

SPREADING TECHNOLOGY



Pak Datacom



Condensed Interim Financial Statements

For the nine months ended
March 31, 2024

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

- | | |
|----------------------------|--------------------|
| 1. Ms. Rubina Safir | <i>Chairperson</i> |
| 2. Mr. Muhammad Izqar Khan | <i>Member</i> |
| 3. Engr. Perwaiz Khan | <i>Member</i> |
| 4. Mr. Muhammad Waheed | <i>Member</i> |

HUMAN RESOURCE & REMUNERATION COMMITTEE

- | | |
|-------------------------------|-----------------|
| 1. Mr. Shamim Ahmed Sherazi | <i>Chairman</i> |
| 2. Brig Syed Zulfiqar Ali (R) | <i>Member</i> |
| 3. Syed Junaid Imam | <i>Member</i> |
| 4. Mr. Muhammad Waheed | <i>Member</i> |

PROCUREMENT COMMITTEE

- | | |
|-----------------------------|-----------------|
| 1. Syed Zomma Mohiuddin | <i>Chairman</i> |
| 2. Mr. Shamim Ahmed Sherazi | <i>Member</i> |
| 3. Engr. Perwaiz Khan | <i>Member</i> |

NOMINATION COMMITTEE

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

STRATEGY & PROJECT APPRAISAL COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Ahmed Rafiq (A)

COMPANY SECRETARY

Mr. Ali Saleem Rana

REGISTERED OFFICE

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

HEAD OFFICE

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

SHARES DEPARTMENT

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

AUDITORS

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

LEGAL ADVISOR

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

DIRECTORS' REPORT

The Directors of Pak Datacom Limited (PDL) are pleased in presenting to the shareholders the report along with un-audited financial statements of the Company for the nine months' period from July 01, 2023 to March 31, 2024.

Pakistan's economy remained under stress during the said period from internal and external shocks as a result of political and economic instability both domestically and internationally. Continued demand/ supply imbalance, increase in freight and energy costs, imposition of enhanced/ new taxes have altogether contributed to high inflation and kept the exchange rate wobbling (PKR / US\$ Parity). Inflation remained at approx. 21% in March 2024, and as of now stands at 25 per cent. To counter such high inflation and ensure sustainable growth, the State Bank of Pakistan ('SBP') kept the policy rate at around 22 per cent (stagnant) during the period. The data communication sector, being heavily subject to import of telecom equipment, was notably affected due to restrictions on issuance of Letter of Credits by commercial banks.

Revenue of the Company as on March 31, 2024 was recorded at Rs. 1,116.278 million, compared to Rs. 1,096.683 million on March 31, 2023 which shows an upward trend of the revenue in comparison with the same period last year. Gross profit of the Company is Rs. 313.545 million as compared to Rs. 281.934 million for the corresponding period of last year i.e. an increase of 11 percent. Net profit of the Company for the nine month's period ended March 31, 2024, was Rs. 107.825 million, resulting in earnings per share ('EPS') of Rs. 9.09 despite encountering unstable economic situation in the Country.

Nevertheless, with that said, your Company is ready to take these challenges head on and pave its way forward through diversification in businesses. PDL is also focusing on providing high-speed internet, including high-speed internet over satellite to remote and under-served areas of Pakistan. PDL is trying utmost utilization of its available skilled human resource, renewable energy solutions and IT related trainings, in order to stay afloat in the challenging times ahead.

The Board takes this opportunity to thank its shareholders, regulatory bodies, customers and strategic partners for the trust, and confidence that they have reposed in the Company. It is this trust and confidence that allows the employees, management and the Board as a team to steer our organization towards the path of success. The Board also appreciated its employees for their unrelenting commitment and contribution towards the success of the Company.

For and on behalf of the Board

Islamabad
April 26, 2024

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

ڈائریکٹرز رپورٹ

پاک ڈیٹا کام لمیٹڈ (پی ڈی ایل) کے ڈائریکٹرز کی طرف سے یکم جولائی 2023 سے 31 مارچ 2024 تک کی نو ماہی مدت کے لئے کمپنی کی کارکردگی پر مبنی رپورٹ اور غیر آڈٹ شدہ مالیاتی گوشوارے پیش خدمت ہیں۔

ملکی اور بین الاقوامی سطح پر سیاسی اور معاشی عدم استحکام کے نتیجے میں مالی سال کی پہلی ششماہی کے دوران پاکستان کی معیشت تناؤ کا شکار رہی۔ طلب و رسد میں مسلسل عدم توازن، مال برداری اور توانائی کے اخراجات میں اضافہ، نئے ٹیکسوں کے نفاذ کی وجہ سے افراط زر میں اضافہ ہوا اور شرح مبادلہ (امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر) میں گراؤ برقرار رہی۔ مارچ 2024 میں افراط زر کی شرح تقریباً 21 فیصد رہی اور اب یہ 25 فیصد ہے۔ اتنی افراط زر کی شرح کا مقابلہ کرنے اور پائیدار ترقی کو یقینی بنانے کے لئے سٹیٹ بینک آف پاکستان نے اس عرصے کے دوران پالیسی ریٹ کو تقریباً 22 فیصد پر برقرار رکھا۔ ٹیلی کام آلات کی درآمد کے باعث ڈیٹا کمیونیکیشن کا شعبہ خاص طور پر کمرشل بینکوں کی جانب سے لیٹر آف کریڈٹ کے اجراء پر پابندیوں کی وجہ سے متاثر ہوا۔

31 مارچ 2024ء تک کمپنی کی آمدنی 1,116.278 ملین روپے ریکارڈ کی گئی جو 31 مارچ 2023ء کو 1,096.683 ملین روپے تھی جو گزشتہ سال کے اسی عرصے کے مقابلے میں اضافے کے رجحان کو ظاہر کرتی ہے۔ کمپنی کا مجموعی منافع گزشتہ سال کے اسی عرصے کے 281.934 ملین روپے کے مقابلے میں 313.545 ملین روپے ہے، یعنی 11 فیصد اضافہ ہوا ہے۔ 31 مارچ 2024ء کو ختم ہونے والے نو ماہی مدت کے دوران کمپنی کا خالص منافع 107.825 ملین روپے رہا جس کے نتیجے میں ملک میں غیر مستحکم معاشی صورتحال کا سامنا کرنے کے باوجود فی حصص آمدنی 9.09 روپے رہی۔

تاہم، اس سب کے باوجود آپ کی کمپنی ان چیلنجوں کا سامنا کرنے اور کاروبار میں تنوع کے ذریعے آگے بڑھنے کی راہ ہموار کر رہی ہے۔ پی ڈی ایل پاکستان کے دور دراز اور پسماندہ علاقوں میں تیز رفتار انٹرنیٹ کی فراہمی پر بھی توجہ دے رہا ہے جس میں سیٹلائٹ کے ذریعے تیز رفتار انٹرنیٹ بھی شامل ہے۔ پی ڈی ایل اپنے دستیاب ہنرمند انسانی وسائل، قابل تجدید توانائی کے حل اور آئی ٹی سے متعلق تربیت کو بھرپور طریقے سے استعمال کرنے کی کوشش کر رہا ہے تاکہ آنے والے مشکل وقت میں اپنا وجود برقرار رکھ سکے۔

بورڈ اس موقع پر اپنے شیئر ہولڈرز، ریگولیٹری باڈیز، صارفین اور سٹریٹجک پارٹنرز کا شکریہ ادا کرتا ہے جنہوں نے کمپنی پر اعتماد کا اظہار کیا ہے۔ یہی اعتماد ہے جو ملازمین، انتظامیہ اور بورڈ کو ایک ٹیم کے طور پر ادارے کی کامیابی کے لیے کام کرنے پر آمادہ رکھتا ہے۔ کمپنی کی کامیابی کے لئے غیر متزلزل عزم اور تعاون پر بورڈ ملازمین کا ممنون ہے۔

منجانب بورڈ

روبینہ سفیر
ڈائریکٹر

بریلیڈیئر سید ذوالفقار علی (ر)
چیف ایگزیکٹو

اسلام آباد
26 اپریل، 2024ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2024

		March 31, 2024	June 30, 2023
		Un-audited	Audited
	Note	Rupees	
NON-CURRENT ASSETS			
Property and equipment	4	198,707,081	208,752,215
Intangible assets	5	6,352,735	3,847,269
Deferred taxation		83,632,413	94,211,555
		<u>288,692,229</u>	<u>306,811,039</u>
CURRENT ASSETS			
Stock-in-trade		4,006,181	-
Trade debts	6	277,542,809	748,662,850
Contract assets	7	261,452,559	242,502,038
Contract work in progress		255,589,763	142,827,275
Advances		24,063,426	44,295,406
Trade deposits and short term prepayments		99,568,910	57,552,745
Other receivables		5,068,743	9,413,395
Interest accrued		483,456	3,827,119
Tax refunds due from the Government	8	9,698,947	-
Short term investments	9	122,740,813	144,777,493
Cash and bank balances	10	608,608,127	352,530,697
		<u>1,668,823,733</u>	<u>1,746,389,018</u>
TOTAL ASSETS		<u>1,957,515,962</u>	<u>2,053,200,057</u>
SHARE CAPITAL AND RESERVES			
Authorised share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	11	118,592,100	118,592,100
General reserve		700,000,000	650,500,000
Unappropriated profits		468,127,266	516,535,060
		<u>1,286,719,366</u>	<u>1,285,627,160</u>
NON-CURRENT LIABILITIES			
Deferred employees' benefits		43,312,469	38,741,901
Lease liabilities		64,079,102	75,637,643
		<u>107,391,571</u>	<u>114,379,544</u>
CURRENT LIABILITIES			
Customers' deposits		103,362,287	112,891,873
Contract liability		13,171,067	1,476,093
Trade and other payables	12	420,125,117	487,482,879
Taxation - net		-	26,138,986
Current portion of lease liabilities		13,070,160	13,304,660
Unclaimed dividend		11,879,180	10,829,488
Unpaid dividend		1,797,215	1,069,374
		<u>563,405,025</u>	<u>653,193,353</u>
TOTAL EQUITY AND LIABILITIES		<u>1,957,515,962</u>	<u>2,053,200,057</u>
CONTINGENCIES AND COMMITMENTS			
	13	-	-

The annexed notes 1 - 24 form an integral part of these financial statements.

Ahmed Rafiq
Chief Financial Officer (A)

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

	Note	Three months period ended		Nine months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		Rupees		Rupees	
Revenue - net	14	294,502,663	235,542,686	1,116,278,226	1,096,682,731
Cost of services	15	(214,997,275)	(174,132,197)	(802,732,911)	(814,748,931)
Gross profit		79,505,388	61,410,489	313,545,315	281,933,800
Administrative expenses	16	(52,345,681)	(40,775,979)	(169,147,117)	(129,428,957)
Marketing expenses	17	(9,200,727)	(7,749,240)	(32,492,946)	(27,367,685)
Impairment reversal / (loss) on financial assets		14,520,170	(29,517,835)	16,372,427	(40,950,847)
Finance income / (cost)	18	(14,365,760)	115,793,882	(27,834,762)	170,707,773
		18,113,391	99,161,317	100,442,918	254,894,084
Other income	19	9,530,332	19,631,349	48,026,009	100,222,439
Profit before taxation		27,643,723	118,792,666	148,468,927	355,116,523
Taxation		(7,269,867)	(40,159,060)	(40,643,831)	(149,139,255)
Profit / (loss) for the period		20,373,856	78,633,605	107,825,096	205,977,269
Earnings / (loss) per share - basic and diluted		1.72	6.63	9.09	17.37

The annexed notes 1 - 24 form an integral part of these financial statements.

Ahmed Rafiq
Chief Financial Officer (A)

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

	Three months period ended		Nine months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees		Rupees	
Profit / (loss) for the period	20,373,856	78,633,605	107,825,096	205,977,269
Other comprehensive income	-	-	-	-
Total comprehensive income/ (loss) for the period	<u>20,373,856</u>	<u>78,633,605</u>	<u>107,825,096</u>	<u>205,977,269</u>

The annexed notes 1 - 24 form an integral part of these financial statements.

Ahmed Rafiq
Chief Financial Officer (A)

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

	Share capital Issued, subscribed and paid-up	Revenue Reserves		Total
		General Reserve	Unappropriated profits	
Rupees				
Balance as at July 01, 2022 (audited)	118,592,100	591,500,000	362,781,809	1,072,873,909
Total comprehensive income or (loss)				
Profit for the period	-	-	205,977,269	205,977,269
Other comprehensive income	-	-	-	-
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2022: Rs. 6.00 per share	-	-	(71,155,260)	(71,155,260)
Other Transactions				
Transfer to general reserve	-	59,000,000	(59,000,000)	-
Balance as at March 31, 2023	<u>118,592,100</u>	<u>650,500,000</u>	<u>438,603,818</u>	<u>1,207,695,918</u>
Balance as at July 01, 2023 (audited)	118,592,100	650,500,000	516,535,060	1,285,627,160
Total comprehensive income or (loss)				
Profit for the period	-	-	107,825,096	107,825,096
Other comprehensive income	-	-	-	-
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2023: Rs. 9.00 per share	-	-	(106,732,890)	(106,732,890)
Other Transactions				
Transfer to general reserve	-	49,500,000	(49,500,000)	-
Balance as at March 31, 2024	<u>118,592,100</u>	<u>700,000,000</u>	<u>468,127,266</u>	<u>1,286,719,366</u>

The annexed notes 1 - 24 form an integral part of these financial statements.

Ahmed Rafiq
Chief Financial Officer (A)

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended	
		March 31, 2024	March 31, 2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period - before taxation		148,468,927	355,116,523
Adjustments for non-cash items:			
Depreciation		21,102,972	19,366,578
Amortization		2,172,516	406,479
(Gain)/Loss on disposal of property and equipment		(1,559,895)	(1,490,855)
Property and equipment - write off		-	748,578
Impairment (reversal) / loss on financial assets		(16,372,427)	40,950,847
Finance cost		9,639,144	10,879,277
Unrealized exchange (gain) / loss		7,313,258	(181,587,051)
Interest income		(32,896,923)	(28,736,321)
Provision for gratuity		14,521,458	10,643,884
Provision for earned leave encashment		7,069,233	6,389,616
Provision for provident fund		12,182,277	10,041,550
		171,640,539	242,729,106
Changes in working capital			
Decrease / (increase) in inventories		(4,006,181)	-
Decrease / (increase) in trade debts		479,521,899	(63,674,529)
Decrease / (increase) in contract assets		(26,524,394)	4,304,776
Decrease / (increase) in contract work in progress		(112,762,487)	(421,388,650)
Decrease / (increase) in advances		20,231,980	(10,460,341)
Decrease / (increase) in trade deposits and short term prepayments		(42,281,018)	34,916,292
Decrease / (increase) in other receivables		4,344,652	4,412,573
Increase / (decrease) in customers' deposits		(6,429,833)	2,849,381
Increase / (decrease) in contract liability		11,694,974	(6,012,083)
Increase / (decrease) in trade and other payables		(78,260,604)	127,739,621
		245,528,988	(327,312,961)
		417,169,527	(84,583,855)
Taxes paid		(65,902,621)	(22,575,836)
Gratuity paid		(8,435,056)	(9,672,843)
Provident fund paid		(948,295)	(5,626,439)
Leave encashment paid		(2,498,665)	(14,945,322)
Net cash generated from / (used in) operating activities		339,384,890	(137,404,294)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(13,572,241)	(10,919,791)
Proceeds from sale of property and equipment		4,074,298	3,351,818
Purchase of intangibles		(4,677,982)	(4,903,076)
Sale/(Purchase) of short term investments		20,844,583	(4,081,300)
Interest and profit received		37,432,681	23,024,218
Net cash used in investing activities		44,101,339	6,471,868
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(104,955,357)	(70,097,163)
Payment of finance lease obligation		(18,031,270)	(13,251,080)
Finance cost paid		(2,859,229)	(3,453,177)
Net cash used in financing activities		(125,845,856)	(86,801,420)
Net increase / (decrease) in cash and cash equivalents		257,640,374	(217,733,846)
Cash and cash equivalents at the beginning of the year		352,613,157	251,196,514
Effect of movements in exchange rates on cash and cash equivalents		(1,561,902)	232,465,286
Cash and cash equivalents at the end of the period	20	608,691,629	265,927,954

The annexed notes 1 - 24 form an integral part of these financial statements.

Ahmed Rafiq
Chief Financial Officer (A)

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1 LEGAL STATUS AND ITS OPERATIONS

Pak Datacom Limited (the Company) was incorporated in Pakistan on July 13, 1992 as a private limited company under the Companies Ordinance, 1984 (which is repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and was converted into a public limited company on June 26, 1994. The Company has its shares quoted on the Pakistan Stock Exchange Limited.

The Company commenced its commercial activities from July 1, 1994 and is principally engaged in setting up, operating and maintaining a network of data communication and serving the needs of the customers.

The Company is a subsidiary of Telecom Foundation, Pakistan. The registered office of the Company is situated at 1st Floor, TF Complex, 7 - Mauve Area, G - 9/4, Islamabad.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting standards (IFAC) issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2023.

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

3 ACCOUNTING POLICIES

3.1 The accounting policies adopted and methods of computation followed in the preparation of these interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2023.

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

3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

		March 31, 2024 Un-audited	June 30, 2023 Audited
	Note	Rupees	
4 PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	132,423,353	133,445,678
Right of use assets	4.2	66,283,728	75,306,537
		<u>198,707,081</u>	<u>208,752,215</u>
4.1 Operating fixed assets			
Opening net book value		133,445,678	129,866,904
Additions		13,572,241	22,341,466
Disposal:			
Cost		(123,953,942)	(15,395,498)
Accumulated depreciation		121,439,539	13,512,049
		(2,514,403)	(1,883,449)
Write off:			
Cost		-	(13,222,692)
Accumulated depreciation		-	12,401,621
		-	(821,071)
Transfer from leased to owned:			
Cost		-	-
Accumulated depreciation		-	-
		-	-
Depreciation charge		(12,080,163)	(16,058,172)
Closing net book value		<u>132,423,353</u>	<u>133,445,678</u>
4.2 Right of use (ROU) assets			
Opening net book value		75,306,537	87,735,321
Additions		-	-
Transfer from leased to owned:			
Cost		-	-
Accumulated depreciation		-	-
		-	-
Write off:			
Cost		-	-
Accumulated depreciation		-	-
		-	-
Depreciation charge		(9,022,809)	(12,428,784)
Closing net book value		<u>66,283,728</u>	<u>75,306,537</u>

	March 31, 2024 Un-audited	June 30, 2023 Audited
	Rupees	
5 INTANGIBLE ASSETS		
Software and infrastructure license		
Opening net book value	3,847,269	4,164,146
Additions	4,677,982	225,094
Amortization charge	(2,172,516)	(541,971)
Closing net book value	<u>6,352,735</u>	<u>3,847,269</u>
6 TRADE DEBTS		
Trade debts	338,430,050	841,245,059
Less: Impairment loss allowance	(60,887,241)	(92,582,209)
	<u>277,542,809</u>	<u>748,662,850</u>
7 CONTRACT ASSETS		
Unbilled revenue	297,871,657	279,250,971
Less: Impairment loss allowance	(36,419,098)	(36,748,933)
	<u>261,452,559</u>	<u>242,502,038</u>
8 Tax refunds due from government		
Income tax refundable	8,111,711	-
Sales tax refundable	1,587,235	-
	<u>9,698,947</u>	<u>-</u>
9 SHORT TERM INVESTMENTS		
Term deposit receipts (TDRs)	108,000,000	129,000,000
Mutual fund	1,281,456	1,126,039
	<u>109,281,456</u>	<u>130,126,039</u>
Interest accrued	13,459,357	14,651,454
	<u>122,740,813</u>	<u>144,777,493</u>
10 CASH AND BANK BALANCES		
Cash in hand	1,450,522	1,072,157
Cash at bank:		
Current accounts	540,179,192	146,427,137
Deposit accounts	51,591,083	141,577,391
Deposit accounts with Islamic Banks -under Shariah arrangements	1,324,001	49,429,369
Current accounts-dividend	14,146,831	14,107,103
	<u>608,691,628</u>	<u>352,613,157</u>
Less: Impairment loss allowance	(83,501)	(82,459)
	<u>608,608,127</u>	<u>352,530,697</u>
11 SHARE CAPITAL		
11.1 Authorised Share Capital		
100,000,000 ordinary shares of Rs 10 each (June 30, 2023: 100,000,000 ordinary shares of Rs 10/- each)	1,000,000,000	1,000,000,000

	March 31, 2024 Un-audited	June 30, 2023 Audited
	Rupees	
11.2 Issued, subscribed and paid up capital:		
Shares issued for cash		
5,400,000 ordinary shares of Rs 10 each (June 30, 2023: 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, 2023: 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, 2023: 11,859,210 ordinary shares of Rs 10/- each)	<u>118,592,100</u>	<u>118,592,100</u>
12 TRADE AND OTHER PAYABLES		
Trade creditors	324,452,295	386,092,737
Advances from employees for vehicle lease	322,249	242,374
License fee payable	2,069,829	2,448,544
Accrued liabilities	15,220,040	15,694,452
Sales tax payable	-	9,025,817
Withholding tax payable	9,632,282	7,627,862
Payable to employees	1,909,600	17,152,656
Employees' retirement and other service benefits :		
Gratuity fund	20,464,681	14,378,279
Provident fund	46,054,141	34,820,159
	<u>420,125,117</u>	<u>487,482,879</u>

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1 There has been no significant change in the the status of contingencies as disclosed in Note 24 to the audited financial statements of the Company for the year ended June 30, 2023.

	March 31, 2024 Un-audited	June 30, 2023 Audited
	Rupees	

13.2 Commitments

The Company has following commitments in respect of:

Capital expenditure commitments	67,496,358	48,032,452
Outstanding letter of credits	201,723,120	199,636,995

	Note	Three months period ended		Nine months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		Rupees		Rupees	
14 REVENUE					
Class Value Added Services (CVAS) / data communication services		262,589,985	281,724,440	952,081,772	815,888,092
Telecom infrastructure services		261,705	412,263	910,574	1,236,790
Specialised projects		72,877,949	8,902,229	257,831,742	440,876,501
Solar equipment sales		9,870,208	-	89,384,303	-
Gross revenue		345,599,847	291,038,932	1,300,208,392	1,258,001,383
Less:					
Sales tax / Federal Excise Duty		(35,711,439)	(43,029,501)	(136,523,998)	(129,095,913)
Advance tax		(15,385,745)	(12,466,745)	(47,406,168)	(32,222,739)
		294,502,663	235,542,686	1,116,278,226	1,096,682,731
15 COST OF SERVICES					
Channel and local lead rentals		90,052,831	69,756,310	260,006,853	189,205,363
Space segment rentals		8,576,965	43,592,465	53,309,275	77,753,125
Cost of goods sold		8,939,455	-	75,872,175	-
Salaries and other benefits	15.1	45,134,785	37,179,968	189,294,332	165,036,401
Repair and maintenance expenses		4,043,103	3,740,139	7,397,153	9,893,000
License fee		55,840	778,096	2,136,435	2,374,957
Depreciation - operating fixed assets		3,757,615	2,056,480	10,912,627	9,043,851
Depreciation - right of use assets		185,269	247,026	555,807	741,078
Amortization		721,926	154,251	2,172,517	406,479
Travelling and local conveyance		1,091,790	658,744	3,483,849	1,969,830
Communication expenses		252,378	348,366	1,087,457	1,248,263
Vehicle running expenses		6,344,956	5,462,769	18,361,640	16,265,854
Insurance		92,447	65,540	271,458	247,868
Entertainment		267,501	339,273	1,101,634	941,959
Rent, rates and taxes		849,496	448,688	2,445,426	1,332,018
Utilities		1,335,261	1,566,928	5,424,309	4,943,807
Other project costs		43,295,657	7,737,154	168,899,964	333,345,078
		214,997,275	174,132,197	802,732,911	814,748,931

15.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 88.39 million (March 31, 2023: Rs. 48.03 million).

	Note	Three months period ended		Nine months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		Rupees		Rupees	
16 ADMINISTRATIVE EXPENSES					
Salaries and other benefits	16.1	36,614,071	26,347,026	119,836,879	87,513,480
Travelling and local conveyance		580,550	2,407,172	4,398,191	2,737,911
Communication expenses		551,884	556,852	1,717,770	1,420,984
Vehicle running expenses		3,322,627	2,583,965	9,880,136	7,366,860
Repair and maintenance expenses		496,567	780,432	1,624,766	2,690,544
Insurance		233,459	135,407	619,778	399,675
Depreciation - operating fixed assets		400,092	265,054	1,050,738	847,052
Depreciation - right of use assets		2,822,334	2,860,170	8,467,002	8,580,510
Entertainment		672,068	457,601	2,449,946	1,659,310
Rent, rates and taxes		-	28,876	18,000	189,008
Legal and professional charges		1,497,983	1,549,707	5,567,346	5,481,938
Printing and stationery		507,870	358,674	2,617,482	2,027,983
Utilities		551,176	397,043	2,134,583	1,833,589
Donation		4,072,000	1,775,000	8,027,000	5,775,513
Auditors' remuneration		23,000	273,000	737,500	904,600
		52,345,681	40,775,979	169,147,117	129,428,957

16.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 45.49 million (March 31, 2023 : Rs. 25.72 million).

Note	Three months period ended		Nine months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees		Rupees	
17 MARKETING EXPENSES				
Advertisement and marketing	1,086,842	835,115	4,610,164	2,196,618
Salaries and other benefits	5,889,023	4,447,959	22,643,193	20,962,019
Travelling and local conveyance	1,420,737	1,640,520	2,901,291	2,028,237
Communication expenses	31,269	30,880	78,064	106,805
Vehicle running expenses	656,564	731,636	2,021,732	1,738,389
Insurance	3,487	8,767	9,821	9,079
Depreciation - operating fixed assets	46,228	44,111	116,798	154,087
Depreciation - right of use assets	-	-	-	-
Entertainment	10,348	-	12,648	31,733
Repair and maintenance expenses	56,229	10,252	99,235	140,718
	<u>9,200,727</u>	<u>7,749,240</u>	<u>32,492,946</u>	<u>27,367,685</u>

17.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 8.72 million (March 31, 2023 : Rs. 5.82 million).

	Three months period ended		Nine months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees		Rupees	
18 FINANCE INCOME/ (COST)				
Exchange (loss) / gain - net	(10,723,104)	119,759,525	(18,195,618)	181,587,051
Finance lease charges	(2,233,170)	(2,497,286)	(6,779,915)	(7,426,100)
Bank charges	(1,409,486)	(1,468,357)	(2,859,229)	(3,453,177)
	<u>(14,365,760)</u>	<u>115,793,882</u>	<u>(27,834,762)</u>	<u>170,707,773</u>

19 OTHER INCOME

Income from financial assets				
Return on short term investments	5,545,003	5,244,218	17,068,119	14,869,026
Return on bank deposits	3,167,129	3,361,862	14,670,698	12,921,899
Return on bank deposits with Islamic Banks	372,090	214,294	1,158,107	945,396
Income from non-financial assets				
Gain / (Loss) on property & equipment	1,559,895	15,020	1,559,895	856,762
Others	(1,113,786)	10,795,955	13,569,190	70,629,356
	<u>9,530,332</u>	<u>19,631,349</u>	<u>48,026,009</u>	<u>100,222,439</u>

Note	Nine months period ended	
	March 31, 2024	March 31, 2023
	Rupees	

20 CASH AND CASH EQUIVALENTS

Cash and bank balances	8	608,608,127	265,871,492
Allowance for impairment		83,501	56,462
		<u>608,691,628</u>	<u>265,927,954</u>

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Aggregate % age of shareholding	Three months period ended		Nine months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		Rupees		Rupees	
Telecom Foundation - Holding Company	55.08%				
Dividend paid		-	-	58,788,054	39,192,036
Donation expense		3,000,000	1,500,000	6,000,000	4,500,000
Donations payable		-	1,500,000	-	4,500,000
Associates					
TF Technologies	Nil				
Receivable against consultancy charges		-	-	118,525	118,525
Directors					
Dividend paid		-	-	15,345	10,230
Directorship fee		2,140,000	1,005,000	5,595,000	3,760,000
Others		205,320	4,103,591	742,759	4,242,328
Remuneration of other key management personnel		15,967,975	17,161,005	53,944,502	49,431,225
Other related parties					
Staff retirement benefit plan - Gratuity fund:					
Payable to Gratuity fund		(3,594,570)	3,547,961	20,464,681	5,065,293
Staff retirement contribution plan - Provident fund:					
Payable to Provident fund		2,772,236	2,421,506	46,054,141	29,590,218

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the company for the year ended June 30, 2023.

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

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on April 26, 2024.

Ahmed Rafiq
Chief Financial Officer (A)

Brig Syed Zulfiqar Ali (R)
Chief Executive

Rubina Safir
Director

Complete >
Network >
Solutions >



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