



**Pak Datacom**



**Annual Report  
2023**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

1.	Ms. Rubina Safir	Chairperson
2.	Mr. Shamim Ahmed Sherazi	Member
3.	Mr. Muhammad Waheed	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

1.	Mr. Shamim Ahmed Sherazi	Chairman
2.	Mr. Muhammad Izqar Khan	Member
3.	Ms. Rubina Safir	Member
4.	Syed Junaid Imam	Member

### PROCUREMENT COMMITTEE

1.	Syed Zomma Mohiuddin	Chairman
2.	Mr. Muhammad Izqar Khan	Member
3.	Engr. Perwaiz Khan	Member
4.	Mr. Muhammad Waheed	Member

### NOMINATION COMMITTEE

1.	Syed Zomma Mohiuddin	Chairman
2.	Syed Junaid Imam	Member
3.	Engr. Perwaiz Khan	Member

### STRATEGY & PROJECT APPRAISAL COMMITTEE

1.	Syed Zomma Mohiuddin	Chairman
2.	Syed Junaid Imam	Member
3.	Engr. Perwaiz Khan	Member

### 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.

## **VISION STATEMENT**

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Spreading Technology

## **MISSION STATEMENT**

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- Become the most credible company for digital data communications in Pakistan.
- Become a major innovative technology solutions provider in Pakistan.
- Become a regional and global technology brand.

## **CORE VALUES**

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- Innovation
- Performance
- Integrity
- Team work
- Accountability
- Customer Satisfaction
- Respect, Tolerance & Equal Opportunity

## ہماری بصیرت / ویژن

وسعت پذیر ٹیکنالوجی

## ہمارا نصب العین / مشن

- پاکستان میں ڈیجیٹل ڈیٹا کمیونیکیشنز کی سب سے قابل اعتماد کمپنی بننے کے لیے۔
- پاکستان میں ٹیکنالوجی کے اختراعی حل فراہم کرنے والی بڑی کمپنی بننے کے لیے۔
- علاقائی اور عالمی ٹیکنالوجی برانڈ بننے کے لیے۔

## بنیادی اقدار

- جدت
- کارکردگی
- ایمانداری
- ٹیم ورک
- محاسبہ
- صارفین کا اطمینان
- احترام، برداشت اور مساوی مواقع

## PDL PRODUCTS



**VSAT** (Very Small Aperture Terminal) is a sophisticated communications technology that allows for the use of small fixed satellite antennas to provide highly reliable communication between a central hub and almost any number of geographically dispersed sites.

With a satellite network, there are no physical limitations in terms of geography or distance to make deployment difficult.

VSAT is also taking on an expanding role in a variety of interactive, on-line data, voice and multimedia applications and is known to have a very high reliability and network availability rate with seamless Upgrade methods.

*PDL offers satellite capacity in the C-band and Ku-band that covers both regional and international markets.*

### Salient Features

- Most reliable satellite based 2-way VSAT system
- Network monitoring and management via Network Management System.
- Installation and commissioning of VSAT sites in fastest possible time
- Post-commissioning Services
- 24 x 7 x 365 customer service & support
- Expert engineering team with years of experience in designing similar networks

## PDL PRODUCTS



**iDirect** Platform is a C, Ku and Ka-Band, satellite based, end-to-end IP VSAT service running on the world renowned iDirect Technologies platform.

It is engineered to deliver quality broadband connectivity wherever and whenever it's needed. It changes the nature of what satellite communications is capable of achieving, transforming satellite's 'reach' into a mainstream solution able to extend high-speed, secure connectivity to any geography, environment or communications application within the enterprise.

PDL supports multiple customers from various sectors, including Banking, United Nations Organizations, Telecom Providers, Government Departments, Private Sector and Oil & Gas Companies

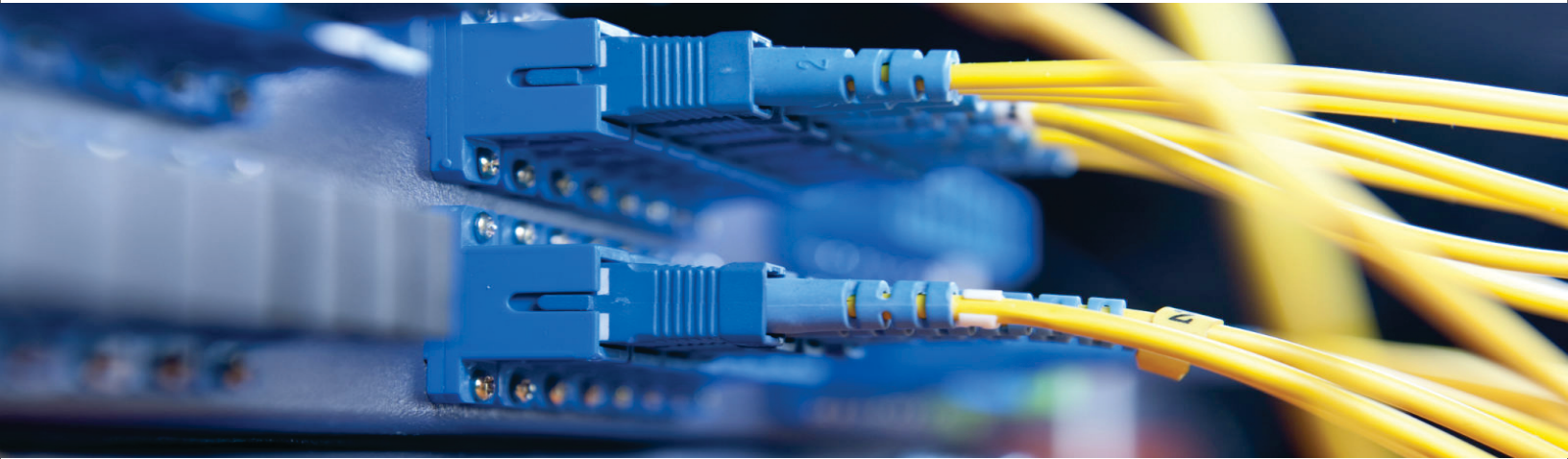
*PDL has a highly scalable and flexible 5 IF iDirect Hub in Islamabad, Quetta and Karachi designed to support complete enterprise network.*

### Salient Features

- Over twenty five years of experience deploying similar networks
- Operational flexibility for affordable, reliable and efficient solutions
- Nationwide footprint for providing fast services
- Support all IP centric applications
- Supports real time traffic management
- Up to 18 Mbps downstream (Hub to Remote)
- Up to 4.2 Mbps Upstream (Remote to Hub)



## PDL PRODUCTS



**Data Connectivity** Ever since its inception, PDL has been a front liner in providing data connectivity to its International and Local clients. PDL Offers high speed data connectivity to meet the demands of Government, Corporate, Banking and Private Sectors.

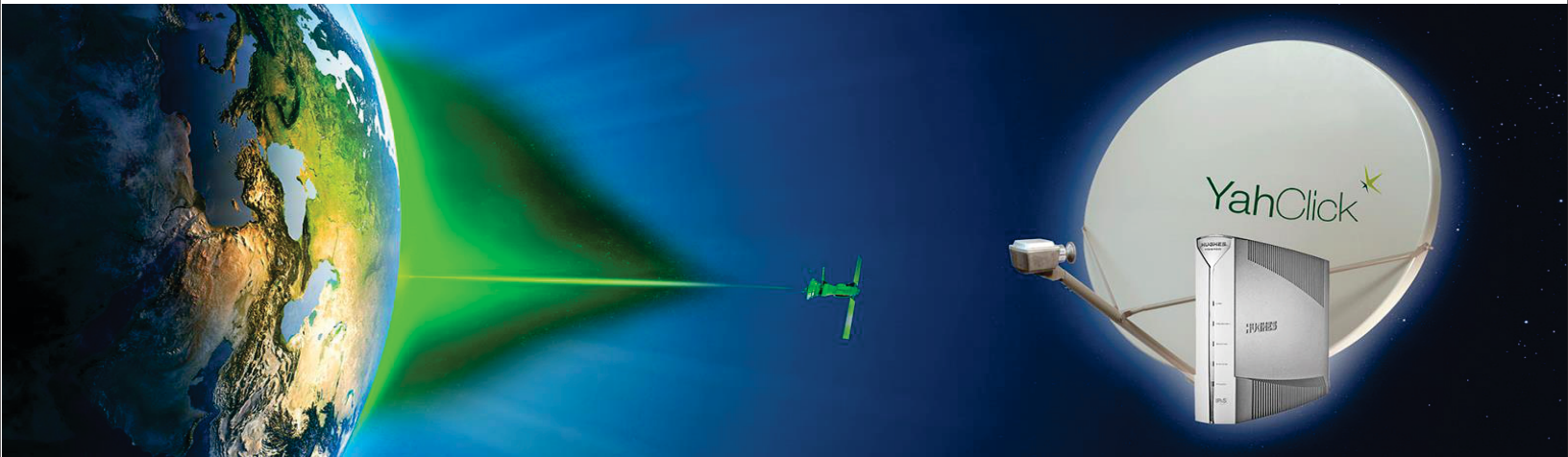
PDL, Data Network has been widely used as long-haul and metropolitan network for low latency and cost-effective solution. PDL data network encompasses Multi-Protocol Label Switching (MPLS), Ethernet, IP and TDMA based data links. Network coverage is available in all major cities and towns.

*PDL is a highly scalable and flexible entity to provide data services in all major cities of the Country.*

### Salient Features

- Traffic Switching
- Secure Connectivity
- Interoperability between network devices and network speeds.
- Higher levels of flexibility
- Synchronization between Higher & lower Speed.
- 24 x 7 x 365 customer service & support
- Expert engineering team with years of experience in designing similar networks

**PDL PRODUCTS**



**Data Click** is a breakthrough satellite broadband service for users in Pakistan. We offer our customers, anywhere in the coverage area, uninterrupted high-speed internet and VPN. With its state-of-the-art Ka-band multi spot-beam technology, Y1B (YAHSAT) delivers a truly cost-effective broadband service.

**Applications:**

- Internet via Satellite
- Distance Learning
- Telemedicine
- Internet Cafés
- Voice over IP
- IP-based Corporate Applications
- Satellite News Gathering

**Salient Features**

- Small Antenna
- (Dish Size 74cm, 98cm & 120 cm)
- Six New Packages from 2Mbps to 7Mbps
- Flexible Service offering

**Sectors**

- Oil & Gas
- Defence
- Enterprise
- Education
- Health Care
- NGO
- Construction

*PDL brings cost effective, high bandwidth broadband to Pakistan, a variety of service options for host of different applications.*

## PDL PRODUCTS

**Wireless:** PDL provides state of the art Spread Spectrum Radio communication technology for its respected clients. Spread Spectrum is a fast, reliable and High Data Rate communication technology for short distance communication (20-35 Km).

It can also be used as a last mile option where fiber is not available due to remote conditions.

PDL offers point to point and point to multipoint Digital Radio System (DRS).

*PDL has wide experience of Design and implementing radio and microwave wireless network for Corporate Networks.*

### Salient Features

- Up to 20 – 35 Km
- Operates in point-to-point and point-to-multipoint networks
- Repeater capability for flexible network extension and coverage of difficult terrain
- Optional Omni directional or directional antennas
- 24/7 customer support
- Spares Available in case of any malfunction of the equipment.



**ORBCOMM:** ORBCOMM IoT device is a low-cost, easy-to-integrate satellite communication terminal used in monitoring of vehicles, industrial equipment, SCADA systems and cathodic protection.

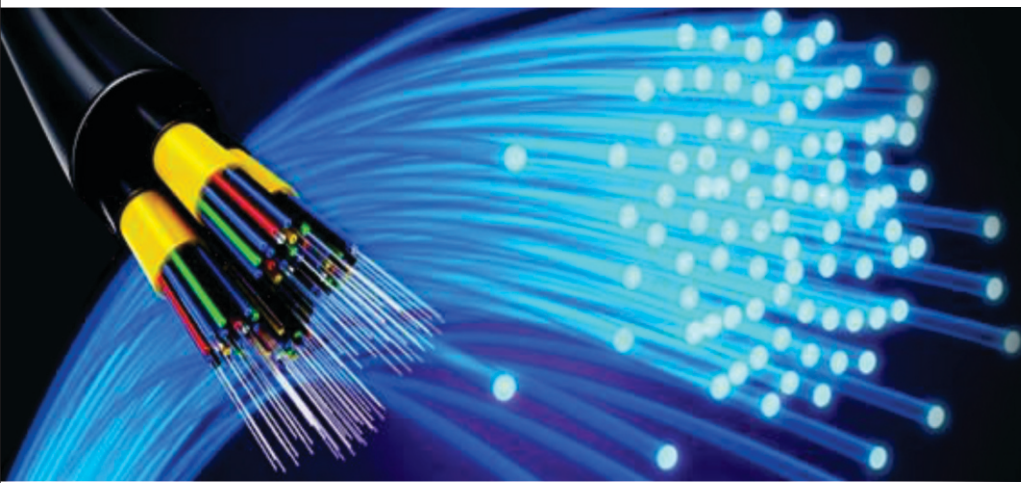
The versatile, environmentally sealed ORBCOMM devices can be installed on mobile assets like light-and heavy-duty commercial vehicles, railcars, heavy equipment and more. It is also well-suited to monitoring fixed assets like pipelines, pumps, generators and tanks used in industrial and utilities environments.

### Salient Features

- Two-way communication
- Simple command set
- Quick deployment
- Compact
- Rugged and environmentally sealed

ORBCOMM provides solutions that connect businesses to their assets to deliver increased visibility and operational efficiency.

## PDL PRODUCTS

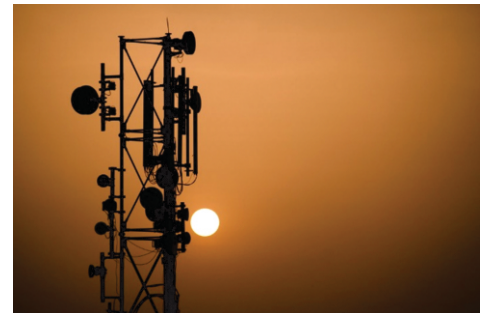


**Telecom Infrastructure:** In compliance to the award of all Pakistan Telecom Infrastructure License, PDL has successfully completed the OFC / OSP laying projects of telecom service providers.

- Planning, procurement and implementation of Satellite Based Communication System for NLC.
- Successful completion of OFC laying project of NTC in Lahore city.
- Strong contender for OFC project (720 km of OFC laying in KPK) of USFCo Pakistan.
- Efficient O&M of countrywide leased OFC links of PDL.

### Salient Features

- Cost Effective Infrastructure
- BTS (Build to Suit)
- Buy and Lease Solution
- Technical Assistance



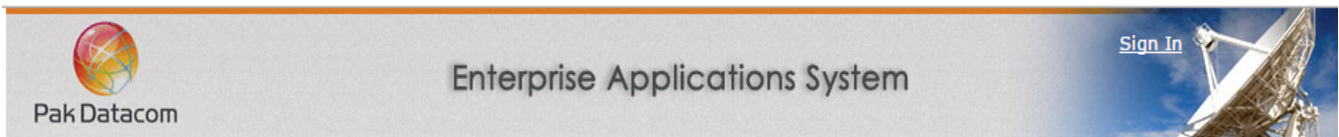
*PDL has telecom infrastructure and Data Network licenses and more than 27 years experience of countywide development in the field of data services.*

## SUPPORT SERVICES

**PDL** has 13 offices in the country, 11 round the clock maintenance centers, more than seventy-five engineers and more than sixty other technical staff members.

### Online Complaint Management System

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



*Progressive and reliable member  
of the Economic Global Village.*

### Sign In

User ID

Password

Remember Me

[Forgot Password](#)

All rights reserved 2013.

### Support Service Email

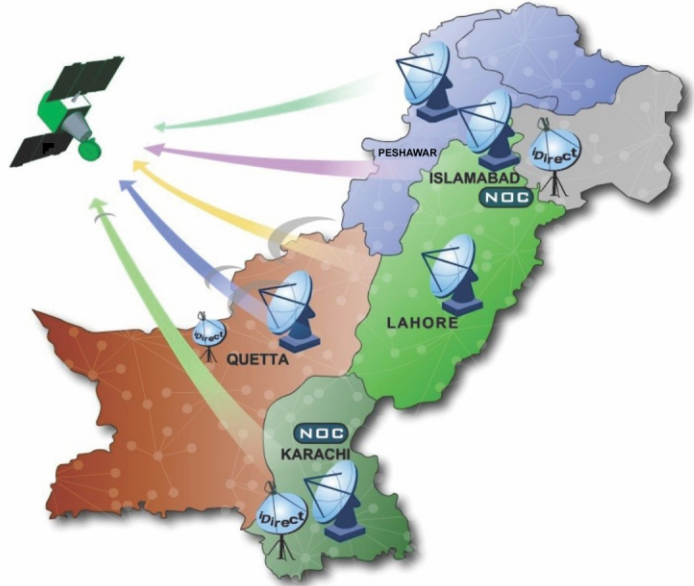
nmsisb@pakdatacom.com.pk  
 nmskhi@pakdatacom.com.pk  
 nmslhr@pakdatacom.com.pk  
 info@pakdatacom.com.pk

### Phone Service

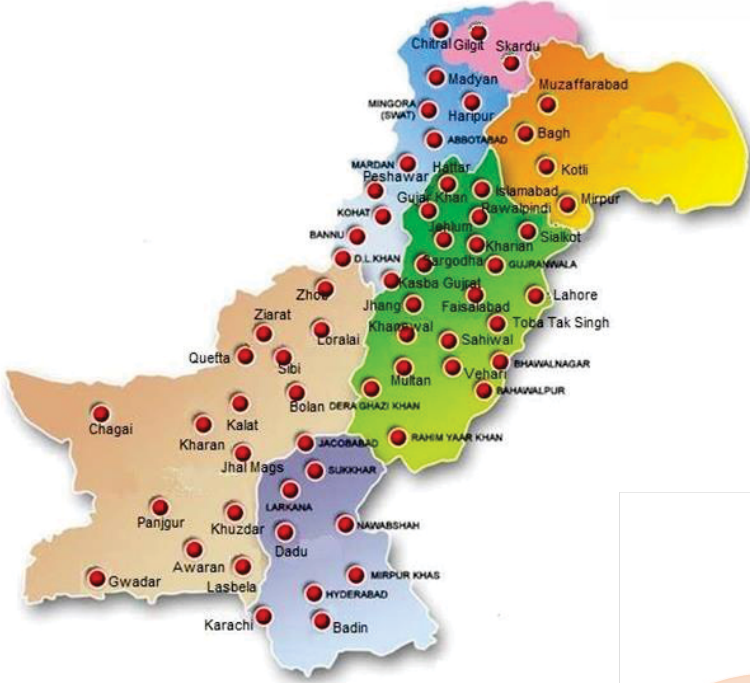
111-PDL-PDL (111-735-735)

# PDL COVERAGE

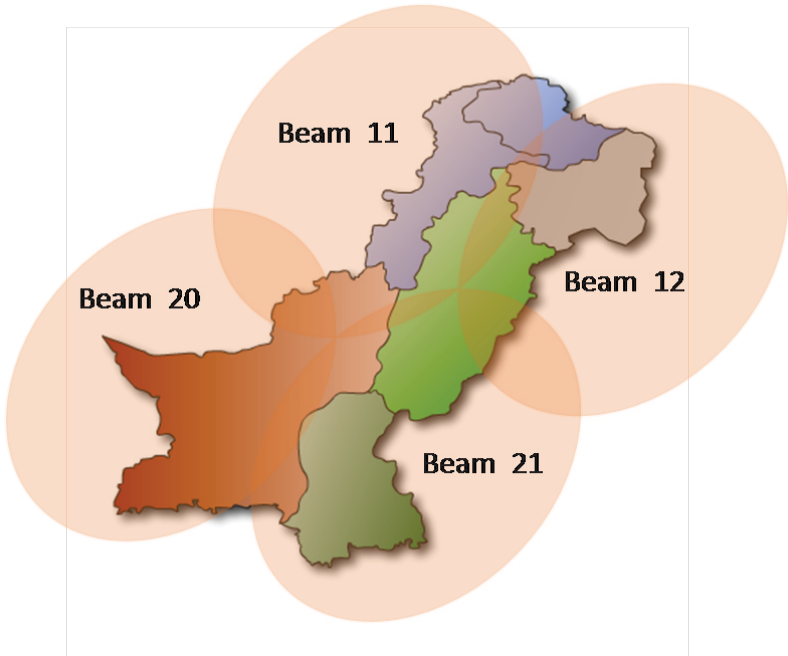
iDirect & VSAT Coverage



DXX Coverage



Data Click Coverage



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of Pak Datacom Limited (the Company) will be held on Thursday, October 26, 2023 at 11:00 Hrs at Crystal Ball Room B, Marriott Hotel, Agha Khan Road, F – 5 / 1, Islamabad, and also through video link (Zoom Application), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt/ approve the audited accounts of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon.
2. To approve, as recommended by the Board of Directors, the payment of final cash dividend to the shareholders @ 90 % i.e. Rs. 9.00 per share for the year ended June 30, 2023.
3. To appoint auditors for the year ending June 30, 2024 and fix their remuneration. The retiring Auditors, M/s BDO Ebrahim & Co Chartered Accountants being eligible offer themselves for reappointment.
4. To transact such other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board

Pak Datacom Limited, 3rd Floor,

Umar Plaza, Blue Area, Islamabad.

October 04, 2023

Ali Saleem Rana

Company Secretary

### NOTES:

#### 1. PARTICIPATION IN ANNUAL GENERAL MEETING (AGM) THROUGH ELECTRONIC MEANS:

The shareholders intending to participate in the meeting via video link through Zoom are hereby requested to share following information with the Company Secretary Office (through e-mail at [companysecretary@pakdatacom.com.pk](mailto:companysecretary@pakdatacom.com.pk) not later than October 19, 2023. This is in compliance to the instructions issued by Securities Market Division of Securities Exchange Commission of Pakistan (SECP) dated December 15, 2021 (Ref: SMD/SE/2(20)/2021/117);

**Required information:** Name, CNIC Number, Folio/CDC Account No., Mobile Phone Number and e-mail address of Shareholder.

#### 2. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed from October 19, 2023 to October 26, 2023 (both days inclusive). Transfers received in order at the Shares Registrar's Office of the Company by the close of business on October 18, 2023 will be treated in time for the purpose of payment of the final cash dividend.

**3. PARTICIPATION IN THE ANNUAL GENERAL MEETING:**

A member of the Company entitled to attend and vote at the General Meeting may appoint a person/representative as proxy to attend and vote in place of member at the meeting. Proxies in order to be effective must be received at Company's registered office duly stamped and signed not later than 48 hours before the time of holding meeting. A member cannot appoint more than one proxy. Attested copy of shareholder's CNIC must be attached with the proxy form.

**a) For Attending the meeting**

- i. In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

**b) For Appointing Proxies**

- i. In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

**4. CONFIRMATION OF "FILER" STATUS FOR INCOME TAX WITHHOLDING ON CASH DIVIDEND:**

The rates of deduction of Income Tax, under section 150 of the Income Tax Ordinance, 2001, from dividend payments, are as follows:

a) Rate of tax deduction for filer of income tax returns	15%
b) Rate of tax deduction for non-filer of income tax returns	30%

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company / Share Registrar. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time. According to section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, e-mail address, contact number, International Bank Account Number (IBAN), etc., to our Shares Registrar, CDC Share 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 immediately to avoid any non-compliance of law or any inconvenience.

**5. PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:**

Pursuant to the requirement of Section 242 of the Companies Act, 2017, cash dividend can only be paid through electronic mode directly (MANDATORILY) into the respective bank account designated by the entitled shareholders. Shareholders are requested to provide their bank account details (IBAN format, if not provided earlier) directly to our share registrar (for physical shares) or to their respective participant/ broker (for CDS shares) as the case may be. The subject Form is available at Company's website i.e., [www.pakdatacom.com.pk](http://www.pakdatacom.com.pk). In the absence of shareholder's valid bank account detail by October 19, 2023, the Company will be constrained to withhold dividend of such members.

**6. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:**

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.



CDC account holders are requested to submit their declaration for non-deduction of zakat to the relevant member stock exchange or to CDC if maintaining CDC investor account.

#### **7. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:**

As per Section 72 of the Companies Act, 2017, every existing listed Company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by SECP within a period not exceeding four years from the commencement of the Act, May 30, 2017. While SECP vide its letter dated March 26, 2021 has encouraged the shareholders to convert their shares in book-entry form.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investors' account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody, streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements and swift sale/ purchase of shares, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

#### **8. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH E-MAIL/CD/DVD/USB OR ANY OTHER MEDIA:**

SECP through SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 has allowed the companies to circulate its Annual Audited Financial Statements to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered addresses. The Company has circulated its Annual Audited Financial Statements to its members through CD. However, shareholders who wish to receive the hard copy of Financial Statements shall have to fill the standard request form (available on the Company's website [www.padatacom.com.pk](http://www.padatacom.com.pk)) and send it to the Company's registered address.

#### **9. UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:**

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Share Registrar, are hereby once again requested to approach the Share Registrar (address in point 4 above) to claim their outstanding dividend amounts and/or undelivered share certificates.

#### **10. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND 2022-23:**

Pursuant to the directives of SECP, CNIC number of the shareholders is MANDATORILY required for payment of dividend. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Share Registrar at the address provided in serial number 4 above. In the absence of a member's valid CNIC, the Company will be constrained to withhold payment of cash dividend to such members.

CDC account holders are requested to submit attested copy of their CNIC to the relevant member stock exchange or to CDC if maintaining CDC investor account.

#### **11. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:**

The audited accounts of the Company for the year ended June 30, 2023 will be placed on the Company's website [www.pakdatacom.com.pk](http://www.pakdatacom.com.pk), at least 21 days before the date of AGM.

#### **12. CONSENT FOR VIDEO CONFERENCE FACILITY**

In accordance with Section 132(2) of the Company's Act, 2017, if the Company receives the consent from members holding in aggregate 10% or more shareholding residing in geographical location to participate in the Meeting through video conference at least 07 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that City.

#### **13. Change in Particulars**

The Members are requested to notify any changes in their addresses immediately.

## سالانہ اجلاس عام کانوٹس

بذریعہ ہذا مطلع کیا جاتا ہے کہ پاک ڈیٹا کام لمیٹڈ کا 31 واں سالانہ اجلاس عام 26 اکتوبر 2023ء بروز جمعرات صبح 11 بجے کرٹل ہال روم بی، میریٹ ہوٹل، آغا خان روڈ، F-5/1 اسلام آباد میں اور بذریعہ ویڈیو لنک (زوم ایپلی کیشن) ہو گا جس میں مندرجہ ذیل امور انجام دیے جائیں گے۔

### عمومی امور

- 1- 30 جون 2023ء کو ختم ہونے والے سال کے آڈٹ شدہ کھاتوں اور ڈائریکٹرز اینڈ آڈیٹرز رپورٹ کی وصولی، غور اور عملدرآمد طے پائے گا۔
- 2- بورڈ آف ڈائریکٹرز کی سفارش کے مطابق حصص مالکان کو 30 جون 2023ء کو ختم ہونے والے سال کے لیے نقد منافع کی ادائیگی 90 فیصد یعنی 9 روپے فی شیئر کی منظوری دی جائے گا۔
- 3- 30 جون 2024ء کو ختم ہونے والے سال کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کیا جائے گا۔ ریٹائر ہونے والے آڈیٹرز، میسرز بی ڈی او ابراہیم اینڈ کو چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر دوبارہ تقرری کے لیے خدمات پیش کی ہیں۔
- 4- صدر نشین کی اجازت سے دیگر امور بھی اجلاس میں زیر غور لائے جاسکتے ہیں۔

منجانب بورڈ

علی سلیم رانا

کمپنی سیکرٹری

پاک ڈیٹا کام، تھرڈ فلور،

عمر پلازہ، بلیو ایریا، اسلام آباد

14 اکتوبر، 2023ء

نوٹس:

1 اجلاس عام کی کارروائی میں آن لائن شرکت

ایسے حصص داران جو اجلاس عام میں آن لائن زوم ایپلی کیشن کے ذریعے شرکت کرنا چاہتے ہیں ان سے گزارش ہے کہ وہ 19 اکتوبر 2023ء سے پہلے مندرجہ ذیل کوائف کمپنی سیکرٹری کے دفتر کو اس ای میل ایڈریس پر ارسال کریں: [companysecretary@pakdatacom.com.pk](mailto:companysecretary@pakdatacom.com.pk)۔ اس پر عملدرآمد سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سکیورٹیز مارکیٹ ڈویژن کی ہدایات (Ref: SMD/SE/2(20)/2021/117) کے مطابق ضروری ہے۔

درکار معلومات: نام، قومی شناختی کارڈ نمبر، فوٹو / سی ڈی سی اکاؤنٹ نمبر، موبائل فون نمبر اور حصص دار کا ای میل ایڈریس

## 2 شیئرز ٹرانسفر بکس کی بندش

کمپنی کی شیئرز ٹرانسفر بکس 19 اکتوبر 2023ء تا 26 اکتوبر 2023ء بند رہیں گی (دونوں دن شامل ہیں)۔ 18 اکتوبر 2023ء تک کاروبار بند ہونے سے پہلے کمپنی کے شیئرز رجسٹر آفس کو موصول ہونے والی ٹرانسفرز کو حصص مالکان سے منظوری کی صورت میں حتمی نقد منافع کی ادائیگی بروقت کی جائے گی۔

## 3 سالانہ اجلاس عام میں شرکت

جس ممبر کو مذکورہ بالا اجلاس میں شرکت اور ووٹ ڈالنے کا اختیار ہے، وہ اپنی جگہ کسی اور فرد کو اجلاس میں شرکت اور ووٹ ڈالنے کے لیے پراکسی بھی مقرر کر سکتا ہے۔ پراکسی کے موثر ہونے کے لیے ضروری ہے کہ تکمیل شدہ اور دستخط شدہ پراکسی فارم اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹر آفس کو موصول ہو جائیں۔ ایک ممبر ایک سے زائد پراکسی کا تقرر نہیں کر سکتا۔ پراکسی فارم کے ساتھ شیئرز ہولڈر کے قومی شناختی کارڈ کی تصدیق شدہ کاپی منسلک ہونی چاہیے۔

## A) اجلاس میں شرکت کے لیے

- i. انفرادی طور پر، ایسے اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز جن کی سکیورٹیز گروپ اکاؤنٹ کی صورت میں ہیں اور جن کے رجسٹریشن کے کوائف ضوابط کے مطابق اپ لوڈ ہو چکے ہیں اجلاس میں شرکت کے موقع پر اپنے اصلی کارآمد شناختی کارڈ یا اصلی پاسپورٹ کی تصدیق کروائیں گے۔
- ii. کارپوریٹ ادارے کی صورت میں نامزد فرد کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمع نامزد فرد کے نمونے کے دستخط پیش کیے جائیں گے۔

## B) پراکسی کے تقرر کے لیے

- i. انفرادی طور پر، ایسے اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز جن کی سکیورٹیز گروپ اکاؤنٹ کی صورت میں ہیں اور جن کے رجسٹریشن کے کوائف ضوابط کے مطابق اپ لوڈ ہو چکے ہیں وہ مذکورہ بالا تقاضوں کے مطابق پراکسی فارم جمع کروائیں گے۔
- ii. پراکسی پر دو افراد بطور گواہ دستخط کریں گے جن کے نام، ایڈریس اور کارآمد شناختی کارڈ کے نمبر پراکسی فارم پر موجود ہوں گے۔
- iii. پراکسی مقرر کرنے والے فرد اور پراکسی کے کارآمد شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں بمع پراکسی فارم فراہم کی جائیں گی۔
- iv. اجلاس میں شرکت کے موقع پر پراکسی اپنا اصل کارآمد شناختی کارڈ یا اصلی پاسپورٹ دکھائے گا۔
- v. کارپوریٹ ادارے کی صورت میں نامزد فرد کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمع نامزد فرد کے نمونے کے دستخط پراکسی فارم کے ساتھ جمع کروائے جائیں گے۔

## 4 کیش ڈویڈنڈ پر انکم ٹیکس کی کٹوتی کے لیے بطور "فائلر" تصدیق

انکم ٹیکس آرڈیننس 2001ء کی دفعہ 150 کے تحت منافع سے انکم ٹیکس کی کٹوتی کے لیے شرحیں درج ذیل ہیں:-

- a- ٹیکس گزاروں کی فعال فہرست میں موجود افراد کے لیے کٹوتی کی شرح 15 فیصد
- b- ٹیکس گزاروں کی فعال فہرست میں غیر موجود افراد کے لیے کٹوتی کی شرح 30 فیصد

مشترکہ اکاؤنٹ کی صورت میں ہر اکاؤنٹ ہولڈر کا انفرادی طور پر فالنگر یا نان فالنگر ہونے کا تعین کیا جائے گا اور ٹیکس کی کٹوتی کا تعین ہر اکاؤنٹ ہولڈر کے شیئرز میں حصے کی بنیاد پر کیا جائے گا، حصص میں ہر ایک کے حصے کا تعین کمپنی / شیئر رجسٹرار کو تحریری طور پر دی گئی معلومات کی بنیاد پر ہوگا۔ اگر ایسی کوئی معلومات فراہم نہیں کی گئیں تو ہر مشترکہ اکاؤنٹ ہولڈر کو برابر حصہ دار تصور کیا جائے گا۔

قومی شناختی کارڈ نمبر / نیشنل ٹیکس نمبر کی تفصیل اب لازمی ہے اور ایف بی آر کی طرف سے فراہم کی گئی فعال ٹیکس گزاروں کی فہرست میں نام کی موجودگی کو چیک کرنے کے لیے ضروری ہے۔ کمپنیز ایکٹ 2017 کی دفعہ 119 اور کمپنیز ریگولیشنز 2018ء کے ضابطہ 19 کی رو سے مادی حصص رکھنے والے تمام حصص داروں کو ہدایت کی جاتی ہے کہ وہ قانون کی خلاف ورزی یا کسی بھی قسم کی زحمت سے بچنے کے لیے اپنی لازمی معلومات جیسا کہ قومی شناختی کارڈ نمبر، پتہ، ای میل ایڈریس، رابطے کا نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ ہمارے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سوسل میٹڈ (CDCSRCL)، سی ڈی سی ہاؤس، 99، بلاک بی، SMCHS، شاہراہ فیصل، کراچی-74400، فون نمبر: 500-111-111 (21-92) پر فوری ارسال کریں۔

## 5 منافع (ڈیویڈنڈ) کی بذریعہ بینک ادائیگی

کمپنیز ایکٹ 2017 کی دفعہ 242 کے مطابق نقد منافع صرف اس مقصد کے لیے حصص مالکان کے نامزد کردہ بینک اکاؤنٹ میں الیکٹرونک ٹرانسفر کے ذریعے ادا کیا جائے گا۔ اس سلسلے میں حصص مالکان کو بینک اکاؤنٹ (IBAN فارمیٹ) کی تفصیلات (فزیکل شیئر کی صورت میں) براہ راست شیئر رجسٹرار کو یا اپنے متعلقہ بروکر (سی ڈی سی شیئرز کے لیے)، جو بھی صورت ہو، کو فراہم کرنا ہوں گی۔ اس سلسلے میں فارم کمپنی کی ویب سائٹ پر دیا گیا ہے۔ [www.pakdatacom.com.pk](http://www.pakdatacom.com.pk)۔ اگر 19 اکتوبر 2023ء تک مجاز بینک اکاؤنٹ نمبر فراہم نہیں کیا گیا تو کمپنی ایسے ممبران کا منافع اپنے پاس رکھنے پر مجبور ہوگی۔

## 6 منافع سے اکم ٹیکس / زکوٰۃ کی کٹوتی سے استثنیٰ

ایسے ممبران جو اکم ٹیکس کی کٹوتی سے استثنیٰ چاہتے ہیں یا وہ کم شرح سے ٹیکس کی کٹوتی کے اہل ہیں تو انہیں ایک کارآمد ٹیکس سرٹیفکیٹ یا ضروری دستاویزات جو بھی صورت ہو ثبوت کے طور پر جمع کروانا ہوں گی۔ ایسے ممبران جو زکوٰۃ کی کٹوتی نہ چاہتے ہوں انہیں بھی اس سلسلے میں ایک حلفی جمع کروانا ہوگا۔

ایسے سی ڈی سی اکاؤنٹ ہولڈرز جو زکوٰۃ نہیں کٹوانا چاہتے انہیں ایک حلفی متعلقہ ممبر سٹاک مارکیٹ یا سی ڈی سی انویسٹر اکاؤنٹ کی صورت میں سی ڈی سی کو جمع کروانا ہوگا۔

## 7 مادی شیئرز کی سی ڈی سی اکاؤنٹ میں منتقلی

کمپنیز ایکٹ 2017ء کی دفعہ 72 کے تحت تمام موجودہ کمپنیوں کے لیے لازمی ہے کہ وہ کمیشن کی طرف سے مقرر کردہ طریقہ کار مدت کے دوران اپنے مادی شیئرز کو بک انٹری کی صورت میں منتقل کریں گے، ایسا کرنا کمپنیز ایکٹ 2017ء کے نفاذ کی تاریخ یعنی 31 مئی 2017ء سے 4 سال کے اندر اندر کرنا ضروری ہے۔ مزید برآں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 26 مارچ 2021ء کو جاری کردہ اپنے لیٹر کے ذریعے حوصلہ افزائی کرتے ہوئے شیئر ہولڈرز سے کہا ہے کہ وہ اپنے شیئرز کو بک انٹری کی صورت میں منتقل کریں۔

ایسے شیئر ہولڈرز جو مادی شیئرز رکھتے ہیں کسی بھی بروکر کے ساتھ سی ڈی سی ذیلی اکاؤنٹ یا سی ڈی سی کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول سکتے ہیں تاکہ وہ اپنے مادی شیئرز کو ڈیجیٹل شکل میں لاسکیں۔ اس سے حصص داروں کو بہت سے فوائد حاصل ہوں گے، ان کے شیئرز محفوظ رہیں گے، ممبرز کے رجسٹر میں ان کی معلومات موجود ہوں گی جس سے نہ صرف کمپنی ان سے باآسانی رابطہ کر سکے گی بلکہ ان کے منافع جات بھی انہیں بروقت ادا ہوں گے، وہ باآسانی شیئر خرید اور فروخت کر سکیں گے، مزید برآں پاکستان سٹاک ایکسچینج لمیٹڈ کے ضوابط کے مطابق مادی صورت میں شیئرز کی ٹریڈنگ کی اجازت نہیں ہے۔

## 8 ای میل / سی ڈی سی / ڈی وی ڈی / یو ایس بی یا کسی دیگر ذریعے سے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی فراہمی

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے ایس آر او 2014 / (1) 787 بتاریخ 8 ستمبر 2014ء اور ایس آر او 2016 / (1) 470 بتاریخ 31 مئی 2016ء کے ذریعے کمپنیوں کو اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشوارے ای میل / سی ڈی سی / ڈی وی ڈی / یو ایس بی یا کسی دیگر ذریعے سے ان کے فراہم کردہ

پتوں پر ارسال کر سکتی ہیں۔ کمپنی نے تمام ممبران کی طرف سے فراہم کیے گئے پتوں پر سالانہ مالیاتی گوشوارے سی ڈی کی صورت میں ارسال کر دیے ہیں۔ گوشواروں کی پرنٹ کاپی ممبران کی درخواست پر فراہم کی جاسکتی ہے۔ درخواست کا فارم کمپنی کی ویب سائٹ [www.pakdatacom.com.pk](http://www.pakdatacom.com.pk) پر دستیاب ہے۔

### 9 غیر دعویٰ شدہ ڈیویڈنڈ اور غیر ترسیل شدہ شیئرسرٹیفکیٹس

کمپنی نے اس سے پہلے بھی کمپنیز ایکٹ 2017ء کی دفعہ 244 کے تحت اپنی ذمہ داری ادا کرتے ہوئے شیئرسرٹیفکیٹس سے کہا ہے کہ وہ غیر دعویٰ شدہ ڈیویڈنڈز اور غیر ترسیل شدہ شیئرسرٹیفکیٹس کے حصول کے لیے قانون کے مطابق رابطہ کریں۔

ایسے شیئرسرٹیفکیٹس جنہوں نے ابھی تک اپنے منافع جات اور شیئرسرٹیفکیٹ حاصل نہیں کیے ان سے التماس کی جاتی ہے کہ وہ اس کے حصول کے لیے شیئرسرٹیفکیٹس (پوائنٹ 4 میں پتہ فراہم کیا گیا ہے) سے رابطہ کریں۔

### 10 حتمی کیش ڈیویڈنڈ 2022-23 کی ادائیگی کے لیے کمپیوٹرائزڈ قومی شناختی کارڈ کی فراہمی

ایس ای سی پی کی ہدایات کے مطابق ڈیویڈنڈ کی ادائیگی کے لیے شیئرسرٹیفکیٹس کے قومی شناختی کی فراہمی ضروری ہے۔ اس لیے ایسے حصص دار جنہوں نے ابھی تک اپنے شناختی کارڈ کی کاپی فراہم نہیں کی ان سے گزارش کی جاتی ہے کہ سیریل نمبر 4 میں دیے گئے پتے پر شناختی کارڈ کی کاپی ارسال کریں۔ عدم فراہمی کی صورت میں کمپنی ایسے حصص داروں کو منافع کی ادائیگی روکنے پر مجبور ہوگی۔

سی ڈی سی اکاؤنٹ ہولڈرز سے گزارش ہے کہ قومی شناختی کارڈ کی تصدیق شدہ کاپی اپنے متعلقہ سٹاک ایکسچینج ممبر کو یا سی ڈی سی انویسٹر اکاؤنٹ کی صورت میں سی ڈی سی کو فراہم کریں۔

### 11 آڈٹ شدہ مالی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

30 جون 2023ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ کھاتوں (اکاؤنٹس) کی تفصیلات سالانہ اجلاس عام کی تاریخ سے کم از کم 21 دن قبل کمپنی کی ویب سائٹ [www.pakdatacom.com.pk](http://www.pakdatacom.com.pk) پر شائع کی جائیں گی۔

### 12 ویڈیولنک کی سہولت کے لیے رضامندی

کمپنیز ایکٹ 2017ء کی دفعہ (2) 132 کے مطابق، اگر کمپنی کو کسی علاقے میں مجموعی طور پر 10 فیصد یا اس سے زائد شیئرسرٹیفکیٹس رکھنے والے ممبران کی طرف سے سالانہ اجلاس عام سے کم از کم 7 دن قبل ویڈیولنک کے ذریعے اجلاس میں شرکت کی درخواست موصول ہوتی ہے تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت موجود ہونے کی صورت میں اس کا بندوبست کرے گی۔

### 13 کوائف میں تبدیلی

حصص مالکان سے درخواست کی جاتی ہے کہ اگر ان کے ڈاک پتے میں کوئی تبدیلی ہوگئی ہو، تو وہ فوری طور پر مطلع کریں۔

## CHAIRMAN'S REVIEW

### Dear Shareholders,

I am delighted to present this review of the financial year 2022-23 that saw Pak Datacom Limited (PDL) further consolidating its position as a leading Data Network Operator (DNOP) and a foremost corporate entity in the Information Technology and Telecom sector of the Country.

### Economic Outlook

The economy stagnated in FY 2023 as it was and is currently trapped in low growth, high inflation, unemployment, exorbitant exchange rate decline, falling investment, excessive fiscal deficits, and a deteriorating external balance position. Mounting debt and rapidly dwindling forex reserves in the wake of higher global inflation are the biggest challenges for the Government. Moreover, the devastating floods that hit the nation in 2022 from June to October are another factor that has worsened the economic situation in Pakistan.

In the presence of these critical economic challenges, Pakistan's GDP growth rate remained at 0.29% during FY 2022-23, well below the target of 5% set last year. The Government has tried to encourage exports by providing incentives to exporters and creating a more conducive environment for trade by reassuring foreign investment resultantly reducing the trade deficit.

In the midst of this backdrop, your Company has implemented strong cost controlling measures through dislodging surplus staff by offering attractive Voluntary Separation Scheme (VSS) at the very beginning of the FY 2022-23, alongside putting in place strict monetary and viable/sustainable measures for optimization of results. This has created value for all stakeholders.

### Business Performance

Despite worldwide economic uncertainty and a turbulent past year in Pakistan, your Company's results of operations and financial position are indicative of a strong financial performance. The current financial year is even the most successful year of your company than last years' as it was able to achieve its highest ever revenue figure of Rs. 1.319 billion as compared to Rs. 1.239 billion during last year. Further, net profit after tax increased from Rs. 231 million to Rs. 289.682 million (also the company's highest ever net profit), up by 25.32%.

This was mainly due to opening of new revenue streams and strong administrative, legal and commercial measures taken by the company. This net profit translated into Earnings per Share (EPS) of Rs. 24.44 as against Rs. 19.50 of last year.

The Company by the Grace of Almighty Allah, is upbeat about accomplishing new successes as a number of factors lie in our favour; the strength of our balance sheet, our strong cash generation, the professional standing of your Board and Management, and most of all, the dedication and will of our employees.

This considerable improvement in the profitability of your Company is also a direct result of the implementation of the 5 Year Strategic Master Plan, adoption of various cost cutting measures, improvements in overall operational efficiency, strong and appropriate decision making by the Board and the Management, specially management's concerted efforts to push projects towards completion with rehabilitated impetus.

### The Board

During the year, there have been no changes to the constitution or composition of the Board and its committees. I would like to thank all the members for their valuable contribution to the Board's decision making.

### **Role and Effectiveness of the Board**

Your Company has a Board that comprises 8 members (including the Chief Executive being the Executive Director), with individuals of diverse backgrounds, having core competencies, knowledge and expertise relevant to the business of the Company. Continuous monitoring by the Board throughout the period and the deliberations with the management were cardinal in achieving all the targets and overcoming the adverse economic impacts. The company has performed remarkably well and is successfully steering through the uncertain times with emphasis on ensuring business continuity, on the back of guidance from the Board of Directors. The blend of business diversity and experience that the Board members collectively bring in, is instrumental in formulating the strategic and visionary direction of PDL.

The Board provided strategic direction to the management, including update of the **5 - Year Strategic Master Plan** in accordance with the future market opportunities, and fulfilled its responsibilities with a sense of commitment. The Board has constituted its Audit Committee, Human Resource & Remuneration Committee, Nomination Committee, Procurement Committee and Strategy & Project Appraisal Committee to provide valuable input and assistance to its decision making. The Audit Committee is particularly focused on the detailed review of financial statements and internal controls, thereby contributing to the strong financial results. These sub-committees held meetings and reported to the Board consistent with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Best practices of corporate governance have been embedded into the Company's culture to maintain the highest level of professionalism and business conduct. An annual self-evaluation of performance of the Board members was carried out with the help of a formal, effective and quantitative mechanism. Based on the feedback received through this mechanism, overall role of the Board has been found to be very effective. The Board has fulfilled all its mandatory responsibilities, including ensuring compliance with all legal and regulatory requirements for the Company. The Board carried out its self-evaluation and identified potential areas for further improvement, in line with the global best practices. I would like to share that all the Directors, including Independent Directors, fully participated and contributed to the decision making process of the Board.

The Company's organizational transformation program is satisfactorily progressing. A lean and more efficient organizational structure has been introduced to foster the environment for delegation of responsibility and empowerment, cultivate a performance-driven culture and empower people to take lead in delivering end results.

### **Future Outlook**

The challenges of late 2023 are expected to continue in 2024. The uncertainty prevailing in the global, and in particular Pakistan's economy will continue to impact PDL's operating environment. Business environment of the country has become very challenging because of massive currency devaluation, spiraling inflation and high interest rate all of which affect business confidence. All these factors are a cause of concern for the local telecom industry and PDL is no exception to this. The management continues to monitor the potential risks vigilantly. The company has built in proactive measures in its enthusiastically agile 5-year strategic master plan to address these challenges. Digitalization is one such measure; paperless environment and automation is the future due to rapid transformation of nearly all industries, including services industries. This in turn would translate into a major growth opportunity in ICT segment. PDL, as part of its strategy, is moving towards automation to standardize processes and optimize costs alongside providing a superior customer experience to achieve a competitive advantage.

Given that GDP growth rate during the FY 2022-23 has been 0.29% and is projected to be around 3.5% during the current FY 2023-24, I am confident that your Company's ongoing success primarily rests on the implementation of the Company's 5 Year Strategic Master plan. In a corporate culture where strategic planning is not given high priority, your Company through its 5 Year Strategic Master plan will have the edge to achieve sustainability and longevity in terms of technologies, its commercial operations, and financial and administrative strength.

As Chairman, I strongly believe that the Company is well-equipped to manage these challenges and will continue to deliver on the expectations of the Board. The Board works closely with the management to oversee the implementation of the Company's strategy and proactively counsels the management wherever required. The board and the management are fully conscious of the challenges ahead and are well prepared to tackle them with the required vision, knowledge, and experience.

The future is bright for your Company. It is very well-positioned to tackle any potential challenges and we can look ahead with confidence to move towards even greater heights of success.

### **Acknowledgement**

On Behalf of the Board, I would like to extend my thanks to all our shareholders, regulators, government authorities, customers, suppliers, contractors, and banks, for their continued trust and confidence. Your support has been the foundation of our continued success. My gratitude also goes out to our Board, Chief Executive, and employees for their concerted efforts and commitment to enable us to be where we are today (ALHAMDULILAH), and without which, the highest ever financial results could not have been materialized.

### **Syed Zomma Mohiuddin**

Chairman, Pak Datacom Limited,

Islamabad.

September 20, 2023



## Directors Report

### Dear Shareholders,

The Board of Directors of the Company take pleasure in presenting the Annual Report of your Company, together with the audited financial statements for the year ended June 30, 2023.

### Macroeconomic Environment and Industry Overview

The 2022-23 financial year was highly challenging as it saw exorbitantly high inflation which resultantly intensified Pakistan's challenging balance of payment issues and put enormous pressure on the value of Pak Rupee against the US\$. Further, geopolitical shocks caused by the war in Ukraine, severe flooding impact and balance of payment crisis sternly affected economy of Pakistan. Pakistan being a heavily import-based economy, was particularly affected due to these developments. In addition to this unprecedented hike in power tariffs, rising interest rates, supply chain disruptions, and general inflationary pressures all led to a significant increase in the cost of doing business. The data communication sector, being heavily subject to import of telecom equipment, was notably affected by deteriorating rupee-dollar parity and restrictions on issuance of Letter of Credits by commercial banks.

In the presence of these critical economic challenges, Pakistan's GDP growth rate remained at 0.29% on June 2023 well below the target of 5% set last year and inflation remained at around approx. 40% on monthly basis. 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.

Telecom industry has a promising growth potential due to the country's demographics, as rising demand for high-speed data services and rapid pace of digitalization, specifically entails an ideal position for us to capitalize on these opportunities.

Similarly, to prevent the depreciation of the Pakistani rupee against the US dollar coupled with risk of going bankrupt, Government of Pakistan has finally signed a stand-by arrangement with International Monetary Fund (IMF) of US\$ 3 billion to stabilize the economy and guard against shocks while creating the space for social and development spending to help the people of Pakistan. In return, this stand-by arrangement requires policy implementation which will necessitate greater fiscal discipline, market-determined exchange rate to absorb external pressures, and further progress on reforms related to the energy sector, climate resilience, and the business climate.

### Business Performance Review

Despite the Company carrying out operations in such challenging conditions, during the year it achieved revenues of Rs. 1.363 billion compared to Rs. 1.239 billion last year, up by Rs. 123.565 million. The net profit after tax increased from Rs. 231.299 million to Rs. 289.862 million. The net profit translated into Earnings per Share (EPS) of Rs. 24.44 as against Rs. 19.50 of last year. These phenomenal financial results of the Company have only been possible due to decisions which the Board took, in accordance with the laws and regulations, empowering the employees to adapt to extremely vulnerable circumstances. This in turn has provided the management to keep focus on the Company's niche segment keeping in perspective the targets/ goals set out in the revised 5- Year Strategic Master Plan.

Financial and operational performance indicators have been described in more detail below;

## Six Years Financial Performance at a Glance:

(Rs. in Million)

	Year Ended 30 June					
	2023	2022	2021	2020	2019	2018
Non-Current Assets	306.811	298.821	239.35	269.670	266.691	248.758
Share Capital and Reserves	1,285.627	1,072.874	837.31	842.870	859.643	780.650
Revenue	1,362.844	897.21	770.442	949.07	798.063	
Operating Profit	284.006	77.847	21.49	21.850	145.898	1.327
Profit before taxation	399.130	254.556	68.08	47.273	158.782	35.56
Profit after taxation	289.862	231.299	15.37	7.413	143.018	18.965
Earnings per Share – Rupees	24.44	19.50	1.43	0.69	14.59	1.94
EBITDA Margin	29.56	22.04	12.35	11.09	20.63	9.72
Price Earnings Ratio	2.81	2.29	48.91	66.67	3.05	30.90
Break Up Value of Shares	108.41	90.47	77.66	78.18	87.71	79.65
Return on Fixed Assets (%)	138.85	106.29	8.11	3.67	72.24	8.39
Operating Profit Ratio (%)	20.84	6.04	2.40	2.84	15.41	0.17
Net Profit Ratio (%)	21.27	18.66	1.71	0.96	15.10	2.38
Current Ratio (%)	2.67	2.30	2.58	2.36	2.56	2.84
Dividend Payout Ratio (%)	36.82	30.77	104.90	144.93	27.42	206.19
Dividend (%) - Cash	90	60	15	10	40	40
Bonus Shares	0	0	10	10	0	0
Share Price (30 June)	68.66	44.60	69.94	46.00	44.48	59.95

### Future Development, Performance and Position of the Company

Significant expansion of high-speed data services during last few years has played a pivotal role in reshaping the focus of telecom sector thus becoming one of the core factors for shift in the way communication and interaction takes place. New ways of communication and interaction such as work from home, e-learning and digitization are more reliant on and are fueling the demand for data (high speed internet). Companies operating in the ICT sector are currently focused on increasing their offered speed and achieving sustainable growth.

PDL is no different and is also focusing on providing high-speed internet, including high-speed internet over satellite to remote and under-served areas of Pakistan. In addition to this, it 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 by providing battery backup enhancements and induction of portable DGs etc to handle prolonged power break downs and other weather related calamities so that its clients may enjoy undisturbed round the clock services.

PDL, leveraging its strong position and vast experience in data communication, having state-of-the-art equipment, remains committed to delivering outstanding performance consistent with its 5-year Strategic Master Plan, considering its strong brand equity and highly committed workforce.

### Listed Companies (Code of Corporate Governance) Regulations, 2019

The Code of Corporate Governance has envisaged a number of significant changes to established business and ethical norms. The Company abides by the Code and is taking further steps to ensure full compliance with the Code in letter and spirit.

### Risk Management

The Company believes that risk management is an essential part of any organization to foresee, comprehend, analyze and take appropriate measures to mitigate any potential risk. In this regard, the Company has established a Risk Management Policy with relation to risk management.

## **CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

### **Statement of Directors Responsibilities**

The Board is committed to following the Code of Corporate Governance and in maintaining a high-quality standard of good corporate governance. The Company is complying with the provisions of the Code as set out by the Securities and Exchange Commission of Pakistan. There has been no material departure from the practices of Code of Corporate Governance as detailed in listing regulations.

All the members of the Board are fully cognizant of their duties and responsibilities as Directors of a corporate body. They have been apprised of their duties and responsibilities through orientation courses. The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not trade in shares of the Company except as disclosed in the pattern of shareholding.

### **Presentation of Financial Statements**

The financial statements prepared by the Management of the Company, fairly present the Company's state of affairs, the results of its operations, and cash flows and changes in equity.

### **Books of Accounts**

The company has maintained proper books of accounts.

### **Accounting Policies**

Appropriate accounting policies have been consistently applied in the preparation of financial statements except for those disclosed in the financial statements of the Company.

### **Application of International Financial Reporting Standards**

International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.

### **Going Concern**

There is no significant doubt upon the Company's ability to continue as a going concern.

## **BOARD OF DIRECTORS AND ITS COMMITTEES**

### **Board Performance**

As required under the Listed Companies (Code of Corporate Governance Regulations), 2019, the Board conducts a self- evaluation of its performance on an annual basis. The Board of Directors believes that continuous assessment is critical in determining how effectively the Board has performed against the objectives and goals that they have set for themselves. Based on the results of the evaluation, areas of improvement are identified and corrective action plans are prepared and acted on.

### **Directors' Remuneration Policy**

The Board of Directors is authorized to determine, review and amend from time to time the fee structure for attending the meetings of the Board or any committee of Directors. A Director may also be paid for travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Directors or any committee of Directors or General Meetings of the Company.

A director may be paid such extra remuneration as the Board may determine, for serving on any Committee or devoting special attention to the business of the Company or performance of services which, in the opinion of the Board, are outside the scope of statutory duties of a director.

### **Changes in Board of Directors**

There has been no change in the Board members during the financial year 2022-23.

**Board**

The total number of Directors are eight as per following;

A	Male	7
B	Female	1

**Composition**

The Committees of the Board and their composition are as follows:

Category	Name
Independent Directors	Mr. Shamim Ahmed Sherazi Ms. Rubina Safir
Non-Executive Directors	Syed Zomma Mohiuddin Syed Junaid Imam Engr. Perwaiz Khan Mr. Muhammad Izqar Khan Mr. Muhammad Waheed
Female Director	Ms. Rubina Safir
Executive Director/CEO	Brig (R) Syed Zulfiqar Ali (R)

**Committees of the Board**

The Committees of the Board and their composition are as follows:

**Audit Committee**

Members of the Audit Committee are as follows:

Ms. Rubina Safir	Chairperson
Mr. Shamim Ahmed Sherazi	Member
Mr. Muhammad Waheed	Member

**Human Resource & Remuneration Committee**

Members of the Human Resource & Remuneration Committee are as follows:

Mr. Shamim Ahmed Sherazi	Chairman
Ms. Rubina Safir	Member
Mr. Muhammad Izqar Khan	Member
Syed Junaid Imam	Member

**Procurement Committee**

Members of the Procurement Committee are as follows:

Syed Zomma Mohiuddin	Chairman
Engr. Perwaiz Khan	Member
Mr. Muhammad Izqar Khan	Member
Mr. Muhammad Waheed	Member

**Nomination Committee**

Members of the Nomination Committee are as follows:

Syed Zomma Mohiuddin	Chairman
Syed Junaid Imam	Member
Engr. Perwaiz Khan	Member

**Strategy & Project Appraisal Committee**

Members of Strategy & Project Appraisal Committee are as follows:

Syed Zomma Mohiuddin	Chairman
Syed Junaid Imam	Member
Engr. Perwaiz Khan	Member

**Board Meetings:**

During the financial year, five (05) meetings of the Board of Directors were held. The attendance of each Director is given below:

Name of Directors	Designation	Number of Meeting Attended
Syed Zomma Mohiuddin	Chairman of the Board Non-Executive Director	5/5
Brig. Syed Zulfiqar Ali (R)	Executive Director	5/5
Syed Junaid Imam	Non-Executive Director	4/5
Engr. Perwaiz Khan	Non-Executive Director	5/5
Mr. Muhammad Waheed	Non-Executive Director	5/5
Ms. Rubina Safir	Independent/ Female Director	5/5
Mr. Shamim Ahmed Sherazi	Independent Director	5/5
Mr. Muhammad Izqar Khan	Non-Executive Director	5/5

**Audit Committee Meetings**

During the financial year, six (06) meetings of the Audit Committee were held. The attendance of each Director is given below:

Name of Directors	Designation	Number of Meeting Attended
Ms. Rubina Safir	Chairperson	6/6
Mr. Shamim Ahmed Sherazi	Member	6/6
Mr. Muhammad Waheed	Member	6/6

**HR & Remuneration Committee Meetings**

During the financial year, two (02) meetings of the HR & Remuneration Committee were held. The attendance of each Director is given below:

Name of Directors	Designation	Number of Meeting Attended
Mr. Shamim Ahmed Sherazi	Chairman	2/2
Syed Junaid Imam	Member	2/2
Ms. Rubina Safir	Member	2/2
Mr. Muhammad Izqar Khan	Member	2/2

**Procurement Committee Meetings**

During the financial year, one (01) meetings of the Procurement Committee were held. The attendance of each Director is given below:

Name of Directors	Designation	Number of Meeting Attended
Syed Zomma Mohiuddin	Chairman	1/1
Mr. Muhammad Izqar Khan	Member	1/1
Engr. Perwaiz Khan	Member	1/1
Mr. Muhammad Waheed	Member	1/1

**Nomination Committee Meetings**

During the financial year, no meeting of the Nomination Committee was held.

**Strategy & Project Appraisal Committee Meetings**

During the financial year, two (01) meeting of the Strategy & Project Appraisal Committee were held. The attendance of each Director is given below:

Name of Directors	Designation	Number of Meeting Attended
Syed Zomma Mohiuddin	Chairman	1/1
Syed Junaid Imam	Member	1/1
Engr. Perwaiz Khan	Member	1/1
Ms. Rubina Safir	Attended on Special Invitation	1/1

**Earnings per Share**

The Company recognized earnings per share (EPS) of Rs. 24.44 during the year (2022: Rs. 19.50).

**Dividend and Bonus Shares**

The Board has recommended final cash dividend of 90% (Rs. 9.00 per share) for the year ended June 30, 2023 to the shareholders for their approval in forthcoming Annual General Meeting to be held on October 26, 2023. No interim dividend was recommended by the Board during the year.

**Chairman's Review**

The Chairman's Review in the Annual Report extensively deals with the performance of the Company, the role of the Board of Directors, future prospects with respect to economic outlook and uncertainties for the Company.

**Corporate Briefing Session**

The Company believes that a solid relationship with its shareholders is crucial in helping the Company attain its targets and as such welcomes and appreciates Pakistan Stock Exchange's ('PSX') requirement on companies to hold Corporate Briefing Sessions ('CBS'). The Company considers PSX's requirement to hold CBS as an opportunity not only for providing the correct perspective of the business affairs of the Company to shareholders but also for building strong investor relations. The Company held its CBS on March 15, 2023 in accordance with the requirement of PSX's rules and regulations. Investors from all walks of life attended the event and showed great interest in the affairs of the Company.

**Access of Shareholders on the Company's Website**

Shareholders and members of the general public are welcome to visit the Company's website HYPERLINK "<http://www.pakdatacom.com.pk>" either to simply get in touch, or for more information on the Company or regarding its products and services. The Company's website has a dedicated section for investors containing information related to quarterly, half yearly and annual financial statements of the Company and other shareholder related information.

### **Directors Training Program**

The Company strives to meet all of the provisions of the Code of Corporate Governance and that also goes for the provisions of the Code of Corporate Governance pertaining to the Directors Training Program (DTP). In the current financial year, the Company arranged Directors Training Program certification for Mr. Muhammad Izaqar Khan. Necessary arrangements are being made by the Company for the remaining one (1) Director to obtain the Directors Training Program certification as envisaged by the Code of Corporate Governance.

### **Adequate Internal Financial Controls**

Effective policies and procedures have been developed and applied over a period of time in all areas of our activities. These controls/policies have been put in place to ensure efficient and smooth running of the business, safeguarding the Company's assets, prevention and detection of fraud and errors, accuracy and completeness of books of account and timely preparation of reliable financial information. Internal financial controls are periodically reviewed to ensure that these remain effective and are updated with changing laws, regulations and/or accounting standards.

The Board plays an important role in establishing the control environment, including clarity of expectations regarding integrity, ethics and adherence to the Code of Conduct and creating clear accountability for performance of internal control responsibilities. The Directors have laid down internal financial controls that were operated upon adequately and effectively. All systems are monitored effectively by the Management while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

### **Internal Audit**

The Board has set up an independent Audit Function headed by a qualified person reporting to the Audit Committee. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of its internal control system.

### **Funded Gratuity Scheme and Employees' Provident Fund**

The Company operates a funded gratuity scheme, registered under the Income Tax Ordinance, 2001 as PDL Employees Gratuity Fund ('the Fund') for all its employees completing the minimum qualifying period of service as specified by the scheme. The value of investments of the Fund amount to Rs. 209.528 million as disclosed in the latest audited accounts of the Fund.

The value of investments of the provident fund based on the latest audited accounts of the fund as at June 30, 2023 amounts to Rs. 34.815 million.

### **Statement of Compliance with the Code of Corporate Governance**

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, formulated by the Securities and Exchange Commission of Pakistan, except as provided otherwise in the Statement of Compliance with the Code of Corporate Governance annexed to the Annual Report.

### **Corporate Social Responsibility (CSR), Safety, Health and Quality**

PDL in collaboration with Telecom Foundation (TF) has been initiating various CSRs activities which includes provision of quality education to the children of under privileged communities, specially of telecom employees, by running twelve schools in various cities. These schools are imparting quality education at subsidized fee for the telecom sector families as well as for general public. Further, PDL works with all stakeholders to ensure that it complies with all applicable regulations, contributes to community development and welfare programs, provides the highest standards of safety, health and environment, and offers competitive wages and benefits to its employees.

### **Related Party Transactions**

Transactions involving related parties arising in the normal course of business are conducted at arm's length, at normal commercial rates and on the same terms and conditions as third party transactions using valuation mode as admissible. The Company has fully complied with the best practice on transfer pricing as contained in the Listing Regulation of Pakistan Stock Exchange. All transactions with related parties are reviewed by the Audit Committee and recommended to the Board for approval on quarterly basis fulfilling the requirements of section 208 of the Companies Act, 2017.

**Principal Risks and Uncertainties**

Risks, uncertainties, and opportunities are discussed in detail in the notes to the attached financials.

**Auditors**

M/s BDO Ebrahim & Co Chartered Accountants have completed their tenure for the year FY 2022-23 and stand retired at the conclusion of the 31st Annual General Meeting. Being eligible, they have offered themselves for reappointment for FY 2023-24. The Audit Committee and the Board of Directors recommend M/s BDO Ebrahim & Co Chartered Accountants for the year FY 2023-24.

**Pattern of Shareholding**

Statement showing the pattern of shareholding as at June 30, 2023 is annexed with this report.

**Acknowledgement**

The Board would like to thank and appreciate shareholders, customers and strategic partners for placing their confidence and trust to steer the Company towards the path of success. The Board expresses its gratitude towards dedication and commitment presented by its management and employees. The Board also extends its appreciation and gratefulness of the regulatory bodies and merchants for their resolute cooperation.

**For and on Behalf of the Board**

**Islamabad  
September 20, 2023**

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

**Rubina Safir  
Director**



## ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز!

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے 30 جون 2023 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ کارکردگی اور پیشرفت پر رپورٹ پیش خدمت ہے۔

مجموعی معاشی ماحول اور صنعت کا جائزہ

مالی سال 2022-23 انتہائی مشکل رہا، افراط زر کی شرح انتہائی بلند رہی جس کے نتیجے میں پاکستان کے ادائیگیوں کے توازن کے مسائل میں اضافہ ہوا اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر پر شدید دباؤ پڑا۔ مزید برآں یوکرین کی جنگ کی وجہ سے جغرافیائی سیاسی حالات میں تبدیلی، سیلاب کے شدید اثرات اور ادائیگیوں کے توازن کے بحران نے پاکستان کی معیشت کو بری طرح متاثر کیا۔ درآمدات پر انحصار کرنے والے ملک کی حیثیت سے پاکستانی معیشت پر ان واقعات کی وجہ سے گہرا اثر پڑا۔ اس کے علاوہ بجلی کے نرخوں میں غیر معمولی اضافے، بڑھتی ہوئی شرح سود، سپلائی چین میں خلل، اور افراط زر کے عمومی دباؤ نے کاروباری لاگت میں نمایاں اضافہ کیا۔ ڈیٹا کمیونیکیشن کا شعبہ ٹیلی کام آلات کی درآمد پر بہت زیادہ انحصار کرتا ہے، ڈالر کے مقابلے میں روپے کی گرتی ہوئی قدر اور کمرشل بینکوں کی جانب سے لیٹر آف کریڈٹ کے اجراء پر پابندیوں کی وجہ سے یہ شعبہ خاصا متاثر ہوا۔

ان اہم معاشی چیلنجز کی وجہ سے سال 2022-23 کے دوران پاکستان جی ڈی پی کی شرح نمو 5 فیصد کے ہدف کے مقابلے میں صرف 0.29 فیصد رہی اور ماہانہ بنیادوں پر افراط زر کی شرح 40 فیصد رہی۔ مجموعی طور پر صنعت کے نقطہ نظر سے، خاص طور پر انفارمیشن اینڈ کمیونیکیشن ٹیکنالوجی (آئی سی ٹی) کے شعبے کے لحاظ سے دیکھا جائے تو بلند افراط زر کی شرح کے ساتھ ساتھ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور اس کے جواب میں مالی اور مانیٹری پالیسیوں یعنی پالیسی ریٹ اور ٹیکسوں کی شرح میں اضافے کی وجہ سے موجودہ کاروبار کو چلانے اور نئی سرمایہ کاری کے لیے کاروباری اداروں کے اخراجات میں بے پناہ اضافہ ہوا ہے۔

ٹیلی کام کی صنعت میں ملک کی بڑی آبادی کی وجہ سے امید افزا ترقی کی صلاحیت موجود ہے، کیونکہ تیز رفتار ڈیٹا خدمات کی بڑھتی ہوئی مانگ اور ڈیجیٹلائزیشن کی تیز رفتار، خاص طور پر ہمارے لئے ان مواقع سے فائدہ اٹھانے کے لئے ایک مثالی پوزیشن فراہم کرتی ہے۔

اسی طرح، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور دیوالیہ ہونے کے خطرے کو روکنے کے لیے حکومت پاکستان نے بالآخر بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ 3 ارب ڈالر کے سٹینڈ بائی معاہدے پر دستخط کیے تاکہ معیشت کو مستحکم کیا جاسکے اور معاشی شاکس سے بچا جاسکے نیز پاکستان کے عوام کی مدد کے لیے سماجی اور ترقیاتی اخراجات کی گنجائش پیدا کی جاسکے۔ اس سٹینڈ بائی معاہدے کے بدلے میں ایسی پالیسی پر عملدرآمد کرنا ہو گا جس سے زیادہ سے زیادہ مالی نظم و ضبط پیدا ہو، بیرونی دباؤ کو برداشت کرنے کے لیے مارکیٹ میں شرح تبادلہ کو آزاد کیا جائے اور توانائی کے شعبے، موسمیاتی تبدیلیوں اور کاروباری ماحول سے متعلق اصلاحات پر مزید پیش رفت کی جائے۔

کاروباری کارکردگی کا جائزہ

اس طرح کے مشکل حالات میں کام کرنے کے باوجود، سال کے دوران کمپنی کو 1.363 ارب روپے کی آمدنی ہوئی جو گزشتہ سال کے 1.239 ارب روپے کے مقابلے میں 123.565 ملین روپے زیادہ ہے۔ بعد از ٹیکس خالص منافع 231.299 ملین روپے سے بڑھ کر 289.862 ملین روپے ہو گیا۔ خالص منافع کی وجہ سے گزشتہ سال کے 19.50 روپے کے مقابلے میں 24.44 روپے فی حصص آمدنی ہوئی۔

کمپنی کے یہ غیر معمولی مالی نتائج صرف ان فیصلوں کی وجہ سے ممکن ہوئے ہیں جو بورڈ نے قوانین اور ضوابط کے مطابق کیے، جن کی بدولت ملازمین کو انتہائی نازک حالات میں کام کرنے کے قابل بنایا گیا۔ اس کے نتیجے میں انتظامیہ اس قابل ہوئی ہے کہ وہ نظر ثانی شدہ 5 سالہ سٹریٹجک ماسٹر پلان میں طے کردہ اہداف پر اپنی توجہ مرکوز رکھے۔

مالیاتی آپریشنل کارکردگی کی مزید تفصیل ذیل میں دی گئی ہے:  
چھ سالہ کارکردگی پر ایک نظر:

30 جون کو ختم ہونے والا سال (ملین روپے)

2018	2019 نظر ثانی شدہ	2020	2021	2022	2023	
248.758	266.691	269.670	239.35	298.821	306.811	غیر موجودہ اثاثے
780.650	859.643	842.870	837.31	1,072.874	1,285.627	شیر کیسٹل اور ذخائر
798.063	949.07	770.442	897.21	1,239.279	1,362.844	ریونیو
1.327	145.898	21.850	21.49	77.847	284.006	آپریٹنگ منافع
35.56	158.782	47.273	68.08	254.556	399.130	ٹیکس سے پہلے منافع
18.965	143.018	7.413	15.37	231.299	289.862	ٹیکس کے بعد منافع
1.94	14.59	0.69	1.43	19.50	24.44	نی حصص آمدنی - روپے
9.72	20.63	11.09	12.35	22.04	29.56	EBITDA مارجن
30.90	3.05	66.67	48.91	2.29	2.81	قیمت اور آمدنی کا تناسب
79.65	87.71	78.18	77.66	90.47	108.41	حصص کی بریک اپ ویلیو
8.39	72.24	3.67	8.11	106.29	138.85	لکسڈ اثاثوں پر ریٹرن (%)
0.17	15.41	2.84	2.40	6.04	20.84	آپریٹنگ منافع کا تناسب (%)
2.38	15.10	0.96	1.71	18.66	21.27	خالص منافع کا تناسب (%)
2.84	2.56	2.36	2.58	2.30	2.67	موجودہ تناسب (%)
206.19	27.42	144.93	104.90	30.77	36.82	منافع ادائیگی کا تناسب (%)
40	40	10	15	60	90	منافع (%) - نقد
0	0	10	10	0	0	- بونس حصص
59.95	44.48	46.00	69.94	44.60	68.66	حصص کی قیمت (30 جون)

مستقبل کی ترقی، کارکردگی اور کمپنی کی پوزیشن

گزشتہ چند سالوں کے دوران تیز رفتار ڈیٹا سروسز کی نمایاں توسیع نے ٹیلی کام سیکٹر کے کام کو نئی شکل دی ہے، اس طرح تیز رفتار ڈیٹا مواصلات اور میل جول کے طریقہ کار میں تبدیلی کے بنیادی عوامل میں سے ایک بن گیا ہے۔ مواصلات اور میل جول کے نئے طریقے جیسے گھر سے کام، ای لرننگ اور ڈیجیٹائزیشن پر زیادہ انحصار کرتے ہیں اور ڈیٹا (تیز رفتار انٹرنیٹ) کی طلب میں اضافہ ہو رہا ہے۔ آئی سی ٹی کے شعبے میں کام کرنے والی کمپنیاں فی الحال اپنی موجودہ ڈیٹا رفتار کو بڑھانے اور پائیدار ترقی کے حصول پر مرکوز ہیں۔

PDL ان سے مختلف نہیں ہے اور پاکستان کے دور دراز اور پسماندہ علاقوں کو سیٹلائٹ پر تیز رفتار انٹرنیٹ فراہم کرنے پر بھی توجہ دے رہی ہے۔ اس کے علاوہ، کمپنی کاروباری تبدیلی اور تسلسل، کوالٹی کیئر اور سروس کی گارنٹی پر بھی توجہ دے رہی ہے۔ کوالٹی کیئر اور سروس کو بلا تعطل بنانے کے لیے، PDL نے پہلے سے ہی بیٹری بیک اپ میں اضافہ اور

پورٹ اہیل ڈی جیز وغیرہ فراہم کر کے اپنی سروس کے معیار کو بہتر بنانے کے لیے کئی اقدامات کیے ہیں تاکہ بجلی کے طویل بریک ڈاؤن اور موسم سے متعلق دیگر آفات کے دوران کلائنٹس کو ہماری خدمات بلا تعطل ملتی رہیں۔

PDL، اپنی مضبوط پوزیشن اور ڈیٹا کمیونیکیشن کے وسیع تجربے کا فائدہ اٹھاتے ہوئے، جدید ترین آلات کے ساتھ، اپنی مضبوط برانڈ ایکویٹی اور انتہائی پر عزم افرادی قوت کو دیکھتے ہوئے، اپنے 5 سالہ سٹریٹیجک ماسٹر پلان کے مطابق شاندار کارکردگی پیش کرنے کے لیے پر عزم ہے۔

### فہرستی کمپنیوں (کارپوریٹ گورننس کا ضابطہ) کے ضوابط، 2019

کارپوریٹ گورننس کے ضابطہ میں طے شدہ کاروباری اور اخلاقی اصولوں میں متعدد اہم تبدیلیاں کی گئی ہیں۔ کمپنی ضابطہ کی پاسداری کرتی ہے اور اس کی اصل روح کے مطابق ضابطہ کی مکمل تعمیل کو یقینی بنانے کے لئے مزید اقدامات کر رہی ہے۔

### رسک مینجمنٹ

کمپنی اس بات پر یقین رکھتی ہے کہ رسک مینجمنٹ کسی بھی تنظیم کا لازمی حصہ ہے جو کسی بھی ممکنہ خطرے کو کم کرنے کے لئے پیش گوئی، ادراک، تجزیہ اور مناسب اقدامات پر مشتمل ہے۔ اس سلسلے میں کمپنی نے رسک مینجمنٹ پالیسی قائم کی ہے۔

### ماحولیات پر کاروبار کا اثر

کمپنی ٹیلی کمیونیکیشن خدمات فراہم کرنے کے کاروبار میں ہے، اور یہ کسی زہریلے یا خطرناک فضلے کا باعث نہیں بنتی۔ کمپنی اپنے کاروباری عمل کے دوران پائیدار حل پر عمل درآمد کے لیے پر عزم ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

### ڈائریکٹرز کی ذمہ داریوں کا بیان

بورڈ کارپوریٹ گورننس کے ضابطہ پر عمل کرنے اور اچھی کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پر عزم ہے۔ کمپنی سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طے کردہ ضابطہ کی دفعات کی تعمیل کر رہی ہے۔ ضابطہ کارپوریٹ گورننس کے طریقوں سے کوئی ظاہری انحراف نہیں کیا گیا ہے جیسا کہ فہرستی ضوابط میں تفصیل سے بیان کیا گیا ہے۔ بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈی کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔ انہیں تربیتی کورسز کے ذریعے اپنے فرائض اور ذمہ داریوں سے آگاہ کیا گیا ہے۔ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہیں کی ماسوائے اس کے جو شیئر ہولڈنگ کے پیٹرن میں ظاہر کی گئی ہے۔

### مالیاتی گوشواروں کی صورت حال

کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے کمپنی کی صورت حال، اس کے کاموں کے نتائج اور نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو درست طور پر پیش کرتے ہیں۔

### اکاؤنٹس کے کھاتے

کمپنی نے اکاؤنٹس کے مناسب کھاتے برقرار رکھے ہیں۔

### اکاؤنٹنگ پالیسیاں

کمپنی کے مالیاتی گوشواروں میں ظاہر کردہ پالیسیوں کے علاوہ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے۔

### بین الاقوامی مالیاتی رپورٹنگ معیارات کا اطلاق

مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیارات (آئی ایف آر ایس) پر عمل کیا گیا ہے۔

### جاری کاروبار

کمپنی کو جاری کاروبار کے طور پر برقرار رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔

## بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں بورڈ کی کارکردگی

فہرستی کمپنیز کے ایکٹ 2019 (کوڈ آف کارپوریٹ گورننس ریگولیشنز) کے تقاضوں کے مطابق بورڈ سالانہ بنیادوں پر اپنی کارکردگی کا خود جائزہ لیتا ہے۔ بورڈ آف ڈائریکٹرز کا خیال ہے کہ مسلسل جائزہ اس بات کا تعین کرنے کے لیے اہم ہے کہ بورڈ نے اپنے لیے مقرر کردہ مقاصد اور اہداف کے لحاظ کتنی موثر کارکردگی کا مظاہرہ کیا ہے۔ جائزے کے نتائج کی بنیاد پر، بہتری کے شعبوں کی نشاندہی کی جاتی ہے اور اصلاحی ایکشن پلان تیار کیے جاتے ہیں اور ان پر عمل کیا جاتا ہے۔

### ڈائریکٹرز کی معاوضہ پالیسی

بورڈ آف ڈائریکٹرز بورڈ یا ڈائریکٹرز کی کسی کمیٹی کے اجلاسوں میں شرکت کے لیے وقتاً فوقتاً فیس کے تعین، جائزے اور ترمیم کرنے کا مجاز ہے۔ کسی بھی ڈائریکٹر کو بورڈ یا بورڈ کی کسی کمیٹی یا کمیٹی کی جزل میٹنگز میں شرکت کے لیے آمد اور واپسی کے سفر، ہوٹل اور دیگر اخراجات کے لیے ادائیگی کی جاتی ہے۔ کسی بھی ڈائریکٹر کو بورڈ یا کسی کمیٹی میں خدمات انجام دینے یا کمپنی کے کاروبار یا خدمات کے لیے کوئی ایسا خصوصی کام کرنے پر بھی اضافی معاوضہ دیا جاسکتا ہے جو بورڈ کے خیال میں اس کے فرائض عمومی سے باہر ہو۔

### بورڈ آف ڈائریکٹرز میں تبدیلیاں

مالی سال 2022-23 کے دوران بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں کی گئی۔

### بورڈ

ڈائریکٹرز کی کل تعداد مندرجہ ذیل کے مطابق آٹھ ہے۔

A	مرد	7
B	خاتون	1

### ساخت

بورڈ کی ساخت مندرجہ ذیل ہے:

نام	کینڈیگری
جناب شمیم احمد شیرازی محترمہ روبینہ صفیر	آزاد ڈائریکٹر
سید زوماحی الدین سید جنید امام انجینئر پرویز خان جناب محمد اذکار خان جناب محمد وحید	نان ایگزیکٹو ڈائریکٹرز
محترمہ روبینہ صفیر	خاتون ڈائریکٹر
بریگیڈیئر (ر) سید ذوالفقار علی	ایگزیکٹو ڈائریکٹر / سی ای او

بورڈ کی کمیٹیاں

بورڈ کی کمیٹیاں اور ان کی تشکیل درج ذیل ہے:

آڈٹ کمیٹی

آڈٹ کمیٹی کے ارکان مندرجہ ذیل ہیں:

چیئر پرسن	محترمہ روبینہ صفیر
رکن	جناب شمیم احمد شیرازی
رکن	جناب محمد وحید

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی کے ممبران مندرجہ ذیل ہیں:

چیئر مین	جناب شمیم احمد شیرازی
رکن	محترمہ روبینہ صفیر
رکن	جناب محمد اذکار خان
رکن	سید جنید امام

پروکیورمنٹ کمیٹی

پروکیورمنٹ کمیٹی کے ارکان مندرجہ ذیل ہیں:

چیئر مین	سید زوماحی الدین
رکن	انجینئر پرویز خان
رکن	جناب محمد اذکار خان
رکن	جناب محمد وحید

نامزدگی کمیٹی

نامزدگی کمیٹی کے ارکان مندرجہ ذیل ہیں:

چیئر مین	سید زوماحی الدین
رکن	سید جنید امام
رکن	انجینئر پرویز خان

## حکمت عملی اور منصوبوں کے جائزے کی کمیٹی

حکمت عملی اور منصوبوں کے جائزے کی کمیٹی کے ارکان مندرجہ ذیل ہیں:

سید زوماحی الدین	چیئر مین
سید جنید امام	رکن
انجینئر پرویز خان	رکن

بورڈ کے اجلاس:

مالی سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری ذیل میں دی گئی ہے۔

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں شرکت
سید زوماحی الدین	بورڈ کے چیئر مین	5/5
برگیڈیئر (ر) سید ذوالفقار علی	ایگزیکٹو ڈائریکٹر	5/5
سید جنید امام	نان ایگزیکٹو ڈائریکٹر	4/5
انجینئر پرویز خان	نان ایگزیکٹو ڈائریکٹر	5/5
جناب محمد وحید	نان ایگزیکٹو ڈائریکٹر	5/5
محترمہ روبینہ صفیر	آزاد ڈائریکٹر	5/5
جناب شمیم احمد شیرازی	آزاد ڈائریکٹر	5/5
جناب محمد اذکار خان	نان ایگزیکٹو ڈائریکٹر	5/5

آڈٹ کمیٹی کے اجلاس

مالی سال کے دوران آڈٹ کمیٹی کے چھ (6) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری ذیل میں دی گئی ہے۔

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں شرکت
محترمہ روبینہ صفیر	چیئر پرسن	6/6
جناب شمیم احمد شیرازی	رکن	6/6
جناب محمد وحید	رکن	6/6

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس  
مالی سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کے دو (2) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری ذیل میں دی گئی ہے:

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں شرکت
جناب شمیم احمد شیرازی	چیئر پرسن	2/2
سید جنید امام	رکن	2/2
محترمہ روبینہ صغیر	رکن	2/2
جناب محمد اذکار خان	رکن	2/2

پروکیورمنٹ کمیٹی کے اجلاس  
مالی سال کے دوران پروکیورمنٹ کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی حاضری ذیل میں دی گئی ہے۔

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں شرکت
سید زوماچی الدین	چیئر مین	1/1
جناب محمد اذکار خان	رکن	1/1
انجینئر پرویز خان	رکن	1/1
جناب محمد وحید	رکن	1/1

نامزدگی کمیٹی کے اجلاس  
مالی سال کے دوران نامزدگی کمیٹی کا کوئی اجلاس منعقد نہیں ہوا۔  
حکمت عملی اور منصوبوں کے جائزے کی کمیٹی کے اجلاس  
مالی سال کے دوران حکمت عملی اور منصوبوں کے جائزے کی کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی حاضری ذیل میں دی گئی ہے۔

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں شرکت
سید زوماچی الدین	چیئر مین	1/1
سید جنید امام	رکن	1/1
انجینئر پرویز خان	رکن	1/1
محترمہ روبینہ صغیر	خصوصی دعوت پر شرکت کی	1/1

## فی حصص آمدنی

کمپنی نے سال کے دوران 24.44 روپے فی حصص آمدنی کی منظوری دی ہے۔ (2022 کے دوران 19.50 روپے)

## ڈیویڈنڈ اور بونس شیئرز

بورڈ نے 30 جون 2023ء کو ختم ہونے والے مالی سال کے لیے شیئرز ہولڈرز کو 90 فیصد (9 روپے فی حصص) فائنل کیش ڈیویڈنڈ دینے کی سفارش کی ہے جس کی منظوری 26 اکتوبر 2022 کو منعقد ہونے والے آئندہ سالانہ اجلاس عام میں لی جائے گی۔ سال کے دوران بورڈ کی طرف سے کسی عبوری ڈیویڈنڈ کی سفارش نہیں کی گئی۔

## چیئرمین کا جائزہ

سالانہ رپورٹ میں چیئرمین کا جائزہ دیگر امور کے ساتھ ساتھ معاشی نقطہ نظر، کمپنی کی کارکردگی، بورڈ آف ڈائریکٹرز کے کردار اور کمپنی کے حوالے سے مستقبل کے امکانات اور غیر یقینی صورتحال سے متعلق ہے۔

## کارپوریٹ بریفنگ سیشن

کمپنی کا ماننا ہے کہ اپنے حصص داروں کے ساتھ ٹھوس تعلقات کمپنی کے لیے اپنے اہداف کے حصول میں معاون ہیں اور اس طرح کمپنی پاکستان اسٹاک ایکسچینج کی طرف سے کمپنیوں کو کارپوریٹ بریفنگ سیشن منعقد کرنے پر پابند کرنے کا خیر مقدم کرتی ہے۔

کمپنی اسٹاک ایکسچینج کی طرف سے ایسے سیشنز کے انعقاد کی ضرورت کو نہ صرف حصص داروں کو کمپنی کے کاروباری معاملات کا صحیح نقطہ نظر فراہم کرنے کے لئے بلکہ سرمایہ کاروں کے مضبوط تعلقات کی تعمیر کے لئے بھی ایک موقع سمجھتی ہے۔ کمپنی نے اسٹاک ایکسچینج کے قواعد و ضوابط کے تقاضوں کے مطابق 15 مارچ، 2023 کو ایسا سیشن منعقد کیا۔ تمام شعبہ ہائے زندگی سے تعلق رکھنے والے سرمایہ کاروں نے اس میں شرکت کی اور کمپنی کے معاملات میں گہری دلچسپی کا اظہار کیا۔

## کمپنی کی ویب سائٹ تک شیئرز ہولڈرز کی رسائی

شیئرز ہولڈرز اور عام عوام کو کمپنی کی ویب سائٹ [www.pakdatacom.com.pk](http://www.pakdatacom.com.pk) پر خوش آمدید کہا جاتا ہے جہاں وہ نہ صرف ہم سے رابطے میں رہ سکتے ہیں بلکہ اہم معلومات بھی حاصل کر سکتے ہیں، ویب سائٹ پر کمپنی کی مصنوعات کے بارے میں معلومات فراہم کرنے کے ساتھ ساتھ سرمایہ کاروں کے لیے ایک الگ سیکشن مختص کیا گیا ہے۔ اس سیکشن میں کمپنی کی سہ ماہی، ششماہی اور سالانہ رپورٹوں کے ساتھ دیگر اہم معلومات بھی فراہم کی گئی ہیں۔

## ڈائریکٹرز ٹریننگ پروگرام

کمپنی کوڈ آف کارپوریٹ گورننس کی تمام دفعات کو پورا کرنے کی کوشش کرتی ہے اور ڈائریکٹرز ٹریننگ پروگرام (ڈی ٹی پی) سے متعلق کوڈ آف کارپوریٹ گورننس کی دفعات پر بھی عملدرآمد کیا جا رہا ہے۔

رواں مالی سال میں کمپنی نے ڈائریکٹرز ٹریننگ پروگرام سرٹیفیکیشن حاصل کرنے کے لیے جناب محمد اذکار خان کا انتخاب کیا۔ کمپنی کی طرف سے باقی ایک ڈائریکٹر کے لئے کارپوریٹ گورننس کے کوڈ کے مطابق ڈائریکٹرز ٹریننگ پروگرام سرٹیفیکیشن حاصل کرنے کے لئے ضروری انتظامات کیے جا رہے ہیں۔

## مناسب اندرونی مالیاتی کنٹرول

سرگرمی کے تمام شعبوں میں وقت کے ساتھ ساتھ موثر پالیسیاں اور طریقہ کار وضع اور لاگو کیے گئے ہیں۔ یہ کنٹرولز / پالیسیاں کاروبار کو موثر اور ہموار طریقے سے چلانے، کمپنی کے اثاثوں کی حفاظت، دھوکہ دہی اور غلطیوں کی روک تھام اور سراغ لگانے، کھاتوں کی درستگی اور تکمیل اور قابل اعتماد مالی معلومات کی بروقت تیاری کو یقینی بنانے کے لئے بنائی گئی ہیں۔ وقتاً فوقتاً اندرونی مالیاتی کنٹرول کا اس بات کا یقین کرنے کے لئے جائزہ لیا جاتا ہے کہ یہ موثر ہیں اور قوانین، قواعد و ضوابط اور / یا اکاؤنٹنگ کے معیار میں تبدیلی کے ساتھ اپ ڈیٹ کیا جائے۔



کنٹرول ماحول کے قیام بشمول دیانتداری، اخلاقیات اور ضابطہ اخلاق کی پاسداری کے بارے میں توقعات کی وضاحت اور اندرونی کنٹرول کی ذمہ داریوں کی کارکردگی کے لئے واضح احتساب کی موجودگی کے حوالے سے بورڈ اہم کردار ادا کرتا ہے۔ ڈائریکٹرز نے داخلی مالی کنٹرول مرتب کیے ہیں جن پر مناسب اور موثر طریقے سے کام کیا جاتا ہے۔ انتظامیہ پورے نظام کی موثر طریقے سے نگرانی کرتی ہے جبکہ بورڈ کی آڈٹ کمیٹی خطرات کے جائزے کی بنیاد پر اندرونی کنٹرول کے نظام کا جائزہ لیتی ہے اور بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے۔

### اندرونی آڈٹ

بورڈ نے ایک ماہر کی سربراہی میں آزاد داخلی آڈٹ کا شعبہ قائم کیا ہے جو آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ کمپنی کے اندر داخلی کنٹرول کا سسٹم واضح ہے جس میں ریویو اور جانچ پڑتال شامل ہے۔

### مالی اعانت سے چلنے والی جیریٹیوٹی اسکیم اور ایمپلائز پروویڈنٹ فنڈ

کمپنی فنڈڈ گریجویٹی اسکیم چلاتی ہے جو کہ انکم ٹیکس آرڈیننس، 2001ء کے تحت PDL ایمپلائز گریجویٹی فنڈ (The Fund) کے نام سے رجسٹرڈ ہے۔ یہ کمپنی کے ایسے تمام ملازمین کے لیے ہے جو اسکیم کے تحت مختص کردہ ملازمت کی مدت پوری کرتے ہیں۔ فنڈز کے اکاؤنٹس کے تازہ ترین آڈٹ کے مطابق اس فنڈ کے تحت کی گئی سرمایہ کاری 209.528 ملین روپے ہو چکی ہے۔

30 جون، 2023 تک پروویڈنٹ فنڈ کے تازہ ترین آڈٹ شدہ کھاتوں کی بنیاد پر پروویڈنٹ فنڈ میں سرمایہ کاری کی مالیت 34.815 ملین روپے ہو چکی ہے۔

### کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کا بیان

کمپنی نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے وضع کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کی مکمل طور پر تعمیل کی ہے، ماسوائے اس کے کہ جس کی تفصیل سالانہ رپورٹ سے منسلک کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان میں دی گئی ہے۔

### کارپوریٹ سماجی ذمہ داری (سی ایس آر)، حفاظت، صحت اور معیار

پی ڈی ایل نے ٹیلی کام فاؤنڈیشن (ٹی ایف) کے تعاون سے مختلف سی ایس آر سرگرمیوں کا آغاز کیا ہے جس میں مختلف شہروں میں 12 سکول چلا کر کم مراعات یافتہ کمیونٹیز خصوصاً ٹیلی کام ملازمین کے بچوں کو معیاری تعلیم کی فراہمی شامل ہے۔ یہ سکول ٹیلی کام سیکٹر کے خاندانوں کے ساتھ عام لوگوں کے لئے سبسڈی فیس پر معیاری تعلیم دے رہے ہیں۔ مزید برآں، پی ڈی ایل تمام سٹیک ہولڈرز کے ساتھ مل کر اس بات کو یقینی بناتا ہے کہ وہ تمام قابل اطلاق ضوابط کی تعمیل کرے، کمیونٹی ڈویلپمنٹ اور ویلفیئر پروگراموں میں حصہ ڈالے، حفاظت، صحت اور ماحولیات کے اعلیٰ ترین معیارات فراہم کرے اور اپنے ملازمین کو مسابقتی اجرت اور فوائد فراہم کرے۔

### متعلقہ پارٹی لین دین

کاروبار کے روزمرہ امور میں سامنے آنے والے متعلقہ فریقوں سے متعلق لین دین عام تجارتی نرخوں پر اور ان ہی شرائط و ضوابط پر کیا جاتا ہے جیسے فریق ثالث کے لین دین میں ویلیو ایشن موڈ کو قابل قبول قرار دیا جاتا ہے۔ کمپنی نے ٹرانسفر پرائسنگ سے متعلق بہترین طرز عمل کی مکمل تعمیل کی ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں شامل ہے۔ آڈٹ کمیٹی کمپنیز ایکٹ 2017 کی دفعہ 208 کے تقاضوں کو پورا کرتے ہوئے تیسرے فریق کے حوالے سے تمام لین دین کا جائزہ لیتی ہے اور ہر سہ ماہی بنیاد پر بورڈ کو منظوری کے لیے پیش کرتی ہے۔

### بنیادی خطرات اور غیر یقینی صورتحال

رپورٹ کے ساتھ منسلک ماحولیات کے نوٹس میں خطرات اور مواقع پر تفصیل سے روشنی ڈالی گئی ہے۔

## آڈیٹرز

میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے مالی سال 2022-23 کے لئے اپنی مدت ملازمت مکمل کر لی ہے اور 31 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں۔ اہل ہونے کی وجہ سے انہوں نے مالی سال 2023-24 کے لئے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز مالی سال 2023-24 کے لئے میسرز بی ڈی او ابراہیم اینڈ کمپنی کو چارٹرڈ اکاؤنٹنٹس مقرر کرنے کی سفارش کرتے ہیں۔

## شیئر ہولڈنگ کا نمونہ

30 جون 2023 تک شیئر ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

## اظہار تشکر

بورڈ اس موقع پر کمپنی کے شیئر ہولڈرز، اس کے قابل قدر صارفین، اور سٹریٹجک پارٹنرز کے اعتماد اور معاونت پر شکریہ ادا کرتا ہے۔ یہ اسی اعتماد کا نتیجہ ہے کہ بورڈ، انتظامیہ اور ملازمین تنظیم کو کامیابی کے راستے پر گامزن کیے ہوئے ہیں۔ بورڈ اس موقع پر کمپنی کے ملازمین کا بھی تہہ دل سے شکر گزار ہے جن کی کامیابی میں حصہ قابل قدر ہے، اس کے علاوہ بورڈ تمام ریگولیٹری اداروں اور کاروباری حضرات کی معاونت پر بھی ممنون ہے۔

## منجانب بورڈ

روبینہ سفیر  
ڈائریکٹر

بریکڈیز (ر) سید ذوالفقار علی  
چیف ایگزیکٹو آفیسر

اسلام آباد

20 ستمبر 2023

## **REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of PAK DATACOM LIMITED for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

**ISLAMABAD**  
**DATED: 20 SEPT 2023**  
**UDIN: CR202310060IbnOJYV6p**

**CHARTERED ACCOUNTANTS**  
Engagement Partner: Atif Riaz

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

**Name of the company:** Pak Datacom Limited

**Year ending:** 30 June 2023

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors is 8 as per the following:

a. Male: 07

b. Female: 01

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Shamim Ahmed Sherazi Ms. Rubina Safeer
Non-Executive Directors	Syed Zomma Mohiuddin
	Mr. Muhammad Waheed
	Syed Junaid Imam
	Mr. Muhammad Izqar Khan
Executive Director	Mr. Perwaiz Khan
Female Director	Brig. Syed Zulfiqar Ali (R) Ms. Rubina Safir

- The Current Board of Directors of the Company adequately meets the requirement of Best Practices of Corporate Governance having an optimal number and mix of Board Members with Adequate skills and experience, Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.
3. All the directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
  4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
  5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval for updating is maintained by the company.
  6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
  7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
  8. The Board has a formal policy as well as transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
  9. The Board has carried out an in house self performance evaluation in quarter 4 of the financial year under consideration as per the guidelines issued by Securities Exchange Commission of Pakistan (SECP) vide S. R. O. 301 (I)/2020 dated April 09, 2020. For in house evaluation of the Board, nomination committee meeting was not held this year in order to save committee and extra Board meeting costs as it was discussed in depth last year in the nomination committee meeting related with Board's Evaluation. The evaluation this year was done directly in the Board meeting instead.

10. Out of seven directors, one director (Mr. Muhammad Izqar Khan) has obtained Directors' Training Program certification in the current year. Five directors and chief executive (Syed Zomma Mohiuddin, Engr. Perwaiz Khan, Ms. Rubina Safir, Mr. Shamim Ahmed Sherazi, Mr. Muhammad Waheed, Syed Zulfiqar Ali) had obtained Directors' Training Program certification in prior years. Necessary arrangements have been made for Director Training of Syed Junaid Imam in the coming months, as he could not attend the training (arranged during the FY 2022-23) because of his national level commitments as Member (IT), Ministry of Information Technology & Telecommunication (MOITT).
11. The terms of reference of the Audit Committee have been formed, documented/ approved by the Board and advised to the committee for compliance.
12. The Board has set up an effective internal audit function through periodic audit reviews, indentifying major commercial, operating and financial risks along side budgetary controls. In addition, business risks facing the Company are also monitored by the Board through its sub-committees, specially Audit Committee to ensure that a sound system of risk identification, risk management and implementation of related systemic internal controls exists. The Board ensures that risk mitigation measures are robust. Further, the Board has approved the Risk Management Policy, which has now been implemented and monitored, any improvement if demmed necessary will be managed.
13. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
14. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
15. The Board has formed committees comprising of members given below.

Sr#	Category	Names
1	<b>Audit Committee</b>	Ms. Rubina Safir (Chairperson) Mr. Shamim Ahmed Sherazi Muhammad Waheed Mr. Muhammad Masood ur Rehman (Secretary)
2	<b>Human Resource and Remuneration Committee</b>	Mr. Shamim Ahmed Sherazi (Chairman) Syed Junaid Imam Mr. Muhammad Izqar Khan Ms. Rubina Safir Mr. Kalim Ullah (Secretary)
3	<b>Nomination Committee</b>	Syed Zomma Mohiuddin (Chairman) Syed Junaid Imam Engr. Perwaiz Khan Mr. Ali Saleem Rana (Secretary)
4	<b>Procurement Committee</b>	Syed Zomma Mohiuddin (Chairman) Mr. Muhammad Waheed Engr. Perwaiz Khan Mr. Muhammad Izqar Khan Mr. Ali Saleem Rana (Secretary)
5	<b>Strategy &amp; Project Appraisal Committee</b>	Syed Zomma Mohiuddin (Chairman) Syed Junaid Imam Engr. Perwaiz Khan Mr. Ahmed Rafiq (Secretary)

16. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

17. The frequency of meetings (quarterly/half yearly/ yearly) of the Board and its committee were as per following:

Board/Committee	No of Meetings held in FY 2020-2022
Board	05
Audit Committee	06
Human Resource and Remuneration Committee	02
Nomination Committee	00
Procurement Committee	01
Strategy & Project Appraisal Committee	01

18. The Board has set up an effective internal audit function, headed by qualified and experienced person who is conversant with the policies and procedures of the Company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or Director of the company.

20. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.

21. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 have been complied with:

Regulation #	Compliance	Non-Compliance
3	Yes	Nil
6	Yes	Nil
7	Yes	Nil
8	Yes	Nil
27	Yes	Nil
32	Yes	Nil
33	Yes	Nil
36	Yes	Nil

22. Explanation for deviation with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been given in paragraph 10 & 12.

23. All other requirements of the Code have been complied with.

**Syed Zomma Mohiuddin**  
Chairman

September 20, 2023

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

## INDEPENDENT AUDITORS' REPORT

**To the members of Pak Datacom Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of PAK DATACOM LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and the comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional Judgement, were of most significance in our audit of financial statements of the current period. These matters are addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b> (Refer note 5.15 and 25 to the financial statement)</p> <p>The Company is engaged in setting up, operating, and maintaining a network of data communication.</p> <p>During the year ended June 30, 2023, Company recognised aggregate revenue of Rs. 1,362.844 million from rendering of Communication Value Added Services (CVAS) / data communication services, telecom infrastructure services and specialized projects.</p>	<p>Our procedures in relation to revenue recognition, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated management controls over revenue and checked their validations;</li> <li>• Checked that revenue has been recognised in accordance with the Company's accounting policy and the applicable reporting framework;</li> <li>• Performed verification of sample of revenue transactions with underlying documentation including invoices, agreements and other relevant underlying documents;</li> </ul>

Sr. No.	Key audit matters	How the matter was addressed in our audit
	<p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions with a large number of customers in various geographical locations and revenue being one of the key performance indicator of the Company. Accordingly, it was considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Checked cash receipts from customers on sample basis against the revenue booked during the year;</li> <li>• Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;</li> <li>• Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and</li> <li>• Assessed the appropriateness of disclosures made in the financial statements related to revenue as required under the applicable reporting framework.</li> </ul>
2.	<p><b>Impairment loss allowance on trade debts</b> (Refer note 9 to the financial statement)</p> <p>The Company has recognized an impairment loss allowance of Rs. 92.582 million on gross amount of trade debts of Rs. 841.245 million as at June 30, 2023.</p> <p>Under IFRS 9, the Company is required to recognise impairment loss allowance for financial assets using Expected Credit Loss (ECL) model. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information etc. We have considered the impairment assessment as a key audit matter due to the significance of estimates and judgments involved.</p>	<p>Our audit procedures in relation to impairment assessment of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Understood the management's process for estimating the ECL in relation to trade debts. Assessed and evaluated the assumptions used by the management in determining impairment loss under the ECL model;</li> <li>• Checked appropriateness of ageing, on sample basis, by comparing individual balances with underlying documentation;</li> <li>• Reviewed the appropriateness of assumptions used for ECL computation from relevant external and internal sources;</li> <li>• Circularized balance confirmation for trade debtors on sample basis and evaluated responses received;</li> <li>• Checked subsequent clearance of balances due as of June 30, 2023 on sample basis; and</li> <li>• Assessed the appropriateness of disclosures related to impairment assessment of trade debts as required under the applicable reporting framework.</li> </ul>

**Information Other than the Financial Statements and Auditors Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

**ISLAMABAD**  
**DATED: 20 SEP 2023**  
**UDIN: AR202310060ZUEsFM6zL**

**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023	2022
Rupees			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	208,752,215	217,602,225
Intangible assets	7	3,847,269	4,164,146
Deferred taxation	8	94,211,555	77,054,753
		306,811,039	298,821,124
<b>CURRENT ASSETS</b>			
Trade debts	9	748,662,850	814,428,992
Contract assets	10	242,502,038	204,729,211
Contract work in progress	11	142,827,275	43,627,099
Advances	12	44,295,406	12,092,144
Trade deposits and short term prepayments	13	57,552,745	112,235,518
Other receivables	14	9,413,395	13,857,614
Interest accrued		3,827,119	1,734,317
Short term investments	15	144,777,493	143,077,328
Cash and bank balances	16	352,530,697	251,098,371
		1,746,389,018	1,596,880,594
<b>TOTAL ASSETS</b>		<b>2,053,200,057</b>	<b>1,895,701,718</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	17	118,592,100	118,592,100
Reserves:			
General reserve	18	650,500,000	591,500,000
Unappropriated profits		516,535,060	362,781,809
		1,285,627,160	1,072,873,909
<b>NON-CURRENT LIABILITIES</b>			
Deferred employees' benefits	19	38,741,901	47,097,074
Lease liabilities	20	75,637,643	80,416,300
		114,379,544	127,513,374
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities	20	13,304,660	11,301,568
Customers' deposits	21	112,891,873	113,895,030
Trade and other payables	22	487,482,879	547,641,515
Taxation - net	23	26,138,986	4,408,540
Contract liability		1,476,093	7,213,042
Unclaimed dividend		10,829,488	10,591,642
Unpaid dividend		1,069,374	263,098
		653,193,353	695,314,435
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,053,200,057</b>	<b>1,895,701,718</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

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

**Rubina Safir**  
Director

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		Rupees	
Revenue - net	25	1,362,843,918	1,239,278,592
Cost of services	26	(1,073,989,629)	(1,090,783,084)
Gross profit		288,854,289	148,495,508
Administrative expenses	27	(178,629,161)	(136,521,580)
Marketing expenses	28	(36,552,749)	(26,416,230)
Impairment (loss) / reversal on financial assets	35.3	(32,060,911)	23,089,942
Finance income	29	242,394,823	66,199,508
		284,006,291	74,847,148
Other income	30	115,124,153	179,709,201
Profit before taxation		399,130,444	254,556,349
Taxation	31	(109,268,936)	(23,257,727)
Profit for the year		289,861,508	231,298,622
Earnings per share - basic and diluted	32	24.44	19.50

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

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

**Rubina Safir**  
Director

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		Rupees	
Profit for the year		289,861,508	231,298,622
Other comprehensive income not to be reclassified to profit or loss in subsequent years			
Re-measurement gain / (loss) on defined benefit plan	22.1.5	(5,952,997)	20,435,293
Total comprehensive income for the year		283,908,511	251,733,915

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

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

**Rubina Safir**  
Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	Share capital	Revenue Reserves		Total
	Issued, subscribed and paid-up	General reserve	Unappropriated profits	
	Rupees			
<b>Balance at July 01, 2021</b>	107,811,000	591,500,000	138,000,644	837,311,644
Total comprehensive income for the year:				
Profit for the year	-	-	231,298,622	231,298,622
Other comprehensive income	-	-	20,435,293	20,435,293
<b>Total comprehensive income for the year</b>	-	-	251,733,915	251,733,915
<b>Transactions with owners of the Company:</b>				
Final dividend for the year ended June 30, 2021: Rs. 1.5 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)	-
<b>Balance as at June 30, 2022</b>	<u>118,592,100</u>	<u>591,500,000</u>	<u>362,781,809</u>	<u>1,072,873,909</u>
<b>Total comprehensive income for the year:</b>				
Profit for the year	-	-	289,861,508	289,861,508
Other comprehensive income	-	-	(5,952,997)	(5,952,997)
Total comprehensive income for the year	-	-	283,908,511	283,908,511
<b>Transactions with owners of the Company:</b>				
Final dividend for the year ended June 30, 2022: Rs. 6 per share	-	-	(71,155,260)	(71,155,260)
Transfer to general reserve	-	59,000,000	(59,000,000)	-
<b>Balance as at June 30, 2023</b>	<u>118,592,100</u>	<u>650,500,000</u>	<u>516,535,060</u>	<u>1,285,627,160</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.

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

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

**Rubina Safir**  
Director

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
Rupees			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		399,130,444	254,556,349
Adjustment of non-cash expense and income	34	(67,376,710)	(31,204,517)
Operating profit before working capital changes		331,753,734	223,351,831
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
trade debts		188,391,587	(10,222,302)
contract assets		9,261,161	(181,399,796)
contract work in progress		(99,200,176)	(41,679,475)
advances		(32,203,261)	(4,295,210)
trade deposits and short term prepayments		57,393,588	(122,248,918)
other receivables		4,444,219	(4,704,594)
<b>Increase / (decrease) in current liabilities:</b>			
customers' deposits		(34,340,063)	(83,844,182)
contract liability		(5,736,949)	2,180,615
trade and other payables		(180,801,141)	336,941,225
		(92,791,035)	(109,272,636)
		238,962,700	114,079,196
Taxes paid		(104,695,293)	(24,753,183)
Gratuity paid		(9,672,843)	(5,000,000)
Leave encashment paid		(27,519,391)	(9,754,736)
<b>Net cash generated from operating activities</b>		<b>97,075,173</b>	<b>74,571,276</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(22,341,466)	(6,622,626)
Proceeds from sale of property and equipment		3,488,684	3,213,227
Purchase of intangibles		(225,094)	(431,786)
Sale / (Purchase) of short term investments		7,000,000	(30,100,796)
(Purchase)/ Sale of Mutual Fund		(1,126,039)	-
Interest and profit received		29,143,326	19,510,066
<b>Net cash generated from/ (used in) investing activities</b>		<b>15,939,410</b>	<b>(14,431,915)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(70,111,138)	(15,910,435)
Payment of finance lease obligation		(16,926,788)	(16,933,252)
Finance cost paid		(3,665,089)	(4,648,845)
<b>Net cash used in financing activities</b>		<b>(90,703,015)</b>	<b>(37,492,532)</b>
<b>Net increase in cash and cash equivalents</b>		<b>22,311,568</b>	<b>22,646,829</b>
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 equivalent		79,105,075	113,701,472
Cash and cash equivalents at end of the year	16	352,613,157	251,196,514

The annexed notes from 1 to 43 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 1 LEGAL STATUS AND OPERATIONS

Pak Datacom Limited (the Company) was incorporated in Pakistan on July 13, 1992 as a private limited company under the 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 shares of the Company are listed on 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. The details of the geographical locations and address of business units of the Company are presented in note 6.4.

### 2 STATEMENT OF COMPLIANCE

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan 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 (IFAS) issued by Institute of Chartered Accountants of Pakistan as are 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 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective notes.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

#### 2.4 Foreign currency transactions and balances

Transactions in foreign currencies are converted into rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the statement of financial position date. Exchange differences are dealt with through the statement of profit or loss.

### 3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

#### New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

### **New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

#### (a) Property and equipment and intangible assets

The Company annually reviews appropriateness of the method of depreciation and amortisation, useful life and residual value used in the calculation of depreciation and amortisation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. Any change in these estimates in the future, might affect the carrying amount of the respective item of property and equipment and intangible assets, with a corresponding effect on the depreciation, amortisation charge, and impairment.

#### (b) Employees benefits

Defined benefit plans are provided for all employees of the Company. The employees gratuity plan is structured as separate legal entity managed by trustees. The Company recognises deferred liability for unearned leaves. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually.

Cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the net liability/(asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

#### (c) Taxation

In making the estimate for tax payable, the Company takes into account applicable tax laws, the decisions taken by the appellate authorities on certain issues in the past and professional advice of tax consultant of the Company.

Deferred tax assets are recognised for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### (d) Estimation of impairment loss allowance

The Company reviews the Expected Credit Loss (ECL) model which is based on the historical credit loss experience over the life of the trade receivables and adjusted if required. The ECL model is reviewed on a quarterly basis.

#### (e) Provisions and contingent liabilities

The management exercises judgement in measuring and recognising provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

#### (f) Right of use asset and corresponding lease liability

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or lease contracts which are cancelable by the Company on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that these cancelable future lease periods should be included within the lease term in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Company which incorporates economic, potential demand of customers and technological changes.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years, if affected.

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, expect for changes as are disclosed in relevant notes.

#### 5.1 Property and equipment

##### (i) Operating fixed assets

All items of operating fixed assets, except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost. Cost in relation to operating fixed assets comprises of acquisition and other directly attributable costs. Software that is embedded or integral to the functionality of the related equipment is capitalised as part of the cost of that asset.

Depreciation is charged to income applying the reducing balance method, at the rates specified in note 6.1 to these financial statements, whereby the cost of an asset is written-off over its estimated useful life, taking into account any expected residual value. Depreciation on additions is charged from the date an asset is available for use till date of disposal.

An item of property and equipment and any significant part initially capitalised is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the sale proceeds and the carrying amount of the asset) is included in the statement of profit or loss as other income when the asset is derecognised.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss.

Useful lives are determined by the management based on the expected usage of an asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effects of adjustments to residual values, useful lives and methods are recognised prospectively as a change in accounting estimates.

The carrying values of operating fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, these are written down to their estimated recoverable amount.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### (ii) Right of use (ROU) assets

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In case of leased vehicles, right of use asset is subsequently depreciated using the reducing balance method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the basis of term of the lease agreement. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### 5.2 Intangible assets

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that cost of such an asset can also be measured reliably.

Intangible assets are measured on initial recognition at cost, being the fair value of the consideration given. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company does not have an intangible asset with indefinite useful life. Intangible assets with finite useful lives are amortised over the period of their useful economic life. The Company's intangible assets with finite useful lives include software and infrastructure license, which are amortised on a straight line basis over their period of useful economic life and license period, respectively. In respect of additions and disposals of intangible assets made during the year, amortisation is charged to the statement of profit or loss when it is available for use till disposal.

Gains and losses arising from the derecognition of an intangible asset are measured as the difference between the sale proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss account.

Changes in the expected useful lives or the expected pattern of consumption of future economic benefits, embodied in the intangible assets, are accounted for by changing the life or amortisation method, as appropriate, and treated as a change in accounting estimate. The recognised expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category, consistent with the function of the intangible asset.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets or cash-generating units are written-down to their recoverable amount.

### 5.3 Trade debts

These are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL). By contrast, the ECL model requires the Company to recognise an allowance for doubtful debt on all financial assets carried at amortised cost (including for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

### 5.4 Contract assets

A contract asset is recognised for the Company's right to consideration in exchange for services that it has provided to a customer. If the company performs its obligation by providing services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable. Contract assets are subject to impairment assessment under IFRS 9.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 5.5 Contract work in progress

These Contract work in progress is recognised for the expenses incurred by Company to date against the services that it will provide to its customers in the future. The contract work in progress is subsequently expensed out when the services have been provided to the customer and the related revenue has been recognised.

### 5.6 Advances, deposits and other receivables

These are recognised at cost, which is the fair value of the consideration given. The Company assesses on a forward looking basis the expected credit losses associated with the advances, deposits and other receivables. The Company applies the general approach for calculating a lifetime expected credit losses for its advances, deposits and other receivables recognised. The life time expected credit loss is determined at least annually. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and impairment loss is recognised for the difference between the recoverable amount and the carrying value.

### 5.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and investments that are highly liquid, readily convertible to known amounts of cash with insignificant risk of changes in value and have original maturity period of less than three month from the date of acquisition.

### 5.8 Employees' benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company. The accounting policy for gratuity, provident fund and leave encashment is described below:

#### Defined benefit plan

The Company has established an approved gratuity fund under defined benefit plan covering all its employees who have completed the minimum qualifying period of six months of the service. The fund operates under a trust administered by the Board of Trustees.

The Company also provides benefit to its employees for accumulating their annual earned leaves. Unutilised earned leaves may be encashed up to thirty (30) days during the year subject to the Company's approval at any time by retaining minimum forty days leave balance. Up to 100 days of accumulated leaves can be encashed on retirement.

The Company makes contributions or records liability in respect of defined benefit plans on the basis of actuarial valuations, carried out annually by independent actuaries. The latest actuarial valuations were carried out at June 30, 2023. The calculations of actuaries are based on the Projected Unit Credit Method, net of the assets guaranteeing the plan, if any, with the obligation increasing from year to year, in a manner that it is proportional to the length of service of the employees. The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the net defined benefit liability/(asset).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in the statement of profit or loss.

#### Defined Contribution plan

A defined contribution plan is post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to defined benefit plans are recognised as an employee benefit expense in the statement of comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in further payments is available.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The Company operates a defined contribution plan in the form of unrecognised provident fund scheme for all eligible employees. Contributions to the fund are made monthly at the rate of 10% of basic salary by the Company and the employees. The Company's contributions are recognised as employee benefit expense when they are due. If the contribution payments exceed the contribution due for service, the excess is recognised as an asset.

### 5.9 Leases

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a) fixed payments, including in-substance fixed payments;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable under a residual value guarantee; and
- d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

### 5.10 Contract liability

Under IFRS 15 "Revenue from Contracts with Customers", obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer is presented as contract liability.

### 5.11 Trade and other payables

Trade and other payable, including payable to related parties are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 5.12 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (i) Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Current income tax expense is based on taxable profit, at the current rates of taxation, after taking into account tax credits and tax rebates available, if any, minimum turnover tax, minimum tax under section 153 of the Income Tax Ordinance, 2001 or alternative corporate tax, whichever is applicable.

### (ii) Deferred

Deferred income tax is accounted for using the statement of financial position approach in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, un-used tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are substantially expected to apply to the period when the differences reverse based on the tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

The carrying amount of all deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

### 5.13 Provision and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such obligation.

Contingent liability is disclosed when the Company has as possible obligation as a result of past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from the past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

### 5.14 Dividend distribution

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

### 5.15 Revenue recognition

Revenue from contracts with customers is recognised when or as the Company satisfies a performance obligation by transferring a promised good or service to a customer. Revenue associated with the sale is measured based on the consideration specified in contracts with customers. A good or service is transferred when the customer obtains control of that good or service. The transfer of control coincides with title passing to the customer and the customer taking physical possession. Where the Company principally satisfies its performance obligations at over the time, the amounts of revenue are recognised relating to performance accordingly.

Revenue is measured at the fair value of the consideration received or receivable which the Company expects to be entitled in exchange for transferring goods, net of levies. Prices of the goods and services are specified in relevant agreements.

Invoices are generally raised each month / quarter end which are payable within 30 to 45 days in accordance with the contractual arrangement with customers. For specialised projects, payments terms vary in accordance with the terms of the respective contracts. Amounts billed or received prior to being earned, are deferred and recognised as contract liability.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The Company has a practice to provide assurance type warranty services for specialised telecommunication equipment to customers, which is not considered a separate performance obligation, unless otherwise specified in a contract.

### 5.16 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

#### (i) Financial assets

##### Classification, initial recognition and subsequent measurement

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

#### (a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### (b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other operating gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

### (c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

#### De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognised when;

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

The Company assesses on a historical as well as forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables, contract assets, trade deposits, advances and bank balances. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises life time ECL for trade debts, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

For all other financial instruments, the Company recognises life time ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether life time ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

### a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Despite the foregoing, the Company assumes that credit risk on a financial instrument has not increased significantly since initial recognition if financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- a) the financial instrument has a low risk of default;
- b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### b) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

### c) Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### d) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Company's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate Company. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each Company continue to share similar credit risk characteristics.

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### (ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

#### (a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

#### (b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gain and losses are recognised in the statement of profit or loss, when the liabilities are derecognised as well as through effective interest rate amortisation process.

#### De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### (iii) Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognised amounts, and the Company either intends to settle on a net basis, or realise the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### 5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

### 5.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 5.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

### 5.20 Joint operation arrangements

The Company recognises its share of the assets, liabilities, revenue and expenses relating to its interest in the joint operations in accordance with applicable IFRSs.

		2023	2022
	Note	Rupees	
<b>6 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	6.1	133,445,678	129,866,904
Right of use assets	6.2	75,306,537	87,735,321
		<u>208,752,215</u>	<u>217,602,225</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 6.1 Operating fixed assets

	Freehold land	Freehold office building	Datacom system machinery	Office equipment	Testing equipment	Air conditioners	Furniture and fixtures	Vehicles	Leasehold land	Leasehold office building	Total
<b>Year ended June 30, 2023</b>											
<b>Net carrying value basis</b>											
Opening net book value (NBV)	38,400,000	10,910,101	51,420,983	5,456,945	6,813,260	3,411,676	1,316,567	5,923,805	2,434,096	3,779,471	129,866,904
Additions (at cost)	-	-	13,104,083	2,119,874	2,573,279	1,981,230	48,000	2,515,000	-	-	22,341,466
Disposals:											
Cost	-	-	(7,127,043)	(735,815)	(1,166,552)	-	(560,588)	(5,805,500)	-	-	(15,395,498)
Accumulated depreciation	-	-	6,875,146	668,434	892,246	-	515,020	4,561,203	-	-	13,512,049
			(251,897)	(67,381)	(274,306)	-	(45,568)	(1,244,297)	-	-	(1,883,449)
Write off:											
Cost	-	-	(9,074,020)	-	(655,582)	-	(210,600)	(3,282,490)	-	-	(13,222,692)
Accumulated depreciation	-	-	8,667,652	-	641,958	-	9,700	3,082,311	-	-	12,401,621
Depreciation charge	-	(545,504)	(406,368)	-	(13,624)	-	(200,900)	(200,179)	-	-	(821,071)
Closing net book value	38,400,000	10,364,597	52,681,287	5,776,768	8,374,615	4,922,299	1,006,884	5,923,245	2,399,488	3,590,495	133,445,678
			(11,185,514)	(1,732,670)	(723,994)	(470,607)	(111,215)	(1,065,084)	(34,608)	(188,976)	(16,058,172)
<b>Gross carrying value basis</b>											
Cost	38,400,000	22,318,020	605,649,955	17,656,536	21,595,849	7,783,288	3,695,633	30,468,900	2,884,000	7,006,000	757,458,181
Accumulated depreciation	-	(11,953,423)	(552,968,668)	(11,879,768)	(13,221,234)	(2,860,989)	(2,688,749)	(24,539,655)	(484,512)	(3,415,505)	(624,012,503)
Net book value	38,400,000	10,364,597	52,681,287	5,776,768	8,374,615	4,922,299	1,006,884	5,923,245	2,399,488	3,590,495	133,445,678
<b>Year ended June 30, 2022</b>											
<b>Net carrying value basis</b>											
Opening net book value (NBV)	38,400,000	11,484,317	67,293,215	6,323,916	9,652,146	3,957,330	908,712	5,361,419	2,468,704	3,978,395	149,828,154
Additions (at cost)	-	-	3,563,518	1,238,918	119,340	594,420	537,030	569,400	-	-	6,622,626
Disposals:											
Cost	-	-	(686,472)	(274,900)	-	-	-	(11,935,000)	-	-	(12,896,372)
Accumulated depreciation	-	-	604,881	135,196	-	-	-	8,405,747	-	-	9,145,824
			(81,591)	(139,704)	-	-	-	(3,529,253)	-	-	(3,750,548)
Write off:											
Cost	-	-	(103,086,170)	(4,716,598)	(7,514,892)	(1,853,006)	(64,300)	(1,391,000)	-	-	(118,625,967)
Accumulated depreciation	-	-	97,436,923	4,490,135	5,528,832	1,138,327	54,995	940,026	-	-	109,589,238
Transferred from leased to owned:											
Cost	-	-	(5,649,247)	(226,463)	(1,986,060)	(714,679)	(9,305)	(450,974)	-	-	(9,036,729)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(574,216)	(13,704,912)	(1,739,721)	(972,166)	(425,395)	(119,870)	(1,306,715)	(34,608)	(198,924)	(19,076,527)
Closing net book value	38,400,000	10,910,101	51,420,983	5,456,946	6,813,260	3,411,676	1,316,567	5,923,805	2,434,096	3,779,471	129,866,904
<b>Gross carrying value basis</b>											
Cost	38,400,000	22,318,020	608,746,935	16,272,477	20,844,704	5,803,058	4,418,821	37,041,890	2,884,000	7,006,000	763,734,905
Accumulated depreciation	-	(11,407,919)	(557,325,952)	(10,815,532)	(14,031,444)	(2,390,382)	(3,102,254)	(31,118,085)	(449,904)	(3,226,529)	(633,868,001)
Net book value	38,400,000	10,910,101	51,420,983	5,456,945	6,813,260	3,411,676	1,316,567	5,923,805	2,434,096	3,779,471	129,866,904
<b>Depreciation rate per annum</b>	-	5%	20%	25%	10%	10%	10%	20%	1.2%	5%	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		Rupees	
<b>6.1.1 Depreciation for the year is allocated as follows:</b>			
Cost of services	26	14,502,675	17,531,997
Administrative expenses	27	1,357,299	1,270,664
Marketing expenses	28	198,198	273,866
		<u>16,058,172</u>	<u>19,076,527</u>
<b>6.2 Right of use (ROU) assets</b>			
		Leased vehicles	Leasehold office building
		Total	
		Rupees	
<b>Year ended June 30, 2023</b>			
<b>Net book value basis</b>			
Opening net book value		6,373,876	81,361,445
Depreciation charge		(1,593,472)	(10,835,312)
Closing net book value		<u>4,780,404</u>	<u>70,526,133</u>
<b>Gross carrying value basis</b>			
Cost		8,868,000	97,134,479
Accumulated depreciation		(4,087,596)	(26,608,346)
Closing net book value		<u>4,780,404</u>	<u>70,526,133</u>
<b>Year ended June 30, 2022</b>			
<b>Net book value basis</b>			
Opening net book value	14,380,932	25,265,174	39,646,106
Additions	-	62,748,359	62,748,359
Transfer from leased to owned - net book value	(5,279,928)	-	(5,279,928)
Depreciation charge	(2,727,128)	(6,652,088)	(9,379,216)
Closing net book value	<u>6,373,876</u>	<u>81,361,445</u>	<u>87,735,321</u>
<b>Gross carrying value basis</b>			
Cost	8,868,000	97,134,479	106,002,479
Accumulated depreciation	(2,494,124)	(15,773,034)	(18,267,158)
Closing net book value	<u>6,373,876</u>	<u>81,361,445</u>	<u>87,735,321</u>
<b>Rates of depreciation</b>	25 - 33.33%	6 - 25 years	

	Note	2023	2022
		Rupees	
<b>6.2.1 Depreciation for the year is allocated as follows:</b>			
Cost of services	26	988,104	307,482
Administrative expenses	27	11,440,680	8,999,376
Marketing expenses	28	-	72,358
		<u>12,428,784</u>	<u>9,379,216</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**6.3** The Company gave first charge of Rs 140 million (2022: Rs 140 million) on its fixed assets, first charge of Rs 8.87 million (2022:8.87 million) on movable property, additional first hypothecation charge on plant and machinery Rs 215 million (2022: Rs 215 million), first hypothecation charge on present and future current assets of the Company of Rs 400 million (2022: Rs 400 million) for the purpose of unfunded facility amounting to Rs 250 million (2022: Rs 250 million) taken from Soneri Bank Limited, Islamabad.

**6.4** Particulars of Company's significant immovable property and business units including location and area of land are as follows:

Particulars	Location	Province	Area of land in Acres
Hattar Land	Village Shadi, Hattar, Haripur	Khyber Pakhtunkhwa	9 Kanal & 5-1/2 marlas
Office Building	Flat No.14/A, Block-A, 2nd Floor, Cantonment Plaza, Fakhre-e-Alam Road, Peshawar Cantt	Khyber Pakhtunkhwa	750 Sq. ft.
Office Building	Flat No.1-2, Davis Hytes, 38-Davis Road, Lahore	Punjab	1165 Sq. ft.
Office Building	Flat no.17, Davis Hytes, 38-Davis Road, Lahore	Punjab	795 Sq. ft.
Office Building	Flat no. 23, Leeds Centre, Gulberg-III, Lahore	Punjab	1271 Sq. ft.
Office Building	Flat/Room no. 203, 1st Floor, Business Centre, 8/8 new Civil Line, Faisalabad	Punjab	337 -1/2 Sq. ft.
Office Building	Flat/Shop no. 8,, Liberty Centre, LMQ Road, Dera Adda, Multan	Punjab	2 Marla
Office Building	House No. 225-C, Block-2, PECHS, Society, Karachi	Sindh	625 Sq. yd.
Office Building	Flat/Shop no. 59, 60, 62 & 64, A-64, Sindhi Housing Society, Airport Road, Sukkur	Sindh	100 Sq. yd.
Office Building	Flat No. 4, 1st Floor, Ashiana Paradise, Muhammadi Town, Qasim Abad, Wahdu Rd., Hyderabad	Sindh	888 Sq. ft.
Office Building	Bangalow no. 01, St. no.2, Arbab Town, Samungli Road, Quetta	Baluchistan	2530 Sq. ft.
Office Building	SAIF office P8-03-29, Sharjah UAE	Sharjah - UAE	13 Sq. ft.

**6.5** Cost of property and equipment not in the possession of the Company are as follows:

	2023		2022	
	Cost	Net book value	Cost	Net book value
	Rupees			
Datacom system machinery	241,623,115	34,230,773	255,863,307	33,808,723

**6.6** The above assets are not in possession of the Company as these have been installed at the customer premises for provision of CVAS services. Due to large number of customers, it is impracticable to disclose the name of each customer having possession of these assets, as required under Paragraph 12 of Part II of the 4th Schedule to the Companies Act, 2017.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 7 INTANGIBLE ASSETS

#### Year ended June 30, 2023

##### Net book value basis

Opening net book value

Additions

Amortization charge

Closing net book value

##### Gross carrying value basis

Cost

Accumulated amortisation

Net book value

#### Year ended June 30, 2022

##### Net book value basis

Opening net book value

Additions

Amortisation charge

Closing net book value

##### Gross carrying value basis

Cost

Accumulated amortisation

Net book value

##### Rates of amortisation

	Software	Infrastructure license	Total
	Rupees		
Opening net book value	427,896	3,736,250	4,164,146
Additions	-	225,094	225,094
Amortization charge	(39,940)	(502,031)	(541,971)
Closing net book value	<u>387,956</u>	<u>3,459,313</u>	<u>3,847,269</u>
Cost	431,786	8,765,094	9,196,880
Accumulated amortisation	(43,830)	(5,305,781)	(5,349,611)
Net book value	<u>387,956</u>	<u>3,459,313</u>	<u>3,847,269</u>
Opening net book value	-	4,163,250	4,163,250
Additions	431,786	-	431,786
Amortisation charge	(3,890)	(427,000)	(430,890)
Closing net book value	<u>427,896</u>	<u>3,736,250</u>	<u>4,164,146</u>
Cost	431,786	8,540,000	8,971,786
Accumulated amortisation	(3,890)	(4,803,750)	(4,807,640)
Net book value	<u>427,896</u>	<u>3,736,250</u>	<u>4,164,146</u>
Rates of amortisation	9.25 years	5% - 33.3%	

7.1 The amortisation charge for the year is allocated to cost of services (note - 26).

### 8 DEFERRED TAXATION

Debit balances arising in respect of :

Expected credit loss allowance

Others

Credit balance arising in respect of :

Accelerated depreciation and amortisation

#### 8.1 Movement of deferred taxation is as follows:

Balance at beginning of year

Charge to profit and loss for the year

Balance at end of year

	2023	2022
	Rupees	
Expected credit loss allowance	95,210,994	71,919,852
Others	25,793,267	35,967,596
Accelerated depreciation and amortisation	(26,792,706)	(30,832,694)
	<u>94,211,555</u>	<u>77,054,753</u>
Balance at beginning of year	77,054,753	45,709,756
Charge to profit and loss for the year	17,156,803	31,344,997
Balance at end of year	<u>94,211,555</u>	<u>77,054,753</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

8.2 The deferred tax asset has been recognised taking into account the availability of future taxable profits as per business plan of the Company approved by the Board of Directors. The existence of future taxable profits sufficient is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of the Company. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that the Company will be able to achieve the profits projected in the business plan.

	Note	2023	2022
		Rupees	
<b>9 TRADE DEBTS</b>			
Un-secured - considered good		748,662,850	814,428,992
Un-secured - considered doubtful		92,582,209	75,864,229
		<u>841,245,059</u>	<u>890,293,221</u>
Less: Impairment loss allowance	9.1	(92,582,209)	(75,864,229)
		<u>748,662,850</u>	<u>814,428,992</u>
<b>9.1 Movement of loss allowance during the year is as follows:</b>			
Balance at beginning of year		75,864,229	97,712,702
Impairment loss / (reversal) for the year		25,339,609	(21,848,473)
Amounts written off		(8,621,629)	-
Balance at end of year		<u>92,582,209</u>	<u>75,864,229</u>
<b>10 CONTRACT ASSETS</b>			
Unbilled revenue		279,250,971	226,732,731
Less: Impairment loss allowance	10.1	(36,748,933)	(22,003,520)
		<u>242,502,038</u>	<u>204,729,211</u>
<b>10.1 Movement of loss allowance during the year is as follows:</b>			
Balance at beginning of year		22,003,520	16,621,651
Impairment loss for the year		6,780,420	697,158
Exchange loss		7,964,993	4,684,712
Balance at end of year		<u>36,748,933</u>	<u>22,003,520</u>
<b>11 CONTRACT WORK IN PROGRESS</b>			

This includes prepaid project cost of imported equipment related to various projects whose delivery/installation along with issuance of acceptance certificate by the customers are pending.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees	
<b>12 ADVANCES</b>			
Advances - considered good to Suppliers	12.1	26,777,974	-
Employees	12.2	17,517,432	12,092,144
		<u>44,295,406</u>	<u>12,092,144</u>
<b>12.1 Advances to supplier</b>	12.1.1	26,777,974	2,800,000
Less: Impairment loss allowance	12.1.2	-	(2,800,000)
		<u>26,777,974</u>	<u>-</u>

**12.1.1** Advances to suppliers amounting to Rs 2.8 million have been written off against impairment loss allowance during the year.

	Note	2023	2022
		Rupees	
<b>12.1.2 Movement of loss allowance during the year is as follows:</b>			
Balance at beginning of year		2,800,000	2,800,000
Impairment reversal for the year		-	-
Amount written off		(2,800,000)	-
Balance at end of year		<u>-</u>	<u>2,800,000</u>

**12.2** Advances to employees include an amount of Rs 11.83 million (2022: Rs 4.09 million) paid to two employees which will be adjusted or recovered against the expenses or salary as the case may be. The advance is secured against the respective employees' gratuity balance.

	Note	2023	2022
		Rupees	
<b>13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Margin and guarantees with banks	13.1	28,365,725	92,889,513
Trade deposits - net of loss allowance	13.2	22,049,664	17,294,141
Prepayments - net of provision	13.3	7,137,356	2,051,864
		<u>57,552,745</u>	<u>112,235,518</u>

**13.1** This includes unconditional bank guarantee equivalent to 10% of the total project value paid to Information, Science & Technology Department originated through Soneri Bank against "IT Industry Academia Bridge Program Under Initiative of Capacity Building" project.

	Note	2023	2022
		Rupees	
<b>13.2 Trade deposits</b>		128,990,555	98,545,112
Less: Impairment loss allowance	13.2.1	(106,940,891)	(81,250,971)
		<u>22,049,664</u>	<u>17,294,141</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
Rupees			
<b>13.2.1</b> Movement of loss allowance during the year is as follows:			
Balance at beginning of year		81,250,971	68,842,403
Impairment reversal for the year		(43,435)	(2,597,722)
Exchange loss		25,733,355	15,006,290
Balance at end of year		<u>106,940,891</u>	<u>81,250,971</u>
<b>13.3</b> Prepayments		99,096,637	68,034,490
Less: Provision for doubtful prepayments	13.3.1	(91,959,281)	(65,982,626)
		<u>7,137,356</u>	<u>2,051,864</u>
<b>13.3.1</b> Movement of provision for doubtful prepayments during the year is as follows:			
Balance at beginning of year		65,982,626	50,229,225
Exchange loss		25,976,655	15,753,401
Balance at end of year		<u>91,959,281</u>	<u>65,982,626</u>

**14 OTHER RECEIVABLES**

Receivable from staff against provident fund	14.1	65,483	100,724
Other receivable from staff		172,945	4,347,107
Due from TF Technologies - related party	14.2	118,525	118,525
Others	14.3	9,056,442	9,291,258
		<u>9,413,395</u>	<u>13,857,614</u>

**14.1** This amount represents receivable from staff in respective their provident fund contribution from July 2022 to June 2023.

**14.2** The maximum aggregate amount outstanding at any month-end from the related party during the year was Rs. 118,525 (2022: Rs. 118,525).

**14.3** This includes input tax amounting to Rs. 8.943 million (2022: 8.943 million) paid to various suppliers. This is recorded as a receivable from the suppliers because they have not deposited the same amount to the tax authority.

	Note	2023	2022
Rupees			
<b>15 SHORT TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Term deposit receipts (TDRs)	15.1	129,000,000	136,000,000
Interest accrued		14,651,454	7,077,328
		<u>143,651,454</u>	<u>143,077,328</u>
<b>At fair value through profit and loss</b>			
Mutual fund	15.2	1,126,039	-
		<u>144,777,493</u>	<u>143,077,328</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees	
<b>15.1</b>	The short term investments include following:		
	Investment with maturity period more than 3 months	15.1.1	129,000,000
			136,000,000

**15.1.1** These represent local currency TDRs with Soneri Bank and MCB Bank carrying mark-up ranging from 13.4 % to 19.75 % per annum (2022: 7.25% to 14.5% per annum) maturing latest by November 28, 2023. TDRs amounting to Rs. 108 million (2022: 108 million) are pledged with Soneri Bank against unfunded bank facility.

**15.2** This represents investment in the 112,832.964 units @ Rs. 9.979 of mutual fund with National Bank of Pakistan.

	Note	2023	2022
		Rupees	
<b>16 CASH AND BANK BALANCES</b>			
Cash in hand		1,072,157	54,614
Cash at bank			
- Current accounts	16.1	146,427,137	76,008,705
- Deposit accounts	16.2	141,577,391	110,372,281
Deposit accounts with Islamic Banks			
- under shariah arrangements		49,429,369	52,275,935
- Current accounts-dividend		14,107,103	12,484,980
		352,613,157	251,196,514
Less: Impairment loss allowance	16.3	(82,459)	(98,142)
		352,530,697	251,098,371

**16.1** Current accounts include foreign currency deposits of AED 0.006 million equivalent to Rs. 0.437 million (2022: AED 1.159 million equivalent to Rs 65.47 million) and USD 0.354 million equivalent to Rs. 101.630 million (2022: USD 0.050 million equivalent to Rs 10.387 million).

**16.2** Deposit accounts include foreign currency deposits of USD 0.00024 million equivalent to Rs 0.068 million (2022: USD 0.00024 million equivalent to Rs 0.049 million).

	Note	2023	2022
		Rupees	
<b>16.3</b>	Movement of loss allowance during the year is as follows:		
	Balance at beginning of year	98,142	57,047
	Impairment (reversal) / loss for the year	(15,683)	41,095
	Balance at end of year	82,459	98,142

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**17 SHARE CAPITAL**

	2023	2022
	Rupees	
Authorised Share Capital		
100,000,000 ordinary shares of Rs 10 each (June 30, 2022: 100,000,000 ordinary shares of Rs 10 each)	1,000,000,000	1,000,000,000
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
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)	118,592,100	118,592,100

**17.1** Telecom Foundation held 55.08% (2022: 55.08%) ordinary shares of the Company at the year end.

**17.2** All ordinary share holders have same rights regarding voting, board selection, right of first refusal and block voting.

**18 GENERAL RESERVE**

The general reserve is set aside by the Company from distributable profits for the purpose of commencement of new projects in future.

**19 DEFERRED EMPLOYEES' BENEFITS**

**Leave encashment**

	2023	2022
	Rupees	
Present value of defined benefit obligation at beginning of year	47,097,074	48,700,240
Charge for the year - net	19,164,218	8,151,570
Payments / adjustments made during the year	66,261,292 (27,519,391)	56,851,810 (9,754,736)
Present value of defined benefit obligation at end of year	38,741,901	47,097,074
<b>Significant assumptions:</b>		
Discount rate	16.25%	13.25%
Salary increase rate	16.25%	13.25%
Leave accumulation factor	12 days p.a.	12 days p.a.

**19.1** The mortality rate, withdrawal rate and weighted average duration of the obligation is the same as disclosed in note 22.1.6.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

20 LEASE LIABILITIES	2023	2022
	Rupees	
Balance at beginning of year	91,717,868	38,005,156
Additions during the year	-	62,748,359
Unwinding of interest on lease liabilities	9,831,933	5,466,020
Payments made during the year	(16,926,787)	(16,933,252)
Exchange loss	4,319,289	2,431,585
Balance at end of year	88,942,303	91,717,868
Less: current portion of long term lease liabilities	(13,304,660)	(11,301,568)
	<u>75,637,643</u>	<u>80,416,300</u>
Maturity analysis - contractual undiscounted cash flows:		
Less than one year	18,676,015	16,830,828
More than one year and less than five years	71,361,440	60,201,913
Greater than five years	43,138,964	67,390,723
Total undiscounted lease	133,176,419	144,423,464
Future finance charges	(44,234,116)	(52,705,596)
Present value of lease payments	<u>88,942,303</u>	<u>91,717,868</u>

**20.1** The Company has entered into lease agreements for vehicles and buildings. Lease terms are negotiated on individual basis and contain a wide range of different terms and conditions. The mark-up rates used for calculation of present value of minimum lease payments range from 3% to 25.37% per annum (2022: 3% to 14.7% per annum). Title of the vehicles are transferable to the Company upon payment of entire lease obligations and on adjustment of lease deposits.

## 21 CUSTOMERS' DEPOSITS

Customers' deposits comprise of security deposits for services to be provided, and no deposit is utilisable under the relevant agreements. An amount of Rs 112.85 million has been invested in term deposit receipts (TDRs).

22 TRADE AND OTHER PAYABLES	Note	2023	2022
		Rupees	
Trade creditors		386,092,737	461,232,941
Advances from employees for vehicle lease		242,374	1,504,292
License fee payable		2,448,544	3,451,116
Accrued liabilities		15,694,452	14,773,694
Sales tax payable		9,025,817	8,392,080
Withholding tax payable		7,627,862	5,291,744
Payable to employees		17,152,656	23,726,289
Employees' retirement and other service benefits :			
Gratuity fund	22.1	14,378,279	4,094,252
Provident fund	22.2	34,820,159	25,175,107
		<u>487,482,879</u>	<u>547,641,515</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees	
<b>22.1</b>	The amount recognised in the statement of financial position is as follows:		
	Present value of defined benefit obligation	223,468,088	236,487,618
	Fair value of plan assets	(209,528,381)	(260,575,662)
	Payables	438,572	28,182,296
	Net liability at end of the year	<u>14,378,279</u>	<u>4,094,252</u>
<b>22.1.1</b>	The movement in liability recognised in the statement of financial position is as follows:		
	Opening liability	4,094,252	10,439,558
	Expense for the year	14,003,873	19,089,987
	Remeasurement loss / (gain) recognised in:		
	Other comprehensive income during the year	5,952,997	(20,435,293)
	Contribution	(9,672,843)	(5,000,000)
	Closing liability	<u>14,378,279</u>	<u>4,094,252</u>
<b>22.1.2</b>	The movement in the present value of defined benefit obligation is as follows:		
	Present value of obligation at beginning of the year	236,487,618	272,095,992
	Current service cost	17,836,365	19,720,525
	Interest cost	27,176,262	25,170,293
	Benefits due but not paid (payables)	-	(28,182,296)
	Benefits paid during the year	(62,767,501)	(24,882,012)
	Remeasurement gain recognised in:		
	Other comprehensive income	4,735,344	(27,434,884)
	Present value of defined benefit obligation at end of the year	<u>223,468,088</u>	<u>236,487,618</u>
<b>22.1.3</b>	The movement in the fair value of plan assets is as follows:		
	Fair value of plan assets at beginning of the year	260,575,662	261,656,434
	Contributions	9,672,843	5,000,000
	Expected return on plan assets	31,008,754	25,800,831
	Benefits paid during the year	(90,511,225)	(24,882,012)
	Return on plan assets, excluding interest income	(1,217,653)	(6,999,591)
	Fair value of plan assets at end of the year	<u>209,528,381</u>	<u>260,575,662</u>
<b>22.1.4</b>	Expense recognized is as follows:		
	Current service cost	17,836,365	19,720,525
	Net interest cost	(3,832,492)	(630,538)
		<u>14,003,873</u>	<u>19,089,987</u>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 22.1.5 Remeasurement chargeable in other comprehensive income:

	2023	2022
	Rupees	
Remeasurement loss/ (gain) on defined benefit obligation due to change in:		
Financial assumptions	741,562	801,420
Experience adjustments	3,993,782	(28,236,304)
	4,735,344	(27,434,884)
Remeasurement loss on plan assets	1,217,653	6,999,591
Total remeasurement loss/ (gain) chargeable in other comprehensive income	5,952,997	(20,435,293)

### 22.1.6 Significant actuarial assumptions used were as follows:

Valuation discount rate per annum	16.25%	13.25%
Salary increase rate per annum	16.25%	13.25%
Expected return on plan asset	16.25%	13.25%
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates	Age-Based	Age-Based
Retirement assumption	Age 60 years	Age 60 years
Weighted average duration of the obligation	9.4 years	9.7 years

### 22.1.7 Fair value of Plan assets

Term Deposit Receipts	105,000,000	239,942,471
Mutual fund	82,118,010	-
Bank	22,410,371	20,633,191
Fair value of assets at end of the year	209,528,381	260,575,662

22.1.8 The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in respective assumptions:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
		Rupees	
- Valuation discount rate	1%	(16,367,170)	26,082,651
- Salary increase rate	1%	26,135,747	(16,760,532)

### 22.1.9 Expected future payments

Within one year	7,667,661	8,647,521
More than one year but less than five years	73,808,828	62,624,214
Above five years	4,817,514,091	2,975,666,407

22.1.10 The Company makes contributions or records liability in respect of defined benefit plans on the basis of actuarial valuations, carried out annually by Noman Associates Consulting Actuaries. The calculations of actuaries are based on the Projected Unit Credit Method.

22.1.11 The defined benefit obligation exposes the Company to the following risks:

#### Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

#### Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Mortality risks

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

### Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

**22.1.12** The expected expense for the next year amounts to Rs 19.36 million.

**22.2** The amount of provident fund is deposited in saving account. Company has not yet opened separate bank account for provident fund according to the section 218 of the Companies act 2017.

	2023	2022
	Rupees	
<b>23 TAXATION - NET</b>		
Balance at beginning of year	(4,408,540)	25,441,001
Advance income tax paid during the year	104,726,143	38,445,280
Provision for income tax	(126,456,589)	(67,075,932)
Provision against advance tax paid	-	(1,218,889)
Balance at end of year	<u>(26,138,986)</u>	<u>(4,408,540)</u>

## 24 CONTINGENCIES AND COMMITMENTS

### 24.1 Contingencies

**24.1.1** The Company has letter of guarantee facilities aggregating Rs. 250 million (2022: Rs. 200 million) available from Soneri Bank. The amount availed on these facilities as at June 30, 2023 is Rs. 174.648 million (2022: Rs. 117.44 million).

**24.1.2** The Company had entered into an agreement with a reseller of satellite bandwidth in Pakistan for provisioning of satellite segment. Management made advance payments of Rs. 101 million (US\$ 0.64 million) for operationalisation of satellite segment, however, management is of the view that it was not operational or utilised due to technical issues. For recovery of advance, the matter was referred to the arbitration, which in its award given on May 03, 2012 imposed additional payment of Rs. 101 million (US\$ 0.64 million) on the Company. The Company had filed the case in Islamabad High Court against the award. During the financial year 2017, the case was transferred from the Honorable Islamabad High Court to Civil Court Islamabad due to pecuniary jurisdiction. The reseller had also filed a counter claim in the Civil Court, Islamabad for recovery of the Arbitration Award, which was adjourned sine-die since the matter was already adjudicated. The Civil Court in its order dated December 12, 2019 asked the parties to define the terms of reference of arbitration and to decide whether the award shall be remitted to the same arbitrator or to any other arbitrator. The reseller obtained stay order from Islamabad High Court against the order of Civil Court dated March 02, 2020. The appeal is still pending in the Islamabad High Court and was fixed for hearing on June 30, 2022. However, due to document discrepancies on the part of reseller, The Court refixed the next hearing date on August, 24, 2022 which was again adjourned due to document discrepancies. The advance payment of Rs. 101 million (US\$ 0.64 million) was provided for by the Company during the year ended June 30, 2012. The Board and the management is of the opinion that the maximum loss even if the case is decided against the Company will not exceed Rs. 201 million (US\$ 1.27 million). The management believes that the case is likely to be decided in the favour of the Company.

**24.1.3** The Company entered into an agreement with a customer for up-linking facility in Pakistan on January 01, 2007. The Company satisfactorily provided services up to January 31, 2012 and then services were disconnected based on the customer's request. The Company filed a suit in the Honorable Islamabad Civil Court for recovery of trade debts and the Company has made provision against trade debts amounting to Rs 6.75 million during the year ended June 30, 2012. The Civil Court in its order dated June 06, 2015 dismissed the suit based on the fact that the Company failed to prove the primary document on the basis of which the suit has been filed. Consequent upon decree by the Honorable Civil Court, the Company filed an appeal in the Honorable Islamabad High Court on February 17, 2017. The appeal is in the initial stages and management believes that the expected outcome will be in favour of the Company.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- 24.1.4** 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), for which no hearing has been held yet. 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. In December 2020 the Deputy Commissioner Inland Revenue refused the company's stance and issued an order dated December 30, 2020 without change in previous order. The Company filed an appeal before the Commissioner Inland Revenue Appeals (CIR-Appeals) against the order of the DC-IR which is due to be fixed for hearing. The management believes that the case is likely to be decided in the favour of the Company.
- 24.1.5** Inland Revenue Officer raised a demand of Rs 38.196 million and Rs 32.813 million on account of disallowance of certain expenses claimed by the Company in its tax returns for tax year 2010 and 2013 return respectively. The Company filed appeal before Commissioner Inland Revenue Appeals (CIR-Appeals) against the order. The case has been decided by the learned CIR-Appeals vide order dated July 29, 2016 whereby partially upholding the decision and partially remanding it back. The taxpayer has filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the decision of CIR-Appeals and intimated through letter dated August 22, 2016. No further progress has been made. The management believes that the case is likely to be decided in the favour of the Company.
- 24.1.6** The Deputy Commissioner Inland Revenue raised demand of Rs 7.211 million based on order passed under section 161 and 205 of Income Tax Ordinance, 2001 on short deduction of withholding tax for tax year 2016. The Company filed appeal before Commissioner Inland Revenue on June 13, 2018 against the order. The case has been decided by the learned CIR-Appeals vide order dated October 17, 2018 whereby partially upholding the decision and partially remanding it back. The taxpayer has filed an appeal in ATIR against the decision of CIR (A) and intimated through letter dated November 20, 2018. The Department has also filed an appeal against the said order. No further progress has been made. The management believes that the case is likely to be decided in the favour of the Company.
- 24.1.7** The Deputy Commissioner Inland Revenue raised demand of Rs. 20.127 million based on order passed under section 161 and 205 of Income Tax Ordinance, 2001 on short deduction of withholding tax for tax year 2017. The Company filed appeal and stay application before Commissioner Inland Revenue (CIR-Appeals) on January 25, 2021 against the order, the main appeal is pending for adjudication. The Deputy Commissioner Inland Revenue (CIR-Enforcement) vide notice under section 138 dated February 22, 2022 was pressing hard for recovery of the same. The application for grant of stay was rejected by Commissioner Inland Revenue (CIR-Appeals) on March 01, 2022. The taxpayer filed a stay application and interim appeal before the Appellate Tribunal Inland Revenue on March 02, 2022 and intimated through letter dated March 02, 2022. Appellate Tribunal Inland Revenue vide stay order number. MA(Stay) Interim No. 476/IB/2022 dated March 07, 2022 has directed the Commissioner Inland Revenue (CIR-Appeals) to hear and decide the appeal within 60 days and stay from recovery is granted till the decision of main appeal. The management believes that the case is likely to be decided in the favour of the company.
- 24.1.8** 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.

The Company is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	Rupees	
<b>24.2 Commitments</b>		
The company has following commitments in respect of:		
Capital expenditure commitments	48,032,452	242,420,050
Outstanding letter of credits	199,636,995	205,242,545
	<u>247,669,447</u>	<u>447,662,595</u>
<b>25 REVENUE</b>		
Class Value Added Services (CVAS) / data Communication Services	1,132,498,549	823,173,796
Specialised projects	453,221,000	563,883,158
Telecom infrastructure services	1,649,053	1,649,055
Gross revenue	<u>1,587,368,602</u>	<u>1,388,706,008</u>
Less:		
Sales tax / Federal Excise Duty	(178,420,868)	(130,910,027)
Advance tax	(46,103,816)	(18,517,389)
	<u>1,362,843,918</u>	<u>1,239,278,592</u>
<b>25.1 Disaggregation of revenue based on timing of revenue:</b>		
Services transferred at a point in time	916,935,979	684,111,823
Services transferred over time	445,907,939	555,166,770
	<u>1,362,843,918</u>	<u>1,239,278,592</u>
<b>26 COST OF SERVICES</b>		
Other project costs	425,576,707	554,846,731
Channel and local lead rentals	262,938,215	211,426,651
Salaries and other benefits	26.1 228,870,779	184,768,648
Space segment rentals	89,913,485	75,621,339
Vehicle running expenses	22,024,046	16,546,865
Depreciation - operating fixed assets	6.1.1 14,502,675	17,531,997
Repair and maintenance expenses	11,361,238	7,194,606
Utilities	6,603,015	5,796,491
License fee	3,479,077	3,450,895
Travelling and local conveyance	2,182,984	2,566,650
Rent, rates and taxes	1,733,020	6,655,622
Communication expenses	1,649,604	1,769,596
Entertainment	1,261,501	1,026,413
Depreciation - right of use assets	6.2.1 988,104	307,482
Amortisation	7 541,972	430,890
Insurance	363,207	842,209
	<u>1,073,989,629</u>	<u>1,090,783,084</u>

**26.1** Salaries and other benefits include employees' retirement and other service benefits of Rs. 96.50 million (2022: Rs. 22.38 million).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	
<b>27 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	27.1	120,980,600	90,903,288
Depreciation - right of use assets	6.2.1	11,440,680	8,999,376
Vehicle running expenses		10,770,748	6,377,765
Donation	27.2	7,580,513	5,200,000
Legal and professional charges		7,133,347	6,978,063
Travelling and local conveyance		5,456,456	2,453,426
Repair and maintenance expenses		3,220,684	3,593,729
Printing and stationery		2,344,813	1,795,693
Utilities		2,236,945	2,264,176
Directors training		-	1,931,391
Entertainment		2,129,922	1,117,555
Communication expenses		1,978,026	1,565,112
Depreciation - operating fixed assets	6.1.1	1,357,299	1,270,664
Auditors' remuneration	27.3	1,229,600	1,017,600
Insurance		554,878	402,091
Rent, rates and taxes		214,650	651,651
		<u>178,629,161</u>	<u>136,521,580</u>

**27.1** Salaries and other benefits include employees' retirement and other service benefits of Rs. 38.34 million (2022: Rs. 9.28 million).

**27.2** Donation represents amount paid to Telecom Foundation, Akhuwat Foundation, Bin Qutab Foundation, Ali Zaib Foundation, Child Care Foundation and Umeed Gah Rehabilitation Welfare Trust for welfare activities.

**27.3** Auditors' remuneration

		2023	2022
	Note	Rupees	
<b>Audit Services :</b>			
Annual audit fee		780,000	700,000
Half year review fee		300,000	200,000
Out of pocket expenses		49,600	17,600
<b>Non-Audit Services :</b>			
Certification for regulatory purposes		50,000	50,000
Review of Code of Corporate Governance		50,000	50,000
		<u>1,229,600</u>	<u>1,017,600</u>

**28 MARKETING EXPENSES**

Salaries and other benefits	28.1	27,417,085	21,566,144
Advertisement and marketing		3,245,830	982,885
Travelling and local conveyance		2,827,508	1,311,529
Vehicle running expenses		2,427,098	1,784,731
Repair and maintenance expenses		257,364	184,329
Depreciation - operating fixed assets	6.1.1	198,198	273,866
Communication expenses		130,087	163,268
Entertainment		31,733	-
Insurance		17,846	77,120
Depreciation - right of use assets	6.2.1	-	72,358
		<u>36,552,749</u>	<u>6,416,230</u>

**28.1** Salaries and other benefits include employees' retirement and other service benefits of Rs. 10.16 million (2022: Rs. 2.65 million).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	Rupees	
<b>29 FINANCE INCOME</b>		
Exchange gain	255,891,844	76,314,374
Finance lease charges	(9,831,933)	(5,466,020)
Bank charges	(3,665,089)	(4,648,845)
	242,394,823	66,199,508
<b>30 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on short term investments	19,974,004	14,096,376
Return on bank deposits	17,522,439	5,882,793
Return on bank deposits with Islamic Banks	1,313,811	443,012
	38,810,254	20,422,181
<b>Income from non-financial assets</b>		
Others	42,181,304	3,543,275
Liabilities written back	33,348,431	165,317,795
Gain/(loss) on disposal of property and equipment	784,164	(9,574,050)
	115,124,153	179,709,201
<b>30.1</b> Liabilities written back		
Customers' deposits	33,348,431	143,911,870
Trade creditor	-	21,405,925
	33,348,431	165,317,795
<b>31 TAXATION</b>		
Tax for the year		
- current	130,865,129	67,545,676
- prior	(4,439,390)	(12,942,952)
	126,425,739	54,602,724
Deferred tax	(17,156,803)	(31,344,997)
	109,268,936	23,257,727
<b>31.1</b> Reconciliation of tax charge for the year		
Accounting profit	399,130,444	254,556,349
Tax on accounting profit at 29% (2021: 29%)	115,747,829	73,821,341
Effect of prior years	(4,439,390)	(12,942,952)
Others	(2,039,503)	(37,620,662)
	109,268,936	23,257,727

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 32 EARNING PER SHARE (BASIC AND DILUTED)

	2023	2022
Profit for the year (Rupees)	289,861,508	231,298,622
Weighted average number of shares in issue (Number)	11,859,210	11,859,210
Basic and diluted earnings per share (Rupees)	24.44	19.50

There is no dilutive effect on the basic earnings per share of the Company.

### 33 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 % of shareholding	2023 Rupees	2022
<b>Telecom Foundation - Holding Company</b>	55.08%		
Dividend paid during the year		39,192,036	8,907,282
Bonus shares issued		-	5,938,188
Donations paid during the year		6,000,000	5,000,000
Balance as year end		-	-
<b>TF Technologies - Associated Company</b>	Nil		
Receivable against consultancy charges		118,525	118,525
<b>Other related parties</b>			
Staff retirement benefit plan - Gratuity fund			
Contribution to gratuity fund		9,672,843	5,000,000
Payable to gratuity fund	22.1	14,378,279	4,094,252
Staff retirement benefit plan - Provident fund			
Provident fund contribution payable		29,252,200	24,233,956
Interest on provident fund balance payable		5,567,959	941,151
<b>Directors</b>			
Dividend Paid		10,230	2,325
Bonus Shares		-	1,550
<b>Key management personnel:</b>			
<b>Chairman:</b>			
Meeting fees		572,500	750,000
Others ( Vehicle, fuel and vehicle maintenance)		1,175,800	900,400

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	Rupees	
<b>Chief Executive Officer:</b>		
Managerial remuneration and benefits of CEO	22,426,410	11,454,314
<b>Key management personnel of the Company:</b>		
Managerial remuneration	30,119,358	16,794,513
Gratuity	1,678,109	1,143,907
Earned leaves	1,096,611	577,822
Other benefits	3,865,842	2,007,487

**33.1** Remuneration paid to Chief Executive, directors and key management personnel is disclosed in note 36 to these financial statements.

	2023	2022
Note	Rupees	
<b>34 ADJUSTMENT OF NON-CASH EXPENSE AND INCOME</b>		
Depreciation	28,486,956	28,455,743
Amortisation	541,971	430,890
Property and equipment - write off	821,071	9,036,729
(Gain) / loss on disposal of property, plant and equipment	(1,605,235)	537,321
Impairment reversal on financial assets	32,060,911	(23,089,942)
Finance cost	13,497,022	10,114,866
Unrealised exchange gain	(145,182,295)	(76,314,374)
Interest income	(38,810,254)	(20,422,181)
Provision for gratuity	14,003,873	19,089,987
Provision for provident fund	9,645,052	12,804,873
Provision for leave encashment	19,164,218	8,151,570
	<u>(67,376,710)</u>	<u>(31,204,517)</u>

**35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**35.1 Financial instruments by category**

The Company's financial assets and liabilities consist of the following;

**Financial Assets**

**Maturity up to one year**

At amortized cost:

Trade debts	748,662,850	814,428,992
Contract assets	242,502,038	204,729,211
Advances	44,295,406	12,092,144
Trade deposits	50,415,390	110,183,654
Other receivables	9,413,395	13,857,614
Interest accrued	3,827,119	1,734,317
Short term investments	143,651,454	143,077,328
Cash and bank balances	352,530,697	251,098,371

**At fair value through profit or loss**

1,595,298,349	1,551,201,631
1,126,039	-
<u>1,596,424,388</u>	<u>1,551,201,631</u>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	Rupees	
<b>Financial Liabilities</b>		
<b>Maturity up to one year</b>		
At amortized cost:		
Customers' deposits	112,891,873	113,895,030
Trade and other payables	470,829,201	533,957,691
Unclaimed dividend	10,829,488	10,591,642
Unpaid dividend	1,069,374	263,098
Lease liabilities	13,304,660	11,301,568
	<u>608,924,596</u>	<u>670,009,029</u>
<b>Maturity after one year</b>		
Financial liabilities at amortised cost		
Lease liabilities	75,637,643	80,416,300
	<u>684,562,239</u>	<u>750,425,329</u>

### 35.2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors (the Board) has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by the internal audit department. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the board.

### 35.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from investments, advances, deposits, trade debts, contract assets, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Note	2023	2022
	Rupees	
Trade debts	748,662,850	814,428,992
Contract assets	242,502,038	204,729,211
Advances	44,295,406	12,092,144
Trade deposits	50,415,390	110,183,654
Other receivables	9,413,395	13,857,614
Interest accrued	3,827,119	1,734,317
Short term investments	143,651,454	143,077,328
Bank balances	351,458,540	251,043,758
	<u>1,594,226,191</u>	<u>1,551,147,017</u>

In respect of trade debts, the Company's exposure is influenced mainly by the individual characteristics of each customer however management also considers that may influence credit risk of the customer base. The Company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristic. Trade receivables consists of large number of customers in various industries and geographical areas.

The Company's management continuously monitors the defaults of customers and other counterparties, whether of individual or of group. Where available at reasonable cost, external credit ratings on counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

Management considers that all the above financial assets that are not impaired for each of the reporting dates under review are good credit quality, including those that are past due.

**Impairment losses**

The Company recognises ECL for trade debts using the simplified approach as explained in note 4. As per the aforementioned approach, the aging of trade debts at the reporting date was:

	2023	2022
	Gross carrying amount	Gross carrying amount
	Rupees	
Current	96,496,742	406,845,043
More than 30 days past due	10,492,611	299,638
More than 60 days past due	465,044	3,122,662
More than 90 days past due	733,817,662	480,025,878
	<u>890,245,059</u>	<u>890,293,221</u>
Allowance for expected credit losses	(92,582,209)	(75,864,229)
	<u>748,662,850</u>	<u>814,428,992</u>

Impairment loss / (reversal) on trade debts, contract assets, trade deposits, advance and bank balances recognized in statement of profit or loss were as follows:

	2023	2022
	Rupees	
Impairment (reversal) / loss on:		
Trade debts	25,339,609	(21,848,473)
Contract assets	6,780,420	697,158
Trade deposits	(43,435)	(2,597,722)
Short term prepayments	-	618,000
Bank balances	(15,683)	41,095
	<u>32,060,911</u>	<u>(23,089,942)</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Expected credit loss for trade debts

The Company uses an allowance matrix to measure the ECLs of trade debts from customers, which comprises a very large number of small balances.

Loss rates are calculated using "roll rate" method based on the probability of a trade debt progressive through successive stages of delinquency to calculate the weighted average loss rate. Roll rates are calculated separately for exposure in different segments based on following common characteristics for e.g. age of customer relationship.

### Movement in the allowance for expected credit losses in respect of trade debts

The movement in the allowance for expected credit losses in respect of trade debts during the year was as follows.

	2023	2022
	Rupees	
Balance at beginning of year	75,864,229	97,712,702
Impairment (reversal) / loss during the year	25,339,609	(21,848,473)
Balance at end of year	<u>101,203,838</u>	<u>75,864,229</u>

### Expected credit loss for contract assets, trade deposits and other receivables

Impairment on contract assets, trade deposits and other financial assets have been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its contract assets and trade deposits have low credit risk as the outstanding balance is not yet due and there are no other indicators present that suggest an increase in credit risk. In case of other financial assets the Company considers it to have low credit risk as no amount is outstanding from an ex-employee and recovery of the balance can be made from final settlement of employees in case of default.

### Expected credit loss for short term investments and bank balances

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

### Credit quality of financial assets

The Company held short term investments in TDRs and Mutual Funds of Rs. 129 million and 1.12 million respectively and cash at bank of Rs. 352.53 million as at June 30, 2023 (2022: Rs. 136 million, Rs. NIL and Rs. 251.19 million). The Company has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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The credit rating of counter parties is as follow:

	Long term rating	Short term rating	Credit rating agency	2023 Rupees
<b>Short-term investments</b>				
Soneri Bank Limited	AA-	A1+	PACRA	108,000,000
MCB Bank	AAA	A1+	PACRA	21,000,000
National Bank	AAA	A-1+	JCR-VIS	1,126,039
<b>Bank balances</b>				
Mashreq Bank	Baa1	P-2	Moody's	85,942,988
Bank Al-Habib limited	AAA	A1+	PACRA	111,222,133
Faysal Bank	AA	A-1+	JCR-VIS	41,144,614
Habib Bank Limited	AAA	A-1+	JCR-VIS	801,725
MCB Bank	AAA	A1+	PACRA	57,300,483
Soneri Bank Limited	AA-	A1+	PACRA	39,801,675
Meezan Bank Limited	AAA	A-1+	JCR-VIS	13,894,737
CDC SBP Raast Account	-	-	PACRA	1,432,645
				<u>351,540,999</u>

**35.4 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company monitors rolling forecasts of its liquidity reserves (comprising undrawn borrowing facilities, if any, and cash and cash equivalents) on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet sufficient cash flow requirements.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Contractual cash flows		
	Carrying value	Upto 1 year	After 1 year
	Rupees		
<b>June 30, 2023</b>			
Lease liabilities	88,942,303	13,304,660	75,637,643
Customers' deposits	112,891,873	112,891,873	-
Trade and other payables	470,829,201	470,829,201	-
Unclaimed dividend	10,829,488	10,829,488	-
Unpaid dividend	1,069,374	1,069,374	-
	<u>684,562,239</u>	<u>608,924,596</u>	<u>75,637,643</u>
<b>June 30, 2022</b>			
Lease liabilities	91,717,868	11,301,568	80,416,300
Customers' deposits	113,895,030	113,895,030	-
Trade and other payables	533,957,691	533,957,691	-
Unclaimed dividend	10,591,642	10,591,642	-
Unpaid Dividend	263,098	263,098	-
	<u>750,425,329</u>	<u>670,009,028</u>	<u>80,416,300</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 35.5 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and is not materially exposed to interest rates risk.

#### 35.5.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company's exposure to foreign currency risk was as follows based on carrying values:

	2023	2022
	Rupees	
Financial assets - US Dollars	1,209,988,641	1,063,402,098
Financial assets - AED	411,140	65,471,700
	<u>1,210,399,781</u>	<u>1,128,873,798</u>
Financial liabilities - US Dollars	(456,764,786)	(366,453,696)
Financial liabilities - AED	(55,717,217)	(11,488,966)
	<u>697,917,778</u>	<u>750,931,136</u>

The following significant exchange rates were applied during the year:

Rupees per USD:		
Average rate	253.08	179.69
Reporting date rate	287.10	206.00
Rupees per AED:		
Average rate	69.39	49.20
Reporting date rate	78.72	43.4

#### Sensitivity analysis

At June 30, 2023, if the currency had weakened / strengthened by 10% against US dollar with all other variables held constant, profit before tax for the year would have been Rs 75.33 million (2022: Rs 69.69 million) lower / higher.

#### 35.5.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in market interest rates. The Company does not have any long term or short term borrowing. The Company adopts policy to make fixed rate investment in instruments like TDRs so as to minimize the interest rate risk.

At the statement of financial position date, the interest rate profile of the Company's interest bearing financial instruments is:

	2023	2022
	Rupees	
<b>Fixed rate instruments</b>		
Financial assets		
Short term investments	143,651,454	143,077,328
Bank balances - deposit accounts	191,006,760	162,648,215
	<u>334,658,214</u>	<u>305,725,543</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial asset and liability at fair value through 'profit and loss' therefore a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

### 35.6 Fair value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2023	2023	2022	2022
	Carrying value	Fair value	Carrying value	Fair value
	Rupees			
<b>Financial assets</b>				
Trade debts	748,662,850	748,662,850	814,428,992	814,428,992
Contract assets	242,502,038	242,502,038	204,729,211	204,729,211
Advances	44,295,406	44,295,406	12,092,144	12,092,144
Trade deposits	50,415,390	50,415,390	110,183,654	110,183,654
Other receivables	9,413,395	9,413,395	13,857,614	13,857,614
Interest accrued	3,827,119	3,827,119	1,734,317	1,734,317
Short term investments	144,777,493	144,777,493	143,077,328	143,077,328
Cash and bank balances	352,530,697	352,530,697	251,098,371	251,098,371
	<u>1,596,424,388</u>	<u>1,596,424,388</u>	<u>1,551,201,631</u>	<u>1,551,201,631</u>
<b>Financial Liabilities</b>				
Customers' deposits	112,891,873	112,891,873	113,895,030	113,895,030
Trade and other payables	470,829,201	470,829,201	533,957,691	533,957,691
Unclaimed dividend	10,829,488	10,829,488	10,591,642	10,591,642
Unpaid dividend	1,069,374	1,069,374	263,098	263,098
Lease liabilities	13,304,660	13,304,660	11,301,568	11,301,568
	<u>608,924,596</u>	<u>608,924,596</u>	<u>670,009,029</u>	<u>670,009,029</u>

#### (i) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non - financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

##### Non - derivative financial assets

The fair value of non derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

##### Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### (ii) Fair value hierarchy

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds which are carried at fair value.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on going basis.

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2023:

	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
<b>June 30, 2023</b>					
<b>Assets</b>					
Property and equipment	208,752,215	208,752,215	-	-	208,752,215
Intangible assets	3,847,269	3,847,269	-	-	3,847,269
Deferred taxation	94,211,555	94,211,555	-	-	94,211,555
Trade debts	748,662,850	748,662,850	-	-	748,662,850
Contract assets	242,502,038	242,502,038	-	-	242,502,038
Contract work in progress	142,827,275	142,827,275	-	-	142,827,275
Advances	44,295,406	44,295,406	-	-	44,295,406
Trade deposits	57,552,745	57,552,745	-	-	57,552,745
Other receivables	9,413,395	9,413,395	-	-	9,413,395
Interest accrued	3,827,119	3,827,119	-	-	3,827,119
Short term investments	144,777,493	144,777,493	1,126,039	-	143,651,454
Cash and bank balances	352,530,697	352,530,697	-	-	352,530,697
	<u>2,053,200,057</u>	<u>2,053,200,057</u>	<u>1,126,039</u>	<u>-</u>	<u>2,052,074,018</u>
<b>June 30, 2022</b>					
<b>Assets</b>					
Property and equipment	217,602,225	217,602,225	-	-	217,602,225
Intangible assets	4,164,146	4,164,146	-	-	4,164,146
Deferred taxation	77,054,753	77,054,753	-	-	77,054,753
Trade debts	814,428,992	814,428,992	-	-	814,428,992
Contract assets	204,729,211	204,729,211	-	-	204,729,211
Contract work in progress	43,627,099	43,627,099	-	-	43,627,099
Advances	12,092,144	12,092,144	-	-	12,092,144
Trade deposits	112,235,518	112,235,518	-	-	112,235,518
Other receivables	13,857,614	13,857,614	-	-	13,857,614
Interest accrued	1,734,317	1,734,317	-	-	1,734,317
Short term investments	143,077,328	143,077,328	-	-	143,077,328
Cash and bank balances	251,098,371	251,098,371	-	-	251,098,371
	<u>1,895,701,718</u>	<u>1,895,701,718</u>	<u>-</u>	<u>-</u>	<u>1,893,649,854</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit ratings and optimal capital structures, in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in its economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Management foresee that Company is not materially exposed to capital risks as the Company doesn't have any financing arrangements other than fully paid share capital.

### Off-setting of financial assets and liabilities

The Company does not off-set any of its financial assets and liabilities.

### 36 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits to the Directors, Chief Executive and Executives of the Company, are as follows:

	2023			2022		
	Chief Executive	Directors	Executive	Chief Executive	Directors	Executive
	Rupees			Rupees		
Managerial remuneration	18,342,199	-	30,119,358	9,980,030	-	16,794,513
Gratuity	1,093,878	-	1,678,109	707,142	-	1,143,907
Earned leaves	1,093,878	-	1,096,611	-	-	577,822
Meeting fee	-	6,597,500	-	-	6,700,000	-
Other benefits	1,896,455	1,126,328	3,865,842	767,142	1,663,271	2,007,487
	<u>22,426,410</u>	<u>7,723,828</u>	<u>36,759,920</u>	<u>11,454,314</u>	<u>8,363,271</u>	<u>20,523,729</u>
Number of persons	1	7	7	1	7	5

**36.1** Chairman and the employees on posts of manager and above are also provided Company maintained vehicles for official purpose only.

### 37 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	Unclaimed dividend	Total
	Rupees		
Balance at start of year	91,717,868	10,854,740	102,572,608
Cash flows	(16,926,788)	(70,111,138)	(87,037,926)
Interest expense during the year	9,831,933	-	9,831,933
Exchange gain	4,319,289	-	4,319,289
Dividend declared during the year	-	71,155,260	71,155,260
Balance at end of year	<u>88,942,302</u>	<u>11,898,862</u>	<u>100,841,164</u>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 38 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under para 10 of Part-I of the Fourth Schedule to the Companies Act, 2017.

Description	Explanation	2023 Rupees	2022 Rupees
Bank balances	Placed under interest arrangement	145,401,435	113,569,155
	Placed under Shariah permissible arrangement	55,039,351	57,885,897
Return on bank deposits	Placed under interest arrangement	17,522,439	5,882,793
	Placed under Shariah permissible arrangement	1,313,811	443,012
Exchange (loss) / gain earned from actual currency		255,891,844	76,314,374
Relationship with banks having islamic windows	Meezan Bank Limited, Faysal Islamic Bank.	-	-

### 39 NUMBER OF EMPLOYEES

	2023 No of employees	2022 No of employees
Total number of employees as at the year end	193	227
Average number of employees during the year	197	232

### 40 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. However, there is no significant reclassification during the year.

### 41 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on September 20, 2023 have proposed a final cash dividend @ 90% amounting to Rs. 106.733 million for the year ended June 30, 2023 for approval of the members at Annual General Meeting to be held on October 26, 2023.

### 42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on September 20, 2023.

### 43 GENERAL

Figures have been rounded off to the nearest rupee.

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

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

**Rubina Safir**  
Director

**PATTERN OF HOLDING OF THE SHARES HELD BY THE  
SHAREHOLDERS OF PAK DATACOM LIMITED AS AT JUNE 30, 2023  
FORM 34 (SECTION 236(1) AND 464)**

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
1268	1	100	42,804
537	101	500	148,732
119	501	1000	84,279
164	1001	5000	363,798
40	5001	10000	304,203
13	10001	15000	165,936
8	15001	20000	145,278
1	25001	30000	28,700
1	35001	40000	36,450
1	45001	50000	50,000
1	50001	55000	50,500
1	95001	100000	97,000
1	105001	110000	105,650
1	215001	220000	216,465
1	255001	260000	257,000
1	850001	855000	853,402
1	915001	920000	915,107
1	1460001	1465000	1,461,900
1	6530001	6535000	6,532,006
<b>2,161</b>			<b>11,859,210</b>

CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
Associated companies, undertakings and related parties	8,909,017	75.1232
Directors and their spouse(s) and minor children	1,705	0.0144
Banks Development Financial Institutions, Non-Banking Financial Institutions	853,673	7.1984
Modarabas and Mutual Funds	216,465	1.8253
General Public Foreign	2,500	0.0211
Foreign Companies	290,847	2.4525
General Public Local	1,509,830	12.7313
Others	75,173	0.6339
<b>Grand Total</b>	<b>11,859,210</b>	<b>100.0000</b>

**NAME WISE DETAIL OF SHAREHOLDERS  
AS AT JUNE 30, 2023**

<b>Categories of shareholders</b>	<b>Physical</b>	<b>Shares Held</b>	<b>Percentage</b>
<b>Directors and their spouse(s) and minor children</b>			
RUBINA SAFIR	1	550	0.00
SHAMIM AHMED SHERAZI	1	550	0.00
MUHAMMAD WAHEED	1	605	0.01
<b>Associated Companies, undertakings and related parties</b>	5	8,909,017	75.12
NIT and ICP	0	-	-
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	3	853,673	7.20
<b>Insurance Companies</b>	0	-	-
<b>Modarabas and Mutual Funds</b>	1	216,465	1.83
<b>General Public</b>			
a. Local	2130	1,509,830	12.73
b. Foreign	3	2,500	0.02
<b>Foreign Companies</b>	5	290,847	2.45
<b>Others</b>	11	75,173	0.63
<b>Totals</b>	2161	11,859,210	100.00

**SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING RIGHTS IN THE COMPANY**

<b>Shareholders More Than 10 %</b>	<b>Shares Held</b>	<b>Percentage</b>
MR. BASIT WAHEED	1,461,900	12.33
M/s. TELECOM FOUNDATION	6,532,006	55.08

## DIVIDEND MANDATE FORM

**Dear Shareholder,**

**Re: Dividend Mandate Form**

With reference to the captioned subject, it is to inform you that under Section 242 of the Companies Act, 2017 a shareholder may, if so desire, directs the Company to pay dividend through his/her/its Bank Account.

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

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

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

Yes

No

If yes then please provide the following information:

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

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

**Signature of the Member/Shareholder**

**Note:**

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

## INCOME TAX RETURN FILING STATUS FORM

**Confirmation for filing status of income tax return for application of tax rates in pursuant to the provisions of Finance Act, 2023**

**Share Registrar:** Pak Datacom Limited

CDC Shares Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 Pakistan.

Tel: (92-21) 111-111-500.

I, Mr/Mrs/Ms.....S/O, D/O, W/O..... hereby confirm that I am registered as National Tax Payer. My relevant detail is given below : Folio/ CDC

Folio/CDC ID/AC No.	Name	National Tax No.	CNIC No. (in case of individuals)*	Income tax return for the tax year 2023 filed (yes or no)**

It is stated that the above-mentioned information is correct.

\_\_\_\_\_  
Signature of the Shareholder

The Shareholders having their accounts with Central Depository Company (CDC) have also to communicate confirmation of tax payment status information to relevant Member Stock Ex-change in addition to the company secretary.

\* Please attach attested photocopy of the CNIC.

\*\* Please attach attested photocopy of acknowledgment of income tax return.

## Investors' Education

In pursuance of SRO 924 (I)/ 2015 dated September 09, 2015 issued by Securities and Exchange Commission of Pakistan, the following informational message has been reproduced to educate investors:

[www.jamapunji.pk](http://www.jamapunji.pk)



**Be aware, Be alert,  
Be safe**

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

- Licensed Entities Verification
- Scam meter\*
- Jamapunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](http://jamapunji.pk)

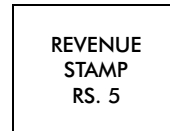
[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

### Form of Proxy

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a member(s) of Pak Datacom Limited and holding \_\_\_\_\_  
 ordinary shares, as per Register Folio No./CDC Account and Participant's I.D. No. \_\_\_\_\_  
 do hereby appoint \_\_\_\_\_ Folio No./CDC Account and Participant's I.D.  
 No. \_\_\_\_\_ of \_\_\_\_\_  
 or failing him/her \_\_\_\_\_ Folio No./CDC Account and Participant's I.D.  
 No. \_\_\_\_\_ of \_\_\_\_\_  
 another member of the Company as my/our proxy to vote for me/us and on my/our behalf at the Thirty First  
 Annual General Meeting of the Company to be held at Crystal Ball Room B, Marriott Hotel, Agha Khan Road, F - 5 / 1,  
 Islamabad on October 26, 2023 at 11:00 hrs or at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023.



SIGNATURE OF MEMBER (S)

(The signature of the shareholder should agree with the specimen signature registered with the Company/ Share Registrar or as per CNIC / Passport in case the share(s) is / are registered in CDC account).

**Witnesses:**

1. Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
CNIC/Passport No. _____	CNIC/Passport No. _____

**Note:**

1. A member entitled to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person shall act as proxy (except for a corporation) unless he/she is entitled to be present and vote in his/her own right.
2. CDC account holder or sub-account holder appointing a proxy should furnish attested copies of his / her own as well as the proxy's CNIC / Passport with the proxy form. The proxy shall also produce his / her original CNIC / Passport at the time of the meeting. In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted along with proxy form.
3. The instrument appointing a proxy should be signed by the member or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal (if any) should be affixed to the instrument.
4. The proxy forms, together with the power of attorney (if any), under which it is signed or a notarially Certified copy thereof, shall be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

## مختار نامہ

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت ممبر (رکن) پاک ڈیٹا کام لمیٹڈ اور  
 حامل \_\_\_\_\_ عام حصص، برطانیق شیئرز جسز فولیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹیسپینٹ  
 آئی ڈی نمبر \_\_\_\_\_ ممبر (رکن) محترم / محترمہ \_\_\_\_\_ فولیو نمبر / سی ڈی سی اکاؤنٹ  
 اور پارٹیسپینٹ آئی ڈی نمبر \_\_\_\_\_ کو یا ان کی غیر حاضری میں ممبر (رکن)  
 محترم / محترمہ \_\_\_\_\_ فولیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹیسپینٹ آئی ڈی نمبر \_\_\_\_\_ کو اپنے / ہمارے ایما پر 26 اکتوبر 2023  
 صبح 11:00 بجے دن بمقام کرٹل ہال روم بی، میریٹ ہوٹل، آغا خان روڈ، F-5/1، اسلام آباد میں منعقد ہونے والے کمپنی کے اکتیسویں سالانہ اجلاس عام میں حق رائے  
 دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقررہ کرتا / کرتی ہوں / کرتے ہیں۔  
 آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2023 کو دستخط کئے گئے۔

ممبر (رکن) کے دستخط کمپنی میں رجسٹر شدہ دستخط کے ساتھ مماثلت رکھتے ہوں اور سی ڈی سی اکاؤنٹ ہولڈرز کے دستخط ان کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کے نمونہ دستخط سے  
 مماثل ہونا ضروری ہے۔

گواہان:

	1 دستخط _____
	2 دستخط _____
	نام _____
	پتہ _____
	_____

پانچ روپے مالیت کا  
 رسیدی ٹکٹ پر دستخط

ممبر ان کے دستخط

کمپیوٹرائزڈ قومی شناختی کارڈ کا نمبر \_\_\_\_\_ کمپیوٹرائزڈ قومی شناختی کارڈ کا نمبر \_\_\_\_\_

۱- ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو اپنی جگہ کسی اور ممبر (رکن) کو بطور مختار (پراکسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔ سی ڈی سی  
 اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز کو کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پر کسی کو منسلک کرنی ہوگی۔ مختار (پراکسی) کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی  
 شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

۲- کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختار نامہ (پراکسی فارم) جمع کرانا  
 ہونگے۔

۳- مختار نامہ (پراکسی فارم) پر ممبر (رکن) یا ان کے اٹارنی کے دستخط لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراکسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔

۴- مختار نامے (پراکسی فارم) بمعہ نامزد کرنے والے شخص کی تصدیق شدہ پاور آف اٹارنی (حسب ضرورت) کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل  
 جمع کرنا ضروری ہے۔



Notes

Notes



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