Pak Datacom

PAK DATACOM LIMITED
Annual Report 2021

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

1.	Mr. Shamim Ahmed Sherazi	Chairman
2.	Mr. Shoaib Javed Hussain	Member
3.	Ms. Rubina Safir	Member
4.	Syed Junaid Imam	Member

PROCUREMENT COMMITTEE

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

NOMINATION COMMITTEE

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

STRATEGY & PROJECT APPRAISAL COMMITTEE

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

CHIEF FINANCIAL OFFICER

Syed Muhammad Asif Makhdoomi FCMA, FPFA & FCIS

COMPANY SECRETARY

Mr. Jibran Shazib Abbas

REGISTERED OFFICE

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

HEAD OFFICE

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

SHARES DEPARTMENT

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

AUDITORS

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

LEGAL ADVISOR

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

VISION STATEMENT

Spreading Technology

MISSION STATEMENT

The mission statement is a list of Tangible mind stones that will take the Company towards fulfillment of it's vision.

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

CORE VALUES

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

ہماری بصیرت/ ویژن

وسعت پذیر ٹیکنالوجی

ہمارا نصب العین/مشن

ایسے قابل عمل اہداف کا تعین جو اپنے ویژن کے حصول میں ہماری مدد کرتے ہیں۔

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

بنیادی اقدار

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

PDL PRODUCTS

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

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

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

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

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

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

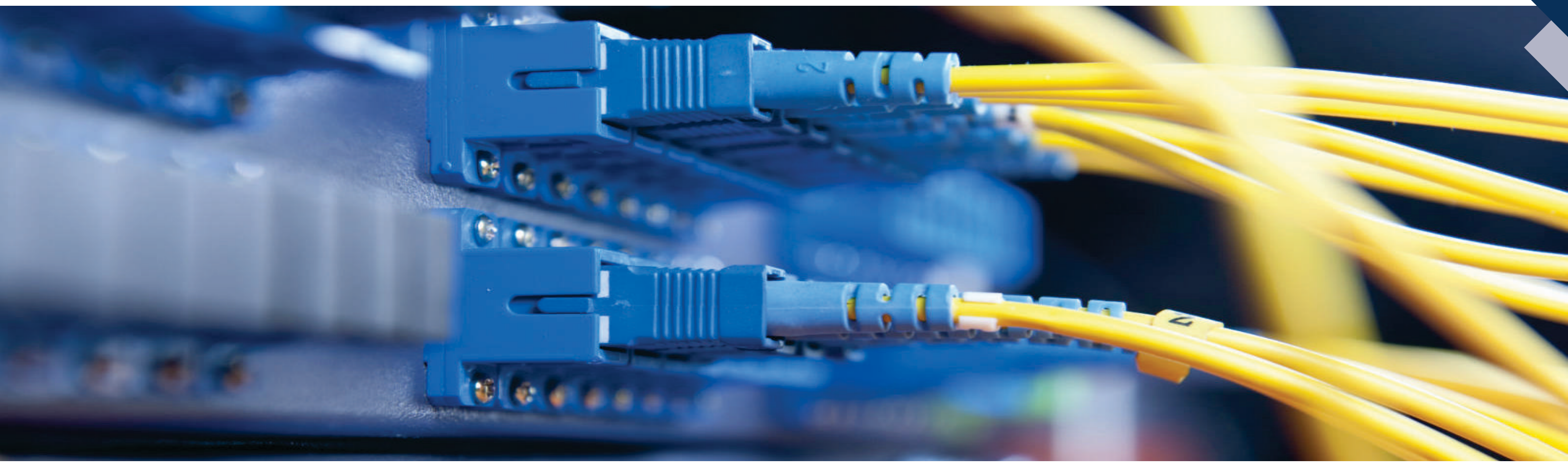
PDL supports multiple customers from various sectors, including Banking, United Nations Organizations, Telecom Providers, Government Departments, Private Sector and Oil & Gas Companies

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

Salient Features

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

PDL PRODUCTS



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

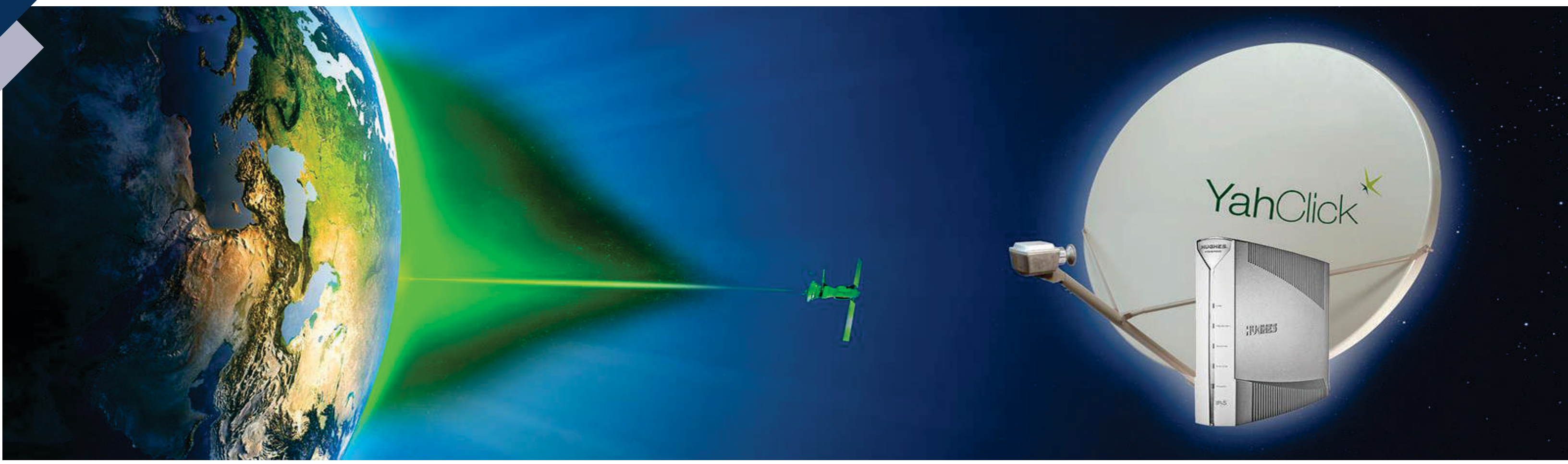
PDL, Data Network has been widely used as long- haul and metropolitan network for low latency and cost-effective solution. PDL data network encompasses Multi-Protocol Label Switching (MPLS), Ethernet, IP and TDMA based data links. Network coverage is available in all major cities and towns.

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

PDL PRODUCTS



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

Applications:

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

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
- Defence
- 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.

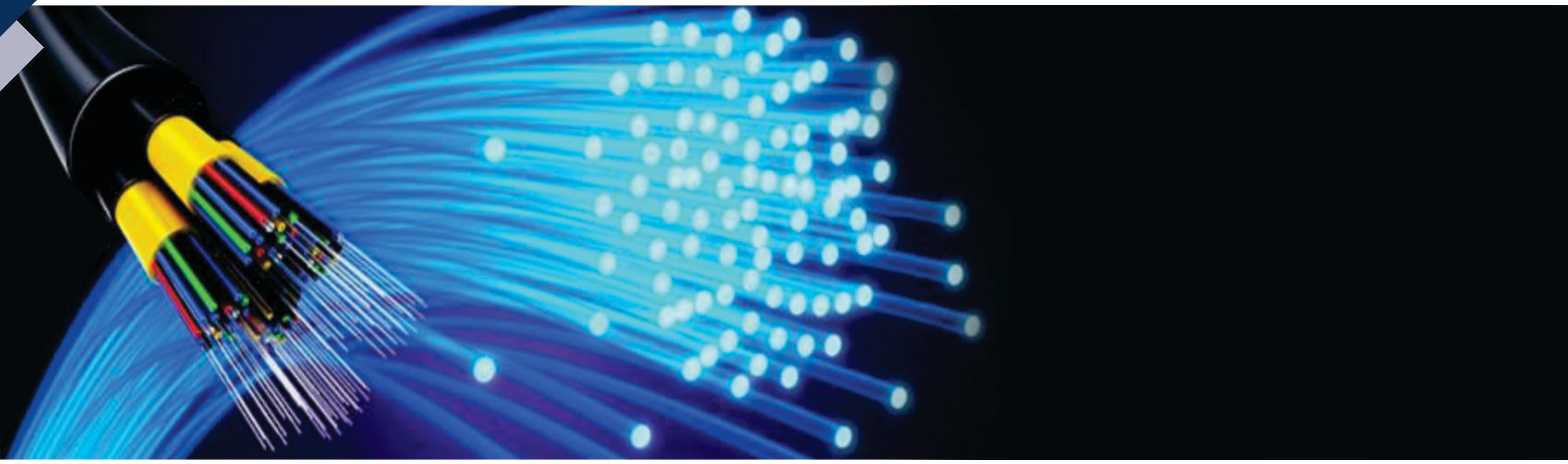
PDL offers point to point and point to multipoint Digital Radio System (DRS).

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



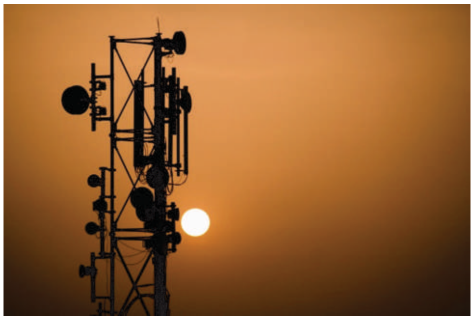
Telecom Infrastructure: In compliance to the award of all Pakistan Telecom Infrastructure License, PDL has successfully completed the OFC / OSP laying projects of telecom service providers.

- 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.

PDL has telecom infrastructure and Data Network licenses and more than 25 years experience of countywide development in the field of data services.

Salient Features

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

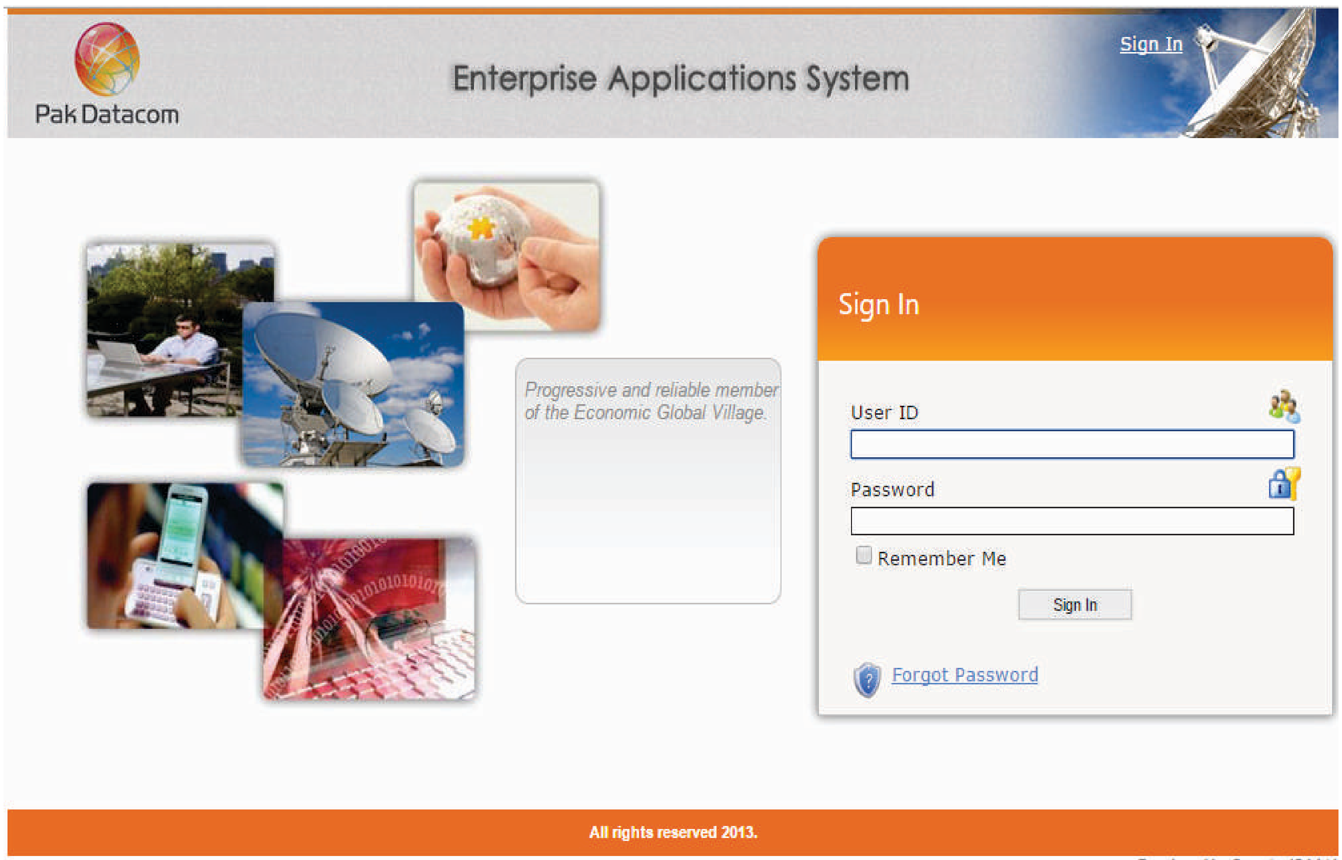


SUPPORT SERVICES

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

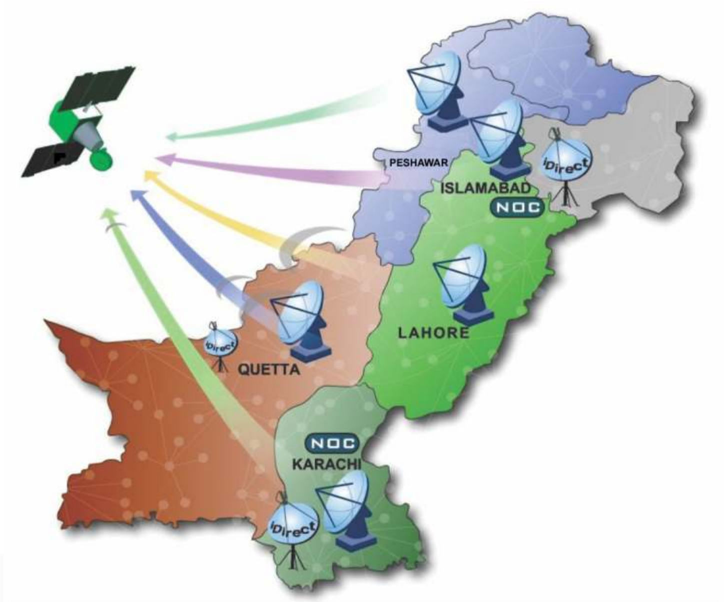
info@pakdatacom.com.pk

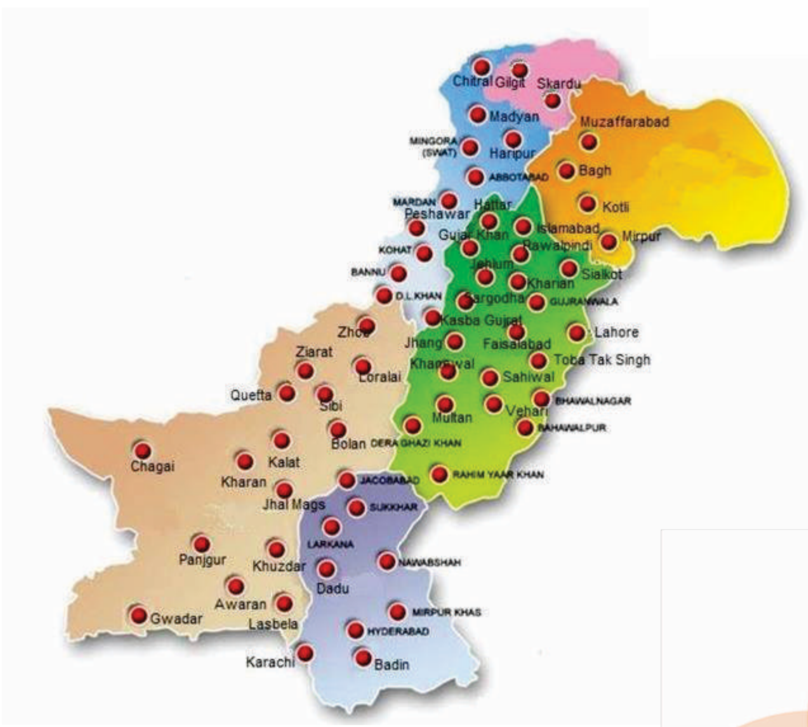
Phone Service

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

PDL COVERAGE

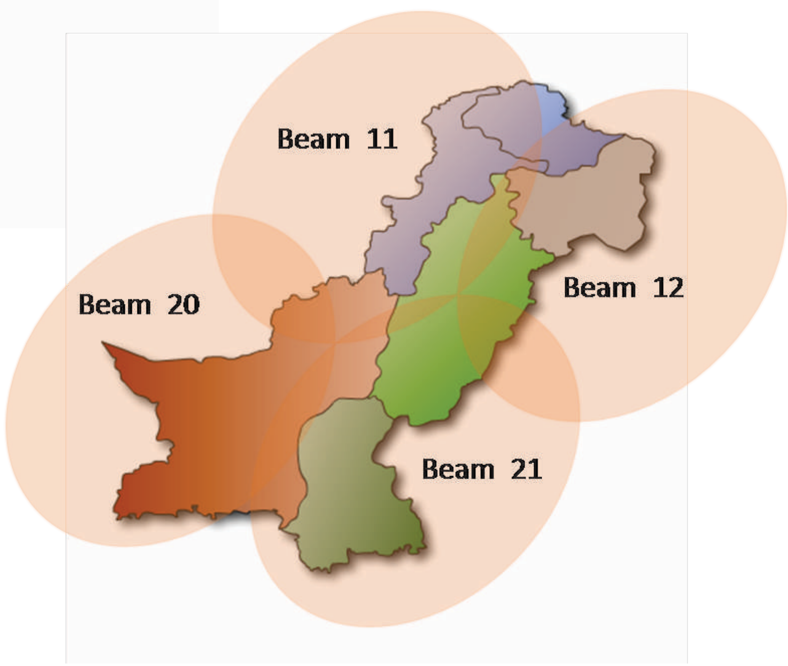
iDirect & VSAT Coverage





DXX Coverage

Data Click Coverage



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the shareholders of Pak Datacom Limited (The Company) will be held on Tuesday, 26th October 2021 at 11:00 hours at Telecom Foundation, TF Complex, TF Headquarters, 7-Mauve Area, G-9/4, Islamabad. In compliance to SECP Circular#4 of 2021, dated:15-02-2021, the AGM will be held via video link facility to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of 28th Annual General Meeting held on December 27, 2020.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon.
3. To approve the payment of cash dividend @ 15% (i.e., Rs. 1.5/- per share) and bonus shares @ 10% (i.e., 1 share for every 10 shares) for the year ended June 30, 2021 as recommended by the Board of Directors.
4. To appoint auditors of the Company for the year ending June 30, 2022 and fix their remuneration. The retiring auditors M/s BDO Ebrahim & Co Chartered Accountants being eligible offer themselves for reappointment.

ANY OTHER BUSINESS:

5. To transact any other business with the permission of the Chairman.

By Order of the Board

Pak Datacom Limited, 3rd Floor,

Umar Plaza, Blue Area, Islamabad.

October 05, 2021

Jibran S. Abbas

Company Secretary

NOTES:

1. Participate in AGM Proceedings via Video Conference Facility:

Due to recent surge in Covid-19 cases and to avoid large public gatherings at one place, the Company shall hold its AGM through video conference facility in pursuance to Circular No. 04 of 2021 read with Circular No. 06 of 2021 notified by the Securities and Exchange Commission of Pakistan (SECP) dated 19th February 2021 and 03rd March 2021 respectively.

Therefore, to attend and participate in the AGM through video link facility, members are requested to register their particulars (Name, Folio/ CDS Account Number, CNIC Number and Cell Phone Number) with the Company Secretary by e-mailing to companysecretary@pakdatacom.com.pk at least 24 hours before the time of AGM including any queries and questions (if any).

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 19th ,2021 to October 26, 2021 (both days inclusive) and no request for transfer of shares will be accepted for registration. Transfers received in order at the Shares Registrar's Office of the Company by the close of business on October 18, 2021 will be treated in time for the purpose of payment of the final cash dividend.

3. Attending the AGM and Appointment of Proxies:

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

A) For attending the meeting

(a) In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(b) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

B) For appointing proxies

(a) In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.

(b) The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(c) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

(e) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

4. Change in Particulars:

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

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

In accordance with Section 242 of the Companies Act, 2017, cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled

shareholders. Shareholders are requested to provide their bank account details (IBAN format) directly to our share registrar (for physical shares) or to their respective participant/ broker (for CDS shares) as the case may be. The subject Form is available at Company’s website i.e., www.pakdatacom.com.pk.

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. Deduction of The Income Tax from Dividend under section 150 of the Income Tax Ordinance 2001 (“Income Tax Ordinance”):

Pursuant to the provisions of Finance Act, 2021, effective July 01, 2021, the rates of deduction of Income Tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:

a)	Rate of tax deduction for persons who are appearing in the Active TAX Payers List	**15%**
b)	Rate of tax deduction for persons not appearing in the Active TAX Payers List	**30%**

All shareholders/ members of the Company who hold shares in Physical Form are therefore requested to send a valid copy of their CNIC and NTN certificate, to the Company's Shares Registrar, CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400. Tel: (92-21) 111-111-500 to allow the Company to ascertain the status of shareholder/ member.

Shareholders/ members who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company Pakistan Limited (CDC) are requested to send valid copies of their CNIC and NTN Certificates to their CDC participants/ CDC Investor Account Services.

8. Additional Requirements for CDC Account Holders:

CDC individual account holders or sub account holders are requested to bring with them their original Computerised National Identity Card (CNIC)/ original Passport along with participant's ID number and their account number in order to facilitate identification vide Circular # 1, dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

9. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD/DVD:

The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request form is available on the website of the Company i.e., www.pakdatacom.com.pk.

10. TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option for shareholders to receive audited financial statements along with Notice of Annual General Meeting electronically through e-mail. Hence members who are interested in receiving the annual report and Notice of Annual General Meeting electronically in future are requested to send their e-mail addresses on the consent form placed on the Company's website i.e., www.pakdatacom.com.pk. The Company shall, however additionally provide hard copy of the annual report on request, free of cost to its members

11. AVAILABILTY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited accounts of the Company for the year ended June 30, 2021 will be placed on the Company's website www.pakdatacom.com.pk, in addition to the annual and quarterly financial statements for the prior years.

12. CONSENT FOR VIDEO CONFERENCE FACILITY:

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

Company Secretary, Pak Datacom Limited, 3rd Floor, Umar Plaza, Blue Area, Islamabad.

سالانہ اجلاس عام کا نوٹس

تمام متعلقہ افراد کو مطلع کیا جاتا ہے کہ پاک ڈیٹا کام لمیٹڈ کا 29واں سالانہ اجلاس عام 26 اکتوبر 2021 بروز منگل صبح 11 بجے ٹیلی کام فاؤنڈیشن، ٹی ایف کمپلیکس، ٹی ایف ہیڈکوارٹرز، 7 ماوو ایریا، G-9/4 اسلام آباد میں ہوگا۔ جس میں مندرجہ ذیل اُمور انجام دیے جائیں گے۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 4 بابت 2021 بتاریخ 15-02-202 کی رو سے اجلاس عام ویڈیو لنک کے ذریعے ہوگا۔

عمومی اُمور

1۔ اجلاس میں 27 دسمبر 2020ء کو منعقد کیے گئے 28 ویں اجلاس عام کے فیصلوں کی منظوری دی جائے گی۔

2۔ 30 جون 2021ء کو ختم ہونے والے سال کے آڈٹ شدہ کھاتوں اور ڈائریکٹرز اینڈ آڈیٹرز رپورٹ کی وصولی، غور اور عملدرآمد طے پائے گا۔

3۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق حصص مالکان کو 30 جون 2021ء کو ختم ہونے والے سال کے لیے نقد منافع کی ادائیگی 15 فیصد یعنی 1.5 روپے فی شیئر اور 10% بونس شیئرز (ہر 10 شیئرز پر 1 شیئر) کے ساتھ منظوری دی جائے گا۔

4۔ 30 جون 2022ء کو ختم ہونے والے سال کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کیا جائے گا۔ ریٹائر ہونے والے آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔

دیگر امور

5۔ صدر نشین کی اجازت سے دیگر اُمور بھی اجلاس میں زیرِ غور لائے جاسکتے ہیں۔

بحکم بورڈ

پاک ڈیٹا کام، تھرڈ فلور،
عمر پلازہ، بلیو ایریا، اسلام آباد
5 اکتوبر، 2021ء

جبران الیس عباس
کمپنی سیکرٹری

نوٹس:

1۔ اجلاس عام کی کارروائی میں ویڈیو کانفرنس کے ذریعے شرکت

کووڈ-19 کی موجودہ صورتحال کے پیش نظر اور ایک جگہ پر زیادہ لوگوں کے اکٹھے ہونے سے بچنے کے لیے کمپنی کا سالانہ اجلاس عام سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے بالترتیب 19 فروری 2021 اور 3 مارچ 2021 کو جاری ہونے والے سرکلر نمبر 4 اور سرکلر نمبر 6 بابت 2021 کے مطابق ویڈیو کانفرنس کے ذریعے منعقد ہوگا۔

لہٰذا ویڈیو لنک کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لیے ممبران سے درخواست کی جاتی ہے کہ وہ اجلاس عام کے وقت سے کم از کم چوبیس گھنٹے قبل اپنے کوائف (نام، فولیو، سی ڈی ایس اکاؤنٹ نمبر، قومی شناختی کارڈ نمبر اور موبائل فون نمبر) کمپنی سیکرٹری کو companysecretary@pakdatacom.com.pk اس ایڈریس پر ای میل کریں بشمول کسی بھی قسم کے سوالات یا استفسار (اگر ہوں)۔

2۔ شیئرز ٹرانسفر بکس کی بندش

کمپنی کی شیئرز ٹرانسفر بکس 19 اکتوبر 2021ء تا 26 اکتوبر 2021ء بند رہیں گی (دونوں دن شامل ہیں)۔ 18 اکتوبر 2021ء تک کاروبار بند ہونے سے پہلے کمپنی کے شیئرز رجسٹرار آفس کو موصول ہونے والی ٹرانسفرز کو حصص مالکان سے منظوری کی صورت میں حتمی نقد منافع کی ادائیگی بروقت کی جائے گی۔

3۔ سالانہ اجلاس عام میں شرکت اور پراکسی کا تقرر

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

A) اجلاس میں شرکت کے لیے

a انفرادی طور پر، ایسے اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز جن کی سکیورٹیز گروپ اکاؤنٹ کی صورت میں ہیں اور جن کے رجسٹریشن کے کوائف ضوابط کے مطابق اپ لوڈ ہو چکے ہیں اجلاس میں شرکت کے موقع پر اپنے اصلی کارآمد شناختی کارڈ یا اصلی پاسپورٹ کی تصدیق کروائیں گے۔

b کارپوریٹ ادارے کی صورت میں نامزد فرد کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمع نامزد فرد کے نمونے کے دستخط پیش کیے جائیں گے۔

B) پراکسی کے تقرر کے لیے

a انفرادی طور پر، ایسے اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز جن کی سکیورٹیز گروپ اکاؤنٹ کی صورت میں ہیں اور جن کے رجسٹریشن کے کوائف ضوابط کے مطابق اپ لوڈ ہو چکے ہیں وہ مذکورہ بالا تقاضوں کے مطابق پراکسی فارم جمع کروائیں گے۔

b پراکسی پر دو افراد بطور گواہ دستخط کریں گے جن کے نام، ایڈریس اور کارآمد شناختی کارڈ کے نمبر پراکسی فارم پر موجود ہوں گے۔

c پراکسی مقرر کرنے والے فرد اور پراکسی کے کارآمد شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں بمع پراکسی فارم فراہم کی جائیں گی۔

d اجلاس میں شرکت کے موقع پر پراکسی اپنا اصل کارآمد شناختی کارڈ یا اصلی پاسپورٹ دکھائے گا۔

e کارپوریٹ ادارے کی صورت میں نامزد فرد کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمع نامزد فرد کے نمونے کے دستخط پراکسی فارم کے ساتھ جمع کروائے جائیں گے۔

4۔ کوائف میں تبدیلی

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

5۔ منافع (ڈیویڈنڈ) کی بذریعہ بینک ادائیگی

کمپنیز ایکٹ 2017 کی دفعہ 242 کے مطابق نقد منافع صرف اس مقصد کے لیے حصص مالکان کے نامزد کردہ بینک اکاؤنٹ میں الیکٹرونک ٹرانسفر کے ذریعے ادا کیا جائے گا۔ اس سلسلے میں حصص مالکان کو بینک اکاؤنٹ (IBAN فارمیٹ) کی تفصیلات (فزیکل شیئر کی صورت میں) براہ راست شیئر رجسٹرار کو یا اپنے متعلقہ بروکر (سی ڈی سی شیئرز کے لیے)، جو بھی صورت ہو، کو فراہم کرنا ہوں گی۔ اس سلسلے میں فارم کمپنی کی ویب سائٹ پر دیا گیا ہے۔ www.pakdatacom.com.pk

6۔ منافع سے انکم ٹیکس/ زکوٰۃ کی کٹوتی سے استثنیٰ

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

7۔ انکم ٹیکس آرڈیننس 2001ء کی دفعہ 150 کے تحت منافع (ڈیویڈنڈ) سے انکم ٹیکس کی کٹوتی

فنانس ایکٹ 2021ء کی شرائط جو یکم جولائی 2021ء سے موثر بہ عمل ہیں، انکم ٹیکس آرڈیننس 2001ء کے تحت منافع سے انکم ٹیکس کی کٹوتی کے لیے شرحوں میں درج ذیل نظرثانی کی گئی ہے:۔

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

اس لیے کمپنی کے تمام شیئر ہولڈرز/ممبران جو مادی شکل میں حصص کے حامل ہیں سے درخواست کی جاتی ہے کہ وہ اپنے کارآمد شناختی کارڈ اور نیشنل ٹیکس نمبر سرٹیفکیٹ کی کاپی کمپنی کے شیئر رجسٹرار، شیئر رجسٹرار ڈیپارٹمنٹ، سی ڈی سی ہاؤس، 99 بی، بلاک بی، SMCHS، مین شاہراہ فیصل، کراچی - 74400، ٹیلی فون نمبر +92-21-111111500 کو ارسال کریں تاکہ شیئر ہولڈر/ممبر کے موجودہ سٹیٹس کا تعین کیا جا سکے۔

وہ ممبران جنھوں نے اپنے کھاتے (شیئرز) سینٹرل ڈیپازیٹری کمپنی آف پاکستان (سی ڈی سی) کے سنٹرل ڈیپازٹری سسٹم میں جمع کرا رکھے ہیں سے درخواست کی جاتی ہے کہ وہ اپنے شناختی کارڈ اور نیشنل ٹیکس نمبر سرٹیفکیٹس کی کاپیاں اپنے متعلقہ سی ڈی سی شرکاء/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو ارسال کریں۔

8۔ سی ڈی سی اکاؤنٹ ہولڈرز کے لیے اضافی تقاضے

سی ڈی سی انفرادی اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز سے گزارش ہے کہ وہ اپنا قومی شناختی کارڈ، پاسپورٹ، شرکاء کا شناختی نمبر اور اپنے اکاؤنٹ نمبر ہمراہ لائیں تاکہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے 26 جنوری 2000ء کو جاری کیے گئے سرکلر نمبر 1 کے تحت ان کی شناخت میں آسانی ہو۔

9۔ سی ڈی/ڈی وی ڈی کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی فراہمی

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

10۔ ای میل کے ذریعے سالانہ رپورٹس کی فراہمی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے جاری کردہ ایس آر او787(1)2014 بتاریخ 8 ستمبر 2014ء کے تحت کمپنیوں کو یہ اجازت دی گئی ہے کہ وہ اپنے ممبران کو سالانہ بیلنس شیٹ، نفع ونقصان کی معلومات، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (آڈٹ شدہ مالیاتی گوشوارے) اور سالانہ اجلاس عام کا نوٹس بذریعہ ای میل بھیجے۔ جو ممبران اس میں دلچسپی رکھتے ہیں ان سے گزارش ہے کہ وہ اپنے ای میل پتے کمپنی کی ویب سائٹ پر دیے گئے فارم کی صورت میں فراہم کر سکتے ہیں۔ تاہم کمپنی ممبران کی درخواست پر سالانہ رپورٹ کی ہارڈ کاپی بغیر کسی قیمت کے فراہم کرے گی۔

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

30 جون 2021ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ کھاتوں (اکاؤنٹس) کی تفصیلات کمپنی کی ویب سائٹ www.pakdatacom.com.pk پر شائع کی جائیں گی، اس کے علاوہ سابقہ سہ ماہی یا سالانہ رپورٹس بھی سائٹ پر دستیاب ہیں۔

12۔ ویڈیو لنک کی سہولت کے لیے رضامندی

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

کمپنی سیکرٹری پاک ڈیٹا کام لمیٹڈ، تھرڈ فلور، عمر پلازہ، بلیو ایریا، اسلام آباد

CHAIRMAN'S REVIEW

Dear Shareholders,

It is my pleasure to present to you my report on the financial and operational performance of your Company for the year ended June 30, 2021, and to provide you an overview of the Board, its role, and its effectiveness during the year to achieve your Company's goals and objectives in the short, medium, and long term.

Financial and Operational Performance

During the year, your Company continued to operate and carry on its business activities in the backdrop of the COVID-19 pandemic, amidst intermittent smart lockdowns being implemented locally within Pakistan, lockdowns being in place or imposed internationally, and on the whole in very severe disruptive conditions.

Despite operating in such challenging conditions, your Company, through the dedicated efforts of its employees, and the vision, strategy and commitment of the Board and the management to increase shareholder value, managed to achieve sound financial results.

A little over a year on from the start of the pandemic, your Company has managed to increase its revenue from Rs 770.442 million in 2020 to Rs 897.207 million in 2021, i.e. up by 16.45 per cent or Rs 126.76 million, and its net profit from Rs 7.413 million to Rs 15.367 million, up by 107.30 per cent or Rs 7.95 million, which in terms of earnings per share (EPS) translates into an EPS of Rs 1.43 for 2021, as opposed to that of Rs 0.69 in 2020.

This marked improvement in the profitability of your Company is a direct result of the implementation of the 5 Year Strategic Master Plan, adoption of various cost cutting measures, improvements in overall operational efficiency, and due to the new management's concerted efforts to push projects stalled during the pandemic to completion with renewed impetus.

The Board

Your Company has a Board that comprises of 8 members. The blend of business diversity and experience that they collectively bring in, is instrumental in formulating the strategic and visionary direction of your Company.

In December 2020, the Board of your Company was reconstituted following the election of directors at the 28th Annual General Meeting of the Company.

This reconstitution led to the induction of new members on to the Board namely Mr Shamim Sherazi and Mr Abdul Khalique Shaikh, both bringing invaluable experience of leadership, governance, and human resource on to the Board.

A short while later, Mr Abdul Khalique Shaikh left the Board to join the Intelligence Bureau of Pakistan, following which, Mr Shoaib Javed Hussain, Chairman State Life Corporation of Pakistan, became a of member of the Board.

Subsequently, there have been no further changes to the constitution or composition of the Board.

Role and Effectiveness of the Board

The Board is tasked with the overall governance of your Company and as such exercises a supervisory role over the management to safeguard the interests of your Company and its shareholders.

As part of the governance of your Company, the Board's primary task and/or responsibility is to develop strategies that meet the strategic goals and objectives of your Company, to minimize risks associated in meeting those goals and objectives, and to ensure that your Company complies with all applicable laws, rules, and regulations.

In order to discharge these functions, the Board and its Committees met regularly during the year, via video link, to conduct the business of the Company. The Board and its Committees where feasible, or necessary, also conducted business by passing resolutions on circulation of material information.

While discharging its mandated functions, some of the milestones that the Board initiated and/or reached during the year with the assistance, support, and collaboration of the management, and that which I feel immense pride in sharing with you are as follow:

a) Formulation and implementation of the first ever 5 Year Strategic Master Plan.

b) Sanctioning negotiations with financial institutions for the Company to avail financing facilities to expand its business outreach.

c) Complete overhaul of the vision and mission statements and the core values of the Company to bring about change in the culture and ethos of the Company.

d) Deployment of a functional and customer oriented pragmatic reorganization within the Company.

e) Completion of the selection and hiring process of the Company's first ever Chief Marketing Officer.

f) Reformation of the Company's human resource processes.

g) Development of key performance indicators (KPI's) for objective evaluation of the Company's employees.

h) Establishment of a provident fund for the welfare of the Company's employees.

In initiating and/or reaching these milestones all of the Board members fully participated in and contributed to the decision-making process and carried out their roles and responsibilities diligently.

Future Outlook

The availability of COVID-19 vaccines, mass vaccination drives and/or initiatives by governments throughout the world, the use of personal protective equipment such as face masks, face shields etc, and the adoption of social distancing measures by people and businesses globally have all had a material and positive impact on curbing the spread of the COVID-19 pandemic.

However, just as the world is getting to grips with the pandemic, is easing restrictions and is coming out of lockdowns, it does not mean by any means that the pandemic is over, as we are firmly in the midst of the pandemic, and any relaxation in the various measures being currently employed to curb the spread of the novel coronavirus could lead to the emergence of new strains of the coronavirus fuelling the spread of COVID-19, and of restrictions and lockdowns being re-imposed, which would be devastating for the global economy.

It is my view therefore that we should accept this 'new normal' i.e. the current environment that we find ourselves in, and try to increase our productivity and capacities as well as to optimise our costs using technology, since transitioning out of lockdown does not necessarily mean that everything will return back to 'then normal' as it once was, as that too will come with and have its own set of challenges - this is especially true because as the world transitions out of lockdowns we are already seeing signs of an impending global energy crisis due to massive shortages being caused by disruptions to the global supply chain.

Nevertheless, with that said, given that some developed countries are on the road to a V-shaped recovery, and the fact that Pakistan has also fared reasonably well in the pandemic, recording a growth of approximately 3.9 per cent to its economy in 2021 and with a forecasted growth of nearly 4.2 per cent to its economy in the 2022 financial year, I am confident in the ongoing success of your Company and with it increasing shareholder value.

I am confident in the ongoing success of your Company and with it increasing shareholder value, not only because of the initiatives taken by the Government of Pakistan to promote the Information and Communications Technology (ICT) sector as a whole, such as the reduction of minimum tax from 8 per cent to 3 per cent, the classification of telecommunication companies as industrial undertakings so that they are able to reclaim advance tax on the import of capital equipment and plant machinery, and the reduction of federal excise duty from 17 per cent to 16 per cent, that will all no doubt positively impact the operations of your Company, but also mainly due to the implementation of the Company's first ever 5 Year Strategic Master plan.

The importance of Company's first ever 5 Year Strategic Master Plan cannot be overstated, particularly so, as while the pandemic may continue to threaten many corporate dynamics, your Company through its 5 Year Strategic Master Plan will continue to build and evolve strategies to capitalize on one of the Company's most important assets - its infrastructure license, as well as on providing state of the art services and innovative products to its customers. With a well-planned and thought-out strategy for participating in ICT infrastructure development in Pakistan, your Company will not only be able to capitalize on its infrastructure license, but will also position itself to benefit from the opportunities that lie in the technology value chain both in and out of Pakistan. In a corporate culture where strategic planning is not given high priority, your Company through its newly incorporated 5 Year Strategic Master plan will have the edge to achieve sustainability and longevity in terms of technologies, its commercial operations, and financial strength.

To support fulfilment of the above strategic directions in a transparent manner, as Chairman I will continue put a premium on good corporate governance by leading the Board around a culture of openness and constructive debate during which all views are heard. This will include my continued commitment to ensuring that the Company complies with all relevant codes and regulations, and ensure that management continues to take decisions that will create value for the shareholders of the Company as well as for all of its stakeholders in the short, medium, and long term.

Acknowledgement

I would like to thank all the members of the Board for their outstanding and invaluable contribution to the decision-making process of the Board, for setting the strategic direction of the Company, and for their timely and effective monitoring of the management. I would also like to thank the management, especially our Chief Executive Officer and all of the employees of the Company, without the concerted efforts of which the various projects of the Company that had been stalled during the pandemic could not have been completed.

Furthermore, lastly but not the least, I would like to thank all of our stakeholders, for their continued support and patronage, and particularly our shareholders for reposing their trust and confidence in the Board and the new management.

Syed Zomma Mohiuddin
Chairman, Pak Datacom Limited
Islamabad.
September 29, 2021

Report of the Directors
for the year ended June 30, 2021

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended June 30, 2021.

Election of Directors and Composition of the Board and Committees

The Election of Directors was held on December 27, 2020, at the 28th Annual General Meeting (AGM), after which, latest composition of the Board and its committees was formed and is detailed below;

Business Performance Review

The Company's performance, financial position and net assets are indicative of an upward and positive trend, signifying strong financial position. During the year the Company achieved revenue of Rs. 897 million compared to Rs. 770 million with last year, up by Rs. 127 million. The net profit after tax increased from Rs. 7.4 million to Rs. 15.4 million, up by 108%. This was achieved mainly due to the new management's concerted efforts and revitalizing business strategy during COVID-19 pandemic. The projects that were stalled due to pandemic were pushed to completion with renewed impetus. The net profit translated into Earnings per Share (EPS) of Rs. 1.43 as against Rs. 0.69 (restated) of last year. The financial and operational performance indicators have been described in more detail below.

Economic and Industry Overview

COVID-19 pandemic stretched to the Financial Year 2020-2021 with profound influence across the globe as well as in Pakistan. The pandemic interrupted global businesses as governments worldwide had to impose lockdowns to prevent the spread of the coronavirus. Pakistan remained under lockdown on and off for most part of the year which resulted in large scale disruption to economic activities. In order to address the adverse impact of the pandemic, the Government of Pakistan rolled out a fiscal stimulus package under which the interest rate was lowered during the year and multiple measures were implemented by the State Bank of Pakistan to support businesses with their liquidity needs. During this crisis, the Company managed to secure its businesses by ensuring undisrupted supply of its services, innovation, by initiating reengineering of its processes, network expansion and most importantly by implementing 5 Year Strategic Master Plan. Improvement in our profitability and business stability was achieved through implementation and initiation of the Company's 5 Year Strategic Master Plan, various cost savings initiatives, optimization of projects and cost leadership.

Future Development, Performance and Position of the Company

The progression of the pandemic, the availability and accessibility of the vaccine, economic revival of the country and demand for technology will be the key factors for the economic outlook of the country. Despite all the challenges, the Company remains optimistic about the performance in the coming years consistent with the 5 Year Strategic Master Plan, strong brand equity and highly committed workforce supported by continuous initiatives for operational excellence. Amidst this global pandemic, Pak Datacom Limited remains committed to delivering state of the art services and innovative products to its customers and unlocking the power of technology to enhance quality of life for everyone.

We take this opportunity to thank our valued shareholders who have confided their trust in our Board, management and products, and have always continued to provide their support in ensuring the growth of the Company. Our employees are our paramount strength and they have demonstrated their sense of belonging once again throughout the pandemic by ensuring timely provision of our products.

Listed Companies (Code of Corporate Governance) Regulations, 2019

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

Risk Management

The Company believes that risk management is an essential part of any organization to foresee, comprehend, analyze and take appropriate measures to mitigate any potential risk. In this regard, the Company is working to establish a policy in relation to risk management.

Impact of Business on Environment

The Company is in the business of providing telecommunication services, and does not have any toxic or hazardous waste at its disposal. The Company seeks to implement sustainable solutions throughout its business processes.

Financial Performance

The COVID-19 pandemic badly affected the entire corporate sector. During these challenging times, the Company managed to operate and successfully deploy business continuity and incident management plans to cope with this crisis. It ensured that environment, health, and safety standards were maintained as best as possible, and in line with its mission, also did not retrench any employee, nor did it reduce the perks and benefits of employees during the pandemic.

Six Years Performance at a Glance: **(Rs. in Million)**

	Year Ended 30 June					
	2021	**2020**	**2019**	**2018**	**2017**	**2016**
Non-Current Assets	239.35	269.67	266.69	248.76	245.14	247.66
Share Capital and Reserves	837.31	842.87	859.64	780.65	799.23	828.25
Revenue	897.21	770.44	947.07	798.06	704.29	654.60
Operating Profit	21.49	21.85	145.90	1.33	16.91	25.42
Profit before taxation	68.08	47.27	158.78	35.56	26.57	54.58
Profit after taxation	15.37	7.41	143.02	18.96	11.69	37.09
Earnings per Share - Rupees	1.43	0.69	14.59	1.94	1.19	3.78
EBITDA Margin	12.35	11.09	20.63	9.72	9.44	14.22
Price Earnings Ratio	48.91	66.67	3.05	30.90	43.28	19.05
Break Up Value of Shares	77.66	78.18	87.71	79.65	81.55	84.51
Return on Fixed Assets (%)	8.11	3.67	72.24	8.39	5.07	15.83
Operating Profit Ratio (%)	2.40	2.84	15.41	0.17	2.40	3.88
Net Profit Ratio (%)	1.71	0.96	15.10	2.38	1.66	5.67
Current Ratio (%)	2.58	2.36	2.56	2.84	3.11	3.49
Dividend Payout Ratio (%)	104.90	144.93	27.42	206.19	294.12	112.43
Dividend (%) - Cash	15	10	40	40	35	42.5
- Bonus Shares	10	10	-	-	-	-
Share Price	69.94	46.00	44.48	59.95	51.50	72.00

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Statement of Directors' Responsibilities

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

All the Directors on the Board are fully cognizant of their duties and responsibilities as Directors of corporate body. The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not trade in shares of the Company except as disclosed in the pattern of shareholding.

Presentation of Financial Statements

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

Books of Accounts

The company has maintained proper books of accounts.

Accounting Policies

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

Application of International Financial Reporting Standards

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

Going Concern

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

BOARD OF DIRECTORS AND ITS COMMITTEES

Board Performance

The Chairman of the Board, at the beginning of the term of each Director, issued letter to such Director setting out their role, obligations, powers and responsibilities, remuneration and entitlement in accordance with the Companies Act, 2017, the Company's Articles of Association and policies.

Non-Executive Directors' Remuneration Policy

The Board of Directors has approved the Non-Executive Directors' Remuneration Policy, which is in line with best corporate governance practices. The Directors receive a fee for attending the meetings of the Board and its sub-Committees. The Board has ensured that remuneration / fee of the Directors and Chairman shall not be at a level that could be perceived to compromise their independence and that the Directors' remuneration is such to encourage value addition within the Company.

Changes in Board of Directors

During the FY21 the election of the Board was held in December 2020. As per the provisions of the Companies Act 2017 the Board comprises of eight Directors. The composition of the Board before the election was as follows:

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

The composition of the Board after the election was as follows:

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

Syed Zomma Mohiuddin was re-elected as Chairman of the Board.

During the year, the nominee Director of State Life Insurance Corporation (SLIC), Mr. Abdul Khalique Shaikh tendered his resignation in April 2021 and in his place Mr. Shoaib Javed Hussain was nominated as Director by SLIC. Subsequently Mr. Abdul Khalique Shaikh was replaced by Mr. Shoaib Javed Hussain in all the Board committees where Mr. Abdul Khalique Shaikh was a member.

Board

The total number of Directors are Eight as per following;

A	Male	7
B	Female	1

Composition:

The current composition of the Members of the Board are as follows:

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

The newly elected Board in its very first meeting held after the election, constituted the following committees of the Board:

1. Audit Committee
2. Human Resource and Remuneration (HR&R) Committee
3. Procurement Committee
4. Nomination Committee
5. Strategy & Project Appraisal Committee (S&PAC)

The TORs of all the committees were set in compliance and accordance with Code of Corporate Governance Regulations 2019. The composition of the committees is as follows:

Audit Committee

Members of the Audit Committee are as follows:

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

Human Resource & Remuneration Committee

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

Mr. Shamim Ahmed Sherazi	Chairman
Ms. Rubina Safir	Member
Mr. Shoaib Javed Hussain	Member
Syed Junaid Imam	Member

Procurement Committee

Members of the Procurement Committee are as follows:

Syed Zomma Mohiuddin	Chairman
Mr. Shoaib Javed Hussain	Member
Engr. Perwaiz Khan	Member
Mr. Muhammad Waheed	Member

Nomination Committee

Members of the Nomination Committee are as follows:

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

Strategy & Project Appraisal Committee

Members of Strategy & Project Appraisal Committee are as follows:

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

Board Meetings:

During the financial year, ten (10) meetings of the Board of Directors were held. Attendance of the members is given below:

Name of Directors	Designation	Number of Meeting Attended	Status
Syed Zomma Mohiuddin	Chairman/ Non-Executive	10/10	Re-elected at AGM
Brig. Syed Zulfiqar Ali (R)	Executive Director	10/10	MD/CEO
Syed Junaid Imam	Non-Executive Director	10/10	Re-elected at AGM
Engr. Perwaiz Khan	Non-Executive Director	10/10	Re-elected at AGM
Mr. Muhammad Waheed	Non-Executive Director	10/10	Re-elected at AGM
Ms. Rubina Safir	Independent Director	10/10	Elected as Independent Director at AGM
Mr. Shamim Ahmed Sherazi	Independent Director	5/10	Elected as Independent Director at AGM
Mr. Arshad Rasheed Chaudhary	Independent Director	5/10	Stands Retired at AGM
Dr. Riaz Ahmed	Non-Executive Director	3/10	Stands Retired at AGM
Mr. Abdul Khalique Shaikh	Non-Executive Director	4/10	Elected at AGM (Nominated By SLIC)
Mr. Shoaib Javed Hussain	Non-Executive Director	2/10	Nominated by SLIC in place of Mr. Abdul Khalique Sheikh (April 2021)

Audit Committee Meetings

During the financial year, nine (9) meetings were held. Attendance of the members is given below:

Name of Directors	Designation	Number of Meeting Attended
Ms. Rubina Safir	Chairperson	9/9
Mr. Arshad Rasheed Chaudhary	Retired Member	6/9
Mr. Muhammad Waheed	Member	9/9
Dr. Riaz Ahmed	Retired Member	4/9
Mr. Shamim Ahmed Sherazi	Member	3/9

HR & Remuneration Committee Meetings

During the financial year, three (3) meetings were held. Attendance of the members is given below:

Name of Directors	Designation	Number of Meeting Attended
Mr. Shamim Ahmed Sherazi	Chairman	2/3
Syed Junaid Imam	Member	2/3
Ms. Rubina Safir	Member	2/3
Mr. Arshad Rasheed Chaudhary	Retired Member	1/3
Mr. Muhammad Waheed	Attended on Special Invitation	1/3
Mr. Abdul Khalique Shaikh	Retired Member	2/3

Procurement Committee Meetings

During the financial year, no meeting of the Procurement Committee was held. Since various procurements had to be approved on short-notice or were for a single item the procurements were approved through circulation under section 179 of the Companies Act, 2017.

Nomination Committee Meetings

During the financial year, one (1) meeting of the Nomination Committee was held. Attendance of the members is given below:

Name of Directors	Designation	Number of Meeting Attended
Syed Zomma Mohiuddin	Chairman	1/1
Syed Junaid Imam	Member	1/1
Engr. Perwaiz Khan	Member	1/1

Strategy & Project Appraisal Committee Meetings

During the financial year, one (1) meeting of the Strategy & Project Appraisal Committee was held. Attendance of the members is given below:

Name of Directors	Designation	Number of Meeting Attended
Syed Zomma Mohiuddin	Chairman	1/1
Syed Junaid Imam	Member	1/1
Engr. Perwaiz Khan	Member	1/1

Earnings per Share

The Company recognized earnings per share of Rs. 1.43 during the year (2020: Rs. 0.69 restated).

Dividend and Bonus Shares

The Board of Directors has recommended the final cash dividend in respect of financial year ended June 30, 2021 @ 15% (Rs. 1.5 per share) and 10% Bonus Shares (1 share per 10 shares) to the shareholders for their approval at the forthcoming Annual General Meeting (AGM) to be held on October 26th, 2021. No interim dividend was recommended by the Board during the year.

Chairman's Review

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

Adequate Internal Controls and Monitoring

The Company maintains sound internal control systems to provide reasonable assurance against efficiency and effectiveness of operations, reliability of financial report and compliance with applicable laws and regulations. Such systems are monitored effectively by the Management while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

Adequate Internal Financial Controls

The Board plays an important role in establishing the control environment, including clarity of expectations regarding integrity, ethics and adherence to the Code of Conduct and creating clear accountability for performance of internal control responsibilities. The Directors have laid down internal financial controls and the same are adequate and operating effectively.

Internal Audit and Control

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

Funded Gratuity Scheme & Employees' Provident Fund

The Company operates a funded gratuity scheme, registered under the Income Tax Ordinance, 2001 as PDL Employees Gratuity Fund ("The Fund") for all its employees completing the minimum qualifying period of service as specified by the scheme. The value of investments of the fund amount to Rs. 262 million as disclosed in the latest audited accounts of the Fund.

The Company has also recently established a provident fund w.e.f July 1, 2020.

Compliance with the Code of Corporate Governance

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

Directors' Remuneration

The Directors' Remuneration has been paid in accordance with Memorandum and Articles of Association of the Company. Non-Executive and Independent Directors are not receiving any remuneration except meeting fees and allied expenditure to attend the meetings.

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

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

Related Party Transactions

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

Principal Risks and Uncertainties

Risks & Opportunities are discussed in detail in the notes to the attached financials.

Auditors

M/s BDO Ebrahim & Co Chartered Accountants has completed its tenure for the year FY 2020-21 and stands retired at the conclusion of the 29th Annual General Meeting. Being eligible, they have offered themselves for re-appointment for FY 2021-22. The Audit Committee and the Board of Directors recommend M/s BDO Ebrahim & Co Chartered Accountants for the year FY 2021-22.

Pattern of Shareholding

Statement showing the pattern of shareholding as at June 30, 2021 is annexed with this report.

Acknowledgment

The Board takes this opportunity to thank the Company's shareholders, its valued customers, bankers and other stakeholders for their trust, corporation, and support. The Board also recognizes the contribution made by a very dedicated team who served the Company with enthusiasm, and hopes that the same zeal and spirit of devotion shall remain intact in the future as well.

For and on Behalf of the Board

Islamabad	**Brig Syed Zulfiqar Ali (R)**	**Engr. Perwaiz Khan**
September 29, 2021	**Chief Executive**	**Director**

ڈائریکٹرز کی رپورٹ

30جون 2021 کو ختم ہونے والے سال کے لئے

ڈائریکٹرز کی طرف سے 30 جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ رپورٹ پیش خدمت ہے۔

ڈائریکٹرز کا انتخاب، بورڈ اور کمیٹیوں کی ترتیب

ڈائریکٹرز کا انتخاب 27 دسمبر 2020 کو 28 ویں سالانہ اجلاس عام میں منعقد ہوا جس کے بعد بورڈ اور اس کی کمیٹیوں کی تازہ تشکیل کی گئی اور اس کی تفصیل ذیل میں دی گئی ہے۔

کاروباری کارکردگی کا جائزہ

کمپنی کی کارکردگی، مالی پوزیشن اور خالص اثاثے مثبت رجحان کے حامل ہیں جو مضبوط مالی پوزیشن کی نشاندہی کرتا ہے۔ سال کے دوران کمپنی نے گزشتہ سال کے 770 ملین روپے کے مقابلے میں 897 ملین روپے کی آمدنی حاصل کی جو 127 ملین روپے کا اضافہ ظاہر کرتی ہے۔ ٹیکس کی ادائیگی کے بعد خالص منافع 7.4 ملین روپے سے بڑھ کر 15.4 ملین روپے ہو گیا جو 108 فیصد منافع ظاہر کرتا ہے۔ یہ کامیابی بنیادی طور پر نئی انتظامیہ کی مشترکہ کوششوں اور کووڈ-19 وبا کے دوران کاروباری حکمت عملی کو بحال رکھنے سے حاصل کیا گیا تھا۔ وبا کی وجہ سے تعطل کا شکار ہونے والے منصوبوں کو نئے سرے سے نئے عزم کے ساتھ تکمیل کی طرف گامزن کیا گیا۔ خالص منافع کی وجہ سے فی حصص آمدنی (ای پی ایس) 1.43 روپے رہی جبکہ گزشتہ سال یہ منافع 0.69 روپے تھا۔ مالیاتی اور آپریشنل کارکردگی کے اشاریوں کو ذیل میں مزید تفصیل سے بیان کیا گیا ہے۔

اقتصادی اور صنعتی جائزہ

کووڈ-19 وبا نے مالی سال 2020-2021 کے دوران برے اثرات چھوڑے جس کا دنیا بھر کے ساتھ ساتھ پاکستان میں بھی گہرا اثر تھا۔ دنیا بھر کی حکومتوں کو کورونا وائرس کے پھیلاؤ کو روکنے کے لئے لاک ڈاؤن نافذ کرنا پڑا جس کی وجہ سے کاروبار رک کر رہ گیا۔ پاکستان سال کے بیشتر حصے میں لاک ڈاؤن میں رہا جس کے نتیجے میں معاشی سرگرمیوں میں بڑے پیمانے پر خلل پڑا۔ اس وبا کے منفی اثرات سے نمٹنے کے لئے حکومت پاکستان نے مالی محرک پیکج شروع کیا جس کے تحت سال کے دوران شرح سود کم کی گئی اور سٹیٹ بینک آف پاکستان کی جانب سے کاروباری اداروں کو ان کی نقد ضروریات کے ساتھ مدد دینے کے لئے متعدد اقدامات پر عمل درآمد کیا گیا۔ اس بحران کے دوران کمپنی نے اپنے عمل کی ری انجینئرنگ، نیٹ ورک کی توسیع اور سب سے اہم بات 5 سالہ سٹریٹجک ماسٹر پلان پر عمل درآمد کرتے ہوئے اپنی خدمات، اختراع کی بلا تعطل فراہمی کو یقینی بنا کر اپنے کاروبار کو محفوظ بنانے میں کامیابی حاصل کی۔ ہمارے منافع اور کاروباری استحکام میں بہتری کمپنی کے 5 سالہ سٹریٹجک ماسٹر پلان کے نفاذ اور آغاز، لاگت کی بچت کے مختلف اقدامات، منصوبوں کو بہتر بنانے اور کم لاگت میں قائدانہ کردار کے ذریعے حاصل کی گئی۔

کمپنی کی مستقبل کی ترقی، کارکردگی اور پوزیشن

وبا کی پیش رفت، ویکسین کی دستیابی اور رسائی، ملک کی معاشی بحالی اور ٹیکنالوجی کی مانگ ملک کے معاشی نقطہ نظر کا کلیدی عناصر ہے۔ تمام چیلنجوں کے باوجود کمپنی آنے والے برسوں میں 5 سالہ سٹریٹجک ماسٹر پلان، مضبوط برانڈ ایکویٹی اور انتہائی پرعزم افرادی قوت کے بل بوتے پر کارکردگی کے بارے میں پرامید ہے۔۔ اس عالمی وبا کے درمیان پاک ڈیٹاکام لمیٹڈ اپنے صارفین کو جدید ترین خدمات اور اختراعی مصنوعات کی فراہمی اور ٹیکنالوجی کی طاقت کو کھولنا تاکہ آج اور آنے والے وقتوں کے لئے ہر ایک کے معیار زندگی کو بڑھایا جاسکے۔

ہم اس موقع پر اپنے قابل قدر شیئر ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے ہمارے بورڈ، مینجمنٹ اور مصنوعات پر اعتماد کیا ہے اور کمپنی کی ترقی کو یقینی بنانے میں ہمیشہ اپنی معاونت فراہم کرتے رہے۔ ہمارے ملازمین ہماری سب سے بڑی طاقت ہیں اور انہوں نے ہماری مصنوعات کی بروقت فراہمی کو یقینی بنا کر پوری وبا میں ایک بار پھر اپنے تعلق کے احساس کا مظاہرہ کیا ہے۔

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

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

رسک مینجمنٹ

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

ماحولیات پر کاروبار کا اثر

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

مالی کارکردگی

کووڈ-19 وبا نے پورے کارپوریٹ سیکٹر کو بری طرح متاثر کیا۔ ان مشکل وقتوں کے دوران کمپنی اس بحران سے نمٹنے کے لئے کاروباری تسلسل اور واقعات کے انتظام کے منصوبوں کو چلانے اور کامیابی سے نافذ کرنے میں کامیاب رہی۔ کمپنی نے اس بات کو یقینی بنایا کہ ماحولیات، صحت اور حفاظتی معیارات کو زیادہ سے زیادہ برقرار رکھا جائے اور اس کے مشن کے مطابق کسی ملازم کو برخاست نہ کیا جائے اور نہ ہی اس وبا کے دوران ملازمین کے مراعات اور فوائد میں کمی کی جائے۔

چھ سالہ کارکردگی پر ایک نظر:

(ملین روپے)

30 جون کو ختم ہونے والا سال

	2016	2017	2018	2019	2020	2021
غیر موجودہ اثاثے	247.66	245.14	248.76	266.69	269.67	239.35
شیئر کیپیٹل اور ذخائر	828.25	799.23	780.65	859.64	842.87	837.31
ریونیو	654.60	704.29	798.06	947.07	770.44	897.21
آپریٹنگ منافع	25.42	16.91	1.33	145.90	21.85	21.49
ٹیکس سے پہلے منافع	54.58	26.57	35.56	158.78	47.27	68.08
ٹیکس کے بعد منافع	37.09	11.69	18.96	143.02	7.41	15.37
فی حصص آمدنی-روپے	3.78	1.19	1.94	14.59	0.69	1.43
EBITDA مارجن	14.22	9.44	9.72	20.63	11.09	12.35
قیمت اور آمدنی کا تناسب	19.05	43.28	30.90	3.05	66.67	48.91
حصص کی بریک اپ ویلیو	84.51	81.55	79.65	87.71	78.18	77.66
فکسڈ اثاثوں پر ریٹرن (٪)	15.83	5.07	8.39	72.24	3.67	8.11
آپریٹنگ منافع کا تناسب (٪)	3.88	2.40	0.17	15.41	2.84	2.40
خالص منافع کا تناسب (٪)	5.67	1.66	2.38	15.10	0.96	1.71
موجودہ تناسب (٪)	3.49	3.11	2.84	2.56	2.36	2.58
منافع ادائیگی کا تناسب (٪)	112.43	294.12	206.19	27.42	144.93	104.90
منافع (٪)-نقد	42.5	35	40	40	10	15
-بونس حصص	-	-	-	-	10	10
حصص کی قیمت	72.00	51.50	59.95	44.48	46.00	69.94

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز کی ذمہ داریوں کا بیان

بورڈ کارپوریٹ گورننس کے ضابطہ پر عمل کرنے اور اچھی کارپوریٹ گورننس کے اعلی معیار کو برقرار رکھنے کے لئے پر عزم ہے۔ کمپنی سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طے کردہ ضابطہ کی دفعات کی تعمیل کر رہی ہے۔ضابطہ کارپوریٹ گورننس کے طریقوں سے کوئی ظاہری انحراف نہیں کیا گیا ہے جیسا کہ فہرستی ضوابط میں تفصیل سے بیان کیا گیا ہے۔

بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈی کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہیں کی ماسوائے اس کے جو شیئر ہولڈنگ کے پیٹرن میں ظاہر کی گئی ہے۔

مالیاتی گوشواروں کی صورتحال

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

اکاؤنٹس کے کھاتے

کمپنی نے اکاؤنٹس کے مناسب کھاتے برقرار رکھے ہیں۔

اکاؤنٹنگ پالیسیاں

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

بین الاقوامی مالیاتی رپورٹنگ معیارات کا اطلاق

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

جاری کاروبار

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

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ کارکردگی

بورڈ کے چیئرمین نے ہر ڈائریکٹر کی مدت کے آغاز میں انہیں ایک خط جاری کیا جس میں کمپنیز ایکٹ 2017، کمپنی کے آرٹیکلز آف ایسوسی ایشن اور پالیسیوں کے مطابق ان کے کردار، ذمہ داریوں، اختیارات اور ذمہ داریوں، معاوضے اور استحقاق کا تعین کیا گیا۔

نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی

بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی منظوری دے دی ہے جو بہترین کارپوریٹ گورننس طریقوں کے مطابق ہے۔ ڈائریکٹرز بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاسوں میں شرکت کے لئے فیس وصول کرتے ہیں۔ بورڈ نے اس بات کو یقینی بنایا ہے کہ ڈائریکٹرز اور چیئرمین کا معاوضہ / فیس اس سطح پر نہیں ہو گی جس سے ان کی خود مختاری پر سمجھوتہ کیا جا سکتا ہو اور ڈائریکٹرز کا معاوضہ اس طرح سے طے کیا گیا ہے کہ کمپنی میں ویلیو ایڈیشن کی حوصلہ افزائی ہو۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

مالی سال 21 کے دوران بورڈ کا انتخاب دسمبر 2020 میں ہوا تھا۔ کمپنیز ایکٹ 2017 کی دفعات کے مطابق بورڈ آٹھ ڈائریکٹروں پر مشتمل ہے۔ انتخابات سے قبل بورڈ کی تشکیل درج ذیل تھی:

کیٹیگری	نام
آزاد ڈائریکٹر	جناب ارشد رشید چودھری
نان ایگزیکٹو ڈائریکٹرز	سید زومہ محی الدین سید جنید امام انجینئر پرویز خان ڈاکٹر ریاض احمد جناب محمد وحید
خاتون ڈائریکٹر	محترمہ روبینہ سفیر
ایگزیکٹو ڈائریکٹر / سی ای او	بریگیڈیئر سید ذوالفقار علی (ر)

انتخابات کے بعد بورڈ کی تشکیل درج ذیل تھی:

کیٹیگری	نام
آزاد ڈائریکٹرز	جناب شمیم احمد شیرازی محترمہ روبینہ سفیر
نان ایگزیکٹو ڈائریکٹرز	سید زومہ محی الدین سید جنید امام انجینئر پرویز خان جناب عبد الخالق شیخ جناب محمد وحید
خاتون ڈائریکٹر	محترمہ روبینہ سفیر
ایگزیکٹو ڈائریکٹر / سی ای او	بریگیڈیئر سید ذوالفقار علی (ر)

سید زومہ محی الدین دوبارہ بورڈ کے چیئرمین منتخب ہوئے۔

سال کے دوران نامزد ڈائریکٹر سٹیٹ لائف انشورنس کارپوریشن (ایس ایل آئی سی) جناب عبد الخالق شیخ نے اپریل 2021 میں استعفیٰ دے دیا تھا اور ان کی جگہ جناب شعیب جاوید حسین کو ایس ایل آئی سی نے ڈائریکٹر نامزد کیا تھا۔ اس کے بعد جناب عبد الخالق شیخ کی جگہ جناب شعیب جاوید حسین نے بورڈ کی تمام کمیٹیوں میں جگہ لی جہاں جناب عبد الخالق شیخ رکن تھے۔

بورڈ

ڈائریکٹروں کی کل تعداد درج ذیل کے مطابق آٹھ ہے؛

A	مرد	7
B	خاتون	1

ترکیب:

بورڈ کے اراکین کی موجودہ تشکیل درج ذیل ہے:

نام	کیٹیگری
جناب شمیم احمد شیرازی محترمہ روبینہ سفیر	آزاد ڈائریکٹرز
سید زومہ محی الدین سید جنید امام انجینئر پرویز خان جناب شعیب جاوید حسین جناب محمد وحید	نان ایگزیکٹو ڈائریکٹرز
محترمہ روبینہ سفیر	خاتون ڈائریکٹر
بریگیڈیئر سید ذوالفقار علی (ر)	ایگزیکٹو ڈائریکٹر / سی ای او

نو منتخب بورڈ نے انتخابات کے بعد منعقدہ اپنے پہلے ہی اجلاس میں بورڈ کی مندرجہ ذیل کمیٹیاں تشکیل دیں:

1. آڈٹ کمیٹی
2. انسانی وسائل اور معاوضہ (ایچ آر آر) کمیٹی
3. خریداری کمیٹی
4. نامزدگی کمیٹی
5. حکمت عملی اور پروجیکٹ تشخیص کمیٹی (ایس پی اے سی)

تمام کمیٹیوں کے ٹی او آرز کارپوریٹ گورننس ریگولیشنز 2019 کے ضابطہ کی تعمیل اور مطابقت میں طے کیے گئے تھے۔ کمیٹیوں کی تشکیل درج ذیل ہے:

آڈٹ کمیٹی

آڈٹ کمیٹی کے ارکان درج ذیل ہیں:

چیئرپرسن	محترمہ روبینہ سفیر
رکن	جناب شمیم احمد شیرازی
رکن	جناب محمد وحید

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی کے ارکان درج ذیل ہیں:

جناب شمیم احمد شیرازی	چیئر مین
محترمہ روبینہ سفیر	رکن
جناب شعیب جاوید حسین	رکن
سید جنید امام	رکن

خریداری کمیٹی

خریداری کمیٹی کے ارکان درج ذیل ہیں:

سید زومہ محی الدین	چیئر مین
جناب شعیب جاوید حسین	رکن
انجینئر پرویز خان	رکن
جناب محمد وحید	رکن

نامزدگی کمیٹی

نامزدگی کمیٹی کے ارکان درج ذیل ہیں:

سید زومہ محی الدین	چیئر مین
سید جنید امام	رکن
انجینئر پرویز خان	رکن

حکمت عملی اور پروجیکٹ تشخیص کمیٹی

حکمت عملی اور پروجیکٹ تشخیص کمیٹی کے ارکان درج ذیل ہیں:

سید زومہ محی الدین	چیئر مین
سید جنید امام	رکن
انجینئر پرویز خان	رکن

بورڈ میٹنگز:

مالی سال کے دوران بورڈ آف ڈائریکٹرز کے دس (10) اجلاس منعقد ہوئے۔ ارکان کی حاضری ذیل میں دی گئی ہے:

نام	عہدہ	اجلاسوں کی تعداد میں شرکت کی	سٹیٹس
سید زومہ محی الدین	چیئرمین / نان ایگزیکٹو	10/10	اے جی ایم میں دوبارہ منتخب
بریگیڈیئر (ر) سید ذوالفقار علی	ایگزیکٹو ڈائریکٹر	10/10	ایم ڈی / سی ای او
سید جنید امام	نان ایگزیکٹو ڈائریکٹر	10/10	اے جی ایم میں دوبارہ منتخب
انجینئر پرویز خان	نان ایگزیکٹو ڈائریکٹر	10/10	اے جی ایم میں دوبارہ منتخب
جناب محمد وحید	نان ایگزیکٹو ڈائریکٹر	10/10	اے جی ایم میں دوبارہ منتخب
محترمہ روبینہ سفیر	آزاد ڈائریکٹر	10/10	اے جی ایم میں آزاد ڈائریکٹر منتخب
جناب شمیم احمد شیرازی	آزاد ڈائریکٹر	5/10	اے جی ایم میں آزاد ڈائریکٹر منتخب
جناب ارشد رشید چودھری	آزاد ڈائریکٹر	5/10	اے جی ایم میں ریٹائرڈ
ڈاکٹر ریاض احمد	نان ایگزیکٹو ڈائریکٹر	3/10	اے جی ایم میں ریٹائرڈ
جناب عبدالخالق شیخ	نان ایگزیکٹو ڈائریکٹر	4/10	اے جی ایم میں منتخب (ایس ایل آئی سی کی طرف سے نامزد)
جناب شعیب جاوید حسین	نان ایگزیکٹو ڈائریکٹر	2/10	جناب عبدالخالق شیخ کی جگہ ایس ایل آئی سی کی طرف سے نامزد (اپریل 2021)

آڈٹ کمیٹی کے اجلاس

مالی سال کے دوران نو (9) اجلاس منعقد ہوئے۔ ارکان کی حاضری ذیل میں دی گئی ہے۔

نام	عہدہ	اجلاسوں میں شرکت کی تعداد
محترمہ روبینہ سفیر	چیئرپرسن	9/9
جناب ارشد رشید چودھری	ریٹائرڈ رکن	6/9
جناب محمد وحید	رکن	9/9
ڈاکٹر ریاض احمد	ریٹائرڈ رکن	4/9
جناب شمیم احمد شیرازی	رکن	3/9

ایچ آر اور معاوضہ کمیٹی کے اجلاس

مالی سال کے دوران تین(3)اجلاس منعقد ہوئے۔ارکان کی حاضری ذیل میں دی گئی ہے۔

نام	عہدہ	اجلاسوں میں شرکت کی تعداد
جناب شمیم احمد شیرازی	چیئرمین	2/3
سید جنید امام	رکن	2/3
محترمہ روبینہ سفیر	رکن	2/3
جناب ارشد رشید چودھری	ریٹائرڈ رکن	1/3
جناب محمد وحید	خصوصی دعوت نامے پر شرکت کی	1/3
جناب عبدالخالق شیخ	ریٹائرڈرکن	2/3

پروکیورمنٹ کمیٹی کے اجلاس

مالی سال کے دوران خریداری کمیٹی کا کوئی اجلاس نہیں ہوا۔چونکہ مختلف خریداریوں کو مختصر نوٹس پر منظور کرناپڑایاصرف ایک شے کی ہی خریداری مقصود تھی اس لئے کمپنیز ایکٹ 2017 کی دفعہ 179 کے تحت سرکولیشن کے ذریعے خریداری کی منظوری دی گئی۔

نامزدگی کمیٹی کے اجلاس

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

ڈائریکٹرز کا نام	عہدہ	اجلاسوں میں شرکت کی تعداد
سید زومہ محی الدین	چیئرمین	1/1
سید جنید امام	رکن	1/1
انجینئرپرویزخان	رکن	1/1

حکمت عملی اورپروجیکٹ تشخیص کمیٹی کے اجلاس

مالی سال کے دوران حکمت عملی اورپروجیکٹ تشخیص کمیٹی کا ایک(1)اجلاس ہوا۔ارکان کی حاضری ذیل میں دی گئی ہے۔

نام	عہدہ	اجلاس کی تعداد میں شرکت کی گئی
سید زومہ محی الدین	چیئرمین	1/1
سید جنید امام	رکن	1/1
انجینئر پرویز خان	رکن	1/1

فی حصص آمدنی

کمپنی نے سال کے دوران فی حصص آمدنی 1.43 روپے فراہم کی (0.69:2020 روپے)۔

منافع اور بونس حصص

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے مالی سال کے سلسلے میں حتمی نقد منافع 15 فیصد (1.5 روپے فی حصص) اور 10 فیصد بونس حصص (فی 10 حصص) شیئر ہولڈرز کو دینے کی سفارش کی ہے جو 26 اکتوبر 2021 کو ہونے والے آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کو منظوری کے لئے پیش کیا جائے گا۔ سال کے دوران بورڈ کی طرف سے کسی عبوری منافع کی سفارش نہیں کی گئی تھی۔

چیئرمین کا جائزہ

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

مناسب داخلی کنٹرول اور مانیٹرنگ

کمپنی نے مستعدی اور آپریشنز کی موثریت کو یقینی بنانے، مالیاتی رپورٹس کو قابل اعتماد بنانے اور نافذ العمل قوانین اور ضوابط سے مطابقت کے لیے داخلی کنٹرول کا ایک مضبوط نظام تشکیل دے رکھا ہے۔ انتظامیہ ایسے نظاموں کی موثر طور پر نگرانی کرتی ہے جبکہ بورڈ کی آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کو ملنے والی رپورٹس اور خطرات کے جائزے کی بنیاد پر داخلی کنٹرول کے نظاموں کا جائزہ لیتی ہے۔

مناسب داخلی مالیاتی کنٹرول

بورڈ ایمانداری، اخلاقیات اور ضابطہ اخلاق پر عملدرآمد سمیت کنٹرول ماحول کے قیام اور داخلی کنٹرول کی ذمہ داریوں کے حوالے سے کارکردگی کے واضح محاسبے کے حوالے سے اہم کردار ادا کرتا ہے۔ ڈائریکٹرز نے داخلی مالیاتی کنٹرول کے نظام تشکیل دے رکھے ہیں جو کہ موزوں ہونے کے ساتھ ساتھ موثر طور پر کام کر رہے ہیں۔

داخلی آڈٹ اور کنٹرول

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

فنڈڈ گریجوایٹی سکیم

کمپنی فنڈڈ گریجوایٹی سکیم چلاتی ہے جو کہ انکم ٹیکس آرڈیننس، 2001ء کے تحت PDL ایمپلائز گریجوایٹی فنڈ (The Fund) کے نام سے رجسٹرڈ ہے۔ یہ کمپنی کے ایسے تمام ملازمین کے لیے ہے جو سکیم کے تحت مختص کردہ ملازمت کی مدت پوری کرتے ہیں۔ فنڈز کے اکاؤنٹس کے تازہ ترین آڈٹ کے مطابق اس فنڈ کے تحت کی گئی سرمایہ کاری 262 ملین روپے ہو چکی ہے۔

کمپنی نے حال ہی میں ایک پراویڈنٹ فنڈ بھی قائم کیا ہے جس کا نفاذ یکم جولائی 2020ء سے ہو چکا ہے۔

ضابطہ مالیاتی انتظام سے مطابقت کا بیان

کمپنی نے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ فہرستی کمپنیوں کی ریگولیشنز (ضابطہ مالیاتی انتظام)، 2019ء کے تقاضوں کو مکمل طور پر پورا کیا ہے، ماسوائے اس کے کہ جس کی تفصیلات کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان میں فراہم کی گئی ہے۔ اس حوالے سے بیان اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز کا معاوضہ

ایسوسی ایشن آف کمپنی کے میمورنڈم اور آرٹیکلز کے مطابق ڈائریکٹرز کو معاوضہ ادا کیا گیا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز کو میٹنگ فیس اور میٹنگ میں شرکت کے لیے آنے والے اخراجات کے علاوہ کوئی معاوضہ ادا نہیں کیا گیا۔

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

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

متعلقہ پارٹی لین دین

کاروبار کے روزمرہ امور میں سامنے آنے والے متعلقہ فریقوں سے متعلق لین دین عام تجارتی نرخوں پر اور ان ہی شرائط وضوابط پر کیا جاتا ہے جیسے فریق ثالث کے لین دین میں ویلیوایشن موڈ کو قابل قبول قرار دیا جاتا ہے۔ کمپنی نے ٹرانسفر پرائسنگ سے متعلق بہترین طرز عمل کی مکمل تعمیل کی ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں شامل ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

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

آڈیٹرز

میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے مالی سال 21-2020 کے لئے اپنی مدت ملازمت مکمل کر لی ہے اور 29 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں۔ اہل ہونے کی وجہ سے انہوں نے مالی سال 22-2021 کے لئے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز مالی سال 22-2021 کے لئے میسرز بی ڈی او ابراہیم اینڈ کمپنی کو چارٹرڈ اکاؤنٹنٹس مقرر کرنے کی سفارش کرتے ہیں۔

شیئر ہولڈنگ کا نمونہ

30 جون 2021 تک شیئر ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

اظہار تشکر

بورڈ اس موقع پر کمپنی کے شیئر ہولڈرز، اس کے قابل قدر صارفین، بینکاروں اور دیگر سٹیک ہولڈرز کا ان کے اعتماد اور معاونت پر شکریہ ادا کرتا ہے۔ بورڈ کمپنی کی پرعزم ٹیم کے تعاون کو بھی تسلیم کرتا ہے جس نے جوش و خروش کے ساتھ کمپنی کی خدمت کی اور امید ہے کہ مستقبل میں بھی یہی جوش و جذبہ برقرار رہے گا۔

منجانب بورڈ

اسلام آباد	**بریگیڈیئر سید ذوالفقار علی (ر)**	**انجینئر پرویز خان**
29 ستمبر 2021	چیف ایگزیکٹو	ڈائریکٹر

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of PAK DATACOM LIMITED for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

We draw your attention to clause 10,13, 19, 27,30 of the Statement of Compliance which mentions certain instances of non-compliance with the Regulations.

Regulation #	Non - Compliance
10(3)(V)	No, formal and effective mechanism is put in place for the evaluation of Board's own performance, members of board and of its committees.
19	It is encouraged that by June 30, 2021 training of atleast 75% of Director on the Board to be carried out. However, no director training program has been carried during the year and only 2 directors have been provided with training under the directors' training Program till June 30, 2021.
27(4)	The terms of reference of the audit committee are not explicitly documented containing the roles and responsibilities.
30	The Board has not constituted the risk management committee to carry out a review of effectiveness of risk management procedure and present a report to the Board.

Islamabad
September 29, 2021

CHARTERED ACCOUNTANTS
Engagement Partner: Abdul Qadeer

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

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

Year ending: **30 June 2021**

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

1. The total number of Directors is 8 as per the following:
   a. Male: 07
   b. Female: 01
2. The composition of the Board is as follows:

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

3. All Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval for updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy as well as transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. The Directors, Mr. Arshad Rasheed Chaudhary, Mr. Muhammad Waheed, and Mr. Shoaib Javed Hussain, have previously undergone the Directors' Training program. Other members of the Board possess significant financial, adminisitrative, and corporate experience. The Board is minded to provide all Board members the required Directors' Training Program.

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

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

Sr#	Category	Names
1	**Audit Committee**	Ms. Rubina Safir (Chairperson) Mr. Shamim Ahmed Sherazi Mr. Muhammad Waheed Mr. Muhammad Masood ur Rehman (Secretary)
2	**Human Resource and Remuneration Committee**	Mr. Shamim Ahmed Sherazi (Chairman) Syed Junaid Imam Mr. Shoaib Javed Hussain Ms. Rubina Safir Mr. Kalim Ullah (Secretary)
3	**Nomination Committee**	Syed Zomma Mohiuddin (Chairman) Syed Junaid Imam Engr. Perwaiz Khan Mr. Jibran S Abbas (Secretary)
4	**Procurement Committee**	Syed Zomma Mohiuddin (Chairman) Engr. Perwaiz Khan Mr. Shoaib Javed Hussain Mr. Muhammad Waheed Mr. Ali Saleem Rana (Secretary)
5	**Strategy & Project Appraisal Committee**	Syed Zomma Mohiuddin (Chairman) Syed Junaid Imam Engr. Perwaiz Khan Mr. Ahmed Rafiq (Secretary)

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

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

Board/Committee	No of Meetings held in FY 2020-2021
Board	10
Audit Committee	9
Human Resource and Remuneration Committee	3
Nomination Committee	1
Procurement Committee	Nil
Strategy & Project Appraisal Committee	1

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

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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head Of Internal Audit, Company Secretary or Director of the Company.

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 requirements of the Regulations 3,6,7,8,27,32,33 and 36 have been complied with:

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

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Regulation Ref. #	Non-compliance	Justification
10(3)(v)	A formal and effective mechanism is not put in place for an annual evaluation of the Board's own performance, members of the Board, and of its committees.	Board will be putting in a formal process of evaluation and it will be perfomed after every fourth quarter Board of Diretors meeting.
19	**Director Training** It is encouraged that by June 30, 2021 training of atleast 75% of Director on the Board to be carried out. However, no Directors' Training Program has been carried during the year.	The Directors, Mr. Arshad Rasheed Chaudhary, Mr. Muhammad Waheed, and Mr. Shoaib Javed Hussain, have previously undergone the Directors' Training program. Other members of the Board possess significant financial, adminisitrative, and corporate experience. The Board is minded to provide all Board members the required Directors' Training Program.

Regulation Ref. #	Non-compliance	Justification
27	The Board of Company has determined the terms of reference of the Audit Committee as this shall be explicitly documented. However, no such document from Board has been issued.	The Board in its 196th Meeting, explicitly chalked out the TORs for Audit Committee by giving direction to adopt TORs as mentioned in CCG 2019 for Audit Committee in full letter and spirit.
30	**Risk Management Committee** The Board has not constituted the Risk Management Committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.	Every department in PDL is already engaged in managing risk and the Internal Auditor periodically monitors the compliance against that defined risk. In addition to this dedicated position of security and risk officer has been created in PDL this year, which will add to strengtherning of risk management within the Company.

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

Syed Zomma Mohiuddin
Chairman

Brig Syed Zulfiqar Ali (R)
Chief Executive

September 29, 2021

INDEPENDENT AUDITORS' REPORT

To the members of Pak Datacom Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of PAK DATACOM LIMITED (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive profit, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	**Revenue Recognition** (Refer note 5.13 and 24 to the financial statement) The Company is engaged in setting up, operating and maintaining a network of data communication. During the year ended June 30, 2021, Company recognized aggregate revenue of Rs. 897.207 million from rendering of Communication Value Added Services (CVAS) / data communication services, telecom infrastructure services and specialized projects.	Our procedures in relation to revenue recognition, amongst others, included: • Understood and evaluated management controls over revenue and checked their validations; • Checked that revenue has been recognized in accordance with the Company's accounting policy and the applicable reporting framework; • Performed verification of sample of revenue transactions with underlying documentation including invoices, agreements and other relevant underlying documents;

Sr. No.	Key audit matters	How the matter was addressed in our audit
	Being our first year of audit of financial statements of the Company, we identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions with a large number of customers in various geographical locations and revenue being one of the key performance indicator of the Company. Accordingly, it was considered as a key audit matter.	• Checked cash receipts from customers on sample basis against the revenue booked during the year; • Performed cut-off procedures on sample basis to ensure revenue has been recognized in the correct period; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the appropriateness of disclosures made in the financial statements related to revenue as required under the applicable reporting framework.
2.	**Impairment loss allowance on trade debts** (Refer note 9 to the financial statement) The Company has recognized an impairment loss allowance of Rs. 97.712 million on gross amount of trade debts of Rs. 880.07 million as at June 30, 2021. Under IFRS 9, the Company is required to recognize impairment loss allowance for financial assets using Expected Credit Loss (ECL) model. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information etc. We have considered the impairment assessment as a key audit matter due to the significance of estimates and judgments involved.	Our audit procedures in relation to impairment assessment of trade debts, amongst others, included the following: • Understood the management's process for estimating the ECL in relation to trade debts. Assessed and evaluated the assumptions used by the management in determining impairment loss under the ECL model; • Checked appropriateness of ageing, on sample basis, by comparing individual balances with underlying documentation; • Reviewed the appropriateness of assumptions used for ECL computation from relevant external and internal sources; • Circularized balance confirmation for trade debtors on sample basis and evaluated responses received; • Checked subsequent clearance of balances due as of June 30, 2021 on sample basis; and • Assessed the appropriateness of disclosures related to impairment assessment of trade debts as required under the applicable reporting framework.

Information Other than the Financial Statements and Auditors Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants, who had expressed an unqualified opinion vide their report dated December 09, 2020.

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

Islamabad
September 29, 2021

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021	2020
		Rupees	
NON-CURRENT ASSETS			
Property and equipment	6	189,474,260	201,773,690
Intangible assets	7	4,163,250	4,590,250
Deferred taxation	8	45,709,756	63,306,328
		239,347,266	269,670,268
CURRENT ASSETS			
Trade debts	9	782,358,217	566,728,551
Contract assets	10	28,711,284	59,379,710
Contract work in progress		1,947,624	24,160,152
Advances	11	7,796,934	20,278,679
Trade deposits and short term prepayments	12	18,277,681	27,717,822
Other receivables	13	9,153,020	6,673,652
Interest accrued		822,202	1,722,376
Tax refunds due from the Government	14	25,441,001	32,273,378
Short term investments	15	112,976,532	117,634,849
Cash and bank balances	16	114,791,166	269,035,914
		1,102,275,661	1,125,605,084
		1,341,622,927	1,395,275,352
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	17	107,811,000	98,010,000
Reserves			
General reserve	18	591,500,000	591,500,000
Unappropriated profits		138,000,644	153,359,597
		837,311,644	842,869,597
NON-CURRENT LIABILITIES			
Deferred employees' benefits	19	48,700,240	45,657,011
Lease liabilities	20	28,514,186	29,445,075
		77,214,426	75,102,086
CURRENT LIABILITIES			
Customers' deposits	21	197,739,212	206,495,867
Contract liability		5,032,427	5,346,287
Trade and other payables	22	204,240,723	245,118,741
Current portion of lease liabilities	20	9,490,970	10,482,899
Unclaimed dividend		9,859,875	9,859,875
Unpaid dividend		733,650	-
		427,096,857	477,303,669
CONTINGENCIES AND COMMITMENTS	23		
		1,341,622,927	1,395,275,352

The annexed notes 1 to 42 form an integral part of these financial statements.

Asif Makhdoomi	Brig Syed Zulfiqar Ali (R)	Engr. Perwaiz Khan
Chief Financial Officer	Chief Executive	Director

STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
Revenue - net	24	897,207,378	770,442,396
Cost of services	25	(715,269,154)	(624,435,167)
Gross profit		181,938,224	146,007,229
Administrative expenses	26	(127,810,708)	(119,010,577)
Marketing expenses	27	(25,741,612)	(24,265,515)
Impairment reversal on financial assets	33.3	2,823,907	13,468,846
Finance (cost)/ income	28	(9,711,849)	5,649,853
		21,497,962	21,849,836
Other income	29	46,582,887	25,423,003
Profit before taxation		68,080,849	47,272,839
Taxation	30	(52,713,480)	(39,859,361)
Profit for the year		15,367,369	7,413,478
			(Restated)
Earnings per share - basic and diluted	31	1.43	0.69

The annexed notes 1 to 42 form an integral part of these financial statements.

Asif Makhdoomi	**Brig Syed Zulfiqar Ali (R)**	**Engr. Perwaiz Khan**
Chief Financial Officer	Chief Executive	Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
Profit for the year		15,367,369	7,413,478
Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (loss)/ gain on defined benefit plan	22.1.5	(11,124,322)	15,016,928
Total comprehensive income for the year		4,243,047	22,430,406

The annexed notes 1 to 42 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Engr. Perwaiz Khan
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Share capital	Reserves		Total
	Issued, subscribed and paid-up	General reserve	Unappropriated profits	
	Rupees			
Balance at July 1, 2019	98,010,000	591,500,000	170,133,191	859,643,191
Total comprehensive income for the year				
Profit for the year	-	-	7,413,478	7,413,478
Other comprehensive income	-	-	15,016,928	15,016,928
Total comprehensive income for the year	-	-	22,430,406	22,430,406
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2019: Rs. 4.00 per share	-	-	(39,204,000)	(39,204,000)
Balance as at June 30, 2020	98,010,000	591,500,000	153,359,597	842,869,597
Balance at July 1, 2020	98,010,000	591,500,000	153,359,597	842,869,597
Total comprehensive income for the year				
Profit for the year	-	-	15,367,369	15,367,369
Other comprehensive loss	-	-	(11,124,322)	(11,124,322)
Total comprehensive income for the year	-	-	4,243,047	4,243,047
Transactions with owners of the Company:				
Final dividend for the year ended June 30, 2020: Rs. 1.00 per share	-	-	(9,801,000)	(9,801,000)
Bonus Shares for the year ended June 30, 2020: 1 share for every 10 shares	9,801,000	-	(9,801,000)	-
Balance as at June 30, 2021	107,811,000	591,500,000	138,000,644	837,311,644

The annexed notes 1 to 42 form an integral part of these financial statements.

Asif Makhdoomi
Chief Financial Officer

Brig Syed Zulfiqar Ali (R)
Chief Executive

Engr. Perwaiz Khan
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year - before taxation		68,080,849	47,272,839
Adjustments for non-cash items:			
Depreciation		28,744,693	33,196,429
Amortization		427,000	427,000
Property and equipment - write off		969,791	1,126,018
Loss /(gain) on disposal of property, plant and equipment		(3,185,755)	327,977
Impairment (reversal) on financial assets		(2,823,907)	(13,468,846)
Provision expense against income tax refundable		-	1,218,889
Finance cost		4,493,301	5,657,919
Unrealized exchange loss/ (gain)		5,218,548	(2,981,933)
Interest income		(16,721,284)	(18,521,594)
Provision for gratuity	22.1	15,331,328	14,373,392
Provision for provident fund		12,370,234	-
Provision for leave encashment	19	4,912,032	13,906,142
		117,816,830	82,534,232
Changes in working capital			
Decrease / (increase) in trade debts		(217,597,577)	(196,066,573)
Decrease / (increase) in contract assets		33,248,019	218,672,725
Decrease / (increase) in contract work in progress		22,212,528	6,549,644
Decrease / (increase) in advances		1,516,809	(1,559,888)
Decrease / (increase) in trade deposits and short term prepayments		11,593,113	(2,562,994)
Decrease / (increase) in other receivables		(2,479,368)	(5,364,713)
Increase / (decrease) in customers' deposits		(8,756,655)	1,496,738
Increase / (decrease) in contract liability		(313,860)	(6,826,802)
Increase / (decrease) in trade and other payables		(63,687,810)	50,248,258
		(224,264,801)	64,586,395
		(106,447,971)	147,120,627
Taxes paid		(28,284,531)	(33,886,077)
Gratuity paid		(5,051,156)	(828,245)
Leave encashment paid		(1,868,803)	(14,300,219)
Net cash (used in) / generated from operating activities		(141,652,461)	98,106,086
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(8,756,186)	(4,285,408)
Proceeds from sale of property and equipment		3,394,887	222,816
(Purchase) / sale of short term investments		-	4,000,000
Interest and profit received		22,279,776	14,791,293
Net cash generated from investing activities		16,918,477	14,728,701
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(9,067,350)	(38,572,092)
Payment of finance lease obligation		(10,242,740)	(9,940,101)
Finance cost paid		(4,493,301)	(2,460,361)
Net cash used in financing activities		(23,803,391)	(50,972,554)
Net (Decrease) / increase in cash and cash equivalents		(148,537,374)	61,862,233
Cash and cash equivalents at the beginning of the year		269,152,213	206,579,390
Effect of movements in exchange rates on cash and cash equivalent		(5,766,626)	710,590
Cash and cash equivalents at end of the year	16	114,848,213	269,152,213

The annexed notes 1 to 42 form an integral part of these financial statements.

Asif Makhdoomi	**Brig Syed Zulfiqar Ali (R)**	**Engr. Perwaiz Khan**
Chief Financial Officer	Chief Executive	Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

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

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

The Company is a subsidiary of Telecom Foundation, Pakistan. The registered office of the Company is situated at 1st Floor, TF Complex, 7 - Mauve Area, G - 9/4, Islamabad. The details of the geographical locations and address of business units of the Company are presented in note 6.

2 STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Foreign currency transactions and balances

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

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

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Effective date (annual periods beginning on or after)
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020
Amendments to IFRS 16 'Leases' - Covid - 19 related rent consessions	June 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020

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

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

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

	Effective date (annual periods beginning on or after)
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021
Amendments to IAS 1'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Property and equipment and intangible assets

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

(b) Employees benefits

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

(c) Taxation

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

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

(d) Estimation of impairment loss allowance

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

(e) Provisions and contingent liabilities

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

(f) Right of use asset and corresponding lease liability

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property and equipment

(i) Operating fixed assets

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

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

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

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.

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

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

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

(ii) Right of use (ROU) assets

The Company recognises a right-of-use asset, if the agreement has non-cancellable term of more than 12 months, at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

5.2 Intangible assets

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

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

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

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

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

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

5.3 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL). IFRS 9 introduces the Expected Credit Loss (ECL) model, which replaces the incurred loss model of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

5.4 Advances, deposits and other receivables

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

5.5 Cash and cash equivalents

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

5.6 Employees' benefits

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Defined benefit plan

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

The Company also provides benefit to its employees for accumulating their annual earned leaves. 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 at June 30, 2021. The calculations of actuaries are based on the Projected Unit Credit Method, net of the assets guaranteeing the plan, if any, with the obligation increasing from year to year, in a manner that it is proportional to the length of service of the employees. The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the net defined benefit liability/(asset).

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

Defined Contribution plan

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

5.7 Leases

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

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

a) fixed payments, including in-substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee; and

d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

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

5.8 Contract liability

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5.9 Trade and other payables

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

5.10 Income tax

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

(i) Current

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

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

(ii) Deferred

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

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

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

5.11 Provision and contingent liabilities

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

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

5.12 Dividend distribution

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

5.13 Revenue recognition

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

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

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

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

5.14 Financial instruments

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

(i) Financial assets

Classification, initial recognition and subsequent measurement

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

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Debt instruments

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

(a) Amortised cost

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

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

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

c) Fair value through profit and loss (FVTPL)

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

De-recognition of financial assets

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

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

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

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

Impairment of financial assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

a) Significant increase in credit risk

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

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

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

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

b) Definition of default

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

c) Credit - impaired financial assets

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

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

d) Measurement and recognition of expected credit losses

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

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

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

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

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

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

a) Amortised cost

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

b) Fair value through profit or loss

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

De-recognition of financial liabilities

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

(iii) Off-setting financial assets and financial liabilities

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

5.15 Fair value measurement

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

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

5.16 Earnings per share

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

5.17 Operating segments

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

5.18 Joint operation arrangements

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

	Note	2021	2020
		Rupees	
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	149,828,154	162,415,626
Right of use assets	6.2	39,646,106	39,358,064
		189,474,260	201,773,690

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

6.1 Operating fixed assets

	Freehold land	Freehold office building	Datacom system machinery	Office equipment	Testing equipment	Air conditioners	Furniture and fixtures	Vehicles	Leased vehicles	Leasehold land	Leasehold office building	Total
	Rupees											
Net carrying value basis year ended June 30, 2021												
Opening net book value (NBV)	38,400,000	12,088,757	80,964,794	4,312,332	9,979,086	3,070,225	883,530	6,025,807	-	2,503,312	4,187,783	162,415,626
Additions (at cost)	-	-	2,958,884	3,660,043	725,400	1,292,659	119,200	-	-	-	-	8,756,186
Disposals :												
Cost	-	-	-	(406,315)	-	-	-	(3,824,818)	-	-	-	(4,231,133)
Accumulated depreciation	-	-	-	235,809	-	-	-	3,786,192	-	-	-	4,022,001
	-	-	-	(170,506)	-	-	-	(38,626)	-	-	-	(209,132)
Write off:												
Cost	-	-	(599,001)	(53,678)	-	-	-	-	-	-	-	(652,679)
Accumulated depreciation	-	-	506,012	30,564	-	-	-	-	-	-	-	536,576
	-	-	(92,989)	(23,114)	-	-	-	-	-	-	-	(116,103)
Transferred from leased to owned:												
Cost	-	-	-	-	-	-	-	2,198,000	-	-	-	2,198,000
Accumulated depreciation	-	-	-	-	-	-	-	(1,482,810)	-	-	-	(1,482,810)
	-	-	-	-	-	-	-	715,190	-	-	-	715,190
Depreciation charge	-	(604,440)	(16,537,474)	(1,454,839)	(1,052,340)	(405,554)	(94,018)	(1,340,952)		(34,608)	(209,388)	(21,733,613)
Closing net book value	38,400,000	11,484,317	67,293,215	6,323,916	9,652,146	3,957,330	908,712	5,361,419	-	2,468,704	3,978,395	149,828,154
Gross carrying value basis year ended June 30, 2021												
Cost	38,400,000	22,318,020	708,956,059	20,025,057	28,240,256	7,060,644	3,946,091	33,166,490	-	2,884,000	7,006,000	872,002,617
Accumulated depreciation	-	(10,833,703)	(641,662,844)	(13,701,141)	(18,588,110)	(3,103,314)	(3,037,379)	(27,805,071)	-	(415,296)	(3,027,605)	(722,174,463)
Net book value	38,400,000	11,484,317	67,293,215	6,323,916	9,652,146	3,957,330	908,712	5,361,419	-	2,468,704	3,978,395	149,828,154
Net carrying value basis year ended June 30, 2020												
Opening net book value (NBV)	38,400,000	12,725,005	99,122,501	3,469,947	11,087,934	3,085,075	945,411	7,174,589	15,018,825	2,537,920	4,408,195	197,975,402
Impact of adoption of IFRS-16												
Cost	-	-	-	-	-	-	-	-	(25,513,000)	-	-	(25,513,000)
Accumulated depreciation	-	-	-	-	-	-	-	-	10,494,175	-	-	10,494,175
	-	-	-	-	-	-	-	-	(15,018,825)	-	-	(15,018,825)
Additions (at cost)	-	-	1,952,985	1,980,253	-	317,070	35,100	-	-	-	-	4,285,408
Disposals :												
Cost	-	-	-	-	-	-	-	(1,094,000)	-	-	-	(1,094,000)
Accumulated depreciation	-	-	-	-	-	-	-	543,207	-	-	-	543,207
	-	-	-	-	-	-	-	(550,793)	-	-	-	(550,793)
Transferred from leased to owned:												
Cost	-	-	-	-	-	-	-	2,645,000	-	-	-	2,645,000
Accumulated depreciation	-	-	-	-	-	-	-	(1,846,869)	-	-	-	(1,846,869)
	-	-	-	-	-	-	-	798,131	-	-	-	798,131
Depreciation charge		(636,248)	(20,110,692)	(1,137,868)	(1,108,848)	(331,920)	(96,981)	(1,396,120)		(34,608)	(220,412)	(25,073,697)
Closing net book value	38,400,000	12,088,757	80,964,794	4,312,332	9,979,086	3,070,225	883,530	6,025,807		2,503,312	4,187,783	162,415,626
Gross carrying value basis year ended June 30, 2020												
Cost / Revalued amount	38,400,000	22,318,020	706,596,176	16,825,007	27,514,856	5,767,985	3,826,891	34,793,308	-	2,884,000	7,006,000	865,932,243
Accumulated depreciation	-	(10,229,263)	(625,631,382)	(12,512,675)	(17,535,770)	(2,697,760)	(2,943,361)	(28,767,501)	-	(380,688)	(2,818,217)	(703,516,617)
Net book value	38,400,000	12,088,757	80,964,794	4,312,332	9,979,086	3,070,225	883,530	6,025,807	-	2,503,312	4,187,783	162,415,626
Depreciation rate % per annum	-	5%	20%	25%	10%	10%	10%	20%	25-33.33%	1.2%	5%	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

6.1.1 Depreciation for the year is allocated as follows:

	Note	2021	2020
		Rupees	
Cost of services	25	19,868,680	23,947,973
Administrative expenses	26	1,800,503	1,011,112
Marketing expenses	27	64,429	114,612
		21,733,613	25,073,697

6.2 Right of use (ROU) assets

	Leased vehicles	Leasehold office building	Total
		Rupees	
Year ended June 30, 2020			
- Cost	20,719,000	34,386,120	55,105,120
- Accumulated depreciation	(11,186,583)	(4,560,473)	(15,747,056)
- Net book value	9,532,417	29,825,647	39,358,064
Additions	8,868,000	-	8,868,000
Transfer from leased to owned			
- Cost	(2,198,000)	-	(2,198,000)
- Accumulated depreciation	1,482,810	-	1,482,810
- Net book value	(715,190)	-	(715,190)
Write off			
- Cost	(1,889,000)	-	(1,889,000)
- Accumulated depreciation	1,035,312	-	1,035,312
- Net book value	(853,688)	-	(853,688)
Depreciation charge	(2,450,607)	(4,560,473)	(7,011,080)
Closing net book value	14,380,932	25,265,174	39,646,106
At June 30, 2021			
Cost	25,500,000	34,386,120	59,886,120
Accumulated depreciation	(11,119,068)	(9,120,946)	(20,240,014)
Net book value	14,380,932	25,265,174	39,646,106
Rates of depreciation	25 - 33.33%	6 - 25 years	

6.2.1 Depreciation for the year is allocated as follows:

	Note	2021	2020
		Rupees	
Cost of services	25	1,583,028	1,834,027
Administrative expenses	26	5,044,117	5,843,894
Marketing expenses	27	383,936	444,811
		7,011,080	8,122,732

6.3 First charge of Rs 140 million (2020: Rs 140 million) on fixed assets, first charge of Rs 8.87 million (2020: Nil) on movable property, additional first hypothecation charge on plant and machinery Rs 215 million (2020: Rs 215 million), first hypothecation charge on present and future current assets of the Company of Rs 400 million (2020: Rs 400 million) for unfunded facility amounting to Rs 250 million (2020: Rs 250 million) from Soneri Bank Limited, Islamabad.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

	2021		2020	
	Cost	**Net book value**	**Cost**	**Net book value**
	Rupees			
Datacom system machinery	238,816,648	33,964,121	291,512,823	47,309,103

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Software	Infrastructure license	Total
		Rupees	
7 INTANGIBLE ASSETS			
Year ended June 30, 2021			
Opening net book value	-	4,590,250	4,590,250
Additions	-	-	-
Amortization charge	-	(427,000)	(427,000)
Closing net book value	-	4,163,250	4,163,250
As at June 30, 2021			
Cost	3,204,006	8,540,000	11,744,006
Accumulated amortization	(3,204,006)	(4,376,750)	(7,580,756)
Net book value	-	4,163,250	4,163,250
Year ended June 30, 2020			
Opening net book value	-	5,017,250	5,017,250
Additions	-	-	-
Amortization charge	-	(427,000)	(427,000)
Closing net book value	-	4,590,250	4,590,250
As at July 1, 2020			
Cost	3,204,006	8,540,000	11,744,006
Accumulated amortization	(3,204,006)	(3,949,750)	(7,153,756)
Net book value	-	4,590,250	4,590,250
Rates of amortization	33.33%	5%	

7.1 Pakistan Telecommunication Authority (PTA) granted infrastructure license to the Company for a period of 20 years from April 5, 2011.

7.2 The amortization charge for the year is allocated to cost of services (note - 25).

	2021	2020
	Rupees	
8 DEFERRED TAXATION		
Debit balances arising in respect of :		
Expected credit loss allowance	53,635,928	71,788,021
Lease liabilities	11,021,495	11,579,112
Credit balance arising in respect of :		
Accelerated depreciation and amortization	(18,947,667)	(20,060,805)
	45,709,756	63,306,328

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
9 TRADE DEBTS			
Trade debts		880,070,919	662,473,342
Less: Impairment loss allowance	9.1	(97,712,702)	(95,744,791)
		782,358,217	566,728,551
9.1 Movement of loss allowance during the year is as follows:			
Balance as at July 1,		95,744,791	96,335,638
Impairment loss / (reversal) for the year		1,967,911	(590,847)
Balance as at June 30,		97,712,702	95,744,791
10 CONTRACT ASSETS			
Unbilled revenue		45,332,935	79,607,269
Less: Impairment loss allowance	10.1	(16,621,651)	(20,227,559)
		28,711,284	59,379,710
10.1 Movement of loss allowance during the year is as follows:			
Balance as at July 1,		20,227,559	31,442,419
Impairment reversal for the year		(2,579,593)	(11,681,367)
Exchange (loss) / gain		(1,026,315)	466,507
Balance as at June 30,		16,621,651	20,227,559
11 ADVANCES			
Employees' retirement and other service benefits :			
Gratuity fund	22.1	-	10,964,936
Advances - considered good to			
Suppliers	11.1	-	-
Employees	11.2	7,796,934	9,313,743
		7,796,934	20,278,679
11.1 Advances to supplier		2,800,000	2,800,000
Less: Impairment loss allowance		(2,800,000)	(2,800,000)
		-	-

11.2 Advances to employees include an amount of Rs 3.2 million (2020: Rs 2.92 million) paid to an employee which will be adjusted or recovered against the expenses or salary as the case may be, the advance is secured against the respective employees' gratuity.

	Note	2021	2020
		Rupees	
12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Margin and guarantees with banks		1,265,202	14,922,429
Trade deposits - net of loss allowance	12.1	13,192,517	10,573,561
Prepayments - net of provision	12.2	3,819,962	2,221,832
		18,277,681	27,717,822
12.1 Trade deposits		82,034,920	85,684,762
Less: Impairment loss allowance	12.1.1	(68,842,403)	(75,111,201)
		13,192,517	10,573,561

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
12.1.1 Movement of loss allowance during the year is as follows:			
Balance as at July 1,		75,111,201	74,424,505
Impairment reversal for the year		(2,952,973)	(670,498)
Exchange (loss) / gain		(3,315,825)	1,357,194
Balance as at June 30,		68,842,403	75,111,201
12.2 Prepayments		54,049,187	55,766,883
Less: Provision for doubtful prepayments	12.2.1	(50,229,225)	(53,545,051)
		3,819,962	2,221,832
12.2.1 Movement of provision for doubtful prepayments during the year is as follows:			
Balance as at July 1,		53,545,051	52,037,857
Provision made during the year		(3,315,826)	1,507,194
Balance as at June 30,		50,229,225	53,545,051
13 OTHER RECEIVABLES			
Receivable from staff against provident fund	13.1	4,267,503	-
Other receivable from staff		370,962	1,160,637
Due from TF Technologies - related party	13.2	118,525	217,689
Due from Telecom Foundation	13.3	294,360	-
Others		4,101,670	5,295,326
		9,153,020	6,673,652

13.1 This amount represents receivable from staff in respect of their provident fund contribution from July 2020 to March 2021.

13.2 The maximum aggregate amount outstanding at any month-end from the related party during the year was Rs. 217,689 (2020: Rs. 217,689).

13.3 The maximum aggregate amount outstanding at any month-end from the related party during the year was Rs. 294,360 (2020: Nil).

	Note	2021	2020
		Rupees	
14 TAX REFUNDS DUE FROM THE GOVERNMENT			
Opening balance		32,273,378	39,073,179
Advance income tax paid during the year		31,313,353	33,886,077
Provision for income tax		(36,926,841)	(39,466,989)
Provision against advance tax paid		(1,218,889)	(1,218,889)
Closing balance		25,441,001	32,273,378
15 SHORT TERM INVESTMENTS			
Amortized cost			
Term deposit receipts (TDRs)	15.1	108,000,000	108,000,000
Interest accrued		4,976,532	9,634,849
		112,976,532	117,634,849

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	
15.1 The short term investments include following:		
Investment with maturity period less than 3 months	-	-
Investment with maturity period more than 3 months	108,000,000	108,000,000
	108,000,000	108,000,000

15.2 These represent local currency TDRs with Soneri Bank carrying mark-up ranging from 5.5 % to 7.25 % per annum (2020: 6.35% to 12.25% per annum) maturing latest by August 19, 2021. TDRs amounting to Rs. 103 million (2020: 99 million) are pledged against unfunded bank facility.

16 CASH AND BANK BALANCES

	Note	2021	2020
		Rupees	
Cash in hand		163,694	351,572
Cash at bank:			
Current accounts	16.1	8,089,318	15,636,215
Deposit accounts	16.2	70,665,850	235,247,324
Deposit accounts with Islamic Banks under Shariah arrangements		23,916,397	6,652,525
Current accounts-dividend		12,012,954	11,264,577
		114,848,213	269,152,213
Less: Impairment loss allowance	16.3	(57,047)	(116,299)
		114,791,166	269,035,914

16.1 Current accounts include foreign currency deposits of AED 0.054 million equivalent to Rs. 2.3 million (2020: AED 0.005 million equivalent to Rs 0.25 million) and USD 0.035 million equivalent to Rs. 5.5 million (2020: USD 0.088 million equivalent to Rs 14.92 million).

16.2 Deposit accounts include foreign currency deposits of USD 0.00024 million equivalent to Rs 0.038 million (2020: USD 0.0003 million equivalent to Rs 0.056 million) and carry mark-up of 5.50% per annum (2020: 6.50% to 11.25% per annum).

16.3 Movement of loss allowance during the year is as follows:

	2021	2020
	Rupees	
Balance as at July 1,	116,299	642,433
Impairment reversal for the year	(59,252)	(526,134)
Balance as at June 30,	57,047	116,299

17 SHARE CAPITAL

	2021	2020
Authorised Share Capital		
100,000,000 ordinary shares of Rs 10 each (June 30, 2020:100,000,000 ordinary shares of Rs 10 each)	1,000,000,000	1,000,000,000
Issued, Subscribed And Paid Up Capital		
Shares issued for cash		
5,400,000 ordinary shares of Rs 10 each (June 30, 2020: 5,400,000 ordinary shares of Rs 10 each)	54,000,000	54,000,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	
Shares issued as fully paid bonus shares 5,381,100 ordinary shares of Rs 10 each (June 30, 2020: 4,401,000 ordinary shares of Rs 10 each)	53,811,000	44,010,000
10,781,100 ordinary shares of Rs 10 each (June 30, 2020: 9,801,000 ordinary shares of Rs 10 each)	107,811,000	98,010,000

17.1 Telecom Foundation held 55.08% (2020: 55.08%) ordinary shares of the Company at the year end.

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

18 GENERAL RESERVE

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

19 DEFERRED EMPLOYEES' BENEFITS

Leave encashment

	2021	2020
	Rupees	
Present value of defined benefit obligation at beginning of the year	45,657,011	46,051,088
Charge for the year - net	4,912,032	13,906,142
	50,569,043	59,957,230
Payments made during the year	(1,868,803)	(14,300,219)
Present value of defined benefit obligation at year end	48,700,240	45,657,011
Significant assumptions		
Discount rate	10.25%	9.25%
Salary increase rate	10.25%	9.25%
Leave accumulation factor	12 days p.a.	12 days p.a.

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

20 LEASE LIABILITIES

	2021	2020
	Rupees	
Opening balance	39,927,974	11,796,511
Impact of initial application of IFRS 16	-	34,386,120
Additions during the year	8,868,000	-
Unwinding of interest on lease liabilities	3,574,012	4,582,292
Payments made during the year	(13,816,752)	(11,324,835)
Exchange (gain)/ loss	(548,078)	487,886
Closing balance	38,005,156	39,927,974
Less: current portion of long term lease liabilities	(9,490,970)	(10,482,899)
	28,514,186	29,445,075
Up to one year	9,490,970	10,482,899
After one year	28,514,186	29,445,075
	38,005,156	39,927,974

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

20.1 The Company has entered into lease agreements for vehicles and buildings. Lease terms are negotiated on individual basis and contain a wide range of different terms and conditions. The mark-up rates used for calculation of present value of minimum lease payments range from 3% to 14.7% per annum (2020: 3% to 14.89% per annum). Title of the vehicles are transferable to the Company upon payment of entire lease obligations and on adjustment of lease deposits.

21 CUSTOMERS' DEPOSITS

Customers' deposits comprise of security deposits for services to be provided, and no deposit is utilizable under the relevant agreements. An amount of Rs 108 million has been invested in term deposit receipts (TDRs) and the amount of Rs. 8 million has been placed in separate bank account while the remaining amount of Rs 81.739 million has not been placed in separate bank account.

22 TRADE AND OTHER PAYABLES

	Note	2021	2020
		Rupees	
Trade creditors		157,922,892	213,515,437
Advances from employees for vehicle lease		3,839,328	3,106,756
License fee payable		3,202,760	3,538,589
Accrued liabilities		7,549,375	12,761,230
Sales tax payable		764,917	1,548,624
Withholding tax payable		3,528,960	7,459,903
Payable to employees		4,622,699	2,951,272
Bonus payable		-	236,930
Employees' retirement and other service benefits :			
Gratuity fund	22.1	10,439,558	-
Provident fund		12,370,234	-
		204,240,723	245,118,741

22.1 The amount recognized in the statement of financial position is as follows:

	2021	2020
Present value of defined benefit obligation	272,095,992	250,200,225
Fair value of plan assets	(261,656,434)	(261,165,161)
Net liability / (asset) at end of the year	10,439,558	(10,964,936)

22.1.1 The movement in liability/ (asset) recognized in the statement of financial position is as follows:

	2021	2020
Opening liability	(10,964,936)	(9,493,155)
Expense for the year	15,331,328	14,373,392
Remeasurement (gain)/ loss recognized in: other comprehensive income during the year	11,124,322	(15,016,928)
Contribution	(5,051,156)	(828,245)
Closing liability/ (asset)	10,439,558	(10,964,936)

22.1.2 The movement in the present value of defined benefit obligation is as follows:

	2021	2020
Present value of obligation at beginning of the year	250,200,225	225,611,458
Current service cost	17,401,551	16,908,080
Interest cost	21,892,083	31,317,890
Benefits paid during the year	(9,277,567)	(4,105,363)
Remeasurement gain recognized in: other comprehensive income	(8,120,300)	(19,531,840)
Present value of defined benefit obligation at year end	272,095,992	250,200,225

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	
22.1.3 The movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	261,165,161	235,104,613
Contributions	5,051,156	828,245
Expected return on plan assets	23,962,306	33,852,578
Benefits paid during the year	(9,277,567)	(4,105,363)
Return on plan assets, excluding interest income	(19,244,622)	(4,514,912)
Fair value of plan assets at year end	261,656,434	261,165,161
22.1.4 Expense recognized is as follows:		
Current service cost	17,401,551	16,908,080
Net interest cost	(2,070,223)	(2,534,688)
	15,331,328	14,373,392
22.1.5 Remeasurement chargeable in other comprehensive income		
Remeasurement loss/ (gain) on defined benefit obligation due to change in:		
Financial assumptions	293,075	(1,455,335)
Experience adjustments	(8,413,375)	(18,076,505)
	(8,120,300)	(19,531,840)
Remeasurement loss on plan assets	19,244,622	4,514,912
Total remeasurement (gain)/loss chargeable in other comprehensive income	11,124,322	(15,016,928)
22.1.6 Significant actuarial assumptions used were as follows:		
Valuation discount rate per annum	10.25%	9.25%
Salary increase rate per annum	10.25%	9.25%
Expected return on plan asset	10.25%	9.25%
Morality rate	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates	Age-Based	Age-Based
Retirement assumption	Age 60 years	Age 60 years
Weighted average duration of the obligation	10 years	10 years
22.1.7 Fair value of Plan assets		
Term Deposit Receipts	257,726,811	138,125,661
Bank	3,929,623	123,039,500
Fair value of assets at year end	261,656,434	261,165,161

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
- Valuation discount rate	1%	23,752,415	(27,329,088)
- Salary increase rate	1%	(27,329,088)	24,231,634

22.1.9 Expected future payments

	Rupees
Within one year	8,901,238
More than one year but less than five years	84,721,825
Above five years	1,963,070,703

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Final salary risks

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

Withdrawal risks

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

Mortality risks

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

Discount rate fluctuation

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

22.1.11 The expected expense for the next year amounts to Rs 20.15 million (2020: Rs 15.15 million).

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 The Company has letter of guarantee facilities aggregating Rs. 200 million (2020: Rs. 200 million) available from Soneri Bank. The amount availed on these facilities as at June 30, 2021 is Rs. 147.71 million (2020: Rs. 42.72 million).

23.1.2 The Company had entered into an agreement with a reseller of satellite bandwidth in Pakistan for provisioning of satellite segment. Management made advance payments of Rs. 101 million (US$ 0.64 million) for operationalisation of satellite segment, however, management is of the view that it was not operational or utilised due to technical issues. For recovery of advance, the matter was referred to the arbitration, which in its award given on May 03, 2012 imposed additional payment of Rs. 101 million (US$ 0.64 million) on the Company. The Company had filed the case in Islamabad High Court against the award. During the financial year 2017, the case was transferred from the Honorable Islamabad High Court to Civil Court Islamabad due to pecuniary jurisdiction. The reseller had also filed a counter claim in the Civil Court, Islamabad for recovery of the Arbitration Award, which was adjourned sine-die since the matter was already subjudiced. The Civil Court in its order dated December 12, 2019 asked the parties to define the terms of reference of arbitration and to decide whether the award shall be remitted to the same arbitrator or to any other arbitrator. The reseller obtained stay order from Islamabad High Court against the order of Civil Court dated March 2, 2020. The appeal is still pending in the Islamabad High Court and was fixed for hearing on June 30, 2021. However, due to document discrepancies on the part of reseller, The Court refixed the next hearing date on August, 24, 2021.The advance payment of Rs. 101 million (US$ 0.64 million) was provided for by the Company during the year ended June 30, 2012. The Board and the management is of the opinion that the maximum loss even if the case is decided against the Company will not exceed Rs. 201 million (US$ 1.27 million). The management believes that the case is likely to be decided in the favour of the Company.

23.1.3 The Company entered into an agreement with a customer for up-linking facility in Pakistan on January 1, 2007. The Company satisfactorily provided services up to January 31, 2012 and then services were disconnected based on the customer's request. The Company filed a suit in the Honorable Islamabad Civil Court for recovery of trade debts and the Company has made provision against trade debts amounting to Rs 6.75 million during the year ended June 30, 2012. The Civil Court in its order dated June 06, 2015 dismissed the suit based on the fact that the Company failed to prove the primary document on the basis of which the suit has been filed. Consequent upon decree by the Honorable Civil Court, the Company filed an appeal in the Honorable Islamabad High Court on February 17, 2017. The appeal is in the initial stages and management believes that the expected outcome will be in favour of the Company.

23.1.4 The Deputy Commissioner Inland Revenue vide order dated June 27, 2018 raised a demand of Rs 38.96 million for short assessment of taxable income under section 122(1) of the Income Tax Ordinance (ITO), 2001 for tax year 2012. The Company filed an appeal to the Commissioner Inland Revenue Appeals (CIR-Appeals), for

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

which no hearing has been held yet. The Company has also obtained stay order from honorable Islamabad High Court dated November 15, 2018 restraining Inland Revenue Department from adopting coercive measures for recovery of disputed tax liability. In December 2020 the Deputy Commissioner Inland Revenue refused the stance of the Company and issued an order dated December 30, 2020 without change in previous order. The Company filed an appeal before the Commissioner Inland Revenue Appeals (CIR-Appeals) against the order of the DC-IR which is due to be fixed for hearing. The management believes that the case is likely to be decided in the favour of the Company.

23.1.5 Inland Revenue Officer raised a demand of Rs 38.196 million and Rs 32.813 million on account of disallowance of certain expenses claimed by the Company in its tax returns for tax year 2010 and 2013 return respectively. The Company filed appeal before Commissioner Inland Revenue Appeals (CIR-Appeals) against the order. The case has been decided by the learned CIR-Appeals vide order dated July 29, 2016 whereby partially upholding the decision and partially remanding it back. The taxpayer has filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the decision of CIR-Appeals and intimated through letter dated August 22, 2016. No further progress has been made. The management believes that the case is likely to be decided in the favour of the Company.

23.1.6 The income tax return filed by the Company for the tax year 2016 was selected for audit under section 214C of the Income Tax Ordinance, 2001. After having examined the relevant record, the assessing officer found discrepancies and raised a tax demand of Rs 31.56 million. The taxpayer filed appeal before Commissioner Inland Revenue Appeals against the order. The case has been decided by the learned CIR-Appeals vide order dated February 2, 2019 whereby remanding it back to the assessing officer. A decision was received in December 2020 from Deputy Commissioner Inland Revenue, in which tax demand of Rs. 31.56 million has been abolished, whereas refund has reduced by Rs. 18 million. The Company filed an appeal before the Commissioner Inland Revenue Appeals (CIR-Appeals) against the order of the DC-IR which is due to be fixed for hearing. The management believes that the case is likely to be decided in the favour of the Company.

23.1.7 The Deputy Commissioner Inland Revenue raised demand of Rs 7.211 million based on order passed under section 161 and 205 of Income Tax Ordinance, 2001 on short deduction of withholding tax for tax year 2016. The Company filed appeal before Commissioner Inland Revenue on June 13, 2018 against the order. The case has been decided by the learned CIR-Appeals vide order dated October 17, 2018 whereby partially upholding the decision and partially remanding it back. The taxpayer has filed an appeal in ATIR against the decision of CIR (A) and intimated through letter dated November 20, 2018. The Department has also filed an appeal against the said order. No further progress has been made. The management believes that the case is likely to be decided in the favour of the Company.

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

	2021	2020
23.2 Commitments	Rupees	
The Company has following commitments in respect of:		
Capital expenditure commitments	167,061,773	19,418,620
Outstanding letter of credits	24,972,142	27,135,329

24 REVENUE

	2021	2020
Communication Value Added Services (CVAS) / data Communication Services	758,739,196	826,466,998
Telecom infrastructure services	1,379,966	1,709,987
Specialised projects	262,219,625	75,273,416
Gross revenue	1,022,338,787	903,450,401
Less:		
Sales tax / Federal Excise Duty	(115,493,534)	(128,049,910)
Advance tax	(9,637,875)	(4,958,095)
	897,207,378	770,442,396

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
24.1 Disaggregation of revenue based on timing of revenue:			
Services transferred at a point in time		634,987,753	697,080,742
Services transferred over time		262,219,625	73,361,654
		897,207,378	770,442,396

25 COST OF SERVICES

	Note	2021	2020
Channel and local lead rentals		196,532,498	194,689,337
Space segment rentals		74,579,094	116,916,889
Salaries and other benefits	25.1	180,239,643	181,675,546
Repair and maintenance expenses		8,785,070	10,594,061
License fee		3,226,210	3,538,818
Depreciation - operating fixed assets	6.1.1	19,868,680	23,947,973
Depreciation - right of use assets	6.2.1	1,583,028	1,834,027
Amortization	7	427,000	427,000
Travelling and local conveyance		967,654	2,627,956
Communication expenses		1,596,339	677,880
Vehicle running expenses		14,452,275	14,201,423
Insurance		936,222	1,409,978
Entertainment		977,666	1,017,934
Rent, rates and taxes		7,242,617	6,282,774
Utilities		4,940,706	4,728,642
Other projects costs		198,914,452	59,864,929
		715,269,154	624,435,167

25.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 20.87 million (2020: Rs. 18.30 million).

26 ADMINISTRATIVE EXPENSES

	Note	2021	2020
		Rupees	
Salaries and other benefits	26.1	91,667,090	76,201,619
Legal and professional charges		6,392,984	6,605,288
Vehicle running expenses		5,178,682	5,063,255
Utilities		2,602,626	2,271,740
Repair and maintenance expenses		2,576,281	1,315,727
Printing and stationery		1,685,516	1,597,217
Communication expenses		1,452,537	1,670,642
Advertisement		2,173,385	906,579
Travelling and local conveyance		702,232	4,094,315
Insurance		291,733	307,993
Depreciation - operating fixed assets	6.1.1	1,800,503	1,011,112
Depreciation - right of use assets	6.2.1	5,044,117	5,843,894
Entertainment		1,022,975	1,194,771
Rent, rates and taxes		168,872	397,536
Provision expense against income tax refundable		-	1,218,889
Donation	26.2	4,025,000	8,000,000
Auditors' remuneration	26.3	1,026,175	1,310,000
		127,810,708	119,010,577

26.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 9.13 million (2020: Rs. 8 million).

26.2 Donation represents amount paid to Telecom Foundation for welfare activities and to Umeed Gah Rehabilitation Welfare Trust for handicapped children.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		Rupees	
26.3 Auditors' remuneration			
Audit Services :			
Annual audit fee		700,000	700,000
Half year review fee		200,000	200,000
Out of pocket expenses		26,175	150,000
Non-Audit Services :			
Certification for regulatory purposes		50,000	160,000
Review of Code of Corporate Governance		50,000	100,000
		1,026,175	1,310,000

27 MARKETING EXPENSES

	Note	2021	2020
Salaries and other benefits	27.1	21,946,151	20,557,219
Vehicle running expenses		1,856,590	1,657,012
Advertisement and marketing		918,467	405,130
Insurance		227,525	34,849
Communication expenses		203,191	145,014
Travelling and local conveyance		20,050	841,094
Depreciation - operating fixed assets	6.1.1	64,429	114,612
Depreciation - right of use assets	6.2.1	383,936	444,811
Repair and maintenance expenses		121,273	23,163
Entertainment		-	42,611
		25,741,612	24,265,515

27.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 2.61 million (2020: Rs. 2.29 million).

28 FINANCE (COST)/ INCOME

	2021	2020
	Rupees	
Exchange (loss) / gain - net	(5,218,548)	11,307,772
Finance lease charges	(3,574,013)	(4,582,292)
Bank charges	(919,288)	(1,075,627)
	(9,711,849)	5,649,853

29 OTHER INCOME

	2021	2020
Income from financial assets		
Return on short term investments	10,447,445	12,299,990
Return on bank deposits	5,775,264	5,663,336
Return on bank deposits with Islamic Banks	498,575	558,268
	16,721,284	18,521,594
Income from non-financial assets		
Gain/(loss) on disposal of property and equipment	3,185,755	(327,977)
Excessive plan assets of gratuity fund realised back	10,964,936	-
Recovery from ex-CEO	5,076,242	-
Others	10,634,670	7,229,386
	46,582,887	25,423,003

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

30 TAXATION

	2021	2020
	Rupees	
Current tax		
- for the year	36,926,841	39,466,989
- for prior years	(1,809,933)	-
	35,116,908	39,466,989
Deferred tax	17,596,572	392,372
	52,713,480	39,859,361

30.1 Reconciliation of tax charge for the year

	2021	2020
Accounting profit	68,080,849	47,272,839
Tax on accounting profit at 29% (2020: 29%)	19,743,446	13,709,123
Effect of change in tax rates	-	-
Effect of prior years	(1,809,933)	-
Minimum tax	13,567,837	25,118,353
Others	21,212,130	1,031,885
	52,713,480	39,859,361

31 EARNING PER SHARE (BASIC AND DILUTED)

	2021	2020 (Restated)
	Rupees	
Profit for the year (Rupees)	15,367,369	7,413,478
Weighted average number of shares in issue (Number)	10,781,100	10,781,100
Basic and diluted earnings per share (Rupees)	**1.43**	**0.69**

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

31.1 Earning per share for the year 2020 has been restated for the affect of Bonus share issued subsequent to that date.

32 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationship with its holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the year were as follows:

	Aggregate % of shareholding	Note	2021	2020
			Rupees	
Telecom Foundation - Holding Company	55.08%			
Dividend paid during the year			5,398,353	21,593,412
Bonus shares issued			5,398,353	-
Donations paid during the year			4,000,000	8,000,000
Receivable (Group audit reporting fee)			294,360	-
TF Technologies - Associated Company	Nil			
Receivable against consultancy charges			118,525	217,689
Other related parties				
Staff retirement benefit plan - Gratuity fund				
Contribution to gratuity fund			5,051,156	828,245
Payable to / (receivable) from gratuity fund		22.1.1	10,439,558	(10,964,936)
Staff retirement benefit plan - Provident fund				
Provident fund contribution payable			11,526,016	-
Interest on provident fund balance payable			925,191	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Aggregate % of shareholding	Note	2021	2020
			Rupees	
Directors				
Dividend paid			1,000	4,000
Bonus shares			1,000	-

32.1 Remuneration paid to the Chief Executive, Directors and key management personnel is disclosed in note 34 to these financial statements.

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1 Financial instruments by category

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

	2021	2020
	Rupees	
Financial Assets		
Maturity up to one year		
Financial assets at amortized cost		
Trade debts	782,358,217	566,728,551
Contract assets	28,711,284	59,379,710
Advances	7,796,934	20,278,679
Trade deposits	14,457,719	25,495,989
Other receivables	9,153,020	6,673,652
Interest accrued	822,202	1,722,376
Short term investments	112,976,532	117,634,849
Cash and bank balances	114,791,166	269,035,914
	1,071,067,074	1,066,949,721
Financial Liabilities		
Maturity up to one year		
Financial liabilities at amortized cost		
Customers' deposits	197,739,212	206,495,867
Trade and other payables	199,946,846	243,570,117
Unclaimed dividend	9,859,875	9,859,875
Unpaid dividend	733,650	-
Lease liabilities	9,490,970	10,482,899
Maturity after one year		
Financial liabilities at amortized cost		
Lease liabilities	28,514,186	29,445,075
	446,284,739	499,853,833

The Company doesn't have any financial assets classified under fair value through other comprehensive income or fair value through profit or loss. Also the Company doesn't have any financial liabilities classified under fair value through profit or loss.

33.2 Financial risk management

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

- credit risk
- liquidity risk
- market risk

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

33.3 Credit risk

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

	2021	2020
	Rupees	
Trade debts	782,358,217	566,728,551
Contract assets	28,711,284	59,379,710
Advances	7,796,934	20,278,679
Trade deposits	14,457,719	25,495,989
Other receivables	9,153,020	6,673,652
Interest accrued	822,202	1,722,376
Short term investments	112,976,532	117,634,849
Bank balances	114,627,472	268,684,342
	1,070,903,380	1,066,598,149

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

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

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

Impairment losses

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

	2021 Gross carrying amount	2020 Gross carrying amount
	Rupees	
Current	238,582,116	59,106,895
More than 30 days past due	19,215,239	6,324,680
More than 60 days past due	7,011,822	2,117,716
More than 90 days past due	615,261,742	594,924,051
	880,070,919	662,473,342
Allowance for expected credit losses	(97,712,702)	(95,744,791)
	782,358,217	566,728,551

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

	2021	2020
	Rupees	
Impairment (reversal) / loss on trade debts	1,967,911	(590,847)
Impairment (reversal) / loss on contract assets	(2,579,593)	(11,681,367)
Impairment (reversal) / loss on trade deposits	(2,152,973)	(670,498)
Impairment (reversal) / loss on bank balances	(59,252)	(526,134)
	(2,823,907)	(13,468,846)

Expected credit loss for trade debts

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

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

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

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

	2021	2020
	Rupees	
Balance as at July 1,	95,744,791	96,335,638
Impairment reversal during the year	1,967,911	(590,847)
Balance as at June 30,	97,712,702	95,744,791

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

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

Expected credit loss for short term investments and bank balances

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

Credit quality of financial assets

The Company held short term investments in TDRs and cash at bank of Rs. 108 million and Rs. 114.8 million respectively as at June 30, 2021 (2020: Rs. 108 million and Rs. 268.8 million). The Company has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The credit rating of counter parties is as follow:

	Long term rating	Short term rating	Credit rating agency	2021
				Rupees
Short-term investments				
Soneri Bank Limited	AA-	A1+	PACRA	108,000,000
Bank balances				
Mashreq Bank	Baa 1	P-2	Moodys	7,799,953
Bank Al-Habib limited	AAA	A1+	PACRA	16,037
Faysal Bank	AA	A1+	JCR-VIS	6,607,823
Habib Bank Limited	AAA	A1+	JCR-VIS	801,725
MCB Bank	AAA	A1+	PACRA	35,576,732
Soneri Bank Limited	AA-	A1+	PACRA	40,737,608
Meezan Bank Limited	AA+	A1+	JCR-VIS	22,917,016
Standard Chartered Bank	AAA	A1+	PACRA	100,000
CDC SBP Raast Account	-	-	-	127,624
				114,684,518

33.4 Liquidity risk

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

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

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

	Contractual cash flows		
	Carrying value	Upto 1 year	After 1 year
June 30, 2021		Rupees	
Lease liabilities	38,005,156	9,490,970	28,514,186
Customers' deposits	197,739,212	197,739,212	-
Trade and other payables	199,946,846	199,946,846	-
Unclaimed dividend	9,859,875	9,859,875	-
Unpaid dividend	733,650	733,650	-
	446,284,739	417,770,553	28,514,186
June 30, 2020			
Lease liabilities	39,927,974	10,482,899	29,445,075
Customers' deposits	206,495,867	206,495,867	-
Trade and other payables	243,570,117	243,570,117	-
Unclaimed dividend	9,859,875	9,859,875	-
	499,853,833	470,408,758	29,445,075

The Company is not exposed to liquidity risk because it does not obtain loan from financial institutions to fulfil its operational requirements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

33.5 Market risk

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

33.5.1 Currency risk

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

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

	2021	2020
	Rupees	
Financial assets - US Dollars	759,268,289	603,808,648
Financial assets - AED	2,269,929	250,791
	761,538,218	604,059,439
Financial liabilities - US Dollars	(269,470,766)	(345,395,977)
Financial liabilities - AED	(9,222,143)	(9,999,104)
	482,845,309	248,664,358

The following significant exchange rates were applied during the year:

	2021	2020
	Rupees	
Rupees per USD:		
Average rate	159.17	158.62
Reporting date rate	158.3	168.75
Rupees per AED:		
Average rate	43.65	43.20
Reporting date rate	43.40	45.95

Sensitivity analysis

At June 30, 2021, if the currency had weakened / strengthened by 10% against US dollar with all other variables held constant, profit before tax for the year would have been Rs 48.28 million (2020: Rs 24.87 million) lower/ higher.

33.5.2 Interest rate risk

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

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

	2021	2020
	Rupees	
Fixed rate instruments		
Financial assets		
Short term investments	112,976,532	108,000,000
Bank balances - deposit accounts	94,582,247	241,899,849
	207,558,779	349,899,849

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Fair value sensitivity analysis for fixed rate instruments

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

33.6 Fair value of financial assets and liabilities

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

	2021 Carrying value	2021 Fair value	2020 Carrying value	2020 Fair value
	Rupees			
Financial assets				
Trade debts	782,358,217	782,358,217	566,728,551	566,728,551
Contract assets	28,711,284	28,711,284	59,379,710	59,379,710
Advances	7,796,934	7,796,934	20,278,679	20,278,679
Trade deposits	14,457,719	14,457,719	25,495,989	25,495,989
Other receivables	9,153,020	9,153,020	6,673,652	6,673,652
Interest accrued	822,202	822,202	1,722,376	1,722,376
Short term investments	112,976,532	112,976,532	117,634,849	117,634,849
Cash and bank balances	114,791,166	114,791,166	269,035,914	269,035,914
	1,071,067,074	1,071,067,074	1,066,949,721	1,066,949,721
Financial Liabilities				
Customers' deposits	197,739,212	197,739,212	206,495,867	206,495,867
Trade and other payables	199,946,846	199,946,846	243,570,117	243,570,117
Unclaimed dividend	9,859,875	9,859,875	9,859,875	9,859,875
Unpaid dividend	733,650	733,650	-	-
Lease liabilities	9,490,970	9,490,970	10,482,899	10,482,899
	417,770,553	417,770,553	470,408,758	470,408,758

(i) Determination of fair values

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

Non - derivative financial assets

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

(ii) Fair value hierarchy

The Company has no financial asset carried at fair value and accordingly no disclosure is required for fair value hierarchy levels. However, following are the different levels of fair values:

Level 1: prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Capital risk management

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

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

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

Off-setting of financial assets and liabilities

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

34 REMUNERATION OF 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:

	2021			2020		
	Chief Executive	Directors	Executive	Chief Executive	Directors	Executive
		Rupees			Rupees	
Managerial remuneration	9,305,540	-	29,590,688	6,293,717	-	17,847,198
Gratuity	676,027	-	1,566,507	352,265	-	1,162,853
Earned leaves	-	-	1,044,339	234,843	-	775,235
Meeting fee	-	10,912,500	-	-	3,154,909	-
Other benefits	504,597	593,935	2,405,578	557,118	701,108	1,905,126
	10,486,164	11,506,435	34,607,112	7,437,943	3,856,017	21,690,412
Number of persons	1	7	5	1	7	5

34.1 The employees on posts of managers and above are also provided Company maintained vehicles for official purposes.

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

	Lease liabilities	Unclaimed dividend	Total
		Rupees	
Balance as at July 1, 2020	39,927,974	9,859,875	49,787,849
Cash flows	(13,816,753)	(9,067,350)	(22,884,103)
Additions	8,868,000	-	8,868,000
Interest expense during the year	3,574,013	-	3,574,013
Exchange gain	(548,078)	-	(548,078)
Dividend declared during the year	-	9,801,000	9,801,000
Balance as at June 30, 2021	38,005,156	10,593,525	48,598,681

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

36 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	2021	2020
		Rupees	
Bank balances	Placed under interest arrangement	73,564,506	235,247,324
	Placed under Shariah permissible arrangement	29,524,839	6,652,525
Return on bank deposits	Placed under interest arrangement	5,775,264	5,663,336
	Placed under Shariah permissible arrangement	498,575	558,268
Exchange (loss) / gain earned from actual currency		(5,218,548)	11,307,772
Relationship with banks having Islamic windows	Meezan Bank Limited, Faysal Islamic Bank and Muslim Islamic Bank	-	-

37 NUMBER OF EMPLOYEES

	2021	2020
	No of employees	
Total number of employees as at the year end	229	223
Average number of employees during the year	226	220

38 CORRESPONDING FIGURES

The corresponding figures reclassified as per the details given below to reflect more appropriate presentation in financial statements, have no impact on the previously reported financial position and performance of the Company.

	From	To	2020 Rupees
	Statement of financial position :		
a)	Advances	Cash and bank balances	351,572
b)	Interest accrued	Short term investments	9,634,849
	Statement of cash flows :		
b)	Decrease / (increase) in advances - cash flows from operating activities	Cash and Cash equivalents at year end	351,572
	Statement of profit and loss :		
c)	Marketing expenses(Advertisement)	Administrative expense(Advertisement)	906,579

39 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

The spread of COVID-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. It resulted in decrease of other projects revenue due to delayed implementation. Further, it also resulted in increased trade receivables as the receivables were not timely recovered. However, the businesses are now resuming as per relaxation given by the Authorities. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

40 GENERAL

Figures have been rounded off to the nearest rupee.

41 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors has proposed cash dividend for the year ended June 30, 2021 at the rate of Rs. 1.50 per share, amounting to Rs. 16,171,650 million and bonus share at the rate of 10% (1 share for every 10 shares held) at its meeting held on September 29, 2021 for approval of the members at Annual General Meeting to be held on October 26, 2021.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on September 29, 2021.

Asif Makhdoomi	**Brig Syed Zulfiqar Ali (R)**	**Engr. Perwaiz Khan**
Chief Financial Officer	Chief Executive	Director

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF PAK DATACOM LIMITED AS AT JUNE 30, 2021
FORM 34 (SECTION 236(1) AND 464)

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
1396	1	100	54,230
425	101	500	145,202
131	501	1000	107,992
153	1001	5000	369,435
34	5001	10000	252,016
14	10001	15000	176,398
3	15001	20000	53,116
2	20001	25000	47,000
2	25001	30000	56,000
1	30001	35000	32,500
1	65001	70000	68,000
1	95001	100000	96,500
1	145001	150000	150,000
1	195001	200000	196,787
1	425001	430000	430,000
1	775001	780000	775,820
1	830001	835000	831,916
1	995001	1000000	1,000,000
1	5935001	5940000	5,938,188
2,170			10,781,100

CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
Associated companies, undertakings and related parties	8,200,108	76.0600
Directors and their spouse(s) and minor children	1,550	0.0144
Banks Development Financial Institutions, Non-Banking Financial Institutions	776,067	7.1984
Modarabas and Mutual Funds	196,787	1.8253
General Public Foreign	2,200	0.0204
Foreign Companies	30,771	0.2854
General Public Local	1,323,597	12.2770
Others	250,020	2.3191
Grand Total	10,781,100	100.0000

NAME WISE DETAIL OF SHAREHOLDERS AS AT JUNE 30, 2021

Categories of shareholders	Physical	Shares Held	Percentage
Directors and their spouse(s) and minor children			
RUBINA SAFIR	1	500	0.00
SHAMIM AHMED SHERAZI	1	500	0.00
MUHAMMAD WAHEED	1	550	0.01
Associated Companies, undertakings and related parties	6	8,200,108	76.06
NIT and ICP	0	-	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	3	776,067	7.20
Insurance Companies	0	-	0.00
Modarabas and Mutual Funds	1	196,787	1.83
General Public			
a. Local	2134	1,323,597	12.28
b. Foreign	4	2,200	0.02
Foreign Companies	4	30,771	0.29
Others	15	250,020	2.32
Totals	2170	10,781,100	100.00

SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING RIGHTS IN THE COMPANY

Shareholders More Than 10 %	Shares Held	Percentage
BASIT WAHEED	1,430,000	13.26
M/s. TELECOM FOUNDATION	5,938,188	55.08

DIVIDEND MANDATE FORM

Dear Shareholder,

Re: Dividend Mandate Form

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

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

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

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

Yes No

If yes then please provide the following information:

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

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

____

Signature of the Member/Shareholder

Note:

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

INCOME TAX RETURN FILING STATUS FORM

Confirmation for filing status of income tax return for application of tax rates in pursuant to the provisions of Finance Act, 2021

Share Registrar: Pak Datacom Limited

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

Karachi – 74400 Pakistan.

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

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

Folio/CDC ID/AC No.	Name	National Tax No.	CNIC No. (in case of individuals)*	Income tax return for the tax year 2021 filed (yes or no)**

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

____

Signature of the Shareholder

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

*   Please attach attested photocopy of the CNIC.

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

Investors' Education

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

www.jamapunji.pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ

Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

SECP

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

jamapunji.pk @jamapunji_pk

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

Form of Proxy

I/We ______________________________ of ______________________

being a member(s) of Pak Datacom Limited and holding ______________________

ordinary shares, as per Register Folio No./CDC Account and Participant's I.D. No. ______________

do hereby appoint ______________________ Folio No./CDC Account and Participant's I.D.

No. ____________ of ______________________________

or failing him/her ______________________ Folio No./CDC Account and Participant's I.D.

No. ____________ of ______________________________

another member of the Company as my/our proxy to vote for me/us and on my/our behalf at the Twenty Nineth Annual General Meeting of the Company to be held at Telecom Foundation, TF Complex / TF Headquarters, 7-Mauve Area, G-9/4, Islamabad on October 26, 2021 at 11:00 hrs or at any adjournment thereof.

As witness my/our hand this ____________ day of ____________ 2021.

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 یاان کی غیر حاضری میں ممبر (رکن)

محترم / محترمہ ________________ فولیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹیسپینٹ آئی ڈی نمبر________________ کو اپنے / ہمارے ایماء پر 26 اکتوبر 2021

بروز منگل صبح 11:00 بجے دن بمقام ٹیلی کام فاؤنڈیشن، TF کمپلیکس/TF ہیڈ کوارٹرز، 7-ماؤ ایریا، G-9/4، اسلام آباد میں منعقد ہونے والے کمپنی کے انتیسویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں / کرتے ہیں۔

آج بروز ________________ بتاریخ ________________ 2021 کو دستخط کئے گئے۔

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

گواہان:

1 دستخط ________________	2 دستخط ________________
نام ________________	نام ________________
پتہ ________________	پتہ ________________
________________	________________

پانچ روپے مالیت کا رسیدی ٹکٹ پر دستخط

ممبران 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 بحثییت 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 رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

Notes

Notes

Complete

Network

Solutions

Pak Datacom

3rd Floor, Umar Plaza, Blue Area, Islamabad, Pakistan.
T: +92 51 2344117, 2344125, **F**: +92 51 2344111
www.pakdatacom.com.pk

D&P: A.R Printers ISB. +92-51-4440636