | <i>Member</i>      |
| 3. Mr. Muhammad Waheed      | <i>Member</i>      |

### HUMAN RESOURCE & REMUNERATION COMMITTEE

- |                             |                 |
|-----------------------------|-----------------|
| 1. Mr. Shamim Ahmed Sherazi | <i>Chairman</i> |
| 2. Mr. Muhammad Izqar Khan  | <i>Member</i>   |
| 3. Ms. Rubina Safir         | <i>Member</i>   |
| 4. Syed Junaid Imam         | <i>Member</i>   |

### PROCUREMENT COMMITTEE

- |                            |                 |
|----------------------------|-----------------|
| 1. Syed Zomma Mohiuddin    | <i>Chairman</i> |
| 2. Mr. Muhammad Izqar Khan | <i>Member</i>   |
| 3. Engr. Perwaiz Khan      | <i>Member</i>   |
| 4. Mr. Muhammad Waheed     | <i>Member</i>   |

### NOMINATION COMMITTEE

- |                         |                 |
|-------------------------|-----------------|
| 1. Syed Zomma Mohiuddin | <i>Chairman</i> |
| 2. Syed Junaid Imam     | <i>Member</i>   |
| 3. Engr. Perwaiz Khan   | <i>Member</i>   |

### STRATEGY & PROJECT APPRAISAL COMMITTEE

- |                         |                 |
|-------------------------|-----------------|
| 1. Syed Zomma Mohiuddin | <i>Chairman</i> |
| 2. Syed Junaid Imam     | <i>Member</i>   |
| 3. Engr. Perwaiz Khan   | <i>Member</i>   |

### CHIEF FINANCIAL OFFICER

Mr. Ahmed Rafiq (A)

### COMPANY SECRETARY

Mr. Ali Saleem Rana

### REGISTERED OFFICE

1st Floor, Telecom Foundation, TF Complex, TF Headquarters, 7-Mauve Area, G-9/4, Islamabad.

### HEAD OFFICE

3rd Floor, Umar Plaza, Blue Area, Islamabad. Tel: (051) 2344123, 2344125, Fax: (051)2344111.

### SHARES DEPARTMENT

CDC Shares Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400. Tel: (92-21) 111-111-500.

### AUDITORS

BDO Ebrahim & Co. Chartered Accountants, 3rd Floor, Saeed Plaza, 22-East Blue Area, Jinnah Avenue, Islamabad. Tel: (92-51) 2604461-4.

### LEGAL ADVISOR

Ahmed Bashir & Associates, Advocates and Solicitors, 210-A, Sughra Tower, Street # 73, Sector F11/1, Islamabad.

## DIRECTORS' REPORT

The Directors of Pak Datacom Limited (PDL) are pleased in presenting to the shareholders their report along with un-audited financial statements of the Company for the nine month's period from July 01, 2022 to March 31, 2023.

Despite Pakistan's economy being under extreme stress as a result of its foreign debt, depreciation of the Pakistani Rupee against the US dollar, increase in Policy Rate by the State Bank of Pakistan to curb surging inflation, and the imposition and increase in taxes, that have all contributed to exponentially increasing costs of business in terms of their operations, your Company has fared well in these challenging conditions and produced sound financial results through aggressively increasing its existing business, prudent financial management, and the adoption of diversification in its business operations, such as dedicated internet services, managed services, and IT related trainings.

Revenue of the Company as on March 31, 2023 was recorded at Rs. 1,096.683 million, compared to Rs. 665.466 million on March 31, 2022 which is an increase of 65 percent to its revenue in comparison with the same period last year. Gross profit of the Company is Rs. 281.934 million as compared to Rs. 125.330 million for the corresponding period of last year i.e. an increase of 125 percent. Net profit of the Company for the nine month's period ended March 31, 2023, was Rs. 205.977 million, resulting in earnings per share ('EPS') of Rs. 17.37, as compared to a net profit of Rs. 79.183 million and EPS of Rs. 6.68 for the same period last year.

Going forward, the Company's performance, its position in the ICT sector, and any future developments will all be dependent in the short and medium term on the economic situation prevalent in the Country. The lack of foreign exchange leading to imports stoppage, fears of stag inflation, and depreciation of the Pakistani Rupee against the US dollar are all challenges and obstacles to growth and business development. Nevertheless, with that said, your Company is ready to take these challenges head on and pave its way forward through diversification in businesses, like digital and managed services, efficient utilization of its available skilled human resources, renewable energy solutions and IT related trainings, in order to stay afloat in the rigid times ahead.

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**  
April 18, 2023

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

**Rubina Safir**  
Director

## ڈائریکٹرز رپورٹ

پاک ڈیٹا کام کے حصص داروں کے لیے ڈائریکٹرز کی طرف سے یکم جولائی 2022ء سے 31 مارچ 2023ء تک کی نو ماہی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ رپورٹ پیش خدمت ہے۔

بیرونی قرضوں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں گراؤ، بڑھتے ہوئے افراتر کو کنٹرول کرنے کے لیے سٹیٹ بینک کی طرف سے پالیسی ریٹ میں اضافہ، نئے ٹیکسوں کے نفاذ اور پرانے ٹیکسوں کی شرح میں اضافے اور ان عوامل کی بدولت کاروباری لاگت میں شدید اضافے جیسی وجوہات کی بناء پر پاکستانی معیشت شدید دباؤ کا شکار ہے۔ تاہم ان مشکل حالات کے باوجود آپ کی کمپنی نے بہتر کارکردگی کا مظاہرہ کرتے ہوئے بہتر مالیاتی نتائج دکھائے ہیں اور نہ صرف اپنے موجودہ کاروبار کو پھیلایا ہے، بہتر مالیاتی انتظام کو اپنایا ہے بلکہ انٹرنیٹ خدمات، انتظامی خدمات اور آئی ٹی سے متعلقہ ٹریننگز جیسے اپنے کاروباری امور میں تنوع کو بھی بڑھایا ہے۔

31 مارچ 2023ء کو کمپنی کا ریونیو 1096.683 ملین روپے رہا جبکہ 31 مارچ 2022ء کو یہ ریونیو 665.466 ملین روپے تھا اس طرح اس عرصے کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں ریونیو میں 65 فیصد اضافہ ہوا۔ کمپنی کا مجموعی منافع 281.934 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت کے دوران 125.330 روپے تھا یعنی اس عرصے کے دوران منافع کی رقم میں 125 فیصد اضافہ ہوا۔ 31 مارچ 2023ء کو ختم ہونے والی ششماہی کے لیے کمپنی کا خالص منافع 205.977 روپے رہا جس کے مطابق فی حصص آمدن 17.37 روپے

رہی جبکہ پچھلے سال اسی مدت کے دوران خالص منافع 79.183 ملین روپے اور فی حصص آمدن 6.68 روپے تھی۔

مستقبل میں کمپنی کی کارکردگی، آئی ٹی کے شعبے میں اس کی پوزیشن اور مختصر اور درمیانی عرصے میں کسی بھی پیشرفت کا انحصار ملکی معاشی صورتحال پر ہو گا۔ زر مبادلہ کی قلت کی بدولت درآمدات کی بندش، معیشت جمود و بلند افراط زر کا شکار ہونے کا خوف اور ڈالر کے مقابلے میں پاکستانی روپے کی تنزلی ایسے عوامل ہیں جو معاشی و کاروباری ترقی میں رکاوٹ بن سکتے ہیں۔ بہر حال اس سب کے باوجود آپ کی کمپنی ان چیلنجز کو قبول کرنے اور آنے والے کڑے وقت کا مقابلہ کرنے کے لیے ڈیجیٹل اور انتظامی سروسز جیسے کاروباروں میں تنوع، دستیاب ہنرمند انسانی وسائل کے مستعد استعمال، قابل تجدید توانائی جیسے حل اور آئی ٹی سے متعلقہ ٹریننگز جیسے شعبوں میں ترقی کا راستہ ہموار کرنے کے لیے تیار ہے۔

بورڈ اس موقع پر کمپنی کے شیئر ہولڈرز، قابل قدر صارفین، سرکاری اداروں، مالیاتی اداروں، ملازمین اور کمپنی کے دیگر تمام سٹیک ہولڈرز کا ان کے مسلسل تعاون اور حمایت پر شکریہ ادا کرتا ہے جس کے بغیر اس طرح کے شاندار نتائج کا حصول ممکن نہ تھا۔

منجانب بورڈ

روبینہ سفیر  
ڈائریکٹر

برگیڈیئر سید ذوالفقار علی (ر)  
چیف ایگزیکٹو

اسلام آباد  
18 اپریل، 2023ء

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2023**

		March 31, 2023	June 30, 2022
		Un-audited	Audited
	Note	Rupees	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	206,545,897	217,602,225
Intangible assets	5	8,660,743	4,164,146
Deferred taxation		85,450,151	77,054,753
		300,656,791	298,821,124
<b>CURRENT ASSETS</b>			
Trade debts	6	846,076,599	814,428,992
Contract assets	7	191,415,395	204,729,211
Contract work in progress		465,015,748	43,627,099
Advances		22,552,485	12,092,144
Trade deposits and short term prepayments		27,565,475	112,235,518
Other receivables		9,445,041	13,857,614
Interest accrued		2,031,174	1,734,317
Short term investments	8	152,573,875	143,077,328
Cash and bank balances	9	265,871,492	251,098,371
		1,982,547,285	1,596,880,594
<b>TOTAL ASSETS</b>		<u>2,283,204,076</u>	<u>1,895,701,718</u>
<b>SHARE CAPITAL AND RESERVES</b>			
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		438,603,818	362,781,809
		1,207,695,918	1,072,873,909
<b>NON-CURRENT LIABILITIES</b>			
Deferred employees' benefits		38,541,368	47,097,074
Lease liabilities		75,963,515	80,416,300
		114,504,883	127,513,374
<b>CURRENT LIABILITIES</b>			
Customers' deposits		116,744,411	113,895,030
Contract liability		1,200,959	7,213,042
Trade and other payables	11	680,767,288	547,641,515
Taxation - net		139,367,358	4,408,540
Current portion of lease liabilities		11,010,422	11,301,568
Unclaimed dividend		10,829,488	10,591,642
Unpaid dividend		1,083,349	263,098
		961,003,275	695,314,435
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,283,204,076</u>	<u>1,895,701,718</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	-	-
The annexed notes 1 - 23 form an integral part of these financial statements.			
<b>Ahmed Rafiq</b>	<b>Brig Syed Zulfiqar Ali (R)</b>	<b>Rubina Safir</b>	
Chief Financial Officer (A)	Chief Executive	Director	

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
(UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Note	Three months period ended		Nine months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees		Rupees	
Revenue - net	13	235,542,686	162,536,848	1,096,682,731	665,465,769
Cost of services	14	(174,132,197)	(123,088,335)	(814,748,931)	(540,135,814)
Gross profit		61,410,489	39,448,513	281,933,800	125,329,955
Administrative expenses	15	(40,775,979)	(33,685,677)	(129,428,957)	(131,835,387)
Marketing expenses	16	(7,749,240)	(6,339,724)	(27,367,685)	(21,658,486)
Impairment reversal / (loss) on financial assets		(29,517,835)	(10,665,266)	(40,950,847)	(4,147,279)
Finance income / (cost)	17	115,793,882	12,335,688	170,707,773	51,410,662
		99,161,317	1,093,534	254,894,084	19,099,465
Other income	18	19,631,349	4,657,898	100,222,439	36,571,671
Profit before taxation		118,792,666	5,751,432	355,116,523	55,671,136
Taxation		(40,159,060)	3,787,647	(149,139,255)	23,511,503
Profit / (loss) for the period		78,633,605	9,539,079	205,977,269	79,182,639
Earnings / (loss) per share - basic and diluted		6.63	0.80	17.37	6.68

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

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

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

**Rubina Safir**  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE  
INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Three months period ended		Nine months period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees		Rupees	
Profit / (loss) for the period	78,633,605	9,539,079	205,977,269	79,182,639
Other comprehensive income	-	-	-	-
Total comprehensive income/ (loss) for the period	<u>78,633,605</u>	<u>9,539,079</u>	<u>205,977,269</u>	<u>79,182,639</u>

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

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

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

**Rubina Safir**  
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Share capital Issued, subscribed and paid-up	Revenue Reserves		Total
		General Reserve	Unappropriated profits	
Rupees				
Balance as at July 01, 2021 (audited)	107,811,000	591,500,000	138,000,644	837,311,644
<b>Total comprehensive income or (loss)</b>				
Profit for the period	-	-	79,182,639	79,182,639
Other comprehensive income	-	-	-	-
<b>Transactions with owners of the Company:</b>				
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 March 31, 2022	<u>118,592,100</u>	<u>591,500,000</u>	<u>190,230,533</u>	<u>900,322,633</u>
Balance as at July 01, 2022 (audited)	118,592,100	591,500,000	362,781,809	1,072,873,909
<b>Total comprehensive income or (loss)</b>				
Profit for the period	-	-	205,977,269	205,977,269
Other comprehensive income	-	-	-	-
<b>Transactions with owners of the Company:</b>				
Final dividend for the year ended June 30, 2022: Rs. 6.00 per share	-	-	(71,155,260)	(71,155,260)
<b>Other Transactions</b>				
Transfer to general reserve	-	59,000,000	(59,000,000)	-
Balance as at March 31, 2023	<u>118,592,100</u>	<u>650,500,000</u>	<u>438,603,818</u>	<u>1,207,695,918</u>

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

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

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

**Rubina Safir**  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Note	Nine months period ended	
		March 31, 2023	March 31, 2022
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period - before taxation		355,116,523	55,671,136
Adjustments for non-cash items:			
Depreciation		19,366,578	19,995,910
Amortization		406,479	320,250
(Gain)/Loss on disposal of property and equipment		(1,490,855)	505,965
Property and equipment - write off		748,578	194,028
Impairment (reversal) / loss on financial assets		40,950,847	4,147,279
Finance cost		10,879,277	5,724,359
Unrealized exchange (gain) / loss		(181,587,051)	(57,135,021)
Interest income		(28,736,321)	(13,299,513)
Provision for gratuity		10,643,884	15,111,000
Provision for earned leave encashment		6,389,616	8,112,729
Provision for provident fund		10,041,550	12,741,031
		242,729,106	52,089,153
<b>Changes in working capital</b>			
Decrease / (increase) in trade debts		(63,674,529)	266,189,075
Decrease / (increase) in contract assets		4,304,776	(177,982,186)
Decrease / (increase) in contract work in progress		(421,388,650)	(57,905,556)
Decrease / (increase) in advances		(10,460,341)	(1,259,267)
Decrease / (increase) in trade deposits and short term prepayments		34,916,292	(6,433,887)
Decrease / (increase) in other receivables		4,412,573	4,476,418
Increase / (decrease) in customers' deposits		2,849,381	32,859,014
Increase / (decrease) in contract liability		(6,012,083)	(460,874)
Increase / (decrease) in trade and other payables		127,739,621	148,520
		(327,312,961)	59,631,257
		(84,583,855)	111,720,410
Taxes paid		(22,575,836)	(15,460,839)
Gratuity paid		(9,672,843)	-
Provident fund paid		(5,626,439)	(680,922)
Leave encashment paid		(14,945,322)	(9,187,758)
<b>Net cash generated from / (used in) operating activities</b>		(137,404,294)	86,390,891
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(10,919,791)	(3,852,802)
Proceeds from sale of property and equipment		3,351,818	1,900,029
Purchase of intangibles		(4,903,076)	-
Purchase of short term investments		(4,081,300)	(118,000,000)
Interest and profit received		23,024,218	10,162,220
<b>Net cash used in investing activities</b>		6,471,868	(109,790,553)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(70,097,163)	(15,910,435)
Payment of finance lease obligation		(13,251,080)	(5,840,535)
Finance cost paid		(3,453,177)	(5,724,359)
<b>Net cash used in financing activities</b>		(86,801,420)	(27,475,329)
<b>Net increase / (decrease) in cash and cash equivalents</b>		(217,733,845)	(50,874,990)
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		232,465,286	57,135,021
<b>Cash and cash equivalents at the end of the period</b>	19	265,927,954	121,108,244

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

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

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

**Rubina Safir**  
Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 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;
- Islamic Financial Accounting standards (IFAC) issued by Institute of Chartered Accountants of Pakistan 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 from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2022.

2.3 These condensed interim financial statements are un-audited and being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

## 3 ACCOUNTING POLICIES

3.1 The accounting policies adopted and methods of computation followed in the preparation of these interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2022.

3.2 The preparation of these interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.

		March 31, 2023 Un-audited	June 30, 2022 Audited
	Note	Rupees	
<b>4 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	4.1	128,132,164	129,866,904
Right of use assets	4.2	78,413,733	87,735,321
		<u>206,545,897</u>	<u>217,602,225</u>
<b>4.1 Operating fixed assets</b>			
Opening net book value		129,866,904	149,828,154
Additions		10,919,791	6,622,626
Disposal:			
Cost		(15,328,498)	(12,896,372)
Accumulated depreciation		13,467,535	9,145,824
		(1,860,963)	(3,750,548)
Write off:			
Cost		(13,127,983)	(118,625,967)
Accumulated depreciation		12,379,405	109,589,238
		(748,578)	(9,036,729)
Transfer from leased to owned:			
Cost		-	16,632,000
Accumulated depreciation		-	(11,352,072)
		-	5,279,928
Depreciation charge		(10,044,990)	(19,076,527)
Closing net book value		<u>128,132,164</u>	<u>129,866,904</u>
<b>4.2 Right of use (ROU) assets</b>			
Opening net book value		87,735,321	39,646,106
Additions		-	62,748,359
Transfer from leased to owned:			
Cost		-	(16,632,000)
Accumulated depreciation		-	11,352,072
		-	(5,279,928)
Write off:			
Cost		-	-
Accumulated depreciation		-	-
		-	-
Depreciation charge		(9,321,588)	(9,379,216)
Closing net book value		<u>78,413,733</u>	<u>87,735,321</u>

	March 31, 2023 Un-audited	June 30, 2022 Audited
	Rupees	
<b>5 INTANGIBLE ASSETS</b>		
Software and infrastructure license		
Opening net book value	4,164,146	4,163,250
Additions	4,903,076	431,786
Amortization charge	(406,479)	(430,890)
Closing net book value	<u>8,660,743</u>	<u>4,164,146</u>
<b>6 TRADE DEBTS</b>		
Trade debts	953,666,218	890,293,221
Less: Impairment loss allowance	(107,589,619)	(75,864,229)
	<u>846,076,599</u>	<u>814,428,992</u>
<b>7 CONTRACT ASSETS</b>		
Unbilled revenue	224,480,586	226,732,731
Less: Impairment loss allowance	(33,065,191)	(22,003,520)
	<u>191,415,395</u>	<u>204,729,211</u>
<b>8 SHORT TERM INVESTMENTS</b>		
Term deposit receipts (TDRs)	139,000,000	136,000,000
Mutual fund	1,081,300	-
	<u>140,081,300</u>	<u>136,000,000</u>
Interest accrued	12,492,574	7,077,328
	<u>152,573,875</u>	<u>143,077,328</u>
<b>9 CASH AND BANK BALANCES</b>		
Cash in hand	623,003	54,614
Cash at bank:		
Current accounts	160,892,926	76,008,705
Deposit accounts	77,092,861	110,372,281
Deposit accounts with Islamic Banks -under Shariah arrangements	13,456,221	52,275,935
Current accounts-dividend	13,862,943	12,484,980
	<u>265,927,954</u>	<u>251,196,514</u>
Less: Impairment loss allowance	(56,462)	(98,142)
	<u>265,871,492</u>	<u>251,098,371</u>
<b>10 SHARE CAPITAL</b>		
<b>10.1 Authorised Share Capital</b>		
100,000,000 ordinary shares of Rs 10 each (June 30, 2022: 100,000,000 ordinary shares of Rs 10/- each)	<u>1,000,000,000</u>	<u>1,000,000,000</u>

	March 31, 2023 Un-audited	June 30, 2022 Audited
	Rupees	
<b>10.2 Issued, subscribed and paid up capital:</b>		
Shares issued for cash		
5,400,000 ordinary shares of Rs 10 each (June 30, 2022: 5,400,000 ordinary shares of Rs 10/- each)	54,000,000	54,000,000
Shares issued as fully paid bonus shares:		
6,459,210 ordinary shares of Rs 10 each (June 30, 2022: 6,459,210 ordinary shares of Rs 10/- each)	64,592,100	64,592,100
11,859,210 ordinary shares of Rs 10 each (June 30, 2022: 11,859,210 ordinary shares of Rs 10/- each)	<u>118,592,100</u>	<u>118,592,100</u>
<b>11 TRADE AND OTHER PAYABLES</b>		
Trade creditors	600,940,089	461,232,941
Advances from employees for vehicle lease	215,749	1,504,292
License fee payable	1,518,214	3,451,116
Accrued liabilities	22,440,288	14,773,694
Sales tax payable	11,626,998	8,392,080
Withholding tax payable	7,268,076	5,291,744
Payable to employees	2,102,363	23,726,289
Employees' retirement and other service benefits :		
Gratuity fund	5,065,293	4,094,252
Provident fund	29,590,218	25,175,107
	<u>680,767,288</u>	<u>547,641,515</u>
<b>12 CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1 Contingencies</b>		
<b>12.1.1</b> 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:		
<b>12.1.2</b> The deputy commissioner 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.		
	March 31, 2023 Un-audited	June 30, 2022 Audited
	Rupees	
<b>12.2 Commitments</b>		
The Company has following commitments in respect of:		
Capital expenditure commitments	328,652,645	242,420,050
Outstanding letter of credits	-	205,242,545

	Note	Three months period ended		Nine months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees		Rupees	
<b>13 REVENUE</b>					
Class Value Added					
Services (CVAS)		281,724,440	196,361,479	815,888,092	599,807,159
Telecom infrastructure services		412,263	344,990	1,236,789	1,034,972
Specialised projects		8,902,229	-	440,876,501	165,816,764
Gross revenue		291,038,932	196,706,469	1,258,001,383	766,658,895
Less:					
Sales tax / Federal Excise Duty		(43,029,501)	(28,590,137)	(129,095,913)	(89,119,598)
Advance tax		(12,466,745)	(5,579,484)	(32,222,739)	(12,073,528)
		<u>235,542,686</u>	<u>162,536,848</u>	<u>1,096,682,731</u>	<u>665,465,769</u>

**14 COST OF SERVICES**

Channel and local lead rentals		69,756,310	47,215,918	189,205,363	156,298,817
Space segment rentals		43,592,465	18,076,344	77,753,125	53,893,644
Salaries and other benefits	14.1	37,179,968	44,814,406	165,036,401	144,819,437
Repair and maintenance expenses		3,740,139	1,780,925	9,893,000	4,795,299
License fee		778,096	819,584	2,374,957	2,518,723
Depreciation - operating fixed assets		2,056,480	3,187,804	9,043,851	9,196,372
Depreciation - right of use assets		247,026	377,356	741,078	1,270,422
Amortization		154,251	106,750	406,479	320,250
Travelling and local conveyance		658,744	1,687,302	1,969,830	2,643,876
Communication expenses		348,366	446,389	1,248,263	1,320,443
Vehicle running expenses		5,462,769	3,713,319	16,265,854	11,989,263
Insurance		65,540	147,058	247,868	654,297
Entertainment		339,273	386,019	941,959	834,954
Rent, rates and taxes		448,688	1,314,125	1,332,018	5,537,345
Utilities		1,566,928	617,114	4,943,807	3,318,316
Other projects costs		7,737,154	(1,602,078)	333,345,078	140,724,356
		<u>174,132,197</u>	<u>123,088,335</u>	<u>814,748,931</u>	<u>540,135,814</u>

**14.1** Salaries and other benefits include employees' retirement and other service benefits of Rs. 48.03 million (March 31, 2022: Rs. 18.6 million).

	Note	Three months period ended		Nine months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees		Rupees	
<b>15 ADMINISTRATIVE EXPENSES</b>					
Salaries and other benefits	15.1	26,347,026	24,439,739	87,513,480	74,266,191
Travelling and local conveyance		2,407,172	389,659	2,737,911	894,157
Communication expenses		556,852	390,507	1,420,984	1,212,807
Vehicle running expenses		2,583,965	1,610,482	7,366,860	4,454,627
Repair and maintenance expenses		780,432	908,352	2,690,544	2,281,371
Insurance		135,407	98,368	399,675	251,354
Depreciation - operating fixed assets		265,054	1,394,664	847,052	4,023,413
Depreciation - right of use assets		2,860,170	1,202,397	8,580,510	4,048,038
Entertainment		457,601	179,670	1,659,310	841,000
Rent, rates and taxes		28,876	-	189,008	3,465
Legal and professional charges		1,549,707	1,307,991	5,481,938	5,695,475
Printing and stationery		358,674	223,707	2,027,983	1,367,473
Utilities		397,043	474,541	1,833,589	1,804,211
Donation		1,775,000	1,000,000	5,775,513	3,000,000
Loss from project		-	-	-	27,326,205
Auditors' remuneration		273,000	65,600	904,600	365,600
		<u>40,775,979</u>	<u>33,685,677</u>	<u>129,428,957</u>	<u>131,835,387</u>

**15.1** Salaries and other benefits include employees' retirement and other service benefits of Rs. 25.72 million (March 31, 2022: Rs. 8.1 million).

Note	Three months period ended		Nine months period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees		Rupees	
<b>16 MARKETING EXPENSES</b>				
Advertisement and marketing	835,115	63,800	2,196,618	510,137
Salaries and other benefits	4,447,959	4,897,881	20,962,019	17,284,990
Travelling and local conveyance	1,640,520	453,244	2,028,237	676,815
Communication expenses	30,880	41,425	106,805	134,408
Vehicle running expenses	731,636	358,926	1,738,389	1,375,918
Insurance	8,767	33,052	9,079	73,391
Depreciation - operating fixed assets	44,111	398,475	154,087	1,149,546
Depreciation - right of use assets	-	91,521	-	308,119
Entertainment	-	-	31,733	-
Repair and maintenance expenses	10,252	1,400	140,718	145,162
	<u>7,749,240</u>	<u>6,339,724</u>	<u>27,367,685</u>	<u>21,658,486</u>

16.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 5.82 million (March 31, 2022 : Rs. 2.3 million).

Note	Three months period ended		Nine months period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees		Rupees	
<b>17 FINANCE INCOME/ (COST)</b>				
Exchange gain / (loss) - net	119,759,525	13,909,405	181,587,051	57,135,021
Finance lease charges	(2,497,286)	(794,390)	(7,426,100)	(2,374,343)
Bank charges	(1,468,357)	(779,327)	(3,453,177)	(3,350,016)
	<u>115,793,882</u>	<u>12,335,688</u>	<u>170,707,773</u>	<u>51,410,662</u>
<b>18 OTHER INCOME</b>				
<b>Income from financial assets</b>				
Return on short term investments	5,244,218	4,069,144	14,869,026	9,618,145
Return on bank deposits	3,361,862	550,000	12,921,899	3,387,645
Return on bank deposits with Islamic Banks	214,294	110,510	945,396	293,723
<b>Income from non-financial assets</b>				
Gain/(Loss) on property & equipment	15,020	(596,462)	856,762	(699,993)
Others	10,795,955	524,706	70,629,356	23,972,151
	<u>19,631,349</u>	<u>4,657,898</u>	<u>100,222,439</u>	<u>36,571,671</u>

Note	Nine months period ended	
	March 31, 2023	March 31, 2022
	Rupees	
<b>19 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	8	265,871,492
Allowance for impairment		56,462
		<u>265,927,954</u>
		<u>121,108,244</u>



## 20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties include holding company, associated company, directors, key management personal, employee benefit trust and post employment benefit / contribution plans. The Company in the normal course of business carries out transactions with various related parties. The details of transactions are as follows;

	Aggregate % age of shareholding	Three months period ended		Nine months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees		Rupees	
<b>Telecom Foundation - Holding Company</b>	55.08%				
Dividend paid		-	-	39,192,036	8,907,282
Bonus Shares		-	-	-	5,938,188
Donations payable		1,500,000	1,000,000	4,500,000	3,000,000
<b>Associates</b>					
<b>TF Technologies</b>	Nil				
Receivable against consultancy charges		-	-	118,525	118,525
<b>Directors</b>					
Dividend paid		-	-	10,230	2,325
Bonus shares issued		-	-	-	1,550
Directorship fee		1,005,000	1,250,000	3,760,000	4,687,500
Others		205,320	4,103,591	742,759	4,242,328
<b>Remuneration of other key management personnel</b>		17,161,005	3,496,219	49,431,225	22,647,453
<b>Other related parties</b>					
Staff retirement benefit plan - Gratuity fund:					
Payable to Gratuity fund		3,547,961	5,037,000	5,065,293	25,550,558
Staff retirement contribution plan - Provident fund:					
Payable to Provident fund		2,421,506	3,301,840	29,590,218	24,430,343

## 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 GENERAL

Figures have been rounded off to the nearest rupee.

## 23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on April 18, 2023.

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

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

**Rubina Safir**  
Director

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