Pak Datacom

Annual Report 2018







PAK DATACOM LIMITED

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COMPANY PROFILE

BOARD OF DIRECTORS

1.	Mr. Yasir Qadir	Chairman
2.	Syed Jamal Nasir	Chief Executive
3.	Mr. Shoaib Mir	
4.	Mr. Muhammad Tahir Mushtaq	
5.	Malik Muhammad Nasir Ayyaz	
6.	Mr. Yusuf Hussain	
7.	Mr. Basit Waheed	
8.	Mr. Arshad Rasheed Chaudhary	

AUDIT COMMITTEE

1.	Mr. Arshad Rasheed Chaudhary	Chairman
2.	Malik Muhammad Nasir Ayyaz	
3.	Mr. Basit Waheed	

HUMAN RESOURCES COMMITTEE

1.	Mr. Arshad Rasheed Chaudhary	Chairman
2.	Mr. Shoaib Mir	
3.	Mr. Muhammad Tahir Mushtaq	
4.	Mr. Basit Waheed	

PROCUREMENT COMMITTEE

1.	Mr. Yasir Qadir	Chairman
2.	Mr. Shoaib Mir	
3.	Mr. Arshad Rasheed Chaudhary	

NOMINATION COMMITTEE

1.	Mr. Yasir Qadir	Chairman
2.	Malik Muhammad Nasir Ayyaz	
3.	Mr. Basit Waheed	

CHIEF FINANCIAL OFFICER

Ms. Farhat Mansoor

COMPANY SECRETARY

Mr. Waheed Iqbal

REGISTERED OFFICE

1st Floor, TF Complex, 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 House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.
Tel: (92-21) 111-111-500

AUDITORS

KPMG Taseer Hadi & Co., Chartered Accountants, 6th Floor, State Life Building # 5, Jinnah Avenue, Blue Area, Islamabad.

LEGAL ADVISOR

Kundi & Kundi, Advocates & Legal Consultants, 29, Street # 63, Sector F – 10 / 3, Islamabad.

VISION STATEMENT

Progressive and reliable member of the Economic Global Village

MISSION STATEMENT

To provide enhanced, fast, cost effective and dependable worldwide communication services with optimised return to shareholders of the Company

CORPORATE STRATEGY

To provide reliable high speed data transmission and other communication facilities at competitive rates with constant up-gradation in the service range incorporating the penetrative marketing strategy to broaden the clientele base with optimum of satisfaction, safeguarding the interest of shareholders and utilize Company resources ensuring maximum return

ہماری بصیرت/ ویژن

اقتصادی گلوبل ویلیج کا ترقی پسند اور قابل اعتماد رکن بننا

ہمارا نصب العین/مشن

اپنے صارفین کو وسیع تر، تیز رفتار، کم لاگت اور دُنیا بھر کی قابل اعتماد مواصلاتی خدمات فراہم کرنا اور کمپنی کے حصص مالکان کو ان کی سرمایہ کاری کا بہتر نعم البدل ادا کرنا

ہماری تجارتی / کارپوریٹ حکمت عملی

اپنے صارفین کو مسابقتی شرح پر ڈیٹا کی انتہائی قابل اعتماد تیز رفتار منتقلی کی سروس اور دیگر مواصلاتی خدمات فراہم کرنا۔ اپنی خدمات کو مسلسل بہتر اور جدید بنانا اور ایک ایسی مارکیٹنگ حکمتِ عملی تشکیل دینا جس سے نہ صرف اپنے صارفین کی تعداد میں اضافہ ہو بلکہ حصص مالکان کے مفادات کا بھی تحفظ ہو۔ کمپنی زیادہ سے زیادہ فوائد حاصل کرنے کے لیے اپنے وسائل کو بروئے کار لائے گی۔

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.

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

PDL PRODUCTS



The 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 three 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



Digital Cross Connect (DXX) offers high speed data connectivity of desired speed to meet demands of corporate and banking sector. Government sector departments and Private Sector banks and companies like PIFRA, NHA, NBP and British Telecom are also using PDL DXX services. DXX supports online banking through dedicated Leased Line unlike in DSL where there is a shared medium. Network coverage is available in all major cities and towns.

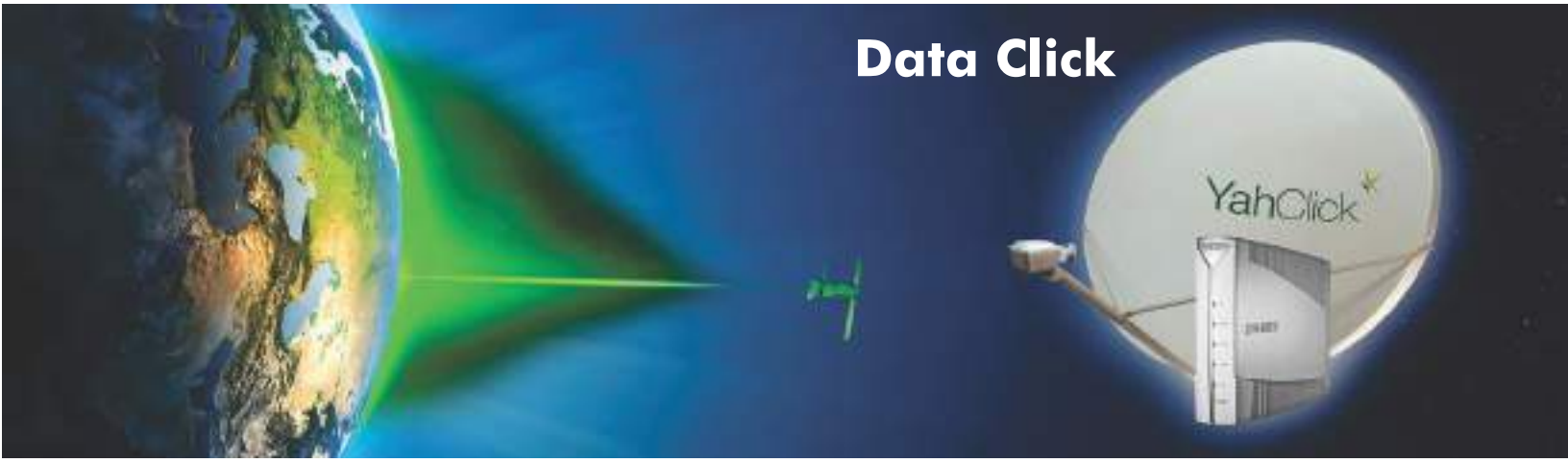
DXX also interconnects fiber optic equipment and T1/E1, etc. and even provide compatibility between SDH, PDH and SONET. More T1s can be connected with single SDH for maximum medium utilization through multiple DXXs. Higher costs can be avoided through DXX by using DSX cross connect path panels.

PDL has a highly scalable and flexible NMS connected with Digital Transit Exchanges in all major cities.

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



It is a breakthrough satellite broadband service for users in the 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

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

Salient Features

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

Sectors

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

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.

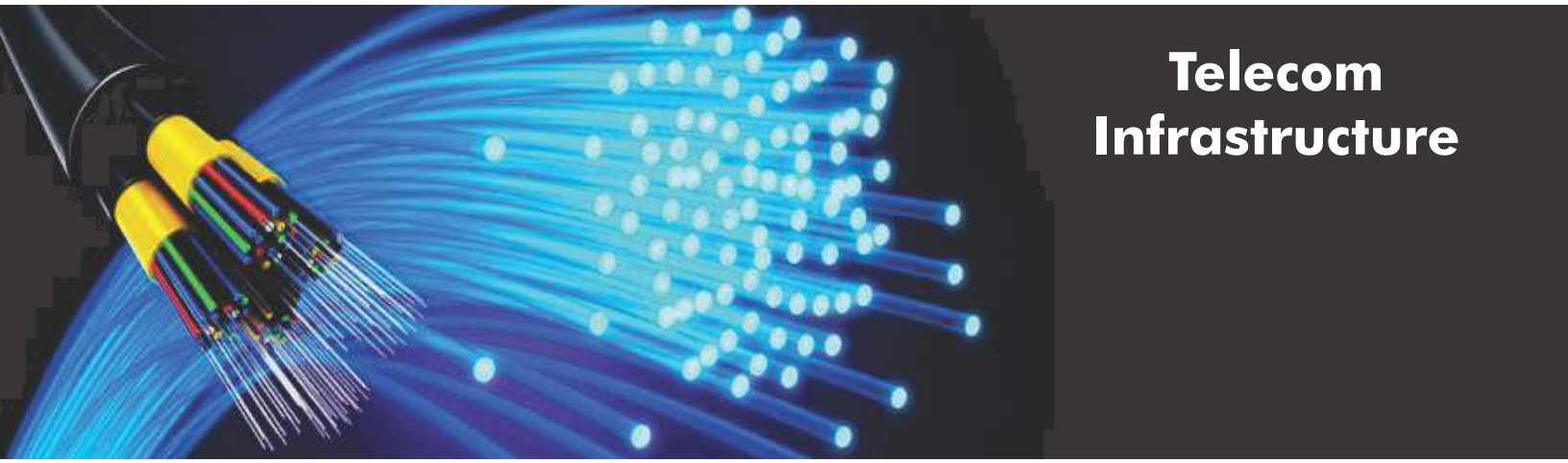
PDL offers point to point and point to multipoint Digital Radio System (DRS).

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.

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

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 a Telecommunication Infrastructure License and 20 year experience of countrywide development.

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



Support Service Email

nmsisb@pakdatacom.com.pk

nmskhi@pakdatacom.com.pk

nmslhr@pakdatacom.com.pk

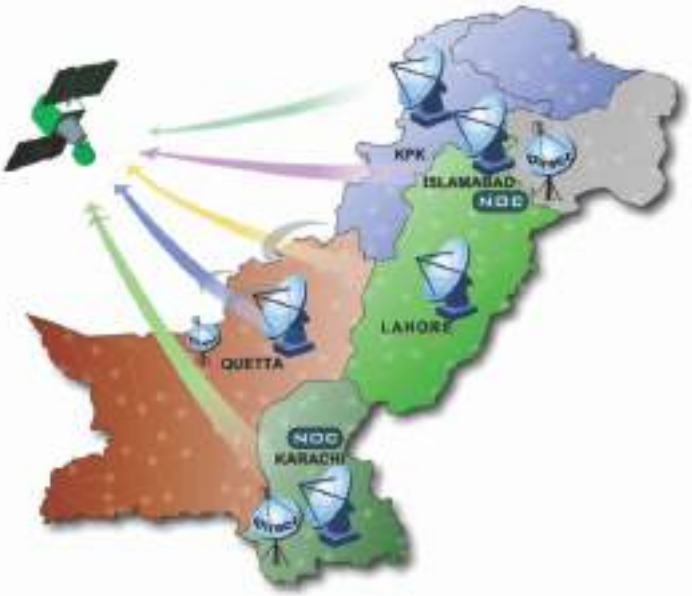
info@pakdatacom.com.pk

Phone Service

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

PDL COVERAGE

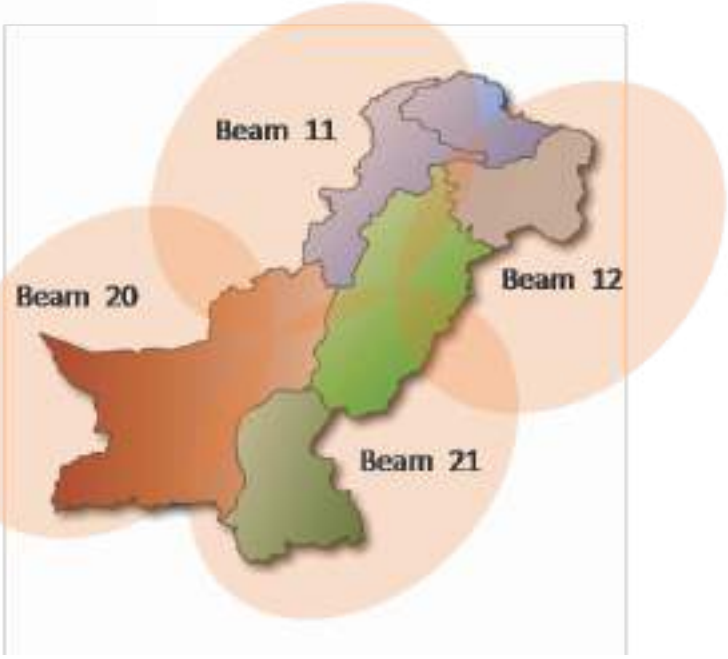
iDirect & VSAT Coverage



DXX Coverage



Data Click Coverage



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of Pak Datacom Limited will be held on Tuesday, November 27, 2018 at 11 a.m at Hotel Hillview, F-7 Markaz, Islamabad to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of 25th Annual General Meeting held on October 24, 2017.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.
3. To approve, as recommended by the Board of Directors, the payment of final cash dividend to the shareholders @ 30% i.e. Rs. 3.00 per share for the year ended June 30, 2018. It is in addition to interim cash dividend of Rs. 1.00 per share i.e., 10% already paid to the shareholders, thus making a total cash dividend of Rs. 4.00 per share i.e. 40% for the year ended June 30, 2018.
4. To appoint auditors for the year ending June 30, 2019 and fix their remuneration. The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.
5. To transact such other business as may be placed before the meeting with the permission of the Chair.

On behalf of the Board

Pak Datacom Limited, 3rd Floor,
Umar Plaza, Blue Area, Islamabad.
November 06, 2018

Waheed Iqbal
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from November 20, 2018 to November 27, 2018 (both days inclusive). Transfers received in order at the Shares Registrar Office of the Company by the close of business on November 19, 2018 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders, and to attend the annual general meeting.

2. Participation in the Annual General Meeting

A member entitled to attend and vote at the above meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received at the Head Office of the Company not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.

3. Change in Particulars

Shareholders are requested to promptly notify in writing to the Share Registrar of the Company of any change in their mailing addresses.

4. Submission of Computerized National Identity Card (CNIC) for Payment of Final Cash Dividend 2017-18

Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP), CNIC number of shareholders are MANDATORILY required for payment of dividend. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the following Company's Share Registrar Office address;

Share Registrar Department, CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi – 74400. Tel: (92-21) 111-111-500

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.

5. Payment of Dividend Through Bank Account of The Shareholder

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) detail to receive their cash dividend directly in to their bank accounts instead of receiving it through dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account detail. In the absence of a member's valid bank account detail by December 03, 2018, the Company will be constrained to withhold payment of dividend to such members.

Accordingly the following information must be provided:

Folio Number	
Name of Shareholder	
Title of Bank Account	
International Bank Account Number (IBAN)	
Name of Bank	
Name of Bank Branch and Address	
Bank Account Number	
Landline number of Shareholder (if any)	
Cell number of Shareholder	
CNIC/ NTN Number (Attach copy)	
Signature of Member	

Note: Signature must match specimen signature registered with the Company. Members who hold shares in CDC accounts should provide their bank mandates to their respective participants.

CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

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.

7. Income Tax Return Filling Confirmation – Revised Tax Rates Applicability Pursuant of Finance Act 2018

Pursuant to the provisions of Finance Act, 2018, effective July 01, 2018, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

i) Rate of tax deduction for filer of income tax returns 15.0%

ii) Rate of tax deduction for non-filer of income tax returns 20.0%

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.

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 by sending following detail on the Pak Datacom Limited Share Registrar address mentioned at serial # 4. The members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) are requested to send a copy of detail regarding tax payment status also to the relevant member stock exchange or to CDC if maintaining CDC investor account. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

Name (Company/ Individual)	Folio #/ CDS ID #/ AC #	Total Shares	Principal Share Holder	Joint Share Holder		
			Name & CDC #	Shareholding Proportion (No. of Shares)	Name & CDC #	Shareholding Proportion (No. of Shares)

8. Additional Requirements for CDC Account Holders

CDC account holders will have to follow further under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan:

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 his/her identity by showing his original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting. The shareholders registered on CDC are also required to bring their participant's I.D. Number and account numbers in CDS.

ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the 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 details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form. The proxies shall produce their original CNIC or original passport at the time of the meeting.

ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to Company.

9. Circulation of Annual Audited Financial Statements To Shareholders Through Email/CD/USB/DVD or Any Other Media

Pursuant to the directions given by the SECP through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet, Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through e-mail/CD/DVD/USB/ or any other Electronic Media at their registered Addresses. Shareholders who wish to receive the hard copy of Financial Statements shall have to fill the attached standard request form (available on the company's website www.pakdatacom.com.pk) and send it to the Company address.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange or to CDC if maintaining CDC investor account.

10. Availability of Audited Financial Statements on Company's Website

The audited accounts of the Company for the year ended June 30, 2018 will be placed on the Company's website www.pakdatacom.com.pk, at least 21 days before the date of Annual General Meeting.

11. Video Conference Facility

Pursuant to provisions of SECP Circular 10 of 2014 dated May 31, 2014, if the Company receives consent from Members holding 10% or more shareholding residing in geographical location to participate in the Meeting through video conference at least 10 days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that City.

سالانہ اجلاس عام کی اطلاع

اطلاع دی جاتی ہے کہ پاک ڈیٹاکام لمیٹڈ کی 26ویں سالانہ اجلاس عام مورخہ 27 نومبر 2018 بروز منگل 11 بجے دن ہوٹل ہل ویو، F-7 مرکز، اسلام آباد میں منعقد ہو رہا ہے، جس میں مندرجہ ذیل کاروائی ہو گی:

عمومی کارروائی

1. 25ویں اجلاس عام منعقدہ 24 اکتوبر 2017 کی روداد کی توثیق کرنا۔
2. 30 جون 2018 کو ختم ہونے سال کے کمپنی کے آڈٹ شدہ اکاؤنٹس اور اس کے ساتھ ڈائریکٹرز اور آڈیٹرز کے رپورٹس کی وصولی، جائزہ، اور منظوری دینا۔
3. 30 جون 2018 کو ختم ہونے والے سال کے لیے، بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، حصص داران کے لیے 30 فیصد یعنی کہ 3.00 روپے فی حصص کے حساب سے حتمی نقد ڈیوڈنڈ کی منظوری دینا۔ یہ عبوری کیش ڈیوڈنڈ، بحساب 1.00 روپے فی حصص یعنی کہ 10 فیصد کے علاوہ ہے جو کہ حصص داران کو پہلے سے ادا ہو چکا ہے۔ اس طرح 30 جون 2018 کو ختم ہونے والے سال کے لیے کل نقد ڈیوڈنڈ فی حصص 4.00 روپے، یعنی کہ 40 فیصد بنتا ہے۔
4. 30 جون 2019 کو ختم ہونے والے سال کے لیے آڈیٹرز کی تعیناتی اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی ریٹائر ہو چکے ہیں مگر اہل ہیں۔ انھوں نے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔
5. ایسی کوئی اور کاروائی کرنا جو کہ سربراہ کی اجازت سے میٹنگ میں پیش ہو۔

منجانب بورڈ

وحید اقبال
کمپنی سیکریٹری

پاک ڈیٹاکام لمیٹڈ، تیسری منزل،
عمر پلازہ، بلیو ایریا، اسلام آباد۔
06 نومبر 2018

یادداشت:

1. حصص کی منتقلی بک کی بندش

کمپنی کی شئیر ٹرانسفر بکس 20 نومبر 2018 سے 27 نومبر 2018 (بشمول دونوں ایام کے) بند رہیں گی۔ 19 نومبر 2018 کو کاروبار کے اختتام تک کمپنی کے رجسٹرار کے دفتر میں باقاعدہ موصول منتقلیاں ہی، اگر حصص داران کی منظوری ہوئیں، حتمی نقد ڈیویڈنڈ کی ادئیگی کے لیے برتی جائیں گی اور سالانہ جنرل میٹنگ میں پیش کی جائیں گی۔

2. سالانہ جنرل میٹنگ میں شرکت

ایک رکن جو کہ درج بالا میٹنگ میں شرکت اور ووٹ کا اہل ہے وہ اپنی جگہ کسی اور رکن کو اپنا نائب / قائم مقام بنا سکتا ہے۔ نائبین کا معاملہ موثر بنانے کے لیے ان کا معاملہ میٹنگ سے کم از کم 48 گھنٹے پہلے کمپنی کے ہیڈ آفس کو باقاعدہ مہر، دستخط، اور شہادت کے ساتھ لازم موصول ہونا چاہیئے۔

3. تفصیلات میں ردوبدل

حصص داران سے درخواست ہے کہ وہ اپنے خط و کتابت کے پتوں میں کسی قسم کے ردوبدل کے بارے میں کمپنی کے رجسٹرار کو فوری طور پر تحریری شکل میں آگاہ کریں۔

4. 2017-18 کے حتمی نقد ڈیویڈنڈ کی ادائیگی کے لیے کمپیوٹرائیزڈ شناختی کارڈ (CNIC) کی فراہمی

سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے احکامات کے تحت ڈیویڈنڈ کی ادائیگی کے لیے حصص داران کا شناختی کارڈ نمبر لازمی درکار ہے۔ اسی لیے حصص داران سے التماس ہے کہ وہ کمپنی کے شئیر رجسٹرار کے مندرجہ ذیل پتے پر اپنے کار آمد قومی شناختی کارڈ (CNIC) کی ایک نقل مہیا کر دیں (اگر پہلے سے مہیا نہ کی گئی ہو):

شئیر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس،
مین شاہراہ فیصل، کراچی- 74400 . 111-111-500 (92-21)

کسی رکن کے کار آمد شناختی کارڈ کی عدم موجودگی میں کمپنی ایسے ارکان کے نقد ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہو گی۔

سی ڈی سی اکاؤنٹ ہولڈرز، جو کہ اپنا سی ڈی سی سرمایہ کاری کھاتہ (CDC Investor Account) مرتب رکھتے ہیں، سے درخواست ہے کہ وہ متعلقہ رکن سٹاک ایکسچینج یا سی ڈی سی کو اپنے شناختی کارڈ مہیا کر دیں۔

5. حصص دار کے بینک اکاؤنٹ کے ذریعے ڈیویڈنڈ کی ادائیگی

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت، سند اختیار (Warrant) کے بجائے براہِ راست اپنے بینک اکاؤنٹ کے ذریعے نقد ڈیویڈنڈ حاصل کرنے کے لیے حصص داران کے لیے لازم ہے کہ وہ اپنے انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی تفصیلات مہیا کریں۔ اسی کے تحت اور SECP کے 2017 کے سرکولر نمبر 18 مورخہ 01 اگست 2017 کے احکامات کے تحت، حصص داران سے درخواست ہے کہ وہ کمپنی کے رجسٹرڈ آفس کو اپنے بینک اکاؤنٹ کی تفصیلات تحریری درخواست کی شکل میں فراہم کریں (اگر پہلے سے فراہم نہ کی گئی ہوں)۔ 03 دسمبر 2018 تک کار آمد بینک اکاؤنٹ کی تفصیلات کی عدم موجودگی کی صورت میں کمپنی مجبور ہو گی کہ ایسے ارکان کے ڈیویڈنڈ کی ادائیگی روک دے۔

درجِ ذیل تفصیلات لازم مہیا کرنی ہوں گی:

فولیو نمبر	
حصص مالکان کا نام	
بینک اکاؤنٹ کا ٹائٹل	
انٹرنیشنل بینک اکاؤنٹ نمبر(IBAN)	
بینک کا نام	
برانچ کا نام اور پتہ	
بینک اکاؤنٹ نمبر	
حصص مالکان کا لینڈ لائن نمبر (اگر ہو)	
حصص مالکان کا موبائل نمبر	
قومی شناختی کارڈ/ این ٹی این (نقل منسلک کریں)	
ممبر کے دستخط	

نوٹ: دستخط کمپنی میں محفوظ شدہ دستخط کے نمونے کے مطابق ہوں۔ جن ارکان کے حصص سی ڈی سی اکاؤنٹ میں ہوں وہ اپنا بینک اختیار اپنے متعلقہ شرکا کو دیں۔

سی ڈی سی اکاؤنٹ ہولڈرز، جو سی ڈی سی سرمایہ کاری اکاؤنٹ رکھتے ہیں، سے التماس ہے کہ وہ اپنے اختیار کی ہدایات متعلقہ رکن سٹاک ایکسچینج یا سی ڈی سی کو مہیا کر دیں۔

6. انکم ٹیکس / زکوۃ کی کٹوتی سے استثنا

وہ ارکان جو کہ انکم ٹیکس کی کٹوتی سے استثنا چاہتے ہوں یا جو کم شرح سے کٹوتی کے مستحق ہیں، وہ ایک کارآمد ٹیکس سرٹیفیکیٹ یا ضروری دستاویزی ثبوت، حالات کے تحت جو بھی ضروری ہو، مہیا کریں۔ جو ممبران زکوۃ کی کٹوتی کے مستحق نہیں، ان سے بھی التماس ہے کہ وہ زکوۃ کی عدم کٹوتی کے بارے میں ایک کارآمد حلف نامہ داخل کرائیں۔

7. انکم ٹیکس ریٹرن جمع کرنے کی تصدیق-فنانس ایکٹ 2018 کے تحت نظر ثانی شدہ ٹیکس کے شرحوں کا لاگو ہونا

فنانس ایکٹ 2018 کی دفعات کے تحت، جو کہ 01 جولائی 2018 سے موثر ہے، انکم ٹیکس کٹوتی کے سلسلے میں اصلاحات کی گئی ہیں۔ انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت نقد ڈیویڈنڈ پر انکم ٹیکس کی کٹوتی پر مندرجہ ذیل نظر ثانی کی گئی ہیں۔

i) انکم ٹیکس ریٹرن جمع کرانے والے کے لیے ٹیکس کی کٹوتی 15٪

ii) انکم ٹیکس ریٹرن جمع نہ کرانے والے کے لیے ٹیکس کی کٹوتی 20٪

قومی شناختی کارڈ نمبر / این ٹی این اب لازم ہے اور فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے وقتاً فوقتاً جاری کردہ ایکٹیو ٹیکس پیئرز لسٹ (ATL) کے مطابق ٹیکس کی صورتحال جاننے کے لیے مطلوب ہے۔

مشترکہ یا جوائنٹ اکاؤنٹ کی صورت میں ہر اکاؤنٹ ہولڈر کو فائلر یا نان فائلر کے طور پر انفرادی طور پر لیا جائے گا، اور ٹیکس کی کٹوتی ہر

کھاتہ دار کے حصص داری کے حساب سے ہو گی، جس کی تحریری تفصیلات وہ پاک ڈیٹاکام لمیٹڈ کے کمپنی شئیر رجسٹرار کو سیریل نمبر 4 میں مذکور پتے پر دے گا۔ وہ ارکان جنہوں نے اپنے حصص سنٹرل ڈیپازیٹری کمپنی آف پاکستان (CD) میں جمع کرائے ہیں، ان سے درخواست ہے کہ وہ اپنی ٹیکس ادائیگی کی صورتحال کے تفصیلات کی ایک نقل متعلقہ رکن سٹاک ایکسچینج یا CDC کو بھجوادیں، اگر وہ CDC اکاؤنٹ برقرار رکھ رہے ہیں۔ اگر کوئی اطلاع موصول نہ ہو تو یہ مانا جائے گا کہ ہر مشترکہ اکاؤنٹ ہولڈر حصص کی مساوی تعداد رکھتا ہے۔

نام (کمپنی/فرد)	فولیو نمبر/سی ڈی ایس آئی ڈی نمبر/ اکاؤنٹ نمبر	کُل حصص (شیئرز)	بنیادی حصص مالکان	مشترکہ حصص مالکان		
			نام اور سی ڈی سی نمبر	حصص کا تناسب (شیئرز کی تعداد)	نام اور سی ڈی سی نمبر	حصص کا تناسب (شیئرز کی تعداد)

8. سی ڈی سی اکاؤنٹ ہولڈرز سے مطلوب دیگر اضافی ضروریات

سی ڈی سی کھاتے دار سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے لاگو شدہ مزید اصولوں کی بھی پابندی کریں گے، جو کہ درجِ ذیل ہیں:

a. اجلاس میں شرکت کے لیے

I. فرد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور / یا یا وہ فرد جس کی سیکیوریٹیز گروپ اکاؤنٹ میں ہیں اور اس کے رجسٹریشن کی تفصیلات ضوابط کے مطابق مہیا کی گئی ہیں، وہ اجلاس میں شرکت کرتے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا / گی۔ وہ حصص دار جو کہ سی ڈی سی میں رجسٹرڈ ہیں انہیں بھی اپنی شرکت کا شناخت نمبر اور سی ڈی سی کا اکاؤنٹ نمبر لانا ہو گا۔

II. بطور ادارہ شرکت کے لیے اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ بمع نامزد شخص کے دستخط کا نمونہ پیش کرنا ہو گا (اگر یہ پہلے سے مہیا نہ کیا گیا ہو)۔

b. نائب / قائم مقام کی نامزدگی کے لیے

I. فرد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور / یا یا وہ فرد جس کی سیکیوریٹیز گروپ اکاؤنٹ میں ہیں اور اس کے رجسٹریشن کی تفصیلات ضوابط کے مطابق مہیا کی گئی ہیں، وہ ان اوپر بتائی گئی مطلوبہ ضروریات کے مطابق نائیبیت کا فارم (Proxy Form) فراہم کرے گا۔ پراکسی فارم کی دو اشخاص تصدیق کریں گے، جن کے نام، پتے، اور قومی شناختی کارڈ نمبرز فارم پر دیے جائیں گے۔ پراکسی فارم کے ساتھ مستفید ہونے والے مالکان اور قائم مقام شخص کے قومی شناختی کارڈ یا پاسپورٹ کی نقول دینی ہوں گی۔ قائم مقام / نائب کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہو گا۔

II. ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختارنامہ، بمع اُس شخص کے دستخط کے نمونہ کے، کہ جسے اُس ادارے کی جانب سے ادارے کی نمائندگی اور ووٹ دینے کے لیے نامزد کیا گیا ہو، اور بمع پراکسی فارم کے کمپنی کو فراہم کرنا ہوگا (اگر یہ پہلے سے فراہم نہ کیے گیے ہوں)۔

9. سالانہ آڈٹ شدہ مالیاتی گوشواروں کی حصص داران تک بذریعہ ای میل / سی ڈی / یو ایس بی / ڈی وی ڈی یا کسی اور میڈیا بہم رسانی

ایس ای سی پی کے ایس آر او 2014 /(1) 787 مورخہ 8 ستمبر 2014 اور ایس آر او 2016 /(1) 470 مورخہ 31 مئی 2016 کے احکامات کے تحت کمپنیوں کو اجازت دی گئی ہے کہ وہ اپنے ارکان کو ان کے رجسٹرڈ پتوں پر اپنے سلانہ آڈٹ شدہ اکاؤنٹس (یعنی سالانہ بیلینس شیٹس، نفع اور نقصان کے اکاؤنٹس، مجموعی آمدن کے گوشوارے، کیش فلو کا گوشوارہ، مالیاتی گوشواروں کے بارے میں نوٹس، آڈیٹرز اور ڈائریکٹرز کی رپورٹس) ای میل / سی ڈی / ڈی وی ڈی / یو ایس بی / یا کسی بھی اور الیکرانک میڈیا کے ذریعے بھیج سکیں۔ وہ ارکان جو مالیاتی گوشواروں کی ہارڈ کاپی حاصل کرنا چاہتے ہیں انہیں منسلکہ سٹینڈرڈ درخواست فارم بھرنا ہوگا (جو کہ کمپنی کی ویب سائٹ www.pakdatacom.com.pk پر دستیاب ہے) اور اسے کمپنی کے پتے پر بھیجنا ہوگا۔

سی ڈی سی کے کھاتے داروں سے درخواست ہے کہ وہ اپنے ای میل ایڈریسز متعلقہ رکن سٹاک ایکسچینج یا سی ڈی سی کو مہیا کر دیں، اگر وہ سی ڈی سی سرمایہ کاری کھاتہ برقرار رکھ رہے ہیں۔

10. آڈٹ شدہ مالیاتی اکاؤنٹس کی کمپنی کے ویب سائٹ پر دستیابی

کمپنی کے 30 جون 2018 کو اختتام پذیر سال کے آڈٹ شدہ اکاؤنٹس کو کمپنی کی ویب سائٹ www.pakdatacom.com.pk پر سالانہ جنرل اجلاس کی تاریخ سے کم از کم 21 دن قبل پیش کیا جائے گا۔

11. ویڈیو کانفرنس کی سہولت

ایس ای سی پی کے سرکولر 10 مورخہ 31 مئی 2014 کے تحت ایسے ممبرز جن کے پاس 10٪ یا زیادہ حصص ہوں اور جو کسی جغرافیائی مقام پر رہتے ہوں، ان کی اگر اجلاس کی تاریخ سے کم از 10 دن پہلے رضامندی ملے کہ وہ جلاس میں ویڈیو کانفرنس کے ذریعے شرکت کرنا چاہتے ہیں، تو کمپنی اُس شہر میں ویڈیو کانفرنس کی سہولت کا انتظام کرے گی، بشرطیکہ اُس شہر میں یہ سہولت موجود ہو۔

CHAIRMAN'S STATEMENT / CHAIRMAN'S REVIEW REPORT

Dear Shareholders,

It gives me great pleasure to present the Company's Annual report and Audited Financial Statements for the year ended June 30, 2018.

Results

In this year the Company has increased its revenue from Rs. 704.297 million to Rs. 798.063 million, which gives an increase of 13.31% from preceding year. Profit after tax has increased from Rs. 11.690 million to Rs. 18.805 million. Increase in profit after tax is mainly because of better margin on special projects. In the year under consideration other projects revenue increased by Rs. 142.815 million in comparison to last year.

The results of the Company's operations are dealt with in further detail in the annexed Directors' Report and Financial Statements.

Out Look

Company is taking effective measures to enhance revenue from its regular business as well as from special projects. In this regard, your Company has successfully completed supply of telecom equipment to a major strategic entity during the year. Other orders for supply and installation of telecom equipment are in the process of being finalized. The Company is also enhancing its market share in the satellite based internet services as demand has considerably enhanced for satellite internet broad band services.

Apart from concentrating on growth, network cost was rationalized while terrestrial cost and satellite bandwidth/ media cost was reduced along with related operational cost by prudent management efforts.

Being a leading Data Network Operator and proven potential, PDL has always taken pride in customer care, service providing, prompt response and leading latest and state of the art technologies. As we move forward, this policy will continue to explore new revenue streams.

Acknowledgement

On behalf of the Board, I would like to acknowledge with thanks the contributions made by the management staff, employees, regulatory authorities and various Government functionaries. Without their support these results would not have been possible.

I would also like to thank all the shareholders for their continued support.

Yasir Qadir
Chairman, Pak Datacom Limited, Islamabad.
Oct 26, 2018

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors feels pleasure to present Annual Report together with the audited accounts of Pak Datacom Limited (PDL) for the financial year ended June 30, 2018 and auditors' report thereon. Salient features of the Company operations are highlighted below.

Company Operations

During the financial year 2017-18, despite internal and external challenges and stiff competition in the market PDL's business activities/ revenue enhanced by 13.31% i.e., revenue increased by Rs. 93.767 million. PDL management has taken concrete steps like defining timelines for each incoming business and to close it as early as possible, so that its revenue could be included in the main revenue stream, followed by rationalizing satellite/ media cost. Moreover, PDL is also exploring new avenues to broaden its operations. The remarkable performance and technical skills demonstrated by the PDL team in an ongoing satellite communication equipment supply project is worth mentioning.

Your Company has successfully won the contract of an international Telecom Operator for its global/ domestic clients located all over the country. All these efforts were aimed at diversifying the revenue base of the Company. We see substantial growth in profitability going forward because of these initiatives.

Apart from concentrating on growth, network cost was rationalized while terrestrial cost and satellite bandwidth/ media cost was reduced along with related operational cost by prudent management efforts. Round the clock maintenance centers are working and the monitoring tools in these centers are upgraded to improve the overall network monitoring operations up to the component level. Team of professional engineers and technicians remains available for the customers to provide round the clock support services related to their respective networks. Special trainings are frequently arranged to the support team to offer superior services to the valuable customers. Internal controls and procedures have been further improved which will yield better results.

Future Plans

Agreements for supply of telecom equipment to strategic organizations are also in the process of finalization. By signing these agreements your Company has not only positioned its resources for different projects but also explored new revenue streams. The Company is also positioning to enhance loyalty relationship with present customers and other allied related businesses. Keeping this strategy intact, the Company will participate in new government, national, and international projects and ventures.

Company is taking effective measures to enhance revenue from its regular business as well as from special projects. In this regard, certain agreements are under final negotiation and once approved will contribute to enhance revenue and profitability of your Company in the FY 2018-19.

PDL has always taken pride in customer care, service providing, prompt response and leading latest and state of the art technologies. This policy will continue to strive to explore new revenue streams.

Social Welfare

We take pleasure to report that apart from our business strategy and being socially responsible, the Company is contributing to the society through community welfare programs focusing on education for children.

Realizing the social responsibility, the Company has contributed Rs. 4.000 million towards social welfare during the financial year 2017-18 in the field of education.

Composition of the Board

Total No of Directors 7
Male 7
Female 0

Composition:

At present the Board includes:

Category	Name
Executive Director/CEO	Syed Jamal Nasir
Non-Executive Directors	Mr. Yasir Qadir Mr. Tahir Mushtaq Mr. Yusuf Hussain Mr. Nasir Ayyaz
Independent Directors	Mr. Shoaib Mir Mr. Basit Waheed Mr. Arshad Rasheed Chaudhary

Committees of the Board

Audit Committee

i) Mr. Arshad Rasheed Chaudhary (Chairman)
ii) Mr. Basit Waheed (Member)
iii) Mr. Nasir Ayyaz (Member)

Human Resource & Remuneration Committee

i) Mr. Arshad Rasheed Chaudhary (Chairman)
ii) Mr. Tahir Mushtaq (Member)
iii) Mr. Basit Waheed (Member)
iv) Mr. Shoaib Mir (Member)

Procurement Committee

i) Mr. Yasir Qadir (Chairman)
ii) Mr. Shoaib Mir (Member)
iii) Mr. Arshad Rasheed Chaudhary (Member)

Nomination Committee

i) Mr. Yasir Qadir (Chairman)
ii) Malik Nasir Ayyaz (Member)
iii) Mr. Basit Waheed (Member)

Director's remuneration

The company is not paying any remuneration to Non-Executive Directors and Independent Directors except meeting fee of Rs. 30,000 for per meeting.

Changes in Board of Directors

As statutory period of Board's term of three years was completed on October 24, 2017, the Directors, namely Mr. Yasir Qadir - Director/ Chairman, Syed Abrar Hussain - Director/ Chief Executive, Mr. Amjad Hussain Qureshi - Director, Mr. Jamil Anwar - Director, Ms. Ameena Sohail - Director, Mr. Haaris Mahmood Chaudhary - Director and Mr. Basit Waheed - Director were retired from the Board. Election of the Board of Directors was conducted in last Annual General Meeting held on October 24, 2017 and Directors namely Mr. Yasir Qadir, Syed Abrar Hussain, Mr. Arshad Rasheed Chaudhary, Mr. Jamil Anwar, Ms. Ameena Sohail, Mr. Haaris Mahmood Chaudhry and Mr. Basit Waheed were elected.

Later on Mr. Muhammad Tahir Mushtaq, Mr. Yusuf Hussain, Mr. Malik Muhammad Nasir Ayyaz were replaced by Telecom Foundation as nominee Directors in place of Syed Abrar Hussain, Ms. Ameena Sohail and Mr. Haaris Mahmood Chaudhry. Besides that nominee Director of State Life Insurance Corporation (SLIC) Mr. Jamil Anwar tendered his resignation and in his place Mr. Shoaib Mir was nominated as Director on behalf of SLIC. The Board takes the opportunity to welcome the newly appointed members of the Board and expresses appreciation for the services rendered by the outgoing Directors during their association with the Company.

Financials

The Company has posted pre-tax profit of Rs. 35.560 million during the financial year ended on June 30, 2018. Profit before tax is proposed for appropriation as follows;

	Pak Rupees
Profit for the year before taxation	35,560,076
Provision for taxation	(16,595,001)
Profit after taxation	18,965,075
Basic / diluted earnings per share (EPS)	1.94
Interim Dividend (already paid)	
Interim cash dividend 10.00% i.e. Rs. 1.00 per share	9,801,000
Subsequent Effects	5,000,000
Transfer to General Reserves	
Proposed final cash dividend @ 30% i.e. Rs. 3.00 per share	29,403,000

Value of Investments of Gratuity Fund

The value of investments of gratuity fund based on its un-audited accounts of June 30, 2018 was Rs. 200.000 million. The fund is being managed by an independent Board of Trustees comprising of management and employees.

Auditors

M/S KPMG Taseer Hadi & Co. Chartered Accountants have completed the annual audit of for the year ended 30 June 2018 and will retire on conclusion of Annual General Meeting. The Audit Committee and the Board of Directors have endorsed their re-appointment for shareholders consideration in the forthcoming AGM.

Compliance of Code of Corporate Governance

Compliance statement of Code of Corporate Governance formulated by Securities and Exchange Commission of Pakistan is annexed with this report.

Shareholding Pattern

Statement showing the pattern of shareholding as at June 30, 2018 is annexed with this report.

Acknowledgement

The Board extends sincere thanks to our shareholders, customers, regulators, and stock exchanges for their continued confidence, trust, and committed support for the progress and prosperity of the Company.

For and on Behalf of the Board

Islamabad
October 26, 2018

Arshad Rasheed Chaudhary
Director

Syed Jamal Nasir
Chief Executive

ڈائریکٹرز رپورٹ

محترم حصص داران

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ پاک ڈیٹاکام لمیٹڈ (PDL) کے 30 جون 2018 میں اختتام پذیر مالی سال کی سالانہ رپورٹ بمع آڈٹ شدہ اکاؤنٹس اور آڈٹرز رپورٹ آپ کی خدمت میں پیش کر رہا ہے۔ کمپنی کی سرگرمیوں کے چیدہ چیدہ نکات مندرجہ ذیل ہیں:۔

کمپنی کی سرگرمیاں

مالی سال 18-2017 کے دوران باوجود اندرونی اور بیرونی چیلینجز اور سخت مقابلے کی فضا کے، پی ڈی ایل کی کاروباری سرگرمیوں / آمدن میں 13.31 فیصد کا اضافہ ہوا، یعنی آمدن 93.767 روپیہ تک بڑھی۔ پی ڈی ایل انتظامیہ نے موثر اقدامات اٹھائے ہیں، مثلاً ہر آنے والے بزنس کے لیے وقت کی حد مقرر کرنا، تاکہ اسے جلد از جلد پایہ تکمیل تک پہنچایا جائے اور اس سے حاصل شدہ آمدن کو مرکزی آمدن کے دھارے میں شامل کیا جائے، اور اس کے ساتھ ساتھ سیٹیلائٹ / میڈیا اخراجات کو بھی معتدل رکھنا۔ پی ڈی ایل اپنی سرگرمیوں میں توسیع کے لیے مزید مواقع و مقامات بھی دریافت کر رہا ہے۔ یہاں پر ایک موجودہ سیٹیلائٹ کمیونیکیشن پراجیکٹ میں پی ڈی ایل کی ٹیم کی شاندار کارکردگی اور تکنیکی صلاحیتوں کے مظاہرے کی نشاندہی کرنا بہت اہم ہے۔

آپ کی کمپنی نے اس سال کے دوران اپنے ملکی اور غیر ملکی گاہکوں کے لئے ایک بین الاقوامی ٹیلی کام کمپنی کے ساتھ معاہدہ کیا ہے۔ ان تمام کوششوں کا مقصد کمپنی کی آمدن کی بنیاد کو متنوع بنانا تھا۔ ان تمام اقدامات کے نتیجے میں ہم منافع کی شرح میں ایک بڑی بڑھوتری دیکھ سکتے ہیں۔

بڑھوتری پر توجہ مرکوز کرنے کے علاوہ دانشمندانہ انتظامی کوششوں سے نیٹ ورک اخراجات میں کمی ہوئی اور اس کے ساتھ ساتھ زمینی اخراجات اور سیٹیلائٹ بینڈ وڈتھ / میڈیا اخراجات اور اس سے متعلقہ سرگرمیوں کے اخراجات میں بھی کمی ہوئی۔ ہمہ وقت حاضر دیکھ بھال کے مراکز کام کر رہے ہیں اور ان مراکز میں نگرانی کے آلات کو بہتر یا اپ گریڈ کیا گیا ہے تاکہ نگرانی کی مکمل سرگرمیوں کو بہتر بنا کر پرزوں کی سطح تک رکھا جائے۔ صارفین کو ان کے نیٹ ورکس کے بارے میں ہمہ وقت امدادی خدمات مہیا کرنے کے لیے پیشہ ور انجینئیرز اور ٹیکنیشنز کی ٹیم ہر وقت موجود رہتی ہے۔ مددگار ٹیم کو مسلسل خصوصی تربیت بھی دی جاتی ہے تاکہ وہ قابلِ قدر گاہکان کو اعلیٰ خدمات مہیا کر سکیں۔ اندرونی روک تھام اور طریقہ کار کو مزید بہتر بنایا گیا ہے، جس کے مثبت نتائج ہوں گے۔

مستقبل کے منصوبے

سٹریٹیجک اداروں کو ٹیلی کام آلات کی فراہمی کے معاہدے تکمیل کے آخری مراحل میں ہیں۔ ان معاہدات پر دستخط کر کے آپ کی کمپنی نے نہ صرف ان پراجیکٹس کے لیے اپنے وسائل کا درست تعین کیا ہے بلکہ آمدن کے نئے دھارے بھی دریافت کیئے ہیں۔ کمپنی موجودہ صارفین اور ساتھی کاروباروں کے ساتھ اپنی وفاداری کے تعلقات کو بڑھانے کے لیے بھی اپنی حیثیت کا بھی بہتر تعین کر رہی ہے۔ اپنی اس حکمتِ عملی کو سالم اور برقرار رکھنے کے لیے کمپنی نئے حکومتی، قومی، اور بین الاقوامی پراجیکٹس اور مشترکہ کاموں میں حصہ لے گی۔

کمپنی اپنے موجودہ باقاعدہ کاروبار اور اس کے ساتھ ساتھ خصوصی پراجیکٹس سے آمدن میں اضافے کے لیے خصوصی اقدامات اٹھا رہی ہے۔ اس سلسلے میں کچھ معاہدات گفت وشنید کے آخری مراحل میں ہیں، اور منظوری کے بعد ان کا آپ کی کمپنی کی مالی سال 19-2018 میں آمدن اور منافع بڑھانے میں حصہ ہو گا۔

پی ڈی ایل صارفین کے خیال رکھنے، خدمات دینے، اور بالکل نئی اور جدید ترین ٹیکنالوجی میں آگے ہونے میں ہمیشہ فخر محسوس کرتی ہے۔ اس پالیسی کے ذریعے آمدن کے نئے ذرائع تلاش کرنے کی کوشش جاری رکھی جائے گی۔

سماجی فلاح وبہبود

یہ بتاتے ہوئے ہمیں خوشی ہے کہ کمپنی اپنی کاروباری حکمت عملی اور بطور سماجی ذمہ دار ہونے کے ساتھ ساتھ کمیونٹی فلاح وبہبود کے تحت بچوں کی تعلیم پر توجہ مرکوز کر کے معاشرے میں اپنا کردار ادا کر رہی ہے۔

اپنی سماجی ذمہ داری کے احساس کے تحت کمپنی نے معاشرتی فلاح وبہبود کے لیے مالی سال 18-2017 میں تعلیم کے میدان میں 4.000 ملین روپے کا اپنا حصہ ڈالا ہے۔

بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد	7
مرد	7
خواتین	0

ساخت:

موجودہ بورڈ میں درجِ ذیل شامل ہیں:

کیٹیگری	نام
ایگزیکٹیو ڈائریکٹر / سی ای او	سید جمال ناصر
نان۔ ایگزیکٹیو ڈائریکٹران	جناب یاسر قادر جناب طاہر مشتاق جناب یوسف حسین جناب ناصر ایاز
خود مختار ڈائریکٹران	جناب شعیب میر جناب باسط وحید جناب ارشد رشید چودھری

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

i) جناب ارشد رشید چودھری (سربراہ)
ii) جناب باسط وحید (رکن)
iii) جناب ناصر ایاز (رکن)

انسانی وسائل اور معاوضہ جاتی کمیٹی

i) جناب ارشد رشید (سربراہ)
ii) جناب طاہر مشتاق (رکن)
iii) جناب باسط وحید (رکن)
iv) جناب شعیب میر (رکن)

خریداری کمیٹی

i) جناب یاسر قادر (سربراہ)
ii) جناب شعیب میر (رکن)
iii) جناب ارشد رشید چودھری (رکن)

نامزدگی کمیٹی

i) جناب یاسر قادر (سربراہ)
ii) ملک ناصر ایاز (رکن)
iii) جناب باسط وحید (رکن)

ڈائریکٹر کا معاوضہ

کمپنی کسی بھی نان۔ایگزیکیٹیو ڈائریکٹر یا خود مختار ڈائریکٹر کو کوئی بھی معاوضہ ادا نہیں کرتی سوائے میٹنگ فیس 30,000 روپے فی میٹنگ کے حساب سے۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

جیسا کہ بورڈ کی آئینی متعین 3 سالہ مدت 24 اکتوبر 2017 کو پوری ہوگئی تھی، چنانچہ ڈائریکٹرز، جن کے نام ہیں جناب یاسر قادر۔ڈائریکٹر / چیئرمین، سید ابرار حسین۔ڈائریکٹر / چیف ایگزیکیٹیو، جناب امجد حسین قریشی۔ڈائریکٹر، جناب جمیل انور۔ڈائریکٹر، مس امینہ سہیل۔ڈائریکٹر، جناب حارث محمود چودھری، ڈائریکٹر اور جناب باسط وحید۔ڈائریکٹر، بورڈ سے ریٹائرڈ ہوگئے۔ پچھلے سالانہ جنرل میٹنگ، منعقدہ 24 اکتوبر 2017، میں بورڈ آف

ڈائریکٹرز کے انتخاب کا انعقاد ہوا، اور مندرجہ ذیل ڈائریکٹرز منتخب ہوئے۔ جناب یاسر قادر، سید ابرار حسین، جناب ارشد رشید چودھری، جناب جمیل انور، مس امینہ سہیل، جناب حارث محمود چودھری، اور جناب باسط وحید۔

بعد ازاں، ٹیلی کام فانڈیشن نے جناب محمد طاہر مشتاق، جناب یوسف حسین، جناب ملک محمد ناصر ایاز کو سید ابرار حسین، مس امینہ سہیل، اور جناب حارث محمود چودھری کی جگہ ڈائریکٹران نامزد کیا۔ اس کے علاوہ سٹیٹ لائف انشورنس کارپوریشن (SLIC) کے نامزد ڈائریکٹر جناب جمیل انور نے استعفیٰ پیش کیا اور ان کی جگہ پر جناب شعیب میر کو SLIC کی جانب سے ڈائریکٹر نامزد کیا گیا۔ بورڈ نے اس موقع پر نئے منتخب ارکان کو خوش آمدید کہا اور رخصت ہونے والے ڈائریکٹرز کی کمپنی کے ساتھ وابستگی کے دوران کی خدمات کو سراہا۔

مالیات

کمپنی نے 30 جون 2018 کو ختم ہونے والے مالی سال کا 35.560 ملین روپے کا قبل از ٹیکس منافع پیش کیا۔ قبل از ٹیکس منافع کی مندرجہ ذیل طور پر مدبندی (Appropriation) تجویز کی گئی:

	پاکستانی روپیہ
سال کا قبل از ٹیکس منافع	35,560,076
ٹیکس کی مد میں ادائیگی کی کی فراہمی	(16,695,001)
بعد از ٹیکش منافع	81,965,075
فی حصص بنیادی / تحلیل شدہ آمدن	1.94
عبوری ڈیویڈنڈ (پہلے سے اداشدہ)	
عبوری نقد ڈیویڈنڈ ٪ 10.00 یعنی کہ 1.00 روپیہ فی حصص	9,801,000
مابعد اثرات	
جنرل ریزروز کو منتقلی	5,000,000
تجویز کردہ حتمی نقد ڈیوڈینڈ @ ٪ 30 فی حصص یعنی 3.00 روپے فی حصص	29,403,000

گریجویٹی فنڈ کی سرمایہ کاریوں کی قدر / قیمت

گریجویٹی فنڈز کی سرمایہ کاریوں کی قدر / قیمت ان کے 30 جون 2018 کے غیر آڈٹ شدہ اکاؤنٹس کے مطابق 200.000 ملین روپے ہے۔ اس فنڈ کا انتظام انتظامیہ اور ملازمین پر مشتمل ایک غیر جانب دار بورڈ آف ٹرسٹی چلا رہا ہے۔

آڈیٹرز

میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی نے 30 جون 2018 کو ختم ہونے والے مالی سال کے لیے سالانہ آڈٹ مکمل کر دیا ہے اور وہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹر ان نے ان کی دوبارہ تعیناتی کے معاملے کو اگلے ہونے والے اے جی ایم میں حصص داران کے غور وخوص کے لیے پیش کرنے کی منظوری دے دی ہے۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد

سیکیورٹیز اینڈ ایکسچینج کمیشن کے تشکیل کردہ کارپوریٹ گورننس کے ضابطے پر عمل درآمد کا گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

حصص داری کا طریقہ

30 جون 2018 پر حصص داری کے طریقے کا گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

اظہارِ تشکر

بورڈ کمپنی کی ترقی اور خوشحالی کے لیے مسلسل اعتماد، بھروسے، اور پر عزم حمایت کے لیے اپنے حصص داران، گاہکان، ضابطہ کاران، اور سٹاک ایکسچینجز کا پر خلوص شکریہ ادا کرتا ہے۔

از جانب اور برائے بورڈ

اسلام آباد	**ارشد رشید چودھری**	**سید جمال ناصر**
26 اکتوبر 2018	**ڈائریکٹر**	**چیف ایگزیکٹو**

CORPORATE GOVERNANCE

Statement of Directors Responsibilities

The Board is committed to follow the Code of Corporate Governance to maintain high quality standard of good corporate governance. The Company is complying with the provisions of the codes 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.

Presentation of Financial Statements

The financial statements, prepared by the management of the Company, fairly present Company's state of affairs, the results of its operations, 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 preparation of financial statements except 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 preparation of financial statements.

Internal Control Systems

The system of internal control is sound in design and has been effectively implemented and monitored.

Going Concern

There is no doubt about the Company's ability to operate in foreseeable future.

Board Meetings

During the financial year, ten(10) meetings of the Board of Directors were held while attendance by each Director is given below;

Name of Directors	Number of meetings attended
Mr. Yasir Qadir	10/10
Syed Abrar Hussain	6/6
Mr. Amjad Hussain Qureshi	1/2
Mr. Jamil Anwar	7/8
Mr. Haaris Mahmood Chaudhary	7/7
Ms. Ameena Sohail	7/7
Mr. Basit Waheed	8/10
Mr. Arshad Rasheed Chaudhary	8/8
Mr. Malik Muhammad Nasir Ayyaz	3/3
Mr. Shoaib Mir	1/2
Mr. Tahir Mushtaq	2/3
Mr. Yusuf Hussain	2/3

The Board granted leave of absence to the members who could not attend the meeting(s).

Audit Committee Meetings

During the financial year, six(6) meetings of the Audit Committee were held while attendance by each Director is given below;

Name of Directors	Number of meetings attended
Mr. Haaris Mahmood Chaudhary	5/5
Syed Abrar Hussain	4/4
Mr. Amjad Hussain Qureshi	4/4
Mr. Jamil Anwar	4/4
Ms. Ameena Sohail	1/1
Mr. Basit Waheed	2/2
Mr. Arshad Rasheed Chaudhary	2/2
Mr. Malik Muhammad Nasir Ayyaz	1/1

HR & Remuneration Committee Meetings

During the financial year, two(2) meetings of the HR & Remuneration Committee were held while attendance by each Director is given below;

Name of Directors	Number of meetings attended
Ms. Ameena Sohail	2/2
Syed Abrar Hussain	2/2
Mr. Amjad Hussain Qureshi	1/1
Mr. Basit Waheed	1/1
Mr. Jamil Anwar	1/1

Transfer Pricing Policy Compliance

Transactions involving related parties arising in normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation mode as admissible. The company has fully complied with best practice on transfer pricing as contained in listing regulation of stock exchanges in Pakistan.

COMPARISON OF KEY FINANCIAL DATA OF THE LAST SIX FINANCIAL YEARS

	Year Ended June 30					(Rs. in million)
	2017	2016 Restated	2015	2014	2013	2012
Non-Current Assets	245.140	247.660	259.377	276.218	318.469	361.320
Share Capital and Reserves	799.229	828.251	815.279	798.287	759.597	713.323
Revenue	704.297	654.603	706.422	732.659	771.645	775.691
Operating Profit	16.911	25.417	95.311	96.778	129.215	56.946
Profit before taxation	26.577	54.579	131.741	150.393	143.683	121.28
Profit after taxation	11.690	37.096	88.146	99.715	96.046	78.409
Earnings per Share - Rupees	1.19	3.78	8.99	10.17	9.8	8
Price Earnings Ratio	43.28	19.05	8.57	7.15	7.72	7.56
Break Up Value of Shares	81.55	84.51	83.18	81.45	77.50	73.70
Return on Fixed Assets (%)	5.07	15.83	35.46	37.06	30.93	22.28
Operating Profit Ratio (%)	2.40	3.88	13.49	13.21	16.75	7.34
Net Profit Ratio (%)	1.66	5.67	12.48	13.61	12.45	10.11
Current Ratio (%)	3.11	3.49	3.37	2.94	2.13	2.42
Dividend Payout Ratio (%)	294.12	112.43	55.62	59.00	51.02	62.50
Dividend (%) - Cash	35	42.5	50	60	50	50
- Bonus Shares	-	-	-	-	-	25
Share Price	51.50	72.00	77.00	72.68	75.61	60.50

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pak Datacom Limited

Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pak Datacom Limited ("the Company") for the year ended 30 June 2018 in accordance with the requirements of regulation 40 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.

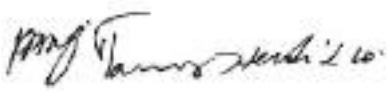
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 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 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 30 June 2018.

We would like to highlight that the Ministry of Law and Justice vide letter dated 30 September 2016 has opined that the Telecom Foundation, established under the Charitable Endowment Act, 1890 falls within the ambit of "instrumentality or agency" of the Government under Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules") and accordingly the Company falls under the ambit of the Public Sector Companies as Telecom Foundation owns more than fifty percent of shares of the Company. However the Company has chosen to ignore this opinion and has not complied with Public Sector Companies (Corporate Governance) Rules, 2013 as specified and the Company has not presented the Statement of Compliance with the Rules. Accordingly, our review report is restricted to the compliance of the Company with the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note/ paragraph reference where this is stated in the Statement of Compliance:

Serial number	Note/paragraph reference	Description
i	2	The independent directors are less than one third of the total members of the Board.



KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
19 November 2018

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

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

Year ending: **30 June 2018**

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

1. The total number of directors are as per the following:
   a. Male: Eight
   b. Female: None
2. The composition of the Board is as follows:

Category	Names
Independent Directors	1) Mr. Arshad Rasheed Chaudhry 2) Mr. Shoaib Mir
Executive Directors	1) Mr. Syed Jamal Nasir
Non-Executive Directors	1) Mr. Yasir Qadir 2) Mr. Tahir Mushtaq 3) Mr. Yusuf Hussain 4) Mr. Nasir Ayyaz 5) Mr. Basit Waheed

3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
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. These documents have been approved by the Board and record of such approvals and amendments has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has not arranged directors' training program as the Board has been appointed in current year and the directors' training program would be arranged in next financial year.

10. The Board has approved appointment of Chief Financial Officer, Head of Internal Audit, including its remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The financial statements of the Company were duly endorsed by the Chief Financial Officer and Chief Executive Officer, before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee

i) Mr. Arshad Rasheed Chaudhry (Chairman)

ii) Mr. Basit Waheed

iii) Mr. Nasir Ayyaz

Human Resource & Remuneration Committee

i) Mr. Arshad Rasheed Chaudhry (Chairman)

ii) Mr. Basit Waheed

iii) Mr. Tahir Mushtaq

iv) Mr. Shoaib Mir

Procurement Committee

i) Mr. Yasir Qadir (Chairman)

ii) Mr. Shoaib Mir

iii) Mr. Arshad Rasheed Chaudhry

Nomination Committee

i) Mr. Yasir Qadir (Chairman)

ii) Mr. Nasir Ayyaz

iii) Mr. Basit Waheed

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The Board has set up an effective internal audit function.

15. The frequency of meetings (quarterly/ half yearly/ yearly) of the committee were as per following:

a. Audit Committee (quarterly)

b. HR and Remuneration Committee (yearly)

c. Procurement Committee (No meeting held during the year)

d. Nomination Committee (yearly)

16. 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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. 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.

18. We confirm that all other requirements of the Regulations have been complied with.

Yasir Qadir
Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Pak Datacom Limited

Report on the audit of the Financial Statements

We have audited the annexed financial statements of Pak Datacom Limited, which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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 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 and the statement of cash flows together with the notes forming part thereof conform with approved 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 30 June 2018 and of the profit and other comprehensive loss, 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.

Emphasis of Matter

We draw attention to:

a) Note 10.2 to the financial statements which describes the uncertainty relating to outcome of the contingency; and

b) Note 33 to the financial statements which indicates that comparative information presented as at and for the year ended 30 June 2017 has been restated.

Our opinion in not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements 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 matters were addressed in our audit
1.	**Recognition of Revenue** *(Refer to note 3.6 and 20 to the financial statements)* The Company recognized revenue during the year from data communication services, telecom infrastructure services and projects amounting to Rs. 639.589 million, Rs. 4.346 million and Rs. 260.747 million respectively. Revenue arising from provision of data communication, maintenance of network and allied services to customer is recognized as the services are rendered. Revenue arising from other projects is recognized on the basis of stage of completion. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	**Our audit procedures, amongst others, included the following:** • Obtained an understanding of the process relating to recognition of revenue and tested the design and implementation of key internal controls over recording of revenue; • Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with accounting and reporting standards as applicable in Pakistan; • In respect of revenue against provision of data communication and telecommunication infrastructure facilities, compared a sample of revenue transactions recorded during the year with invoices, agreements/demand notes and other relevant underlying documents; • In respect of revenue against provision of data communication and telecommunication infrastructure facilities, inspected the commissioning and closing certificates issued subsequent to the year end to assess whether revenue has been recorded in correct accounting period; • Assessed, on sample basis, stage of completion of contracts estimated by the management for revenue recognition through (a) Inquiry of and discussions with relevant personnel of the Company (b) review of contracts for their scope, terms and conditions and (c) review of contract cost budgets prepared by the Company; • Recalculated, on sample basis, project revenues based on stage of completion of contracts; and • Compared the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation.
2.	**Valuation of trade debts** (Refer note 3.13 and 14 to the financial statements) As at 30 June 2018, the Company's gross trade debtors were Rs. 295.07 million against which provision for doubtful debts of Rs. 42.878 million was recorded.	**Our audit procedures, amongst others, included the following:** • Obtained an understanding of and testing the design and implementation of management's key internal controls relating to credit control, debt collection and recording provision for doubtful debts;

Sr. No.	Key audit matters	How the matters were addressed in our audit
	We identified the recoverability of trade debts as a key audit matter because estimating the recoverable amount involves inherent uncertainty and significant management judgement.	• Circularized, on a sample basis, request for direct confirmation of balance due from customers, reviewed confirmations received and tested reconciliations, where differences were identified; • Tested, on sample basis, whether items in the trade debtors' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation; • Compared, on sample basis, cash receipts from customers subsequent to the financial year end from trade debtor balances existing as at 30 June 2018 with bank statements; and • Tested the assumptions made by the management for the provision for doubtful debts.

Other matter relating to comparative information

The financial statements of the Company for the year ended 30 June 2016 from which the statement of financial position as at 1 July 2016 has been derived and financial statements for the year ended 30 June 2017, excluding the adjustments described in note 33 to the financial statements were audited by another auditor who expressed an unmodified opinion on the financial statements on 30 September 2016 and 27 September 2017 respectively.

As part of our audit of the financial statements for the year ended 30 June 2018, we audited the adjustments described in note 33 that were applied to restate the comparative information presented as at and for the year ended 30 June 2017 and 1 July 2016. We were not engaged to audit, review or apply any procedures to the financial statements for the years ended 30 June 2017 or 30 June 2016, not presented herein or to the statement of financial position as at 1 July 2016, other than with respect to the adjustments described in note 33 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in note 33 are appropriate and have been properly applied.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2018, 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 are 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the

matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

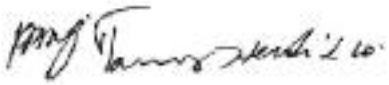
a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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 Inam Ullah Kakra.



KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
November 06, 2018

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018	2017 Restated	2016 Restated
		Rupees		
SHARE CAPITAL AND RESERVES				
Share capital	4	98,010,000	98,010,000	98,010,000
Revenue reserves	5	682,639,902	701,218,794	730,241,034
		780,649,902	799,228,794	828,251,034
NON CURRENT LIABILITIES				
Deferred employees' benefits	6	43,636,433	41,734,604	42,012,251
Liability against asset subject to finance lease	7	12,378,468	3,205,959	-
		56,014,901	44,940,563	42,012,251
CURRENT LIABILITIES				
Customers' deposits	8	140,433,318	124,388,199	121,280,432
Trade and other payables	9	163,632,587	148,500,811	120,336,016
Current portion of liability against assets subject to finance lease	7	5,306,597	1,491,755	-
Unclaimed dividend		10,157,011	9,060,328	8,426,130
		319,529,513	283,441,093	250,042,578
Total equity and liabilities		1,156,194,316	1,127,610,450	1,120,305,863
CONTINGENCIES AND COMMITMENTS	10			
NON CURRENT ASSETS				
Property, plant and equipment	11	226,070,394	230,598,378	234,322,243
Intangible assets	12	5,444,250	5,871,250	6,298,250
Deferred taxation	13	17,243,610	8,669,955	7,039,678
		248,758,254	245,139,583	247,660,171
CURRENT ASSETS				
Unbilled revenue		168,907,149	102,918,804	272,118,720
Trade debts	14	252,192,359	377,861,419	86,869,671
Advances	15	9,114,973	5,399,503	25,209,304
Deposits and short term prepayments	16	65,262,199	43,032,746	22,572,027
Other receivables		419,225	5,522,084	6,657,664
Interest accrued		7,719,683	4,511,630	2,958,456
Advance tax	17	63,889,454	61,003,211	38,122,689
Short term investments	18	256,000,000	186,000,000	342,012,000
Cash and bank balances	19	83,931,020	96,221,470	76,125,161
		907,436,062	882,470,867	872,645,692
Total assets		1,156,194,316	1,127,610,450	1,120,305,863

The annexed notes from 1 to 38 form an integral part of these financial statements.

Farhat Mansoor
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Arshad Rasheed Chaudhary
Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017 Restated
		Rupees	
Revenue	20	798,063,305	704,296,579
Cost of services	21	(649,070,392)	(553,092,548)
Gross profit		148,992,913	151,204,031
Administrative expenses	22	(122,068,992)	(109,471,208)
Marketing expenses	23	(23,665,353)	(23,784,564)
Finance cost		(1,931,493)	(1,037,235)
		1,327,075	16,911,025
Other income	24	34,233,001	9,665,908
Profit before taxation		35,560,076	26,576,933
Taxation	25	(16,595,001)	(14,887,313)
Profit for the year		18,965,075	11,689,620
Earning per share - basic and diluted (Rupee)	26	1.94	1.19

The annexed notes from 1 to 38 form an integral part of these financial statements.

Farhat Mansoor
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Arshad Rasheed Chaudhary
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017 Restated
	Rupees	
Profit for the year	18,965,075	11,689,620
Other comprehensive income/ (loss):		
Items that will not be reclassified to profit or loss:		
Remeasurement loss on defined benefit plan	(3,240,467)	(1,507,859)
Total comprehensive income for the year	15,724,608	10,181,761

The annexed notes from 1 to 38 form an integral part of these financial statements.

Farhat Mansoor
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Arshad Rasheed Chaudhary
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017 Restated
	Rupees	
Cash flows from operating activities		
Profit before taxation	35,560,076	26,576,933
Adjustments for:		
Depreciation	39,698,300	38,462,668
Amortization	427,000	427,000
Property, plant and equipment written off	3,523,148	84,180
Provision for doubtful debts	24,093,680	-
Gain on disposal of property, plant and equipment	(2,862,605)	929,638
Finance cost	1,931,493	1,037,234
Interest income	(18,114,219)	(9,626,648)
Provision for gratuity	13,617,379	14,476,521
Provision for earned leave encashment	9,987,188	13,285,871
	107,861,440	85,653,397
Changes in:		
Trade debts	101,575,380	(290,991,748)
Unbilled revenue	(65,988,345)	169,199,916
Advances	(3,715,470)	19,809,801
Deposits and short term prepayments	(22,229,453)	(20,460,719)
Other receivables	5,102,859	1,135,580
Customers' deposits	16,045,119	3,107,767
Trade and other payables	12,245,201	26,391,128
Cash generated from/ (used in) operations	150,896,731	(6,154,878)
Taxes paid	(28,054,899)	(39,398,112)
Gratuity paid	(13,971,271)	(14,210,713)
Leave encashment paid	(8,085,359)	(13,563,518)
Interest received	14,906,166	8,073,474
Finance cost paid	(911,667)	(813,382)
	(36,117,030)	(59,912,251)
Net cash from/ (used in) operating activities	114,779,701	(66,067,129)
Cash flows from investing activities		
Capital expenditure	(18,321,172)	(29,145,591)
Proceeds on the disposal of property, plant and equipment	3,160,313	240,969
(Purchase)/ encashment of investments	(70,000,000)	156,012,000
Net cash from/ (used in) investing activities	(85,160,859)	127,107,378
Cash flows from financing activities		
Dividend paid	(33,206,817)	(38,569,802)
Payment of finance lease obligation	(8,702,475)	(2,374,138)
Net cash used in financing activities	(41,909,292)	(40,943,940)
Net (decrease)/ increase in cash and cash equivalents	(12,290,450)	20,096,309
Cash and cash equivalents at beginning of the year	96,221,470	76,125,161
Cash and cash equivalents at end of the year	83,931,020	96,221,470

The annexed notes from 1 to 38 form an integral part of these financial statements.

Farhat Mansoor
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Arshad Rasheed Chaudhary
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	Revenue reserves		
	Issued, subscribed and paid-up Rupees	General reserve Rupees	Unappropriated profit Rupees	Total Rupees
Balance as at 1 July 2016 - as previously reported	98,010,000	581,500,000	130,761,822	810,271,822
Correction of error - note 33	-	-	17,979,212	17,979,212
Balance as at 1 July 2016 - restated	98,010,000	581,500,000	148,741,034	828,251,034
Total comprehensive income for the year				
Profit for the year - restated	-	-	11,689,620	11,689,620
Other comprehensive income/ (loss)	-	-	(1,507,859)	(1,507,859)
Total comprehensive income for the year	-	-	10,181,761	10,181,761
Transfer to general reserve	-	5,000,000	(5,000,000)	-
Transactions with owners of the company				
Distributions				
Final dividend for the year ended 30 June 2016 (Rs. 3.00 per share)	-	-	(29,403,000)	(29,403,000)
Interim dividend for the year ended 30 June 2017 (Rs. 1.00 per share)			(9,801,000)	(9,801,000)
	-	-	(39,204,000)	(39,204,000)
Balance as at 30 June 2017 - restated	98,010,000	586,500,000	114,718,794	799,228,794
Balance as at 1 July 2017 - restated	98,010,000	586,500,000	114,718,794	799,228,794
Total comprehensive income for the year				
Profit for the year	-	-	18,965,075	18,965,075
Other comprehensive income/ (loss)	-	-	(3,240,467)	(3,240,467)
Total comprehensive income for the year	-	-	15,724,608	15,724,608
Transfer to general reserve	-	5,000,000	(5,000,000)	-
Transactions with owners of the company				
Distributions				
Final dividend for the year ended 30 June 2017 (Rs. 2.50 per share)	-	-	(24,502,500)	(24,502,500)
Interim dividend for the year ended 30 June 2018 (Rs. 1.00 per share)	-	-	(9,801,000)	(9,801,000)
	-	-	(34,303,500)	(34,303,500)
Balance as at 30 June 2018	98,010,000	591,500,000	91,139,902	780,649,902

The annexed notes from 1 to 38 form an integral part of these financial statements.

Farhat Mansoor
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Arshad Rasheed Chaudhary
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND OPERATIONS

Pak Datacom Limited (the Company), a subsidiary of Telecom Foundation, Pakistan (TF), was incorporated in Pakistan on July 13, 1992 as a private limited Company under the Companies Ordinance, 1984 and was converted into a public limited Company on June 26, 1994. The Company started its commercial activities on July 1, 1994. The Company is listed on Pakistan Stock Exchange Limited (formerly Karachi, Lahore and Islamabad Stock Exchanges). The registered office of the Company is located at 1st Floor, TF Complex, 7 - Mauve Area, G - 9/4, Islamabad. The objective of the Company is to set up, operate and maintain a network of data communication and to serve the needs of the subscribers against approved tariff charges. The Company is also authorised to carry out any business relating to communication and information technology whether manufacturing or otherwise, that may seem to the Company capable of being conveniently carried on to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improve the profitability of the Company subject to applicable licenses from Pakistan Telecommunication Authority.

Geographical location and addresses of all other business units of the company have been disclosed in note 11.5.

1.1 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The financial position and performance of the Company was particularly affected by following events and transactions during the reporting period:

(a) Revenue from core business of the Company i.e. data communication services has declined due to closure of 234 links during the year as compared to 126 links commissioned during the year. However, the decrease is offset by revenue from other projects of the Company and in particular, two projects with PESCOM regarding delivery of equipment and installation at sites. Refer note 20.

(b) The Company has recognized provision for doubtful debts amounting to Rs. 24.094 million during the year. Refer note 14.

2 BASIS OF PREPARATION

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 as 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; 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 on the historical cost basis except for the obligation under certain employee benefits which have been measured at present value.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (PKR) which is the Company's functional currency.

2.4 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these financial statements in conformity with the approved accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that year, or in the year of the revision and any future year affected.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these financial statements:

2.4.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

2.4.2 Employee benefits

Defined benefit plans are provided for permanent employees of the Company. The employees gratuity plan is structured as separate legal entity managed by trustees. The Company recognizes 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.

2.4.3 Taxation

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.4.4 Provision against trade debts, advances, deposits and other receivables

The Company reviews the recoverability of its trade debts, advances, deposits and other receivables to assess amount of bad debts and provisions required there against on annual basis.

2.4.5 Stage of completion

The stage of completion of projects is determined based on the proportion of contract costs incurred to date and the estimated costs to complete. The Company reviews the estimates of cost expected to be incurred till completion on a regular basis. Any change in the estimates in future years might effect revenue, provision for estimated losses, unbilled revenue or advance billing.

2.5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following International Financial Reporting Standards (IFRS Standards), interpretations and the amendments are effective for accounting periods beginning from the dates specified below:

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required on adoption of the standard.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 1 July 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 1 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The amendments are not likely to have an impact on Company's financial statements.
- IFRS 17, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021) replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The Company is currently assessing the requirements of IFRIC 23 to analyze its implications, if any, on the financial statements.
- Amendments to IAS 40 'Investment Property' - Transfers of Investment Property, (effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements
- Annual Improvements to IFRSs 2014-2016 Cycle - the improvements address amendments to following approved accounting standards:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

  IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

  The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company except for the changes as indicated below:

- Amendments to IAS 7 'Statement of Cash Flows' became effective during the year. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Accordingly, the disclosure has been included in note 32 to these financial statements. However, there was no change in the reported figures of profit and loss account or statement of financial position.
- The Companies Act, 2017 specified certain disclosures to be included in the financial statements. The Company has presented the required disclosures in these financial statements and reclassified certain comparatives. However, there was no change in the reported amounts of profit and other comprehensive income and the amounts presented in the statement of financial position due to these reclassifications.

3.1 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 and leave encahsment is described below:

3.1.1 Gratuity and leave encashment

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. Unutilized 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 as of 30 June 2018. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 recognized immediately in profit or loss.

3.2 Taxation

Taxation for the year comprises current and deferred tax. Taxation is recognized in profit or loss except to the extent that it relates to items recognized outside profit or loss (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside profit or loss.

3.2.1 Current

Provision for taxation is based on taxable income at applicable tax rates after taking into account tax credits, rebates and exemptions available, if any.

3.2.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences 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 taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

3.3 Property, plant and equipment

Owned

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any except for freehold land and capital work in progress, which are stated at cost less impairment loss, if any. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs.

Depreciation is provided using the reducing balance method, at the rates specified in note 11. Lease hold land is amortised over the period of lease term.

Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is acquired or capitalized while no depreciation is charged for the month in which property, plant and equipment is disposed off.

The cost of replacing part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in the statement of profit or loss.

The Company reviews the useful life and residual value of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amount of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

Leased

Assets subject to finance lease in which the Company bears substantially all risks and rewards of ownership of the assets are recognised at the inception of lease at lower of their fair value and the present value of minimum lease payments. Related obligations under the agreement are accounted for as liabilities and financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability. Depreciation is charged on leased assets at the rates given in note 11.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

3.4 Intangible assets

These are carried at cost less accumulated amortisation and any identified impairment losses. Amortisation is calculated using the straight line method over the period of useful life of the asset at the rates specified in note 12. Costs associated with maintaining intangibles are recognised as expense as and when incurred.

Amortisation on additions is charged from the month in which an intangible asset is acquired or capitalised, while no amortisation is charged for the month in which the intangible asset is disposed off.

3.5 Investments

All purchases and sale of investments are recognized using settlement date accounting. Settlement date is the date on which investments are delivered to or by the Company. All investments are derecognized when the right to receive economic benefits from the investments has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Investments held to maturity

Investments with fixed or determinable payments and fixed maturity and where the Company has positive intent and ability to hold investments to maturity are classified as investments held to maturity. These are initially recognized at cost inclusive of transaction costs and are subsequently carried at amortized cost using the effective interest rate method, less any impairment losses.

Loans and receivables

These are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

3.6 Revenue recognition

Revenue arising from provision of data communication, maintenance of network and allied services to customer is recognised as the services are rendered. Revenue from sale of equipment is recognised on delivery of equipment to customers. Revenue arising from other projects is recognised on the basis of stage of completion. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the entity. Amount of revenue recognized but not billed to the customers is recognized as unbilled revenue in the statement of fianancial position. Amount received in excess of revenue recognized is recognized as advance from customers.

3.7 Finance income and expense

Finance income primarily comprises of interest income on funds invested. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on lease liability and bank charges. Mark up, interest and other charges on lease liability are charged to profit or loss in the period in which they are incurred.

3.8 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.

3.9 Operating leases

Leases in which a significant portion of the risk and rewards of ownership is retained by the lesser are classified as operating leases. Payments made under operating leases/ Ijarah contracts are charged to statement of profit and loss on a straight-line basis over the period of the lease.

3.10 Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into PKR at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to profit or loss for the year.

3.11 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These are derecognized when the Company ceases to be a party to the contractual provisions of the instrument.

Financial assets mainly comprise investments, loans and receivables, advances, deposits, unbilled revenue, trade debts, interest accrued, other receivables, short term investments and cash and bank balances. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

All financial assets and liabilities are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3.12 Offsetting

Financial assets and liabilities and tax assets and liabilities are set off in the statement of financial position, only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.13 Trade debts

Trade debts and other receivables are stated at original invoice amount as reduced by appropriate provision for impairment. Bad debts are written off when identified while debts considered doubtful of recovery are fully provided for. Provision for doubtful debts is charged to profit or loss.

3.14 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.15 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise of cash in hand and at bank and includes short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.16 Dividend

Dividend is recognised as a liability in the period in which it is declared.

3.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimates.

3.18 Impairment

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

3.19 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		Rupees	
4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
5,400,000 (June 2017: 5,400,000) ordinary shares of Rs. 10/- each fully paid in cash		54,000,000	54,000,000
4,401,000 (June 2017: 4,401,000) ordinary shares Rs. 10/- each issued as bonus shares		44,010,000	44,010,000
	4.1	98,010,000	98,010,000

4.1 Out of total issued share capital, 5,398,353 (June 2017: 5,398,353) ordinary shares equivalent to 55.08% (June 2017: 55.08%) of the total shares capital are held by Telecom Foundation, Pakistan.

	2018	2017 Restated
	Rupees	
5 REVENUE RESERVES		
General reserve	591,500,000	586,500,000
Unappropriated profit	91,139,902	114,718,794
	682,639,902	701,218,794

5.1 The general reserve is set aside by the Company from distributable profits.

6 DEFERRED EMPLOYEES' BENEFITS - LEAVE ENCASHMENT		
Present value of defined benefit obligation at beginning of the year	41,734,604	42,012,251
Charge for the year - net	9,987,188	13,285,871
	51,721,792	55,298,122
Payments made during the year	(8,085,359)	(13,563,518)
Present value of defined benefit obligation at end of the year	43,636,433	41,734,604
Significant assumptions		
Discount rate	10.00 %	9.25% p.a.
Salary increase rate	10.00 %	9.25% p.a.
Leave accumulation factor	15 days p.a.	15 days p.a.

7 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2018			2017 Restated
	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments	Present value of minimum lease payments
	Rupees			
Not later than one year	6,578,724	1,272,127	5,306,597	1,491,755
Later than one year but not later than five years	13,656,077	1,277,609	12,378,468	3,205,959
	20,234,801	2,549,736	17,685,065	4,697,714

7.1 The Company has entered into lease agreements with Soneri Bank for vehicles. Lease instalments are payable on monthly basis in arrears and carry interest/mark up rates ranging from 7.56% to 7.81% (2017: 6.00 % to 7.00 %) per annum. Title of the vehicles is transferable to the Company upon payment of entire lease obligations and on adjustment of lease deposits.

8 CUSTOMERS' DEPOSITS

Customers' deposits comprise of security deposits, and no deposit is utilizable under the relevant Agreements. Accordingly, the amount has been invested in Term Deposit Receipts (TDRs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017 Restated
		Rupees	
9 TRADE AND OTHER PAYABLES			
Advances from customers		24,841,149	31,973,531
Advances from employees		1,371,654	329,771
Trade creditors		87,470,077	73,172,340
License fee payable		2,796,235	3,054,091
Accrued liabilities		38,183,757	24,580,515
Taxes payable	9.1	2,932,920	12,240,343
Employees' retirement benefits - Gratuity payable	9.2	6,036,795	3,150,220
		163,632,587	148,500,811
9.1 Taxes payable			
Tax at source		2,808,984	4,364,026
Sales tax		123,936	7,876,317
		2,932,920	12,240,343
9.2 Employees' retirement and other service benefits - Gratuity payable			
The amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation		210,782,919	192,452,903
Fair value of plan assets		(204,746,124)	(189,302,683)
Net liability at end of the year		6,036,795	3,150,220
The movement in the present value of defined benefit obligation is as follows:			
Present value of obligation at beginning of the year		192,452,903	170,415,432
Current service cost		14,815,881	15,249,327
Interest cost		16,549,359	14,932,000
Payments made during the year		(8,839,124)	(3,292,792)
Actuarial gains recognized in other comprehensive income		(4,196,100)	(4,851,064)
Present value of defined benefit obligation at end of the year		210,782,919	192,452,903
The movement in the fair value of plan assets is as follows:			
Fair value of plan assets at beginning of the year		189,302,683	169,038,879
Expected return on plan assets		17,747,861	15,704,806
Contributions		13,971,271	14,210,713
Payments made during the year		(8,839,124)	(3,292,792)
Actuarial loss recognized in other comprehensive income		(7,436,567)	(6,358,923)
Fair value of plan assets at end of the year		204,746,124	189,302,683
The movement in liability recognized in the statement of financial position is as follows:			
Opening liability		3,150,220	1,376,553
Expense for the year		13,617,379	14,476,521
Actuarial loss recognized in other comprehensive income during the year		3,240,467	1,507,859
Payments to the fund during the year		(13,971,271)	(14,210,713)
Closing liability		6,036,795	3,150,220
Expense recognized is as follows:			
Current service cost		14,815,881	15,249,327
Net interest cost		(1,198,502)	(772,806)
		13,617,379	14,476,521
Actuarial gain / (loss) recognised in other comprehensive income:			
Actuarial gain on defined benefit obligation		4,196,100	4,851,064
Actuarial loss on plan assets		(7,436,567)	(6,358,923)
		(3,240,467)	(1,507,859)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017 Restated
	Rupees	
Plan assets comprise:		
Amount invested in TDR's	200,000,000	185,725,059
Fair value		
TDR'S	201,321,260	181,897,487
Amount in banks	3,424,864	2,277,842
Fair value of assets at the end of the year	204,746,124	184,175,329
Actual return on plan assets:	10,311,294	9,345,883
Significant actuarial assumptions used were as follows:		
- Valuation discount rate	10.00%	9.25%
- Salary increase rate	10.00%	9.25%
- Expected return on plan assets	10.00%	9.25%
- Withdrawal rate	Low	Low
- Mortality rate	Adjusted SLIC 2001-2005	

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:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
- Valuation discount rate	1%	(22,188,762)	26,069,430
- Salary increase rate	1%	26,858,083	(23,204,892)

The Company expects to make a contribution of Rs 20.945 million (2017: Rs 16.839 million) to the employees' gratuity trust during the next financial year.

10 CONTINGENCIES AND COMMITMENTS

10.1 Guarantees issued by the bank on behalf of the Company amounted to Rs. 194.54 million (June 2017: Rs. 129.91 million).

10.2 The Company had entered into an agreement with a reseller of satellite bandwidth in Pakistan for provisioning of satellite segment. Due to certain technical issues, the bandwidth was never operational or utilised. Management after appropriate measures for the recovery of advance payments of US$ 0.64 million referred the matter to the arbitration, which in its award given on 3 May 2012 imposed additional payment of US $ 0.64 million on the Company. The Company has filed the case in Islamabad High Court against the award, outcome of which is still pending. The Company had made provision against the advance payment of US $ 0.64 million during the year ended 30 June 2012 as a matter of abandon caution. However 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 US$ 1.27 million. The reseller had also filed a counter claim in the Civil Court, Islamabad for recovery of the Arbitration Award, which has been adjourned sine-die since the matter is already in the Honourable Islamabad High Court. During the year ended 30 June 2017, the case has been transferred from the Honourable Islamabad High Court to Civil Court Islamabad due to pecuniary jurisdiction.

10.3 The Company entered into an agreement with a customer for up-linking facility in Pakistan on 1 January 2007. The Company satisfactorily provided services up to 31 January 2012. The services were disconnected on 31 January 2012 based on the customer's request. The Company filed a suit in the Honourable 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 30 June 2012. Consequent upon decree by the Honourable Civil Court, the Company filed an appeal in the Honourable Islamabad High Court on 17 February 2017. The appeal is in the initial stages and management believes that the expected outcome will be in favour of the Company.

10.4 The Company did not withhold tax on dividend amounting to Rs. 0.90 million (June 2017: Rs. 0.90 million) due to exemption available under clause 47B of the second schedule of Income Tax Ordinance 2001. The CIR (Appeals) has upheld the decision of Commissioner Inland Revenue and appeals are now pending before the Appelate Tribunal Inland Revenue (ATIR), Islamabad. The cases are expected to be decided in favour of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

10.5 The Company has filed appeal before Appellate Tribunal Inland Revenue on 22 August 2016 against the appellate order of Commissioner Inland Revenue Appeals (CIRA) whereby an amount of Rs. 36.671 million was disallowed which was claimed by the Company in its Tax return of 2010. The case is expected to be decided in favour of the Company.

10.6 During the year, 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 witholding tax for tax year 2016. The Company has filed appeal before Commissioner Inland Revenue on 13 June 2018 against the order. The case is expected to be decided in favour of the Company.

10.7 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 36.75 million (June 2017: Rs. 53.26 million).

10.8 Letters of credit issued by the Bank on behalf of the Company in ordinary course of the business, outstanding at year end amounted to Rs. 110.23 million (June 2017: Rs. 43.30 million).

10.9 All operating (Ijarah) lease payments are under cancellable operating lease arrangements under Shariah/ other arrangements and are due as follows:

	2018	2017 Restated
	Rupees	
Not Later than one year	398,143	1,190,799
Later than one year but not later than five year	-	818,263
	398,143	2,009,062

	Note	2018	2017 Restated
		Rupees	
11 PROPERTY, PLANT AND EQUIPMENT			
Net book value - Pakistan	11.1	225,838,098	230,305,534
Net book value - UAE	11.2	232,296	292,844
		226,070,394	230,598,378

11.1 PROPERTY, PLANT AND EQUIPMENT - PAKISTAN - 30 JUNE 2018

	COST					DEPRECIATION				Net book value
Particulars	As at 1-Jul-17	For the Period Additions	For the Period Disposals/Write-offs	As at 30-Jun-18	Rate	As at 1-Jul-17	For the Period Additions	For the Period Disposals/Write-offs	As at 30-Jun-18	as at 30-Jun-18
	Rupees				%	Rupees				Rupees
Owned										
Free hold land	38,400,000	-	-	38,400,000	-	-	-	-	-	38,400,000
Free hold office building	22,318,020	-	-	22,318,020	5	8,238,186	685,081	-	8,923,267	13,394,753
Lease hold land	2,884,000	-	-	2,884,000	1.2	239,008	72,464	-	311,472	2,572,528
Lease hold office building	7,006,000	-	-	7,006,000	5	2,121,577	244,220	-	2,365,797	4,640,203
Datacom system machinery	723,612,827	16,614,263	(40,819,045)	699,408,045	20	591,801,699	28,490,838	(37,709,882)	582,582,655	116,825,390
Office equipment	13,015,475	833,609	(43,765)	13,805,319	25	9,685,654	953,651	(43,284)	10,596,021	3,209,298
Testing equipment	29,408,375	120,000	(2,013,519)	27,514,856	10	15,345,474	1,512,235	(1,662,843)	15,194,866	12,319,990
Air conditioners	4,248,695	753,300	-	5,001,995	10	1,747,500	286,471	-	2,033,971	2,968,024
Furniture and fixtures	3,791,791	-	-	3,791,791	10	2,623,423	117,825	-	2,741,248	1,050,543
Vehicles	37,420,468	-	(4,115,260)	33,305,208	20	25,770,904	2,310,975	(3,754,724)	24,327,155	8,978,053
Leased										
Vehicles	2,645,000	-	-	2,645,000	33.33	490,302	718,161	-	1,208,463	1,436,537
Vehicles	4,203,000	20,670,000	-	24,873,000	25	584,390	4,245,831	-	4,830,221	20,042,779
	888,953,651	38,991,172	(46,991,589)	880,953,234		658,648,117	39,637,752	(43,170,733)	655,115,136	225,838,098

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

PROPERTY, PLANT AND EQUIPMENT - PAKISTAN - 30 JUNE 2017 - RESTATED

Particulars	COST					DEPRECIATION				Net book value
	As at 1-Jul-16	For the Year Additions	For the Year Disposals/Write-offs	As at 30-Jun-17	Rate	As at 1-Jul-16	For the Year Additions	For the Year Disposals/Write-offs	As at 30-Jun-17	as at 30-Jun-17
	Rupees				%	Rupees				Rupees
Owned										
Free hold land	38,400,000	-	-	38,400,000	-	-	-	-	-	38,400,000
Free hold office building	22,318,020	-	-	22,318,020	5	7,497,142	741,044	-	8,238,186	14,079,834
Lease hold land	2,884,000	-	-	2,884,000	1.2	206,883	32,125	-	239,008	2,644,992
Lease hold office building	7,006,000	-	-	7,006,000	5	1,864,502	257,075	-	2,121,577	4,884,423
Datacom system machinery	724,787,664	22,598,773	(23,773,610)	723,612,827	20	583,674,033	30,823,680	(22,696,014)	591,801,699	131,811,128
Office equipment	12,203,428	980,831	(168,784)	13,015,475	25	8,826,297	942,509	(83,152)	9,685,654	3,329,821
Testing equipment	27,538,674	1,869,701	-	29,408,375	10	13,830,074	1,515,400	-	15,345,474	14,062,901
Air conditioners	4,088,181	420,800	(260,286)	4,248,695	10	1,638,009	280,627	(171,136)	1,747,500	2,501,195
Furniture and fixtures	3,480,305	311,486	-	3,791,791	10	2,505,141	118,282	-	2,623,423	1,168,368
Vehicles	34,524,968	2,964,000	(68,500)	37,420,468	20	23,236,270	2,600,724	(66,090)	25,770,904	11,649,564
Leased										
Vehicles	-	2,645,000	-	2,645,000	33.33	-	490,302	-	490,302	2,154,698
Vehicles	-	4,203,000	-	4,203,000	25	-	584,390	-	584,390	3,618,610
	877,231,240	35,993,591	(24,271,180)	888,953,651		643,278,351	38,386,158	(23,016,392)	658,648,117	230,305,534

11.2 PROPERTY, PLANT AND EQUIPMENT - UAE - 30 JUNE 2018

Particulars	COST					DEPRECIATION				Net book value
	As at 1-Jul-17	For the Period Additions	For the Period Disposals	As at 30-Jun-18	Rate	As at 1-Jul-17	For the Period Additions	For the Period Disposals	As at 30-Jun-18	as at 30-Jun-18
	Rupees				%	Rupees				Rupees
Datacom system machinery	639,623	-	-	639,623		386,366	50,651	-	437,017	202,606
Office equipment	130,558	-	-	130,558	20	90,971	9,897	-	100,868	29,690
	770,181	-	-	770,181	25	477,337	60,548	-	537,885	232,296

PROPERTY, PLANT AND EQUIPMENT - UAE - 30 JUNE 2017

Particulars	COST					DEPRECIATION				Net book value
	As at 1-Jul-16	For the Year Additions	For the Year Disposals	As at 30-Jun-17	Rate	As at 1-Jul-16	For the Year Additions	For the Year Disposals	As at 30-Jun-17	as at 30-Jun-17
	Rupees				%	Rupees				Rupees
Datacom system machinery	639,623	-	-	639,623	20	323,052	63,314	-	386,366	253,257
Office equipment	130,558	-	-	130,558	25	77,775	13,196	-	90,971	39,587
	770,181	-	-	770,181		400,827	76,510	-	477,337	292,844

11.3 First charge of Rs. 140 million (June 2017: Rs. 140 million) on fixed assets, present and future current assets of the Company of Rs. 400 million (June 2017: Rs. 400 million) for unfunded facility amounting to Rs. 250 million (June 2017: Rs. 250 million) from M/s Soneri Bank Limited, Islamabad.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

11.4 Details of property, plant and equipment sold

	Cost	Accumulated depreciation	Net book value	Proceeds	Gain/(loss)	Mode of disposal	Particulars of disposal/ purchaser
	Rupees						
Vehicles auctioned							
STAR Motor Cycle DS-70	42,230	40,496	1,734	1,818	84	Auctioned	Sajjad Hussain Gondal
STAR Motor Cycle DS-70	42,230	40,496	1,734	1,818	84	Auctioned	Sajjad Hussain Gondal
Suzuki Alto	467,850	443,845	24,005	334,545	310,540	Auctioned	Sajjad Hussain Gondal s/o Haji Khadim Hussain Gondal
Suzuki Alto VXR	469,000	444,935	24,065	314,509	290,444	Auctioned	Muhammad Sharif s/o Beer Wali Khan
Hyundai Shehzore Pick-up	661,000	595,862	65,138	1,207,078	1,141,940	Auctioned	Ansar Abbas s/o Haji Ahmad
Suzuki Liana	864,000	783,185	80,815	512,545	431,730	Auctioned	Abrar Hussain s/o Ghulam Sarwar
Honda City	1,034,500	934,283	100,217	788,000	687,783	Auctioned	Abrar Hussain s/o Ghulam Sarwar
	3,580,810	3,283,102	297,708	3,160,313	2,862,605		
Vehicles written off	534,450	471,622	62,828	-	(62,828)		
2018	4,115,260	3,754,724	360,536	3,160,313	2,799,777		
2017	24,271,180	23,016,392	1,254,787	240,969	929,638		

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

Particulars	Location	District	Area of land in Acres
Hattar Land,	Village Shadi, Hattar, Haripur.	KPK	9 Kinal & 5-1/2 Marlas
Office Building	Flat No.14/A, Block-A, 2nd Floor, Cantonment Plaza, Fakhr-e-Alam Road, Peshawar Cantt.Flat No.1-2,	KPK	750 Sqft.
Office Building	Davis Hytes, 38-Davis Road, Lahore.	Punjab	1165 Sqft.
Office Building	Flat no.17, Davis Hytes, 38-Davis Road, Lahore.	Punjab	795 Sqft.
Office Building	Flat no.23, Leeds Centre, Gulberg-III, Lahore.	Punjab	1271 Sqft.
Office Building	Flat/Room no.203, 1st Floor, Business Centre, 8/8 new Civil Line, Faisalabad.	Punjab	337-1/2 sqft.
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 Sqft.
Office Building	Bangalow no.01, St. no.2, Arbab Town, Samungli Road, Quetta.	Baluchistan	2530 Sqft.

12 INTANGIBLE ASSETS - 30 JUNE 2018

	COST					AMORTISATION				Net book value
Particulars	As at 1-Jul-17	For the Period Additions	Disposals	As at 30-Jun-18	Rate	As at 1-Jul-17	For the Period Additions	Disposals	As at 30-Jun-18	as at 30-Jun-18
	Rupees				%	Rupees				Rupees
Software	3,204,006	-	-	3,204,006	33.33	3,204,006	-	-	3,204,006	-
Infrastructure license	8,540,000	-	-	8,540,000	5	2,668,750	427,000	-	3,095,750	5,444,250
	11,744,006	-	-	11,744,006		5,872,756	427,000	-	6,299,756	5,444,250

12.1 INTANGIBLE ASSETS - 30 JUNE 2017

	COST					AMORTISATION				Net book value
Particulars	As at 1-Jul-16	For the Year Additions	Disposals	As at 30-Jun-17	Rate	As at 1-Jul-16	For the Year Additions	Disposals	As at 30-Jun-17	as at 30-Jun-17
	Rupees				%	Rupees				Rupees
Software	3,204,006	-	-	3,204,006	33.33	3,204,006	-	-	3,204,006	-
Infrastructure license	8,540,000	-	-	8,540,000	5	2,241,750	427,000	-	2,668,750	5,871,250
	11,744,006	-	-	11,744,006		5,445,756	427,000	-	5,872,756	5,871,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017 Restated
		Rupees	
13 DEFERRED TAXATION			
The balance of deferred tax recognized is in respect of following temporary differences:			
Provisions for doubtful debts, deposits and prepayments		29,940,067	25,545,340
Accelerated depreciation/ amortisation		(17,117,723)	(18,284,699)
Others		4,421,266	1,409,314
		17,243,610	8,669,955
14 TRADE DEBTS - unsecured			
Trade debts		295,069,866	396,645,246
Less: provision for doubtful debts		(42,877,507)	(18,783,827)
		252,192,359	377,861,419
15 ADVANCES			
Advances - considered good to			
Suppliers - secured		2,800,000	3,264,000
Employees - unsecured	15.1	6,314,973	2,135,503
		9,114,973	5,399,503

15.1 Advances to employees include an amount of Rs. 2.295 million paid to Mr. Hussain Raza which will be adjsuted against the salary of employee in next year and Rs. 1.025 million to Mr. Muhammad Pervaiz for project expenses which will be adjusted against the expenses incurred on behalf of the Company (2017: Nil). Both of the advances are unsecured.

	Note	2018	2017 Restated
		Rupees	
16 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Margin and guarantees with banks		371,451	371,451
Trade deposits	16.1	31,749,553	40,167,287
Prepayments	16.2	33,141,195	2,494,008
		65,262,199	43,032,746
16.1 Trade deposits		70,190,934	73,350,940
Less: provision for doubtful deposits		(38,441,381)	(33,183,653)
		31,749,553	40,167,287
16.2 Prepayments		71,582,576	35,677,661
Less: provision for doubtful prepayments		(38,441,381)	(33,183,653)
		33,141,195	2,494,008
17 ADVANCE TAX			
Balance at beginning of the year		61,003,211	38,122,689
Tax provision for the year		(25,168,656)	(16,517,590)
Income tax paid during the year		28,054,899	39,398,112
Balance at end of the year		63,889,454	61,003,211

18 SHORT TERM INVESTMENTS

These represent local currency investments of Pak Rs.256.00 million (June 2017: Rs. 186.00 million) in term deposit receipts maturing in the short term and carry interest rate ranging from 5.35% to 6.00% (June 2017: 1.20% to 6.83%) per annum. Out of total investments, Rs. 76.00 million (June 2017: Rs. 50.00 million) are pledged against unfunded bank facility. The Company does not have any investments under arrangement of Islamic Shariah.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017 Restated
		Rupees	
19 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at bank:			
Current accounts	19.1	37,376,158	2,861,607
Deposit accounts	19.2	27,622,244	62,039,590
Deposit accounts with Islamic Banks under Shariah arrangements		7,853,465	21,421,338
Current accounts-dividend		11,079,153	9,898,935
		83,931,020	96,221,470

19.1 Current accounts include foreign currency deposits of UAE Dirham 0.012 million equivalent to Rs. 0.410 million (June 2017: UAE Dirham 0.046 million equivalent to Rs. 1.32 million) and US$ 0.298 million equivalent to Rs. 36.14 million (June 2017: US$ 0.006 million equivalent to Rs. 0.68 million).

19.2 Deposit accounts include foreign currency deposits of US$ 0.004 million equivalent to Rs. 0.46 million (June 2017: US$ 0.003 million equivalent to Rs. 0.40 million) and carry interest rate of 3.75% to 4.00% (June 2017: 3.75% to 4.25%).

	Note	2018	2017 Restated
		Rupees	
20 REVENUE			
Gross revenue			
CVAS data communication services		639,589,256	675,728,720
Telecom infrastructure services		4,346,095	4,956,772
Other projects revenue		260,747,321	118,112,324
		904,682,672	798,797,816
Less: Sales tax		(106,619,367)	(94,501,237)
		798,063,305	704,296,579
21 COST OF SERVICES			
Channel and local lead rentals		130,723,805	136,423,852
Space segment rentals		92,579,154	107,797,121
Salaries and other benefits	21.1	149,660,924	147,359,127
Repair and maintenance expenses		16,435,584	12,404,424
License fee		2,796,235	3,146,133
Depreciation		35,798,405	36,291,149
Amortisation		427,000	427,000
Travelling and local conveyance		3,839,740	3,534,173
Telephone expenses		683,486	711,709
Vehicle running expenses		10,911,038	9,757,963
Insurance		1,723,480	1,313,719
Entertainment		941,907	929,787
Rent, rates and taxes		4,756,243	4,916,005
Utilities		3,658,798	3,590,691
Operating lease rentals		840,318	2,295,421
Other projects cost		193,294,275	82,194,274
		649,070,392	553,092,548

21.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 15.34 million (June 2017: Rs. 18.05 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017 Restated
		Rupees	
22 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	22.1	67,929,260	80,340,415
Travelling and local conveyance		778,975	372,921
Telephone expenses		1,057,418	1,107,403
Vehicle running expenses		5,080,936	4,109,179
Insurance		224,654	173,606
Depreciation		3,260,243	1,766,518
Entertainment		1,162,152	1,178,135
Rent, rates and taxes		3,714,780	5,137,076
Legal and professional charges		5,813,553	6,531,228
Printing and stationery		1,661,266	1,480,766
Utilities		1,677,454	1,895,577
Welfare expenses		4,000,000	2,659,664
Auditors' remuneration	22.2	991,150	825,000
Provision for doubtful debts		24,093,680	-
Operating lease rentals		623,471	1,893,720
		122,068,992	109,471,208

22.1 Salaries and other benefits include employees' retirement and other service benefits of Rs.6.37 million (June 2017: Rs. 7.50 million).

22.2 Auditors' remuneration

Statutory audit fee including half yearly review		675,000	675,000
Other certification fees		286,000	120,000
Out of pocket expenses		30,150	30,000
		991,150	825,000
23 MARKETING EXPENSES			
Advertisement and marketing expenses		888,549	1,942,395
Salaries and other benefits	23.1	20,027,904	18,429,582
Travelling and local conveyance		784,423	1,288,802
Telephone expenses		169,027	145,979
Vehicle running expenses		907,194	849,475
Insurance		37,284	23,929
Depreciation		639,652	405,001
Entertainment		-	18,678
Operating lease rentals		211,320	680,723
		23,665,353	23,784,564

23.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.90 million (June 2017: Rs. 1.10 million).

24 OTHER INCOME			
Income from financial assets			
Return on short term investments		15,906,316	8,147,961
Return on bank deposits		1,952,143	1,312,513
Return on bank deposits with Islamic Banks		255,760	166,174
Exchange gain/ (loss)		13,204,505	968,898
Others		114,500	-
		31,433,224	10,595,546
Income from non-financial assets			
Gain on disposal of property, plant and equipment		2,799,777	(929,638)
		34,233,001	9,665,908

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017 Restated
		Rupees	
25 PROVISION FOR TAXATION			
Current - charge			
- for the year		22,329,772	10,438,826
- for prior years		2,838,884	6,078,764
		25,168,656	16,517,590
Deferred - reversal for the year		(8,573,655)	(1,630,277)
	25.1	16,595,001	14,887,313
25.1 Reconciliation of tax charge for the year			
Accounting profit		35,560,076	26,576,933
Tax on accounting profit at 30% (June 2017: 31%)		10,668,023	8,238,849
Effect of change in tax rate		4,379,792	-
Effect of prior years		2,838,884	6,078,764
Others		(1,291,698)	569,700
		16,595,001	14,887,313

25.2 Management assessment of sufficiency of current income tax provision

	2017	2016	2015
		Rupees	
A comparison of provision on account of income taxes with most recent tax assessment for last three years is as follows:			
Provision in financial statements*	10,438,826	35,822,194	48,902,950
Tax assessed as per most recent tax assessment	20,537,742	33,007,487	48,902,950
	(10,098,916)	2,814,707	-

*This represents provision recorded in the financial statements till 30 June 2018 in respect of relevant tax years. Management believes that the provision made in the financial statements is sufficient.

	2018	2017
	Rupees	
26 EARNING PER SHARE (BASIC AND DILUTED)		
Profit after taxation	18,965,075	11,689,620
Basic and diluted earnings per share (Rupees/ share)	1.94	1.19

Weighted average number of ordinary shares as at June 30, 2018 are 9,801,000 (June 30, 2017: 9,801,000) and there are no dilutive ordinary shares till June 30, 2018 (June 30, 2017: Nil).

27 TRANSACTIONS WITH RELATED PARTIES

Telecom Foundation owns 55.08 % (2017: 55.08 %) shares of the Company. The related parties comprise of holding and associated companies, companies with common directorship, directors, key management staff and employees retirement and other service benefits;

	2018	2017
	Rupees	
Telecom Foundation - Holding Company		
Dividend paid during the year	18,894,236	21,593,412
Donations paid during the year	4,000,000	2,500,000
Payments against joint operations during the year	1,714,781	1,574,373
Payable against joint operations at year end	-	1,464,781
TF Logistics - Subsidiary of Holding Company		
Payments against warehouse rent during the year	390,000	300,000
Payable against warehouse rent at year end	30,000	60,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		Rupees	
TF Technologies (Private) Limited - Subsidiary of Holding Company			
Receivable against consultancy charges at year end		114,500	-
State Life Insurance Corporation of Pakistan - Common directorship			
Group insurance PDL employees-yearly premium paid		-	1,159,605
Other related parties			
Contribution to gratuity fund		13,971,271	14,210,713
Remuneration of key management personnel	27.1	25,399,190	30,844,922

27.1 Key Management personal

Key management personal comprises of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Managers of the Company.

Managerial remuneration	18,312,274	20,882,846
Other allowances	-	1,296,000
Gratuity	1,484,361	1,294,649
Earned leaves	954,749	1,001,201
Meeting fee	2,921,501	4,357,391
Other benefits	1,726,305	2,012,835
	25,399,190	30,844,922

27.2 The names of key management personnel during the year or at year end are as follows:

1	Syed Jamal Nasir	4	Abid Awan
2	Syed Abrar Hussain	5	Hussain Raza
3	Zahid Mehmood	6	Shafqat Ali

27.3 The employees on posts of Manager and above are also provided Company maintained vehicles for official purpose only.

28 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2018			2017		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives Restated
	Rupees			Rupees		
Managerial remuneration	2,758,921	-	-	4,202,070	-	-
Other allowances	-	-	-	1,296,000	-	-
Gratuity	117,587	-	-	-		
Earned leaves	43,566	-	-	147,504		
Meeting fee	712,500	2,486,101	-	1,435,653	4,994,001	-
Other benefits	101,206	504,791	-	43,201	400,077	-
	3,733,780	2,990,892	-	7,124,428	5,394,078	-
Number of persons	2	11	-	2	11	-

28.1 Salary of Chief Executive Officer includes an amount of Rs. 2.201 million (2017: Rs. 2.45 million) paid during the year to ex-Managing Director of the Company on account of manegarial remuneration and other allowances. The management, on directions of the Board of Directors is pursuing for recovery of these payments as the appointment was withdrawn ab-initio by the Ministry of Information Technology & Telecommunication.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Number of employees	
29 NUMBER OF EMPLOYEES		
Total number of employees as at the year end	208	223
Average number of employees during the year	215	228

30 FINANCIAL INSTRUMENTS

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

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company finances its operations through equity and management of working capital with a view to maintain a reasonable mix and to minimize risk.

30.1 Market risk

Market risk is the risk that change in market prices, such as foreign exchange rates, interest rates and service charge out rate will affect the Company's incomes or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures with in acceptable parameters, while optimizing the return on risk.

30.1.1 Interest rate risk management

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 reporting date the interest rate profile of the Company's interest bearing financial instrument was:

	2018	2017	2018	2017 Restated
	Percentage		Rupees	
Fixed rate instrument				
Financial assets				
Short term investments	5.35 to 6.00	1.20 to 6.83	256,000,000	186,000,000
Bank balances - deposit accounts	3.75 to 4.00	3.75 to 4.25	35,475,709	83,460,928
			291,475,709	269,460,928
Financial liabilities			-	-
			291,475,709	269,460,928

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.

30.1.2 Foreign currency risk management

PKR is the functional currency of the Company and as a result currency exposure arise from transactions and balances in currencies other than Pak Rupees. Exposure to Company's receivables and payables, which are primarily denominated in the currency other than Pak Rupees, arises from the currency exchange rate fluctuation. The activities of the Company expose it to foreign exchange risk, primarily with respect of US Dollars and UAE Dirham. To mitigate the Company's exposure to foreign currency risk, non-Pak Rupees cash flows are monitored in accordance with Company's risk management policies. The Company does not enter into forward exchange contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

	2018	2017 Restated
	Rupees	
Financial assets- US Dollars	281,310,825	9,516,344
Financial assets- AED	410,036	1,320,357
	281,720,861	10,836,701
Financial liabilities-US Dollars	(152,338,354)	(128,470,324)
	129,382,507	(117,633,623)

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2018	2017	2018	2017
	Rupees			
USD 1	110.09	104.9	121.15	104.58

Foreign currency sensitivity analysis

A 10 percent strengthening of the PKR against the USD at 30 June 2018 would have decreased/ increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 30 June 2017.

	2018	2017 Restated
	Rupees	
(Decrease)/ increase in profit	(12,897,247)	11,895,398

30.2 Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the statement of financial position date, as summarised below:

	2018	2017 Restated
	Rupees	
Unbilled revenue	168,907,149	102,918,804
Trade debts - unsecured	252,192,359	377,861,419
Advances	6,314,973	2,135,503
Trade deposits	32,121,004	40,538,738
Other receivables	419,225	5,522,084
Interest accrued	7,719,683	4,511,630
Short term investments	256,000,000	186,000,000
Cash and bank balances	83,931,020	96,221,470
	807,605,413	815,709,648

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Unimpaired trade debts that are past due as at the reporting date can be shown as follows:

	2018	2017 Restated
	Rupees	
Not more than 3 months	190,481,909	264,309,440
More than 3 months but not more than 6 months	29,623,887	26,512,519
More than 6 months but not more than 1 year	11,761,101	34,567,711
More than 1 year	20,325,462	52,471,749
	252,192,359	377,861,419

The movement in the allowance for impairment in respect of trade debts during the year was as follows:

	2018	2017 Restated
	Rupees	
Balance at beginning of the year	18,783,827	18,783,827
Provision made during the year	24,093,680	-
Balance at end of the year	42,877,507	18,783,827

In respect of trade debts, 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 has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory. The credit rating of counterparties is as follows:

	2018		2017		
	Short term	Long term	Short term	Long term	Credit rating agency
National Bank of Pakistan	A-1+	AAA	A-1+	AAA	JCR-VIS
Askari Bank Limited	A1+	AA+	A1+	AA+	PACRA
Mashreq Bank	P-2	Baa2	P-2	Baa2	Moodys
Bank Al-Habib limited	A1+	AA+	A1+	AA+	PACRA
Faysal Bank	A1+	AA	A1+	AA	PACRA
Habib Bank Limited	A-1+	AAA	A-1+	AAA	JCR-VIS
Dubai Islami Bank	A-1	AA-	A1	AA-	JCR-VIS
MCB Bank	A1+	AAA	A1+	AAA	PACRA
Soneri Bank Limited	A1+	AA-	A1+	AA-	PACRA
Meezan Bank Limited	A-1+	AA+	A1+	AA	JCR-VIS

30.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to close out market positions due to dynamic nature of the business. The Company's approach to managing 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

At statement of financial position date, the Company's liabilities have contractual maturities (including the impact of estimated future interest payments) as summarised below:

	30 June 2018			
	Carrying amount	**Contractual cash flows**	**Within one year**	**One to five years**
	Rupees			
Customers deposits	**140,433,318**	**140,433,318**	**140,433,318**	**-**
Trade and other payables	**135,858,518**	**135,858,518**	**135,858,518**	**-**
Finance lease liability	**17,685,065**	**20,234,801**	**6,578,724**	**13,656,077**
Unclaimed dividend	**10,157,011**	**10,157,011**	**10,157,011**	**-**
	304,133,912	**306,683,648**	**293,027,571**	**13,656,077**

	30 June 2017-Restated			
	Carrying amount	Contractual cash flows	Within one year	One to five years
	Rupees			
Customers deposits	124,388,199	124,388,199	124,388,199	-
Trade and other payables	104,286,937	104,286,937	104,286,937	-
Finance lease liability	4,697,714	5,273,674	1,796,135	3,477,539
Unclaimed dividend	9,060,328	9,060,328	9,060,328	-
	242,433,178	243,009,138	239,531,599	3,477,539

30.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital consists of equity as stated in statement of financial position. The Board of Directors monitor the return on capital and the level of dividend to the shareholders. There were no changes to the company's approach to capital management during the period and the company is not subject to externally imposed capital requirements.

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify 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:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

31.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees						
30 June 2018							
Financial assets not measured at fair value							
Unbilled revenue	**168,907,149**	**-**	**168,907,149**	**-**	**-**	**-**	**-**
Trade debts	**252,192,359**	**-**	**252,192,359**	**-**	**-**	**-**	**-**
Advances	**6,314,973**	**-**	**6,314,973**	**-**	**-**	**-**	**-**
Trade deposits and short term prepayments	**19,826,764**	**-**	**19,826,764**	**-**	**-**	**-**	**-**
Other receivables	**419,225**	**-**	**419,225**	**-**	**-**	**-**	**-**
Interest accrued	**7,719,683**	**-**	**7,719,683**	**-**	**-**	**-**	**-**
Short term investments	**256,000,000**	**-**	**256,000,000**	**-**	**-**	**-**	**-**
Cash and bank balances	**83,931,020**	**-**	**83,931,020**	**-**	**-**	**-**	**-**
	795,311,173	**-**	**795,311,173**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value							
Liability against assets subject to finance lease	**-**	**12,378,468**	**12,378,468**	**-**	**-**	**-**	**-**
Customers' deposits	**-**	**140,433,318**	**140,433,318**	**-**	**-**	**-**	**-**
Trade and other payables	**-**	**115,101,878**	**115,101,878**	**-**	**-**	**-**	**-**
Current portion of liability against assets subject to finance lease	**-**	**5,306,597**	**5,306,597**	**-**	**-**	**-**	**-**
	-	**273,220,261**	**273,220,261**	**-**	**-**	**-**	**-**
30 June 2017-Restated							
Financial assets not measured at fair value							
Unbilled revenue	102,918,804	-	102,918,804	-	-	-	-
Trade debts	377,861,419	-	377,861,419	-	-	-	-
Advances	2,465,274	-	2,465,274	-	-	-	-
Trade deposits and short term prepayments	40,538,738	-	40,538,738	-	-	-	-
Other receivables	5,522,084	-	5,522,084	-	-	-	-
Interest accrued	4,511,630	-	4,511,630	-	-	-	-
Short term investments	186,000,000	-	186,000,000	-	-	-	-
Cash and bank balances	96,221,470	-	96,221,470	-	-	-	-
	816,039,419	-	816,039,419	-	-	-	-
Financial liabilities not measured at fair value							
Liability against assets subject to finance lease	-	3,205,959	3,205,959	-	-	-	-
Customers' deposits	-	124,388,199	124,388,199	-	-	-	-
Trade and other payables	-	119,646,069	119,646,069	-	-	-	-
Current portion of liability against assets subject to finance lease	-	1,491,755	1,491,755	-	-	-	-
	-	248,731,982	248,731,982	-	-	-	-

31.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

32 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities	Equity			
	Liabilities against assets subject to finance lease	Share Capital	General reserve	Un appropriated profit	Total
	Rupees				
Balance at 1 July 2017	**4,697,714**	**98,010,000**	**586,500,000**	**114,718,794**	**803,926,508**
Changes from financing cash flows					
Payment of finance lease liabilities	(8,702,475)	-	-	-	**(8,702,475)**
Dividend paid	-	-	-	(34,303,500)	**(34,303,500)**
Total changes from financing cash flows	**(8,702,475)**	**-**	**-**	**(34,303,500)**	**(43,005,975)**
The effect of changes foreign exchange rates	**-**	**-**	**-**	**-**	**-**
Other changes					
Liability related					
New finance leases	20,670,000	-	-	-	**20,670,000**
Finance cost for the year	1,019,826	-	-	-	**1,019,826**
Total liability related other changes	**21,689,826**	**-**	**-**	**-**	**21,689,826**
Equity related					
Total comprehensive income for the year	-	-	-	15,724,608	**15,724,608**
Transfer to general reserve	-	-	5,000,000	(5,000,000)	-
Total equity related other changes	**-**	**-**	**5,000,000**	**10,724,608**	**15,724,608**
Balance at 30 June 2018	**17,685,065**	**98,010,000**	**591,500,000**	**91,139,902**	**798,334,967**

33 RESTATEMENT OF COMPARATIVE FIGURES

During the period, the Company identified following errors pertaining to prior years:

- The Company was recognizing revenue from one of its project on milestone payment basis. However, the accounting and reporting standards as applicable in Pakistan requires that revenue recognition on the basis of percentage of completion method, based on cost incurred to date or survey of work performed.
- The Company had obtained certain vehicles on finance lease for employees of the Company as at 30 June 2017 which were not recorded in the financial statements.
- The deferred tax rate used for the recognition of deferred tax asset was the enacted rate of the respective tax year, not the rate which was announced for years in which the temporary difference were to be reversed.
- Provision for taxation was disclosed separately from advance tax paid by the Company, however IAS 12 - Income Taxes requires to offset the current tax assets and liabilities if the the entity has a legal enforceable right to set off the recognized amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously, which is normally the case when they relate to income taxes levied by the same taxation authorities and the taxation authorities permit the entity to make or receive a single net payment.
- The costs incurred by the Company on one of its project were not recognized in the financial statements in prior years.

The above errors have now been rectified by restating the balances in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors as follows:

Further, "Unclaimed dividend" has been reclassified from "Trade and other payables" and shown separately on the face of the statement of financial position as required by the Act.

33.1 EFFECT OF RESTATEMENTS DUE TO CORRECTION OF ERRORS AND RECLASSIFICATION

	Provision for taxation	Advance tax	Deferred tax asset	Advances	Trade deposits and short term prepayments	Trade debts	Unbilled revenue	Property and equipment	Liability against assets subject to finance lease	Current portion of liability against asset ubject to finance lease	Trade and other payables	Unclaimed dividend	Unappropriated profit
	Rupees												
Balance as at 1 July 2016 - as previously reported	**(21,061,772)**	**67,866,119**	**7,508,990**	**25,209,304**	**106,439,035**	**226,505,771**	**-**	**234,322,243**	**-**	**-**	**(107,276,716)**	**-**	**(130,761,822)**
Effect of restatement upto 30 June 2016													
Recognition of revenue based on percentage completion method	-	(15,556,996)	-	-	(83,867,008)	(139,636,100)	272,118,720	-	-	-	-	-	(33,058,616)
Recognition of unrecorded cost	-	6,875,338	-	-	-	-	-	-	-	-	(21,485,430)	-	14,610,092
Correction of deferred tax rate	-	-	(469,312)	-	-	-	-	-	-	-	-	-	469,312
Offsetting of provision for taxation and advance tax	21,061,772	(21,061,772)	-	-	-	-	-	-	-	-	-	-	-
Reclassification of unclaimed dividend											8,426,130	(8,426,130)	
	21,061,772	**(29,743,430)**	**(469,312)**	**-**	**(83,867,008)**	**(139,636,100)**	**272,118,720**	**-**	**-**	**-**	**(13,059,300)**	**(8,426,130)**	**(17,979,212)**
Balance as at 1 July 2016 - restated	-	38,122,689	7,039,678	25,209,304	22,572,027	86,869,671	272,118,720	234,322,243	-	-	(120,336,016)	(8,426,130)	(148,741,034)
Balance as at 30 June 2017 - as previously reported	**(20,537,742)**	**80,123,694**	**9,383,169**	**6,439,332**	**147,194,182**	**341,994,464**	**-**	**224,825,070**	**-**	**-**	**(117,236,586)**	**-**	**(119,679,214)**
Effect of restatement for the year ended 30 June 2017													
Recognition of finance lease obligation	-	23,718	(424,216)	(1,039,829)	-	-	-	5,773,308	(3,205,959)	(1,491,755)	(329,771)	-	694,504
Offsetting of provision for taxation and advance tax	(524,030)	524,030	-	-	-	-	-	-	-	-	-	-	-
Effect of prior period restatement	21,061,772	(29,743,430)	(469,312)	-	(83,867,008)	(139,636,100)	272,118,720	-	-	-	(13,059,300)	(8,426,130)	(17,979,212)
Recognition of revenue based on percentage completion method	-	10,075,199	-	-	(20,294,428)	175,503,055	(169,199,916)	-	-	-	(18,509,352)	-	22,425,442
Tax effect of revenue recognition and finance lease recognition	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of deferred tax rate	-	-	(288,998)	-	-	-	-	-	-	-	-	-	288,998
Correction of deferred tax income	-	-	469,312	-	-	-	-	-	-	-	-	-	(469,312)
Reclassification of unclaimed dividend											634,198	(634,198)	
	20,537,742	**(19,120,483)**	**(713,214)**	**(1,039,829)**	**(104,161,436)**	**35,866,955**	**102,918,804**	**5,773,308**	**(3,205,959)**	**(1,491,755)**	**(31,264,225)**	**(9,060,328)**	**4,960,420**
Balance as at 30 June 2017- restated	**-**	**61,003,211**	**8,669,955**	**5,399,503**	**43,032,746**	**377,861,419**	**102,918,804**	**230,598,378**	**(3,205,959)**	**(1,491,755)**	**(148,500,811)**	**(9,060,328)**	**(114,718,794)**

34 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	Rupees
i)	Bank balances	Placed under interest arrangement	27,622,244
		Placed under Shariah permissible arrangement	7,853,465
ii)	Return on bank deposits for the year ended June 30, 2018	Placed under interest arrangement	1,952,143
		Placed under Shariah permissible arrangement	255,760
iii)	Exchange gain earned from actual currency		5,062,258
iv)	Relationship with banks having Islamic windows	Mezan Bank Limited, Dubai Islamic Bank and Muslim Islamic Bank.	-
v)	Profit earned on employees loan during the year		-

35 OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment.

36 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors recommended final cash dividend at the rate of Rs. 3.00 per share amounting to Rs. 29.403 million in its meeting held on October 26, 2018.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on October 26, 2018.

38 GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Farhat Mansoor
Chief Financial Officer

Syed Jamal Nasir
Chief Executive

Arshad Rasheed Chaudhary
Director

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF PAK DATACOM LIMITED AS AT JUNE 30, 2018
FORM 34 (SECTION 236(1) AND 464)

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
1,364	1	100	48,859
391	101	500	123,540
67	501	1,000	52,975
100	1,001	5,000	256,748
25	5,001	10,000	178,133
8	10,001	15,000	103,690
4	15,001	20,000	71,218
1	20,001	25,000	21,000
1	25,001	30,000	28,007
1	50,001	55,000	52,000
1	60,001	65,000	65,000
1	175,001	180,000	178,898
1	235,001	240,000	240,000
1	705,001	710,000	705,291
1	755,001	760,000	756,288
1	1,520,001	1,525,000	1,521,000
1	5,395,001	5,400,000	5,398,353
1,969			9,801,000

CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
Individuals	1,105,066	11.27
Others	5,696,774	58.12
Basit Waheed	1,521,000	15.52
Financial Institutions	721,872	7.37
Insurance Companies	756,288	7.72
Grand Total	**9,801,000**	**100.00**

NAME WISE DETAIL OF SHAREHOLDERS AS AT JUNE 30, 2018

Categories of shareholders	Physical	CDC	Total Shares Held	Percentage (%)
Directors, Chief Executive Officer, Their Spouses and Minor Childern				
Directors				
Mr. Arshad Rasheed Chaudhry	500	-	500	0.01
Mr. BASIT WAHEED	-	1,521,000	1,521,000	15.52
	500	1,521,000	1,521,500	15.52
Associated Companies, Undertakings & Related Parties				
Telecom Foundation	5,398,353	-	5,398,353	55.08
	5,398,353	-	5,398,353	55.08
NIT & ICP (Name Wise Detail)				
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	-	178,898	178,898	1.83
IDBL (ICP UNIT)	-	8	8	0.00
	-	178,906	178,906	1.83
Banks, NBFCs, DFIs, Takaful, Pension Funds	125	721,747	721,872	7.37
Modarabas	-	-	-	-
Insurance Companies	-	756,288	756,288	7.72
Other Companies,Corporate Bodies, Trust etc.	28,552	90,463	119,015	1.21
General Public	216,350	888,716	1,105,066	11.28
	5,643,880	4,157,120	9,801,000	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING RIGHTS IN THE COMPANY

Shareholders More Than 5.00%	Shares Held	Percentage %
TELECOM FOUNDATION	5,398,353	55.08
BASIT WAHEED	1,521,000	15.52
STATE LIFE INSURANCE CORP. OF PAKISTAN	756,288	7.72
NATIONAL BANK OF PAKISTAN	705,291	7.20

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 revised rates pursuant to the provisions of Finance Act, 2018

Share Registrar: Pak Datacom Limited

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#	Name	National Tax #	CNIC # (in case of individuals)*	Income tax return for the year 2017 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 receipt 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

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

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*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 Twenty Sixth Annual General Meeting of the Company to be held at Hotel Hillview, F-7 Markaz on November 27, 2018 at 11:00 am or at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018.

REVENUE STAMP RS. 5

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 _____
   Name _____
   Address _____
   CNIC/Passport No. _____

2. Signature _____
   Name _____
   Address _____
   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 ڈیٹاکام لمیٹڈ اور حامل _____ عام حصص، بمطابق شیئر رجسٹر 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 ایماء پر 27 نومبر 2018 صبح 11 بجے دن بمقام ہوٹل ہل ویو، F-7 میں منعقد ہونے والے کمپنی کے چھبیویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرہ کرتا / کرتی ہوں / کرتے ہیں

آج بروز _____ **بتاریخ** _____ **2018 کو دستخط کئے گئے۔**

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

گواہان:

1 دستخط _____ 2 دستخط _____

نام _____ نام _____

پتہ _____ پتہ _____

_____ _____

پانچ روپے مالیت کا رسیدی ٹکٹ پر دستخط

ممبر ان کے دستخط

کمپیوٹرائز قومی شناختی کارڈ کا نمبر _____ کمپیوٹرائز 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 کمپیوٹرائز قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی کو منسلک کرنی ہوگی۔ مختار (پراکسی) کو اجلاس کے وقت اپنا اصل کمپیوٹرائز 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 فارمز) بمعہ نامزد کرنے والے شخص کی تصدیق شدہ پاور آف اٹارنی (حسب ضرورت) کمپنی کے رجسٹرآفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

Complete

Network

Solutions

3rd Floor, Umar Plaza, Blue Area, Islamabad, Pakistan
T: +92 51 2344118, 2344125, **F**: +92 51 2344111
www.pakdatacom.com.pk

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